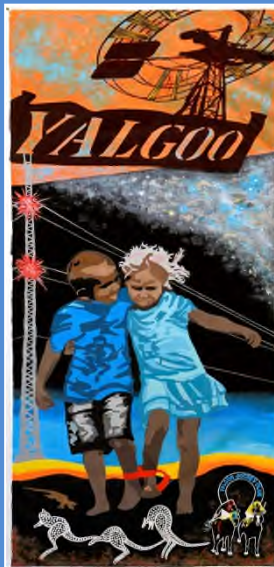




Annual Report

For the year ending 30 June 2018



As adopted at the Ordinary Meeting of Council held 31 January 2019
Council Decision

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PRESIDENT'S REPORT

President's Report 2017 - 2018

The Council on 25 August 2017 adopted the 2017-18 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 2017-18 undertook the following major capital projects.

- Machinery Shed Depot	\$ 127,607
- Arts and Crafts Building	\$ 108,644
- Multi Purpose Sports Complex	\$ 636,867
- Plant Replacement – Loader	\$ 315,154
- Extensive road works	\$1,491,851
- Staff Housing Security	\$ 50,260

The Multi-Purpose Sports Complex is nearing completion and the Council is proud of such a high standard facility which will benefit not only the school children but will provide activities for all the residents within Yalgoo and the region.

I would like to thank the Councillors, 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

It is great to see some fantastic improvements happening around Yalgoo.

The continuation of the road widening program to Morawa Rd is progressing well along with sealing works to Ninghan Rd. Both of these staged projects will assist with business investment and the general community in our region with more certainty and safety in transport requirements.

One of the biggest infrastructure projects that Yalgoo has ever seen is progressing very well and a planned opening date of the 29th March has been accepted by the Federal Minister.

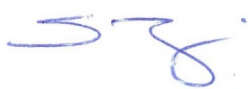
The new Oval/Pavilion and Rifle Range will then be formally opened for sport related activities. A big day is planned, so be ready to come along and participate! We look forward to involvement from GNFL in assisting us develop our football talent right here in Yalgoo. The Yalgoo Shooting Association is also looking for members, so please contact the office for membership documents; it will be great to see involvement in the revived activity that will also bring more business/tourism to the town.

With some staff movements this year we have also seen a change in some programs like the school holiday program. It has been great to see the community really get involved with the activities and promote Yalgoo through the Art and Cultural Centre with some amazing pieces of work being displayed and sold by local residents.

More community programs are planned for the next year with a new approach that is aimed at empowering our community to be self sustaining for the future as we progress towards a more involved community.

It has also been great to see involvement from the local Police and organizations that have really contributed to an improve feel around town. It really does show a more committed community to making Yalgoo a great place to live.

Thank you.



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.

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 2017/18 and major activities planned for 2018/19.

1. Social

Education, Respect and Belongingness Objectives	Outcomes	Achieved 2017/18	Planned 2018/19
An educated, respectful and inclusive community, a place where people feel they belong.	<ul style="list-style-type: none"> Maintenance of existing and development of new community infrastructure and resources. 	<ul style="list-style-type: none"> Completion of the Arts and Craft Centre Development of Multi Purpose Sports Facility Painting of the Paynes Find Community Complex Mens Shed Upgrade 	<ul style="list-style-type: none"> Completion of Multi Purpose Sports Facility
	<ul style="list-style-type: none"> Improved opportunities for education and training. 	<ul style="list-style-type: none"> Facilitating interventions targeting young people disengaged from education Strengthening the relationship with MEEDAC, the local RJCP provider. 	<ul style="list-style-type: none"> Facilitating interventions targeting young people disengaged from education Strengthening the relationship with MEEDAC, the local RJCP provider.

Education, Respect and Belongingness Objectives	Outcomes	Achieved 2017/18	Planned 2018/19
	<ul style="list-style-type: none"> Successful facilitation of wide ranging program of community activities. 	<ul style="list-style-type: none"> Continued facilitation or support for local events Continued facilitation of regular school holiday programs Facilitating and supporting arts workshops Continued participation in the annual Banners In The Terrace Competition Continued provision of broad-ranging information, referral and support services to the community 	<ul style="list-style-type: none"> Continued facilitation or support for local events Continued facilitation of regular school holiday programs Facilitating and supporting arts workshops Continued participation in the annual Banners In The Terrace Competition Continued provision of broad-ranging information, referral and support services to the community
	<ul style="list-style-type: none"> Improved delivery of existing or new health and support services. 	<ul style="list-style-type: none"> Lobbying health services to provide increased health services in the Shire. 	<ul style="list-style-type: none"> Lobbying health services to provide increased health services in the Shire.

2. Environment

Appreciation and Balance Objectives	Outcomes	Achieved 2017/18	Planned 2018/19
	<ul style="list-style-type: none"> Well maintained and improved built environments. 	<ul style="list-style-type: none"> Improvements to staff houses Completion of the Arts and Crafts building 	<ul style="list-style-type: none"> Improvement to staff housing - Security Completion of Multi Purpose Sports Complex Bollards Community Park
An environment that is managed well and appreciated by all	<ul style="list-style-type: none"> The natural environment is protected and utilised. 	<ul style="list-style-type: none"> Support for MRVC and the vermin fence 	<ul style="list-style-type: none"> Support for MRVC and the vermin fence
	<ul style="list-style-type: none"> Indigenous cultural heritage in the landscape is protected and appreciated. 	<ul style="list-style-type: none"> Participation in cultural awareness training 	<ul style="list-style-type: none"> Participation in cultural awareness training
	<ul style="list-style-type: none"> Become a leader in remote location waste management. 	<ul style="list-style-type: none"> Investigation of recycling options 	<ul style="list-style-type: none"> Investigation of recycling options

