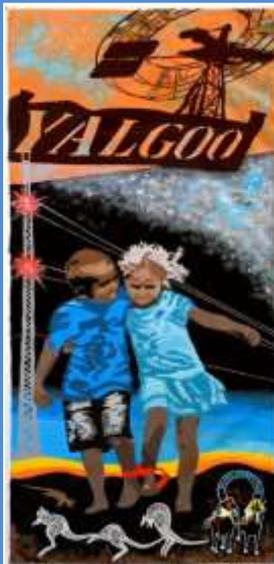




Annual Report

For the year ending 30 June 2015



As adopted at the Ordinary Meeting of Council held 17 December 2015
Decision number

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KEY STATISTICS

	2014/15	2013/14
Total number of residents	405 in the 2011 Census	405 in the 2011 Census
Total number of rateable properties	312	480
Rates levied	1,726,911	1,804,787
Minimum general residential rate	260	260
Minimum general commercial rate	260	260
Minimum general pastoral rate	260	260
Minimum general mining rate	260	260
Revenue from Ordinary Activities	7,886,457	5,342,246
Net current assets	4,851,953	2,670,673
Grants and Subsidies – Operating	937,179	2,096,210
Grants and Subsidies – Non-Operating	1,830,217	1,830,217
Total number of employees (FTE)	21	20
Building applications approved	1	3
Value of building applications approved	49,500	866,200

PRESIDENT'S REPORT

PRESIDENT'S REPORT 2014 – 2015

Hi Everyone

What a roller coaster year, the main thing is that it ended well!

I would like to thank my fellow Councillors, CEO Silvio Brenzi, ACEO Dominic Carbone and the Staff for their full support and commitment as a team in resolving the serious issues that the Yalgoo Shire has been confronted with over the past year.

With the majority of that behind us now Council will be able to move forward with a clear understanding of what our financial position is so we can achieve the budgeted projects set out in the 2015/2016 budget and the following years.

We are starting the recruitment of both office and works staff as there are now a number of positions to fill. Throughout the year we have had staff at all levels leave for one reason or another.

The CEO, Ross Theedom and EMC Heather Boyd's dismissals were the most significant within the Shire.

The down turn in the mining industry has had an impact on the Mid West region with multiple tenements being forfeited.

I would like to farewell long time community members Don and Rhonda Anderson, Tom and Roxanne Morrissey and Cliff Hodder whom have all moved on from the shire.

The Emu Cup community event and the Yalgoo Gymkhana were a great success. Unfortunately after a lot of hard work by the Yalgoo Jockey Club Committee the track was deemed unsafe by officials after a rain event and the races were cancelled at the last minute.

For the 100th ANZAC anniversary we installed a fourth flag pole and raised the NZ flag. This day is the most important of the year to remember all those that fought to keep all of us who live in Australia safe.

Major works projects completed throughout the year:

- (1) Yalgoo/Morawa Rd - the bitumen sealing right through has been completed;
- (2) Yalgoo/Ninghan Rd - the 2nd 10km of the 30km, 3yr project to upgrade the gravel section was completed with the 3rd stage to be finished in 2015/16;
- (3) Due to flood damage there were also extensive road repairs completed throughout the Shire. Some extensive delays in these repairs being carried out were due to funding arrangement processes. However through our RRG group we are endeavouring to improve this process;
- (4) In 2015/16 through a number of road funding agreements, the Shire has been carrying out major road upgrades, maintenance and repairs;
- (5) The caravan park has been completed and thanks to all involved, the word around is that it is one the best in the outback. Special thanks to Kerry and Albert Grieve.
We will be pushing for more improvements to the caravan park and other tourist destinations within the region;
- (6) The Department of Sports and Rec has been carrying out consultation and discussions for what we require for the future, i.e. the oval opposite the school, the rifle club, golf course, the Community Hall and Shamrock St playground are priorities.
- (7) Housing projects - we have completed 74 Weekes St house.
The first 2 additional staff houses were delivered in October, with a hold on the other 2 homes for the near future.
- (8) The Council had the original community hub project cost re-evaluated and it was estimated at over \$6m, this put the project out of council's ability to finance;

- (9) To move forward in this we are building an Arts and Crafts workshop and gallery, upgrading the town hall, given the men's group the Rifle club, the women's group will get the police station building, and we are seeking the use of a DPAW property and buildings for cultural training for the young ones. Some of the above projects will require outside funding in making them achievable; and
- (10) A tourism film clip and a short movie "Red Dirt" were made in Yalgoo during the year.

Yalgoo Shire has a bright future if we all work together to make it a better place to live in.

Thank you.

Neil Grinham



**President
Cr Neil Grinham**



ELECTED MEMBERS REPORT

Councillors

As at 30 June 2015:

President	Cr Neil Grinham	Term expires 2017
Deputy President	Cr Raul Valenzuela	Term expires 2017
Members	Cr Robert Grinham	Term expires 2015
	Cr Stanley Willock	Term expires 2015
	Cr Adam Fawkes	Term expires 2017
	Cr Percy Lawson	Term expires 2015

Attendance at Council Meetings

There were 11 Ordinary Meetings, 12 Special Meetings and 3 Audit Meetings of Council held between 1 July 2014 and 30 June 2015. A breakdown of Councillors' presence at meetings is detailed in the table below, for Councillors in office as at 30 June 2015:

Councillor	Ordinary (11)	Special (12)	Audit Committee (3)
Cr Neil Grinham	10/11	12/12	3/3
Cr Raul Valenzuela	10/11	11/12	2/3
Cr Robert Grinham	8/11	6/12	2/3
Cr Stanley Willock	9/11	12/12	3/3
Cr Adam Fawkes	9/11	7/12	0/3
Cr Percy Lawson	11/11	6/12	0/3

Fees and Allowances

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

Fees, Expenses, Allowances	Actual \$ 2014/15	Budget \$ 2014/15	Actual \$ 2013/14	Budget \$ 2013/14
Meeting Fees	37,660	22,000	34,376	20,412
President's Allowance	8,976	9,500	9,903	9,343
Deputy President's Allowance	1,685	2,500	2,236	2,335
Travelling Expenses	60,304	28,200	42,960	13,650
Telecommunication Allowance	19,540	21,000	18,915	21,000
Total	128,165	83,200	108,390	66,740

CHIEF EXECUTIVE OFFICER'S REPORT

The year in review

Yalgoo has had another amazing year!

Staff changes have been a substantial issue - from some executive staff no longer with us and a few outside staff moving on. Even though some of these movements have required substantial efforts from all involved, our council members have continued to focus on stabilizing the decisions that have been made and remain focused on sending the Shire in a forward direction.

Shire President Neil Grinham has been strongly supported by his Deputy, Raul Valenzuela in maintaining a strong Council during these trying circumstances.

Shire staff has also strongly contributed to the year's success by carrying out the required works with limited staff and management.

Dianne Hodder saw her 10 year anniversary as an employee and is still one of our most treasured staff members for her continued dedication to the Shire administration and community.

Fortunately services such as town maintenance, road maintenance and capital projects were still able to be delivered in a successful manner. I would like to congratulate all staff who have been involved in these years' projects.

Some of the successfully completed projects include, Flood Damage works from event 627 (April 2014), completion of sealing of Morawa Rd, widen and re-sheet stage 2 Yalgoo/Ninghan Rd, completion of the Tennis Courts, drainage pumping system to the Rage Cage roof run off, completion of 74 Weeks St house, installation of CCTV system at the Depot. These projects are all additional to the regular maintenance items that have been successfully completed.

The Emu Cup was a great success and we look forward to another bigger and better event in October 2016.

Sadly, due to unexpected weather, the Yalgoo Race Day was not held due to RAWA being dissatisfied with the track conditions. However, a new committee still had a huge input into preparing for the day with some assistance from Shire staff. Since then, a new committee will work towards next year's event to continue the tradition of the annual event.

Council has adopted the 2015/16 annual budget after extensive works were carried out to stabilize and establish a new financial direction for the years ahead. Whilst not all projects have been able to be carried forward, most will be completed in the coming year. Some interesting projects that you will see over the next 12 months include:

- Two new staff homes - one in Henty St and one in Weekes St;
- Stage 3 Yalgoo/Ninghan Road - widen and re-sheet to 8 metres;
- Shoulder binding road edges on Morawa Road;
- New Arts and Craft Centre in Yalgoo;
- Transfer of Selwyn St Police Station to the Shire of Yalgoo for Community use;
- Purchase of new grader and Multi-tyre roller;
- Design work for the refit of the Yalgoo Town Hall;
- Flood Damage Works from event 661 (March 2015); and
- Paynes Find Beautification (entry statements).

The Works Depot has also received a small make over and now has a new security fence and CCTV to increase the general security of the entire area including the Hall. This has also included moving the entrance gate to the northern side fence accessed from the Power Station access road to help limit heavy vehicles entering and exiting at the Hall site.

The Caravan Park has also been very successful this year after the improvements were completed and all reports are that we have one of the best in the Murchison region!

Once again, credit to Council for their forethought and commitment to increasing the usability of the area and increasing economic development within the town site.

Yalgoo also received a new power station and is looking forward to the upgraded water treatment plant which is due for completion soon by the WA Water Corporation.