3. Economic

Appreciation and Balance Objectives	Outcomes	Achieved 2017/18	Planned 2018/19
	<ul style="list-style-type: none"> Increased population size. 		<ul style="list-style-type: none"> Additional staff housing Lobbying of government for additional housing
A modern and sustainable economy that provides for our growing community	<ul style="list-style-type: none"> Increased housing stock. 	<ul style="list-style-type: none"> Continued lobbying of government for additional housing 	<ul style="list-style-type: none"> Continued lobbying of government for additional housing
	<ul style="list-style-type: none"> Increase in number of tourists visiting the shire. 	<ul style="list-style-type: none"> Tourism advertising campaign 	<ul style="list-style-type: none"> Tourism advertising campaign
	<ul style="list-style-type: none"> Maintained and improved services and amenities. 	<ul style="list-style-type: none"> Upgrade to Shire facilities such as the Mens Shed, Caravan Park, Depot, Fuel station 	<ul style="list-style-type: none"> Upgrade to Shire facilities such as the Depot Upgrade to Paynes Find Airstrip Fence Paynes Find Beautification Shelters Jokers Tunnel and Railway Station

4. Civic

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

Service, Leadership and Integrity Objectives	Outcomes	Achieved 2017/18	
	<ul style="list-style-type: none"> High quality strategic partnerships. 	<ul style="list-style-type: none"> Continuation of facilitation of monthly Yalgoo Interagency meetings 	<ul style="list-style-type: none"> Continuation of facilitation of monthly Yalgoo Interagency meetings

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 2017/18 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 2019.

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 2017-18.

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.

Total number of strategies planned (whether implemented or not):	7
Number of strategies that were implemented:	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.

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

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.

Total number of strategies planned (whether implemented or not):	5
Number of strategies that were implemented:	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.

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

Describe your organisation's strategies or provide a case study for DAIP Outcome 2:
<p>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.</p> <p>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.</p> <p>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.</p> <p>The audit of signs needs to be completed, although this is not an urgent item.</p>

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.

Total number of strategies planned (whether implemented or not):	3
Number of strategies that were implemented:	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.

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

Describe your organisation's strategies or provide a case study for DAIP Outcome 3:

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.

These strategies are ongoing and will be evaluated and changed if necessary as circumstances dictate.

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.

Total number of strategies planned (whether implemented or not):	4
Number of strategies that were implemented:	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.

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

Describe your organisation's strategies or provide a case study for DAIP Outcome 4:
<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.

Total number of strategies planned (whether implemented or not):	1
Number of strategies that were implemented:	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.

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

Describe your organisation's strategies or provide a case study for DAIP Outcome 5:

The complaints system is the same for all the community, both resident and travelling/visiting.

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.

Again this strategy is ongoing and will be changed should there be any discrepancies with it.

Outcome 6: Consultation

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

Total number of strategies planned (whether implemented or not):	6
Number of strategies that were implemented:	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.

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

Describe your organisation's strategies or provide a case study for DAIP Outcome 6:

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.

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.

These strategies are constantly being monitored and assessed so that all of the community are involved.

Outcome 7: Employment

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

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

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.

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

Describe your organisation's strategies or provide a case study for DAIP Outcome 7:

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 last Friday of each month commencing at 10.00 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 at least 3 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 | • library services |
| • cemetery | • public toilets |
| • bush fire control | • media releases |
| • citizenship ceremonies | • planning control |
| • dog and cat control | • rubbish collection |
| • community bus | • public health services |
| • environmental health | • stormwater drainage |
| • demolition permits | • public buildings for hire |
| • litter bins | • recreational /sporting facilities |
| • drainage | • street lighting |
| • parks & reserves | • roads / footpaths /kerbing |
| • fire prevention | • street tree planting |
| • playground equipment | • 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 | • Annual Report |
| • Council Agendas | • Annual Financial Statement |
| • Minutes of Committee Meetings | • Council Local Laws |
| • Minutes of Council Meetings | • Town Planning Scheme |
| • Delegations Manual | • Electoral Rolls |
| • Policy Manual | • Plan for the Future |
| • Annual Budget | • 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
Web site: 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 2018

SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

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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.

Principal place of business:
37 Gibbons Street
YALGOO WA 6635


**SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Yalgoo for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Yalgoo at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 17th day of December 2018



Chief Executive Officer

Silvio Brenzi

Name of Chief Executive Officer

SHIRE OF YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	17(a)	1,772,818	1,736,821	1,728,285
Operating grants, subsidies and contributions	2(a)	2,783,615	1,556,118	5,816,245
Fees and charges	2(a)	146,601	193,433	193,134
Interest earnings	2(a)	78,935	68,200	65,184
Other revenue	2(a)	219,084	42,021	116,879
		5,001,053	3,596,593	7,919,727
Expenses				
Employee costs		(1,825,232)	(1,821,125)	(1,531,558)
Materials and contracts		(1,830,721)	(1,947,147)	(2,790,255)
Utility charges		(51,296)	(108,031)	(114,343)
Depreciation on non-current assets	8(b)	(1,144,855)	(1,050,841)	(1,094,228)
Interest expenses	2(b)	(28,369)	(28,480)	(32,135)
Insurance expenses		(150,495)	(162,680)	(194,057)
Other expenditure		(13,115)	(32,924)	(203,085)
		(5,044,083)	(5,151,228)	(5,959,661)
		(43,030)	(1,554,635)	1,960,066
Non-operating grants, subsidies and contributions	2(a)	1,024,481	1,774,436	684,302
Profit on asset disposals		0	0	76,911
(Loss) on asset disposals	8(a)	(47,641)	(62,282)	(60,486)
Net result		933,810	157,519	2,660,793
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	9	7,849,848	0	799,999
Total other comprehensive income		7,849,848	0	799,999
Total comprehensive income		8,783,658	157,519	3,460,792

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 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue	2(a)			
Governance		2,000	0	0
General purpose funding		4,145,741	2,935,901	5,323,817
Law, order, public safety		17,931	12,600	16,862
Health		7,611	15,195	12,589
Education and welfare		10,000	0	0
Housing		31,083	52,121	17,068
Community amenities		14,851	15,200	16,313
Recreation and culture		4,119	12,050	47,339
Transport		285,986	232,123	2,090,568
Economic services		289,079	255,877	305,746
Other property and services		192,652	65,526	89,425
		5,001,053	3,596,593	7,919,727
Expenses	2(b)			
Governance		(423,711)	(501,886)	(411,765)
General purpose funding		(203,473)	(205,056)	(220,476)
Law, order, public safety		(170,709)	(226,472)	(142,141)
Health		(108,379)	(105,843)	(101,230)
Education and welfare		(63,365)	(109,789)	(6,735)
Housing		(286,408)	(257,660)	(256,762)
Community amenities		(209,717)	(263,531)	(202,363)
Recreation and culture		(570,038)	(672,484)	(650,424)
Transport		(2,067,146)	(2,060,160)	(3,228,375)
Economic services		(625,597)	(677,274)	(671,278)
Other property and services		(287,171)	(42,593)	(35,977)
		(5,015,714)	(5,122,748)	(5,927,526)
Finance Costs	2(b)			
Housing		(24,705)	(24,751)	(28,112)
Community amenities		(3,664)	(3,729)	(4,023)
		(28,369)	(28,480)	(32,135)
		(43,030)	(1,554,635)	1,960,066
Non-operating grants, subsidies and contributions	2(a)	1,024,481	1,774,436	684,302
Profit on disposal of assets		0	0	76,911
(Loss) on disposal of assets	8(a)	(47,641)	(62,282)	(60,486)
		976,840	1,712,154	700,727
Net result		933,810	157,519	2,660,793
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	9	7,849,848	0	799,999
Total other comprehensive income		7,849,848	0	799,999
Total comprehensive income		8,783,658	157,519	3,460,792

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

SHIRE OF YALGOO
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,344,196	3,637,436
Trade and other receivables	5	387,176	480,310
TOTAL CURRENT ASSETS		3,731,372	4,117,746
NON-CURRENT ASSETS			
Property, plant and equipment	6(a)	11,902,537	12,006,057
Infrastructure	7(a)	73,149,488	64,225,933
TOTAL NON-CURRENT ASSETS		85,052,025	76,231,990
TOTAL ASSETS		88,783,397	80,349,736
CURRENT LIABILITIES			
Trade and other payables	10	249,417	560,097
Current portion of long term borrowings	11(a)	96,549	89,357
Provisions	12	130,905	108,096
TOTAL CURRENT LIABILITIES		476,871	757,550
NON-CURRENT LIABILITIES			
Long term borrowings	11(a)	456,238	522,940
Provisions	12	55,388	58,003
TOTAL NON-CURRENT LIABILITIES		511,626	580,943
TOTAL LIABILITIES		988,497	1,338,493
NET ASSETS		87,794,900	79,011,243
EQUITY			
Retained surplus		30,893,826	29,998,435
Reserves - cash backed	4	1,688,044	1,649,625
Revaluation surplus	9	55,213,031	47,363,183
TOTAL EQUITY		87,794,901	79,011,243

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 2018

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		27,371,906	1,615,361	46,563,184	75,550,451
Comprehensive income					
Net result		2,660,793	0	0	2,660,793
Changes on revaluation of assets	9	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
Balance as at 30 June 2017		29,998,435	1,649,625	47,363,183	79,011,243
Comprehensive income					
Net result		933,810	0	0	933,810
Changes on revaluation of assets	9	0	0	7,849,848	7,849,848
Total comprehensive income		933,810	0	7,849,848	8,783,658
Transfers from/(to) reserves		(38,419)	38,419	0	0
Balance as at 30 June 2018		30,893,826	1,688,044	55,213,031	87,794,901

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 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$	\$
Receipts				
Rates		1,737,247	1,736,821	1,679,885
Operating grants, subsidies and contributions		2,802,688	1,762,073	5,794,664
Fees and charges		146,601	193,433	193,134
Interest earnings		78,719	68,200	65,184
Goods and services tax		109,849	25,000	242,302
Other revenue		219,084	42,021	116,879
		5,094,188	3,827,548	8,092,048
Payments				
Employee costs		(1,779,011)	(1,821,125)	(1,483,389)
Materials and contracts		(2,167,428)	(1,413,882)	(3,424,817)
Utility charges		(51,296)	(108,031)	(114,343)
Interest expenses		(24,508)	(28,480)	(32,315)
Insurance expenses		(150,495)	(162,680)	(194,057)
Goods and services tax		0	(250,000)	(260,742)
Other expenditure		(13,115)	(32,924)	(203,085)
		(4,185,853)	(3,817,122)	(5,712,748)
Net cash provided by (used in) operating activities	13	908,335	10,426	2,379,300
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	6(b)	(794,297)	(1,367,357)	(1,000,018)
Payments for construction of infrastructure	7(b)	(1,553,877)	(1,846,277)	(1,663,117)
Non-operating grants, subsidies and contributions	2(a)	1,024,481	1,774,436	684,302
Proceeds from sale of fixed assets	8(a)	185,489	204,818	323,800
Net cash provided by (used in) investing activities		(1,138,204)	(1,234,380)	(1,655,033)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings	11(a)	(63,371)	(87,753)	(83,878)
Net cash provided by (used in) financing activities		(63,371)	(87,753)	(83,878)
Net increase (decrease) in cash held		(293,240)	(1,311,707)	640,389
Cash at beginning of year		3,637,436	3,201,627	2,997,046
Cash and cash equivalents at the end of the year	13	3,344,196	1,889,920	3,637,436