The Paynes Find community has provided consistent support for the Shire especially from the emergency services of the Volunteer Fire Brigade and Ambulance Service that take care of all the Great Northern Highway incidents in our area. These services are recognized as the second busiest within the region and we are very fortunate to have such willing members in our community.

Silvio Brenzi
Chief Executive Officer



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 2014/15 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 2014/15 and major activities planned for 2015/16.

1. Social

Education, Respect and Belongingness Objectives	Outcomes	Achieved 2014/15	Planned 2015/16
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. 	Continued maintenance of the under-cover sports facility, racecourse building and grounds, water park, town parks and recreation facilities and street scaping	<ul style="list-style-type: none"> The development of an Arts and Craft Centre' Consultation and planning for the a community garden
	<ul style="list-style-type: none"> Improved opportunities for education and training. 	<ul style="list-style-type: none"> Continuation of the computer room at the community hall 	<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 2014/15	Planned 2015/16
	<ul style="list-style-type: none"> ▪ Successful facilitation of wide ranging program of community activities. 	<ul style="list-style-type: none"> ▪ Supporting the operations of the local Men's and Women's groups ▪ Running regular school holiday programs ▪ Facilitating and/or supporting local events such as the Yalgoo Emu Cup and Goo Fest, Australia Day, ANZAC Day, Carols by Candle Light, Children's Christmas Party and Yalgoo Race Day ▪ 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"> ▪ Inclusion of health services and health promotion information in the local Newsletter and the newly installed community notice board ▪ Lobbying of health services to provide increased 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 2014/15	Planned 2015/16
	<ul style="list-style-type: none"> ▪ Well maintained and improved built environments. 	<ul style="list-style-type: none"> ▪ Completion of additional staff housing ▪ Upgrade of the caravan park facilities 	<ul style="list-style-type: none"> ▪ Construction of additional staff houses ▪ Construction of an Arts and Crafts building, playground equipment upgrade, Shamrock Park

Appreciation and
Balance
Objectives

Objectives	Outcomes	Achieved 2014/15	Planned 2015/16
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 ▪ Construction of a community garden
	<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"> ▪ Become a leader in remote location waste management. 		<ul style="list-style-type: none"> ▪ Investigation of recycling options

3. Economic

	<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"> Building of additional staff 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"> Improvements to the Yalgoo Caravan Park 	<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 Depot, BBQ's

4. Civic

Service, Leadership and Integrity Objectives	Outcomes	Achieved 2014/15	Planned 2015/16
	<ul style="list-style-type: none"> An informed and participatory community. 		<ul style="list-style-type: none"> 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"> 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
	<ul style="list-style-type: none"> High quality strategic partnerships. 	<ul style="list-style-type: none"> 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 2014/15 year.

Competitive Neutrality

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

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

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

Legislation Review

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

Register of Certain Complaints of Minor Breaches

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

The Act requires the annual report to contain details about certain complaints of minor breaches that result in certain action taken against the person. Generally a minor breach is a breach of a local law or code of conduct and the action taken may be public censure, 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 2014-15.

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 January 2015.

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 2014 – 2015 the following tasks were undertaken to achieve the plans stated outcomes

Outcome 1

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

Strategy	Task	Timeline	Responsibility
Make library technology as accessible as possible.	Review library technology to ensure it is as accessible as possible.	Annual & On going	Library Officer
Shire will ensure that any events are organised so that they are accessible to people with disability.	Ensure the needs of people with disability are planned for and provided by using the checklist provided through the access resource kit as provided by DSC.	On going	CEO EHO
Shire will ensure that all policies and practices that govern the operation of Shire facilities, functions, and services are consistent with Shire Policy regarding access.	Ensure all buildings, facilities and services are accessible to people with disability through ongoing review and evaluation using devised checklists and annual audits. Through these audits a report will be generated that clearly identifies improvements to ensure the inclusion and accessibility for everyone. Again using the guide and checklist provided through the access resource kit developed by the DSC.	Sept 2015 & On going	CEO DCEO Tech Services EHO
The Shire will develop partnerships with organisation that can assist it to offer the same opportunities to people with disability as other people.	Meet with Centacare, Police and MEEDAC to review and adjust activities and programmes to ensure they are all accessible by people with disability.	Dec 2015 & On going	CEO DCEO EMC
The Shire will ensure that all documentation is people with disability friendly.	Review all Shire documentation to ensure it is easy to understand and complete by people with disability.	Dec 2015 & On going	DCEO EMC EA, EHO
The Shire will ensure that any events are organised so that they are accessible to people with disability.	All events to be reviewed from a people with disability point of view.	Mar 2015 & On going	DCEO CYDC
The Shire will ensure that all policies and practices that govern the operation of Shire facilities, functions, and services are consistent with Shire Policy regarding access and inclusion.	All policies are reviewed to ensure people with disability are not disadvantaged.	Dec 2015 & On going	CEO DCEO EMC CYDC