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

SHIRE OF YALGOO
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		1,954,002	1,916,223	614,708
		1,954,002	1,916,223	614,708
Revenue from operating activities (excluding rates)				
Governance		2,000	0	0
General purpose funding		2,372,923	1,199,080	3,595,532
Law, order, public safety		17,931	12,600	16,862
Health		7,611	15,195	12,589
Education and welfare		10,000	0	0
Housing		31,083	52,121	50,567
Community amenities		14,851	15,200	16,313
Recreation and culture		4,119	12,050	47,339
Transport		285,986	232,123	2,127,071
Economic services		289,079	255,877	305,746
Other property and services		192,652	65,526	96,334
		3,228,235	1,859,772	6,268,353
Expenditure from operating activities				
Governance		(423,711)	(501,886)	(411,765)
General purpose funding		(203,473)	(205,056)	(220,476)
Law, order, public safety		(170,709)	(226,472)	(142,141)
Health		(108,379)	(105,843)	(101,230)
Education and welfare		(63,365)	(109,789)	(6,735)
Housing		(311,113)	(282,411)	(284,874)
Community amenities		(213,381)	(267,260)	(221,622)
Recreation and culture		(591,595)	(689,984)	(650,424)
Transport		(2,083,406)	(2,096,160)	(3,260,440)
Economic services		(625,597)	(677,274)	(671,278)
Other property and services		(296,995)	(51,375)	(49,162)
		(5,091,724)	(5,213,510)	(6,020,147)
Operating activities excluded				
(Profit) on disposal of assets		0	0	(76,911)
Loss on disposal of assets	8(a)	47,641	62,282	60,486
Movement in other accruals		(2,634)	0	18,542
Movement in employee benefit provisions (non-current)		20,194	0	39,633
Depreciation and amortisation on assets	8(b)	1,144,855	1,050,841	1,094,228
Amount attributable to operating activities		1,300,569	(324,392)	1,998,892
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,024,481	1,774,436	684,302
Proceeds from disposal of assets	8(a)	185,489	204,818	323,800
Purchase of property, plant and equipment	6(b)	(794,297)	(1,367,357)	(1,000,018)
Purchase and construction of infrastructure	7(b)	(1,553,877)	(1,846,277)	(1,663,117)
Amount attributable to investing activities		(1,138,204)	(1,234,380)	(1,655,033)
FINANCING ACTIVITIES				
Repayment of long term borrowings	11(a)	(63,371)	(87,753)	(83,878)
Transfers to reserves (restricted assets)	4	(38,419)	(204,863)	(110,739)
Transfers from reserves (restricted assets)	4	0	114,567	76,475
Amount attributable to financing activities		(101,790)	(178,049)	(118,142)
Surplus(deficiency) before general rates		60,575	(1,736,821)	225,717
Total amount raised from general rates	17(a)	1,772,818	1,736,821	1,728,285
Net current assets at June 30 c/fwd - surplus/(deficit)	18	1,833,393	0	1,954,002

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

1. 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) and Interpretations of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown Land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or any other sporting or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008 have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this financial report 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 20 to these financial statements.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES

(a) Revenue

Other revenue

Reimbursements and recoveries
 Other

Fees and charges

General purpose funding
 Law, order, public safety
 Health
 Housing
 Community amenities
 Recreation and culture
 Transport
 Economic services
 Other property and services

2018	2017
Actual	Actual
\$	\$
197,717	76,450
21,367	40,429
219,084	116,879
645	9,377
884	211
7,611	716
14,300	16,491
14,851	16,313
4,119	2,031
0	236
103,006	128,372
1,185	19,387
146,601	193,134

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	2,288,934	3,486,581
Law, order, public safety	12,622	16,651
Education and welfare	10,000	0
Recreation and culture	0	45,308
Transport	285,986	2,090,331
Economic services	186,073	177,374
	2,783,615	5,816,245
Non-operating grants, subsidies and contributions		
Recreation and culture	283,228	0
Transport	741,253	684,302
	1,024,481	684,302
Total grants, subsidies and contributions	3,808,096	6,500,547

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

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 16. 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 period.

Interest earnings

- Reserve funds
 - Other funds
- Other interest revenue (refer note 17(c))

2018	2018	2017
Actual	Budget	Actual
\$	\$	\$
38,419	40,000	26,186
3,609	18,000	18,833
36,907	10,000	20,165
78,935	68,000	65,184

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Long term borrowings (refer Note 11(a))

2018	2017
\$	\$
42,881	39,804
1,381	11,612
44,262	51,416
28,369	32,135
28,369	32,135

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		1,595,411	1,913,463
Restricted		1,748,785	1,723,973
		3,344,196	3,637,436
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave	4	47,371	46,293
Plant	4	58,623	57,289
Building	4	350,864	342,879
Yalgoo-Ninghan Road	4	329,249	321,754
Sports Complex	4	92,098	90,002
Housing Maintenance	4	118,497	115,800
General Road	4	124,234	121,407
Community Amenities Maintenance	4	261,121	255,178
HCP	4	136,296	133,194
Yalgoo-Morawa Road	4	145,812	142,494
Superannuation Back-Pay	4	23	22
Office Equipment	4	3,484	3,404
Natural Disaster Trigger Point	4	12,313	12,033
Emergency Road Repairs	4	8,059	7,876
Unspent grants	16	60,741	74,348
		1,748,785	1,723,973

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in

Cash and cash equivalents (Continued)

value and bank overdrafts. bank overdrafts are report 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 2018

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave	46,293	1,078	0	47,371	46,293	1,122	0	47,415	44,852	1,441	0	46,293
Plant	57,289	1,334	0	58,623	57,288	1,389	0	58,677	55,505	1,783	0	57,288
Building	342,879	7,985	0	350,864	342,878	8,314	0	351,192	349,294	70,060	(76,475)	342,879
Yalgoo-Ninghan Road	321,754	7,493	0	329,247	321,753	157,036	(114,567)	364,222	311,737	10,017	0	321,754
Sports Complex	90,002	2,096	0	92,098	90,002	2,182	0	92,184	87,200	2,802	0	90,002
Housing Maintenance	115,800	2,697	0	118,497	115,801	2,808	0	118,609	112,196	3,605	0	115,801
General Road	121,407	2,827	0	124,234	121,406	2,943	0	124,349	117,627	3,780	0	121,407
Community Amenities Maintenance	255,178	5,943	0	261,121	255,178	6,188	0	261,366	247,235	7,943	0	255,178
HCP	133,194	3,102	0	136,296	133,194	3,230	0	136,424	129,048	4,146	0	133,194
Yalgoo-Morawa Road	142,494	3,319	0	145,813	142,494	19,084	0	161,578	138,058	4,436	0	142,494
Superannuation Back-Pay	22	1	0	23	22	1	0	23	22	0	0	22
Office Equipment	3,404	80	0	3,484	3,405	83	0	3,488	3,298	106	0	3,404
Natural Disaster Trigger Point	12,033	280	0	12,313	12,034	292	0	12,326	11,658	375	0	12,033
Emergency Road Repairs	7,876	184	0	8,060	7,877	191	0	8,068	7,631	245	0	7,876
	1,649,625	38,419	0	1,688,044	1,649,625	204,863	(114,567)	1,739,921	1,615,361	110,739	(76,475)	1,649,625

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.

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	Anticipated date of use	Purpose of the reserve
Leave	Ongoing	- to be used to fund annual and long service leave requirements.
Plant	Ongoing	- to be used to fund the purchase of major plant
Building	Ongoing	- to be used for the replacement of council properties including housing and other properties.
Yalgoo-Ninghan Road	Ongoing	- to be used to maintain the sealed Yalgoo-Ninghan Road.
Sports Complex	Ongoing	- to be used for the development of new recreational facilities.
Housing Maintenance	Ongoing	- to be used for the maintenance of staff and other housing owned by the Shire.
General Road	Ongoing	- to be used for the maintenance of grids, etc on roads in the Shire.
Community Amenities Maintenance	Ongoing	- to be used for the maintenance of community amenities.
HCP	Ongoing	- to be used for future community projects operating expenditure.
Yalgoo-Morawa Road	Ongoing	- to be used to maintain the sealed Yalgoo-Morawa Road.
Superannuation Back-Pay	Ongoing	- to be used for the purposes of paying any superannuation back pay costs.
Office Equipment	Ongoing	- to be used for the purposes of purchase of new office equipment and the maintenance of existing equipment.
Natural Disaster Trigger Point	Ongoing	- to be used to fund the Shire's mandatory contribution ("Triggerpoint") when the Shire receives funding for the reparation after natural disaster events.
Emergency Road Repairs	Ongoing	- 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 2018

5. TRADE AND OTHER RECEIVABLES

Current

	2018	2017
	\$	\$
Rates outstanding	457,561	421,990
Sundry debtors	258,301	277,374
GST receivable	0	109,849
Provision for doubtful debt	(363,024)	(363,024)
Income in advance	216	0
Tesltra Technology Fund	34,122	34,121
	387,176	480,310

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

Rates outstanding

Includes:

Past due and not impaired	94,537	58,966
Impaired	363,024	363,024
	457,561	421,990

Rates outstanding aged analysis

The table illustrates the rates outstanding aging analysis is as follows:

Up to one year	94,537	58,966
One to three years	363,024	363,024
	457,561	421,990

Sundry debtors

Includes:

Past due and not impaired	258,301	277,374
---------------------------	---------	---------

Sundry debtors aged analysis

The ageing of past due but not impaired sundry debtors is as follows:

Up to one month	7,080	194,469
One to three months	1,532	14,460
Three or more months	249,689	68,445
	258,301	277,374

Reconciliation of the allowance for doubtful debts

The following tables provide a reconciliation of the movement in the provision for doubtful debts:

Opening Balance 1 July	363,024	363,024
Less amounts written off	0	0
Less amounts recovered and reversed	0	0
Plus amounts added	0	0
Closing balance 30 June	363,024	363,024

5. TRADE AND OTHER RECEIVABLES (Continued)

SIGNIFICANT ACCOUNTING POLICIES

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.

Classification and subsequent measurement

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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

6 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 3	329,000	329,000
- Additions after valuation at cost	3,085	3,085
	332,085	332,085
Total land	332,085	332,085
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	1,613,000	1,613,000
- Additions after valuation at cost	28,277	28,277
Less: accumulated depreciation	(46,449)	0
	1,594,828	1,641,277
Buildings - specialised at:		
- Independent valuation 2017 - level 3	7,115,270	7,115,270
- Additions after valuation at cost	762,182	436,928
Less: accumulated depreciation	(204,244)	0
	7,673,208	7,552,198
Total buildings	9,268,036	9,193,475
Total land and buildings	9,600,121	9,525,560
Furniture and equipment at:		
- Management valuation 2016 - level 3	16,090	16,090
- Additions after valuation at cost	74,185	35,515
Less: accumulated depreciation	(14,406)	(2,721)
	75,869	48,884
Plant and equipment at:		
- Independent valuation 2016 - level 3	2,081,255	2,356,600
- Additions after valuation at cost	886,707	456,334
Less: accumulated depreciation	(741,415)	(381,321)
	2,226,547	2,431,613
Total property, plant and equipment	11,902,537	12,006,057

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

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.

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	155,000	155,000	2,408,609	6,862,960	9,271,569	9,426,569	16,090	2,615,600	12,058,259
Additions	3,085	3,085	38,598	466,486	505,084	508,169	35,515	456,334	1,000,018
(Disposals)	0	0	(62,851)	0	(62,851)	(62,851)	0	(244,524)	(307,375)
Revaluation increments / (decrements) transferred to revaluation surplus	62,000	62,000	(583,314)	1,321,313	737,999	799,999	0	0	799,999
Depreciation (expense)	0	0	(65,616)	(179,950)	(245,566)	(245,566)	(2,721)	(395,797)	(644,084)
Transfers	112,000	112,000	(94,149)	(918,611)	(1,012,760)	(900,760)	0	0	(900,760)
Carrying amount at 30 June 2017	332,085	332,085	1,641,277	7,552,198	9,193,475	9,525,560	48,884	2,431,613	12,006,057
Additions	0	0	0	325,254	325,254	325,254	38,670	430,373	794,297
(Disposals)	0	0	0	0	0	0	0	(233,131)	(233,131)
Depreciation (expense)	0	0	(46,449)	(204,244)	(250,693)	(250,693)	(11,685)	(402,308)	(664,686)
Carrying amount at 30 June 2018	332,085	332,085	1,594,828	7,673,208	9,268,036	9,600,121	75,869	2,226,547	11,902,537

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 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 (Level 2), current condition, 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 valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Improvements using construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Current condition, residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment	Level 3	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 2018

7 (a). INFRASTRUCTURE

Infrastructure - Roads

- Management valuation 2015 - level 3

- Management valuation 2018 - level 3

- Additions after valuation at cost

Less: accumulated depreciation

Infrastructure - Airport

- Management valuation 2015 - level 3

- Management valuation 2018 - level 3

Less: accumulated depreciation

Infrastructure - Other

- Management valuation 2014 - level 3

- Independent valuation 2018 - level 3

- Additions after valuation at cost

Less: accumulated depreciation

Total infrastructure

2018	2017
\$	\$
0	71,436,735
78,631,087	0
0	2,030,139
(9,656,106)	(11,755,792)
68,974,981	61,711,082
0	2,039,468
2,047,922	0
(564,790)	(561,972)
1,483,132	1,477,496
0	999,220
2,586,135	0
664,521	171,266
(559,281)	(133,131)
2,691,375	1,037,355
73,149,488	64,225,933

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.