Outcome 2

People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

Strategies	Task	Timeline	Responsibility
Ensure that all new or redevelopment works provide access to people with disability, where practicable.	All facilities allow for access for people with physical, cognitive, sensory and psychiatric disability through the application of specific building and planning codes. This includes ramped elevations, rails, and appropriate signage, line marking and raised footholds at intersections where practicable.	Annual & Ongoing	DCEO, EHO
Ensure adequate ACROD parking to meet the demand of people with disability in terms of quantity, quality, and location.	Undertake an audit of ACROD bays and implement a program to rectify non-compliance. (Checklist, from ART)	June 2015	DCEO, EHO
Review all Shire buildings to ensure ease of access for people with disability and use this document as a plan for rectifying any access issues.	Systematic review and reporting on people with disability accessibility. Incorporate findings in all new plans.	Annual & On going	DCEO, EHO
Ensure all buildings and facilities are physically accessible to people with disability.	Audit of all buildings.	On going	DCEO, EHO
Review all external signage to ensure it is people with disability friendly.	Undertake audit of all people with disability signage.	June 2015	CYDC

Outcome 3

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

Strategies	Task	Timeline	Responsibility
Improve community awareness that Shire information can be made available in alternative formats upon request, such as large print, and audio.	Ensure all documents carry a notation regarding availability in alternative formats. Advise the community via local newspaper, radio, newsletters that other formats are available via electronic and audible formats.	On going On going	CEO, EHO
Improve staff awareness of accessible information needs and how to obtain information in other formats.	Make accessible information guidelines available on the internet. Develop an accessible information policy. Conduct accessible information training and include as part of the induction of new staff.	On going On going	CEO, EHO
Ensure that the Shire's website offers appropriate links to	Redevelop website according to the W3C guidelines as outlined by	Completed	CEO EA

information and material that will help people with disability in all dealings with the Shire.	the state government access guidelines.	Updating & On going	
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Outcome 4

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 the Shire of Yalgoo.

Strategies	Task	Timeline	Responsibility
Improve staff awareness of disability and access issues and improve skills to provide good service to people with disability.	Advise staff of minimum requirements Conduct a survey of all staff to determine training needs-completed.	July 2015 & On going	CEO EHO EMC
Improve the awareness of new staff and new councillors about disability and access issues.	Provide information and establish training in the induction for new staff and councillors.	October 2015	EHO EMC EA
When required, Shire will seek expert advice from the disability field on how to meet the access needs of people with disability.	Keep an updated database on people who can be called upon to ask advice.	September 2015 & Ongoing	Administration Officers
Develop educational material for use by staff and councillors that shows how to deal effectively and appropriately with people with disability.	Create pamphlets and documents designed to improve people with disability's experience when dealing with the Shire.	March 2015	CYDC

Outcome 5

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

Strategies	Task	Timeline	Responsibility
The Shire will review current grievance mechanisms to ensure that they are accessible for people with disability and are acted upon.	Review current mechanisms for access. Consult with people with disability and expert advice. Develop other methods of making complaints, such as web based forms, access to interpreters, advocacy services, and alternative arrangements such as carers, parents, and guardians acting as advocates. Promote accessible complaints mechanisms to the community.	November 2015 November 2015 November 2015	EHO EMC EA

Outcome 6

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

Strategies	Task	Timeline	Responsibility
Ensure that any	Advise all staff on appropriate venues	On going	CEO

consultation is held at an accessible location.	for all consultations.		& all Staff
Ensure people with disability are provided with an opportunity to comment on access to services.	Shire's Disability Services Coordinator will liaise with contractors, who are developing and implementing the Shire evaluation activities, to increase their awareness of the importance of getting comments on services by people with disability. Develop feedback mechanism for use of all disability services provider to by the Shire.	August 2015 August 2015 & Ongoing	CEO EMC DCEO CEO EMC DCEO
Improve community awareness about the consultation process in place. Advertising through various media and using all avenues of information dissemination.	Promote the existence and role / purpose of the DAIP to the community. Shire representatives to meet regularly to discuss and review DAIP and processes used to develop DAI policies, and make improvements where possible.	July 2015 July 2015 & Ongoing	EMC EA CYDC
Improve access for people with disability to the established consultative process of the Shire.	Consult with people with disability using a range of mediums, including survey, focus groups, and interviews on a regular basis.	September 2015 & Ongoing	CEO EMC CYDC
Seek broad range of views on disability and access issues from the local community through effective consultation.	Include appropriate questions about access and inclusion in general Shire surveys and consultative events. Actively pursuit ideas and thoughts from people with disability.	September 2015 & Ongoing August 2015 & Ongoing	EMC CYDC EMC CYDC
Commit to ongoing monitoring of the DAIP to ensure implementation and satisfactory outcomes.	The Shire will regularly monitor the progress of the plan and be involved in the annual reviews.	July 2015	CEO EHO

Outcome 7

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

Strategies	Task	Timeline	Responsibility
Review all employment documents to ensure that it does not discriminate against people with disability.	Audit all HR policies to ensure they do not discriminate people with disability.	June 2015	CEO, EMC, Rates/Payroll

Freedom of Information Statement

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

It is intended that the information statement be included as part of the Annual Report and received each year as part of the Annual Electors meeting.

1. Structure and Functions of Council

a) *Establishment*

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

- Local Government Act (Miscellaneous Provisions) Act 1960
- Town Planning and Development 1928
- Bush Fires Act 1954
- Dog Act 1976
- Cat Act 2011
- Cemeteries Act 1986
- Health Act 1911
- Freedom of Information Act 1992
- Disabilities and Amendment Act 1999
- Occupational Health and Safety Act 1994
- Equal Opportunities Act 1984

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

b) *Council*

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

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

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

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

Meetings of Council and Committees are advertised at least once each year. Ordinary meetings of Council will be held on the second last Friday of each month commencing at 11.00 am. Council does not generally meet in the month of November. All members of the public are welcome to attend. Two meetings per year are held at Paynes Find in recognition that the Shire district covers an extensive geographic area with remote populations. Meeting at Paynes Find offers members of this remote locality the opportunity to attend a Council meeting without a 310 kilometre round trip on gravel roads.

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

c) Regional Involvement

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

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

d) Committees

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

e) Agendas

To ensure that all items are included in the agenda, matters for consideration should reach the Council office at least 12 days before the Council meeting date as agendas are prepared for distribution 5 days in advance. A copy of the agenda is available to the public before the meetings.

f) Minutes

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

g) Delegated Authority

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

2. Service to the Community

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

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

3. Public Participation

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

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

4. Access to Council Documents

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

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

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

5. Amending Personal Information

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

6. Procedures and Access Arrangements

a) FOI Operations

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

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

b) *Freedom of Information Applications*

Access applications have to -

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

Applications and enquiries should be addressed to the CEO.

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

c) *Freedom of Information Charges*

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

- | | |
|-------------------------------------------------------------------------------|--------------------|
| • <i>Personal information about the applicant</i> | <i>No fee</i> |
| • <i>Application fee (for non-personal information)</i> | <i>\$30.00</i> |
| • <i>Charge for time dealing with the application (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Access time supervised by staff (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Photocopying staff time (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Per photocopy</i> | <i>\$0.30</i> |
| • <i>Transcribing from tape, film or computer (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Duplicating a tape, film or computer information</i> | <i>Actual Cost</i> |
| • <i>Delivery, packaging and postage</i> | <i>Actual Cost</i> |

d) *Deposits*

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

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

e) *Access Arrangements*

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

f) *Notice of Decision*

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

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

f) *Refusal of Access*

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

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

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

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

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

Enquiries can also be made to –

**Office of the Information Commissioner
Albert Facey House
469 Wellington St
PERTH WA 6000**

**Phone: 6551 7888 or 1800 621 244
Fax: 6551 7889
Email: info@foi.wa.gov.au
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,
- record keeping within the local government is moving toward compliance with State Records Commission Standards and Records Management Standard AS15489,
- processes are in place to facilitate the complete and accurate record of business transactions and decisions,
- recorded information can be retrieved quickly, accurately and cheaply when required,
- protection and preservation of government records.

Minimum Compliance Requirements

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

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

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

The project is scheduled for completion in 2016 including review of the Record Keeping 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 scheduled for review in 2015.

APPENDED

Shire of Yalgoo Audited Financial Statements and Auditor's Report for the financial year ended 30 June 2015

SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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**SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 16th day of December 2015