	Infrastructure - Roads	Infrastructure - Airport	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2016	60,631,886	1,480,314	0	62,112,200
Additions	1,491,851	0	171,266	1,663,117
Depreciation (expense)	(412,655)	(2,818)	(34,671)	(450,144)
Transfers	0	0	900,760	900,760
Carrying amount at 30 June 2017	61,711,082	1,477,496	1,037,355	64,225,933
Additions	805,622	0	748,255	1,553,877
Revaluation increments / (decrements) transferred to revaluation surplus	6,887,526	8,454	953,868	7,849,848
Depreciation (expense)	(429,249)	(2,818)	(48,102)	(480,169)
Carrying amount at 30 June 2018	68,974,981	1,483,132	Movements do not	70,458,113

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Airport	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs (Level 2); current condition, 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.

8. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each 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.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

8. FIXED ASSETS (Continued)

(a) Disposals of Assets

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
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Recreation and culture								
Case IH Garden Tractor with FE Loader	14,086	9,653	0	(4,433)	0	0	0	0
Kubota Mower	23,897	6,773	0	(17,124)	25,500	8,000	0	(17,500)
Transport								
2006 Caterpillar 950HSW Wheel Loader	120,975	104,715	0	(16,260)	126,000	90,000	0	(36,000)
Other property and services								
Toyota Landcruiser LC200 4.5L GXL	74,172	64,348	0	(9,824)	115,600	106,818	0	(8,782)
	233,130	185,489	0	(47,641)	267,100	204,818	0	(62,282)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	46,449	65,616
Buildings - specialised	204,244	179,950
Furniture and equipment	11,685	2,721
Plant and equipment	402,308	395,797
Infrastructure - Roads	429,249	412,655
Infrastructure - Airport	2,818	2,818
Infrastructure - Other	48,102	34,671
	1,144,855	1,094,228

8. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation rates

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
Infrastructure	
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	41 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 to 30 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	23 years
gravel sheet	23 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	14 years
Footpaths - slab	not depreciated
Airport Infrastructure	40 to 50 years
Other Infrastructure	6 to 67 years

Depreciation (Continued)

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 \$5,000 is not capitalised. Rather, it is expensed in the Statement of Comprehensive Income.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

9. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	62,000	0	0	0	62,000	0	62,000	0	62,000	62,000
Revaluation surplus - Buildings - specialised	1,901,848	0	0	0	1,901,848	1,163,849	737,999	0	737,999	1,901,848
Revaluation surplus - Furniture and equipment	25,665	0	0	0	25,665	25,665	0	0	0	25,665
Revaluation surplus - Plant and equipment	1,561,098	0	0	0	1,561,098	1,561,098	0	0	0	1,561,098
Revaluation surplus - Infrastructure - Roads	42,485,242	6,887,526	0	6,887,526	49,372,768	42,485,242	0	0	0	42,485,242
Revaluation surplus - Infrastructure - Airport	1,327,330	8,454	0	8,454	1,335,784	1,327,330	0	0	0	1,327,330
Revaluation surplus - Infrastructure - Other	0	953,868	0	953,868	953,868	0	0	0	0	0
	47,363,183	7,849,848	0	7,849,848	55,213,031	46,563,184	799,999	0	799,999	47,363,183

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 2018

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued salaries and wages
 ATO liabilities
 Other payables

2018	2017
\$	\$
154,635	431,834
39,482	45,978
32,523	0
22,777	82,285
249,417	560,097

SIGNIFICANT ACCOUNTING POLICIES

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

Trade and other payables (Continued)

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 2018

11. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Borrowing Institution	Interest Rate %	Principal 1 July 2017	New Loans	Principal Repayments		Accrued Interest Actual	Principal 30 June 2018		Interest Repayments	
					Actual	Budget		Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing											
Loan 53 - 19a & 19b Stanley St	WATC*	6.54%	113,863	0	14,531	14,530	284	99,332	99,333	7,211	7,213
Loan 55 - 18c & 18d Shamrock St	WATC*	6.35%	149,684	0	17,533	17,534	70	132,151	132,150	9,254	9,233
Loan 56 - Staff Housing	WATC*	3.04%	285,205	0	24,017	48,399	4,006	261,188	236,806	8,240	8,305
Community amenities											
Loan 54 - Public Toilets	WATC*	6.20%	61,941	0	7,290	7,290	1,105	54,651	54,651	3,664	3,729
			610,693	0	63,371	87,753	5,465	547,322	522,940	28,369	28,480
			610,693	0	63,371	87,753	5,465	547,322	522,940	28,369	28,480

All loan repayments were financed by general purpose revenue.

* WATC represents WA Treasury Corporation

Borrowings

Current - principal
Current - accrued interest
Total current
Non-current

2018	2017
\$	\$
91,084	87,753
5,465	1,604
96,549	89,357
456,238	522,940
552,787	612,297

11. INFORMATION ON BORROWINGS (Continued)

(b) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 17	Borrowed During Year	Expended During Year	Unspent Balance 30 June 18
		\$	\$	\$	\$
Loan 56 - Purchase of Staff Housing	31/12/2014	323,525	0	0	323,525
		323,525	0	0	323,525

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current
Loan facilities - non-current
Total facilities in use at balance date

Unused loan facilities at balance date (held in Building Reserve)

	2018	2017
	\$	\$
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	(2,335)	0
Total amount of credit unused	52,665	55,000
Loan facilities - current	91,084	87,753
Loan facilities - non-current	456,238	522,940
Total facilities in use at balance date	547,322	610,693
Unused loan facilities at balance date (held in Building Reserve)	323,525	323,525

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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.

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.

12. PROVISIONS

Opening balance at 1 July 2017

Current provisions
Non-current provisions

Additional provision

Balance at 30 June 2018

Comprises

Current
Non-current

Provision for Annual Leave	Provision for Long Service Leave	Total
\$	\$	\$
102,311	5,785	108,096
0	58,003	58,003
102,311	63,788	166,099
19,450	744	20,194
121,761	64,532	186,293
121,761	9,144	130,905
0	55,388	55,388
121,761	64,532	186,293

Annual Leave Liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period
More than 12 months after the end of the reporting period

2018	2017
\$	\$
76,888	71,597
44,873	30,714
121,761	102,311

Long Service Leave Liabilities

Unconditional long service leave provisions are classified as current liabilities as the Shire does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Preconditional and conditional long service leave provisions are classified as non-current liabilities because the Shire has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period
More than 12 months after the end of the reporting period

2018	2017
\$	\$
4,958	0
59,574	63,788
64,532	63,788

The provisions for long service leave are calculated at present value as the Shire does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

12. PROVISIONS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

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.

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

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

13. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	3,344,196	1,889,920	3,637,436
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	933,810	157,519	2,660,793
Non-cash flows in Net result:			
Depreciation	1,144,855	1,050,841	1,094,228
(Profit)/loss on sale of asset	47,641	62,282	(16,425)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	93,135	230,955	(127,679)
(Increase)/decrease in inventories	0	0	475
Increase/(decrease) in payables	(310,680)	283,265	(587,243)
Increase/(decrease) in accrued interest	3,861	0	(180)
Increase/(decrease) in provisions	20,194	0	39,633
Non-operating grants & contributions for the development of assets	(1,024,481)	(1,774,436)	(684,302)
Net cash from operating activities	908,335	10,426	2,379,300

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

14. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	13,516	10,856
General purpose funding	921,707	1,002,678
Law, order, public safety	273,660	237,771
Health	1,011,005	1,045,070
Education and welfare	14,365	0
Housing	2,622,035	2,688,273
Community amenities	905,271	940,826
Recreation and culture	6,033,051	4,439,150
Transport	72,910,916	65,436,887
Economic services	1,722,841	1,758,598
Other property and services	759,618	876,164
Unallocated	1,595,413	1,913,463
	88,783,398	80,349,736

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

15. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting fees	26,997	27,807	21,666
President's allowance	10,945	10,209	9,864
Deputy President's allowance	2,100	2,552	2,049
Travelling expenses	14,652	30,000	18,881
Telecommunications allowance	19,406	21,000	20,507
	74,100	91,568	72,967

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	200,527	202,930
Post-employment benefits	15,255	15,200
Other long-term benefits	4,000	4,000
	219,782	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 above.

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 and annual leave benefits accruing during the year.

Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Purchase of goods - Key management personnel	10,725	23,149

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, close family member, and entities controlled or jointly controlled by close family members 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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

16. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance ⁽¹⁾ 30/06/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
DFES - Fire Brigade Grant	0	0	0	0	3,662	0	3,662
Education and welfare							
LDAG - Local Action Group Grant	0	0	0	0	10,000	0	10,000
Community amenities							
Dept of Planning - Yalgoo Revitalisation	19,875	0	0	19,875	0	0	19,875
Recreation and culture							
Kidz Sports Grants	21,775	0	(21,775)	0	0	0	0
CLGF 2012-13	44,222	0	0	44,222	0	(44,222)	0
Community Oval - BBRF Grant	0	0	0	0	283,228	(283,228)	0
Transport							
RRG - Yalgoo/Ninghan Road	154,594	0	(154,594)	0	211,134	(211,134)	0
RRG - Yalgoo/North Road	10,350	72,000	(82,350)	0	0	0	0
R2R - Yalgoo/Ninghan Road	180,000	212,304	(392,304)	0	0	0	0
R2R - Yalgoo/Morawa Road	5,255	400,000	(405,255)	0	530,119	(513,000)	17,119
Economic services							
Regional Tourism Strategy	10,085	0	0	10,085	0	0	10,085
Landcare Grant	1,818	0	(1,652)	166	0	(166)	0
Total	447,974	684,304	(1,057,930)	74,348	1,038,143	(1,051,750)	60,741

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
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17. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018 Rateable Value \$	2018 Rate Revenue \$	2018 Interim Rates \$	2018 Total Revenue \$	2018 Budget Rate Revenue \$	2018 Budget Interim Rate \$	2018 Budget Total Revenue \$	2017 Total Revenue \$
Differential general rate / general rate										
Gross rental valuations										
GRV. - Townsites Improved	0.0745	32	261,026	19,024	(2,543)	16,481	19,459	0	19,459	15,914
GRV. - Townsites Vacant	0.0745	0	0	0	0	0	0	0	0	0
Unimproved valuations										
UV. - Pastoral / Rural	0.0658	23	864,252	55,754	5,952	61,706	56,826	0	56,826	56,577
UV. - Mining / Mining Tenement	0.3743	126	3,883,575	1,548,233	(10,516)	1,537,717	1,453,631	7,500	1,461,131	1,457,611
UV. - Exploration / Prospecting	0.1988	102	818,281	124,703	(4,363)	120,340	162,695	0	162,695	164,328
Sub-Total		283	5,827,134	1,747,714	(11,470)	1,736,244	1,692,611	7,500	1,700,111	1,694,430
Minimum payment										
Gross rental valuations										
GRV. - Townsites Improved	270	5	11,284	1,350	0	1,350	1,350	0	1,350	1,350
GRV. - Townsites Vacant	620	10	1,550	6,200	0	6,200	6,200	0	6,200	6,820
Unimproved valuations										
UV. - Pastoral / Rural	270	5	4,786	1,350	0	1,350	1,350	0	1,350	1,080
UV. - Mining / Mining Tenement	270	29	16,983	7,830	0	7,830	7,830	0	7,830	7,830
UV. - Exploration / Prospecting	270	74	43,403	19,980	0	19,980	19,980	0	19,980	16,775
Sub-Total		123	78,006	36,710	0	36,710	36,710	0	36,710	33,855
		406	5,905,140	1,784,424	(11,470)	1,772,954	1,729,321	7,500	1,736,821	1,728,285
Write-off of general rates						(136)			0	0
Total amount raised from general rate						1,772,818			1,736,821	1,728,285
Totals						1,772,818			1,736,821	1,728,285

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

SHIRE OF YALGOO
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17. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates 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.

Rates Write-Offs

Rates instalment interest charges of \$136 were written off during the reporting period.