Dominic Carbone
Acting Chief Executive Officer

SHIRE OF YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	1,726,911	1,857,320	1,831,019
Operating grants, subsidies and contributions	28	4,851,953	4,131,266	2,096,210
Fees and charges	27	150,442	171,644	150,288
Interest earnings	2(a)	79,796	102,704	127,340
Other revenue	2(a)	140,176	67,700	1,137,389
		<u>6,949,278</u>	<u>6,330,634</u>	<u>5,342,246</u>
Expenses				
Employee costs		(1,528,311)	(2,285,657)	(1,420,205)
Materials and contracts		(3,018,429)	(2,190,471)	(1,676,796)
Utility charges		(93,834)	(45,000)	(117,803)
Depreciation on non-current assets	2(a)	(1,171,960)	(1,191,529)	(1,133,275)
Interest expenses	2(a)	(33,327)	(36,600)	(29,503)
Insurance expenses		(101,101)	(264,688)	(183,351)
Other expenditure		(308,831)	(100,600)	(248,441)
		<u>(6,255,793)</u>	<u>(6,114,545)</u>	<u>(4,809,374)</u>
		693,485	216,089	532,872
Non-operating grants, subsidies and contributions	28	937,179	903,833	1,830,217
Profit on asset disposals	20	0	200	18,347
Loss on asset disposals	20	(167,501)	(183,500)	(990,998)
		<u>669,678</u>	<u>720,533</u>	<u>857,566</u>
Net result		1,463,163	936,622	1,390,438
Other comprehensive income				
Items not reclassified subsequently through profit or loss				
Changes on revaluation of non-current assets	12	42,886,854	0	937,463
Total other comprehensive income		<u>42,886,854</u>	<u>0</u>	<u>937,463</u>
Total comprehensive income		<u><u>44,350,017</u></u>	<u><u>936,622</u></u>	<u><u>2,327,901</u></u>

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

SHIRE OF YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Governance		14,676	2,000	2,000
General purpose funding		5,253,039	4,237,890	3,525,621
Law, order, public safety		34,813	37,100	26,063
Health		472	17,800	70,629
Housing		44,805	18,000	178,872
Community amenities		38,971	14,820	121,268
Recreation and culture		3,674	8,700	366,886
Transport		1,313,661	1,691,400	477,596
Economic services		162,433	208,900	429,715
Other property and services		82,734	94,024	143,596
		<u>6,949,278</u>	<u>6,330,634</u>	<u>5,342,246</u>
Expenses				
Governance		(510,056)	(413,998)	(508,015)
General purpose funding		(330,562)	(65,065)	(262,742)
Law, order, public safety		(134,779)	(172,842)	(163,847)
Health		(86,972)	(89,426)	(84,934)
Education and welfare		(6,124)	(9,196)	(6,328)
Housing		(359,507)	(321,963)	(315,215)
Community amenities		(200,784)	(189,968)	(222,828)
Recreation and culture		(647,322)	(750,652)	(701,260)
Transport		(3,321,651)	(3,434,460)	(1,930,425)
Economic services		(607,725)	(608,982)	(652,515)
Other property and services		(16,984)	(21,393)	68,238
		<u>(6,222,466)</u>	<u>(6,077,945)</u>	<u>(4,779,871)</u>
Finance costs				
General purpose funding		0	(600)	(273)
Housing		(28,310)	(31,000)	(23,932)
Community amenities		(4,907)	(5,000)	(5,274)
Other property and services		(110)	0	(24)
		<u>(33,327)</u>	<u>(36,600)</u>	<u>(29,503)</u>
Non-operating grants, subsidies and contributions				
Law, order, public safety		0	0	900
Housing		0	0	360,000
Recreation and culture		36,477	75,000	87,911
Transport		693,202	706,333	1,178,908
Economic services		207,500	122,500	202,498
	28	<u>937,179</u>	<u>903,833</u>	<u>1,830,217</u>
Profit/(Loss) on disposal of assets				
Housing		(47,079)	0	(76,936)
Community amenities		0	0	(64,020)
Recreation and culture		0	0	(367,248)
Transport		(120,422)	(183,300)	(137,331)
Economic services		0	0	(253,652)
Other property and services		0	0	(73,464)
	20	<u>(167,501)</u>	<u>(183,300)</u>	<u>(972,651)</u>
Net result		<u>1,463,163</u>	<u>936,622</u>	<u>1,390,438</u>
Other comprehensive income				
Items not reclassified subsequently through profit or loss				
Changes on revaluation of non-current assets	12	42,886,854	0	937,463
Total other comprehensive income		<u>42,886,854</u>	<u>0</u>	<u>937,463</u>
Total comprehensive income		<u>44,350,017</u>	<u>936,622</u>	<u>2,327,901</u>

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

SHIRE OF YALGOO
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,716,896	2,508,646
Trade and other receivables	4	567,119	160,008
Inventories	5	<u>1,225</u>	<u>2,019</u>
TOTAL CURRENT ASSETS		<u>4,285,240</u>	<u>2,670,673</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	11,840,355	13,195,576
Infrastructure	7	<u>61,989,375</u>	<u>17,545,458</u>
TOTAL NON-CURRENT ASSETS		<u>73,829,730</u>	<u>30,741,034</u>
TOTAL ASSETS		<u>78,114,970</u>	<u>33,411,707</u>
CURRENT LIABILITIES			
Trade and other payables	8	655,101	569,122
Current portion of long term borrowings	9	80,198	32,490
Provisions	10	<u>98,627</u>	<u>172,181</u>
TOTAL CURRENT LIABILITIES		<u>833,926</u>	<u>773,793</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	694,571	397,040
Provisions	10	<u>18,732</u>	<u>23,150</u>
TOTAL NON-CURRENT LIABILITIES		<u>713,303</u>	<u>420,190</u>
TOTAL LIABILITIES		<u>1,547,229</u>	<u>1,193,983</u>
NET ASSETS		<u>76,567,741</u>	<u>32,217,724</u>
EQUITY			
Retained surplus		28,717,697	26,797,955
Reserves - cash backed	11	1,577,756	2,034,335
Revaluation surplus	12	<u>46,272,288</u>	<u>3,385,434</u>
TOTAL EQUITY		<u>76,567,741</u>	<u>32,217,724</u>

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

**SHIRE OF YALGOO
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		25,767,242	1,674,610	2,447,971	29,889,823
Comprehensive income					
Net result		1,390,438	0	0	1,390,438
Changes on revaluation of non-current assets	12	0	0	937,463	937,463
Total comprehensive income		1,390,438	0	937,463	2,327,901
Transfers from/(to) reserves	11	(359,725)	359,725	0	0
Balance as at 30 June 2014		26,797,955	2,034,335	3,385,434	32,217,724
Comprehensive income					
Net result		1,463,163	0	0	1,463,163
Changes on revaluation of non-current assets	12	0	0	42,886,854	42,886,854
Total comprehensive income		1,463,163	0	42,886,854	44,350,017
Transfers from/(to) reserves	11	456,579	(456,579)	0	0
Balance as at 30 June 2015		<u>28,717,697</u>	<u>1,577,756</u>	<u>46,272,288</u>	<u>76,567,741</u>

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

SHIRE OF YALGOO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,637,277	1,974,983	1,804,787
Operating grants, subsidies and contributions		4,416,059	4,131,266	2,078,995
Fees and charges		150,442	171,644	150,288
Interest earnings		79,796	102,704	127,340
Goods and services tax		418,501	540,643	514,943
Other revenue		140,176	67,700	92,389
		<u>6,842,251</u>	<u>6,988,940</u>	<u>4,768,742</u>
Payments				
Employee costs		(1,549,760)	(2,268,500)	(1,454,702)
Materials and contracts		(2,987,963)	(2,025,977)	(1,762,322)
Utility charges		(93,834)	(45,000)	(117,803)
Interest expenses		(33,543)	(264,688)	(29,660)
Insurance expenses		(101,101)	(36,600)	(183,351)
Goods and services tax		(413,589)	(558,000)	(476,394)
Other expenditure		(195,326)	(100,600)	(248,441)
		<u>(5,375,116)</u>	<u>(5,299,365)</u>	<u>(4,272,673)</u>
Net cash provided by (used in) operating activities	13(b)	<u>1,467,135</u>	<u>1,689,575</u>	<u>496,069</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(713,003)	(2,127,500)	(1,765,462)
Payments for construction of infrastructure		(961,013)	(1,167,190)	(1,971,556)
Non-operating grants, Subsidies and contributions		937,179	903,833	1,830,217
Proceeds from sale of fixed assets		132,713	360,700	345,225
Net cash provided by (used in) investment activities		<u>(604,124)</u>	<u>(2,030,157)</u>	<u>(1,561,576)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(54,761)	(53,500)	(30,479)
Proceeds from new debentures		400,000	400,000	0
Net cash provided by (used in) financing activities		<u>345,239</u>	<u>346,500</u>	<u>(30,479)</u>
Net increase (decrease) in cash held		1,208,250	5,918	(1,095,986)
Cash at beginning of year		2,508,646	2,508,646	3,604,632
Cash and cash equivalents at the end of the year	13(a)	<u><u>3,716,896</u></u>	<u><u>2,514,564</u></u>	<u><u>2,508,646</u></u>