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	16-Oct-17	0	0.00%	11.00%
Option Two				
First instalment	16-Oct-17	0	0.00%	11.00%
Second instalment	18-Dec-17	10	5.50%	11.00%
Third instalment	19-Feb-18	10	5.50%	11.00%
Fourth instalment	23-Apr-18	10	5.50%	11.00%

	2018	2018 Budget	2017
	\$	\$	\$
Interest on unpaid rates	35,313	10,000	238
Interest on instalment plan	1,594	0	19,927
Charges on instalment plan	645	10,000	9,268
	37,552	20,000	29,433

SHIRE OF YALGOO
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18. NET CURRENT ASSETS

Composition of net current assets for
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward)	2017 (1 July 2017 Brought Forward)
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	1,595,411	1,913,463
Restricted	1,748,785	1,723,973
Receivables		
Rates outstanding	457,561	421,990
Sundry debtors	258,301	277,374
GST receivable	0	109,849
Provision for doubtful debt	(363,024)	(363,024)
Income in advance	216	0
Telstra Technology Fund	34,122	34,121
LESS: CURRENT LIABILITIES		
Trade and other payables		
Sundry creditors	(154,635)	(431,834)
Accrued interest on long term borrowings	(5,465)	(1,604)
Accrued salaries and wages	(39,482)	(45,978)
ATO liabilities	(32,523)	0
Other payables	(22,777)	(82,285)
Current portion of long term borrowings	(91,084)	(87,753)
Provisions		
Provision for annual leave	(121,761)	(102,311)
Provision for long service leave	(9,144)	(5,785)
Unadjusted net current assets	3,254,501	3,360,196
Adjustments		
Less: Reserves - restricted cash	(1,688,044)	(1,649,625)
Add: Current portion of long term borrowings	91,084	87,753
Add: Provision for annual & long service leave	130,905	108,096
Add: Accrued interest on long term borrowings	5,465	1,604
Add: Accrued salaries & wages	39,482	45,978
Adjusted net current assets - surplus/(deficit)	1,833,393	1,954,002

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

SHIRE OF YALGOO
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FOR THE YEAR ENDED 30TH JUNE 2018

19. 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:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,344,196	3,637,436	3,344,196	3,637,436
Receivables	387,176	480,310	387,176	480,310
	3,731,372	4,117,746	3,731,372	4,117,746
Financial liabilities				
Payables	249,417	560,097	249,417	560,097
Borrowings	552,787	612,297	573,125	674,370
	802,204	1,172,394	822,542	1,234,467

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF YALGOO
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19. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash is 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*.

	2018	2017
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	33,442	36,374
- Statement of Comprehensive Income	33,442	36,374

Notes:

⁽¹⁾

Sensitivity percentages based on management's expectation of future possible interest rate movements.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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19. 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:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	3%	70%
- Overdue	97%	30%

19. FINANCIAL RISK MANAGEMENT (Continued)

(c) Financial assets and liabilities

Financial assets and liabilities 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 financial assets & liabilities are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2018	\$	\$	\$	\$	\$
Financial assets					
Sundry Receivables*	292,639	0	0	0	292,639
Rates	457,561	0	0	0	457,561
	750,200	0	0	0	750,200
Financial Liabilities					
Payables	254,882	0	0	254,882	254,882
Borrowings	116,271	437,186	48,884	602,341	547,322
	371,153	437,186	48,884	857,223	802,204
2017					
Financial assets					
Sundry Receivables*	311,495	0	0	0	311,495
Rates	421,990	0	0	0	421,990
	733,485	0	0	0	733,485
Financial Liabilities					
Payables	561,701	0	0	561,701	561,701
Borrowings	116,231	465,349	136,992	718,572	610,693
	677,932	465,349	136,992	1,280,273	1,172,394

* The amount of receivables excludes the GST recoverable for the ATO (statutory receivable)

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:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	0	0	0	0	261,188	286,134	547,322	4.79%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	3.04%	6.39%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	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%		

SHIRE OF YALGOO
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20. 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 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
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	7,664	0	0	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
Museum	9,220	0	0	9,220
Casual Bus Bond	100	0	0	100
	<u>21,739</u>			<u>21,739</u>

21. 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:

	Title	Issued / Compiled	Applicable (1)	Impact
(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	<p>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.</p> <p>The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>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 into the 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 when AASB 16 is adopted.</p> <p>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.</p>

Notes:

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

21. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

	Title	Issued / Compiled	Applicable (1)	Impact
(iv)	AASB 1058 Income of Not-for-Profit Entities	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"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <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:

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

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:

- | | | |
|------|---|----------------|
| (i) | AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities | 1 January 2017 |
| (ii) | AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities | 1 January 2017 |

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operating 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 or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

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

d) 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 statements that has a material effect on the statement of financial position, 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.

e) 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.

f) 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.

g) Fair value of assets and liabilities

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).

g) Fair value of assets and liabilities (Continued)

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.

h) 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.

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 the service capacity of an asset.

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.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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.

i) Impairment of assets (Continued)

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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

23. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	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	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Food quality, pest control and immunisation services.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	To promote education services through the education initiatives.
HOUSING	To provide housing for Shire of Yalgoo staff.	Provision and maintenance of staff, rental and Joint Venture Housing.
COMMUNITY AMENITIES	To provide services required by the community.	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	To establish and effectively manage infrastructure and resources which will help the social well being of the community.	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	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, drainage works, lighting of streets, maintenance of the depot and airstrips.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing.	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	To monitor and control Shire's overheads operating accounts.	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 2018

24. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	4.62	3.37	0.97
Asset consumption ratio	0.88	0.85	0.85
Asset renewal funding ratio	0.97	0.96	0.90
Asset sustainability ratio	0.28	0.86	0.36
Debt service cover ratio	11.80	26.75	(8.74)
Operating surplus ratio	(0.04)	0.92	(1.00)
Own source revenue coverage ratio	0.43	0.36	0.30

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 consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

25. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from State and Commonwealth Government. The total of grant revenue from government sources is disclosed within the income statement.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Council of the Shire of Yalgoo

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Yalgoo which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Yalgoo:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant 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 my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. For 57% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations was obtained, to test the market, and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement.

- b. For 19 of 26 payments we sampled, there was no evidence of signing officers examining supporting documentation to payments and documenting approval.
 - c. Several monthly bank reconciliations were not completed in a timely manner, and some were not independently reviewed by management. In addition, the 30 June 2018 bank reconciliation included numerous uncleared payments and deposits in excess of 12 months old.
 - d. Due to difficulties implementing new accounting software, four statements of financial activity were not presented at an ordinary meeting of Council within two months after the end of the month to which the statement relates, which is not in compliance with Regulation 34(4)(a) of the Financial Management Regulations.
- (ii) All required information and explanations were obtained by me.
 - (iii) All audit procedures were satisfactorily completed.
 - (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 24 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Yalgoo for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 December 2018