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

**SHIRE OF YALGOO
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		14,676	2,000	2,000
General purpose funding		3,526,128	2,380,570	1,694,602
Law, order, public safety		34,813	37,100	26,963
Health		472	17,800	70,629
Housing		44,805	18,000	538,872
Community amenities		38,971	14,820	121,268
Recreation and culture		40,151	83,700	454,797
Transport		2,006,863	2,397,933	1,660,535
Economic services		369,933	331,400	632,213
Other property and services		82,734	94,024	157,912
		<u>6,159,546</u>	<u>5,377,347</u>	<u>5,359,791</u>
Expenses				
Governance		(510,056)	(413,998)	(508,015)
General purpose funding		(330,562)	(65,665)	(263,015)
Law, order, public safety		(134,779)	(172,842)	(163,847)
Health		(86,972)	(89,426)	(84,934)
Education and welfare		(6,124)	(9,196)	(6,328)
Housing		(434,896)	(352,963)	(416,083)
Community amenities		(205,691)	(194,968)	(292,122)
Recreation and culture		(647,322)	(750,652)	(1,068,508)
Transport		(3,442,073)	(3,617,960)	(2,071,787)
Economic services		(607,725)	(608,982)	(906,167)
Other property and services		(17,094)	(21,393)	(19,566)
		<u>(6,423,294)</u>	<u>(6,298,045)</u>	<u>(5,800,372)</u>
Net result excluding rates		(263,748)	(920,698)	(440,581)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
Initial recognition of assets due to change to regulations				
- Land and Buildings		0	0	(1,045,000)
(Profit)/Loss on asset disposals	20	167,501	183,300	972,651
Movement in employee benefit provisions (non-current)		(4,418)	0	5,203
Movement in Accrued Interest		(216)	0	(157)
Movement in Accrued Salaries and Wages		1,364	0	2,204
Movement in Employee Benefit Provisions		(73,554)	0	(35,793)
Depreciation and amortisation on assets	2(a)	1,171,960	1,191,529	1,133,275
Capital Expenditure and Revenue				
Purchase of land and buildings	6(b)	(268,738)	(1,015,000)	(991,120)
Purchase of furniture and equipment	6(b)	(9,922)	(20,000)	
Purchase of plant and equipment	6(b)	(434,343)	(1,092,500)	(774,342)
Purchase of roads	7(b)	(887,492)	(992,190)	(1,971,556)
Purchase of other infrastructure	7(b)	(73,521)	(175,000)	
Proceeds from disposal of fixed assets	20	132,713	360,700	345,225
Repayment of debentures	21(a)	(54,761)	(53,500)	(30,479)
Proceeds from new debentures	21(a)	400,000	400,000	0
Transfers to reserves (restricted assets)	11	(602,318)	(414,295)	(379,725)
Transfers from reserves (restricted assets)	11	1,058,897	508,863	20,000
ADD Surplus/(deficit) July 1 b/fwd	22(b)	91,790	181,471	1,450,966
LESS Surplus/(deficit) June 30 c/fwd	22(b)	2,078,105	0	91,790
Total amount raised from general rate	22(a)	<u>(1,726,911)</u>	<u>(1,857,320)</u>	<u>(1,831,019)</u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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

Critical accounting estimates

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

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent revenue experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent revenue experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and infrastructure. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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

The local government reporting entity

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;

and

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

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

In 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Revaluation

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

Land under roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

Depreciation

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

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

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (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 \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

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

(q) Rates, Grants, Donations and Other Contributions

Rates, grants and other contributions

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

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. Excludes rubbish removal and charges for the provision of waste services.

Interest earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors

Other Revenue

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates, etc.

(r) Superannuation

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

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES	2015 \$	2014 \$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Significant expense and revenue		
General purpose funding	0	873,444
This significant expense 'in 2014 relates to the write off of unidentifiable fixed assets.		
Auditors remuneration		
- Audit of the annual financial report	16,362	19,957
- Other services	40,794	4,314
	57,156	24,271
Depreciation		
Building and improvements	283,726	274,699
Furniture and equipment	9,263	9,100
Plant and equipment	467,003	430,635
Roads	411,949	402,354
Other infrastructure	19	16,487
	1,171,960	1,133,275
Interest expenses (finance costs)		
Debentures (refer Note 21 (a))	33,217	29,206
Other	110	297
	33,327	29,503
(ii) Crediting as revenue:		
Significant revenue		
General Purpose Funding	1,157,933	0
This significant revenue in 2015 relates to the early payment of half the WA Grants Commission payment.		
Other revenue		
Reimbursements and recoveries	121,608	87,522
Other	18,568	1,049,867
	140,176	1,137,389

Other revenue - Significant Revenue in 2014 relates to the first time recognition of various assets.

	2015 Actual \$	2015 Budget \$	2014 Actual \$
Interest earnings			
- Reserve funds	69,092	58,604	64,798
- Other funds	9,560	40,100	38,800
Other interest revenue (refer note 26)	1,144	4,000	23,742
	79,796	102,704	127,340

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Food quality, pest control and immunisation services.

EDUCATION AND WELFARE

Objective:

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

Activities:

To promote education services through the education initiative.

HOUSING

Objective:

To provide housing for Shire of Yalgoo staff.

Activities:

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

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

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Department of Planning Yalgoo Revitalisation	Comm Amenities	60,500	0	(29,274)	31,226	0	(11,351)	19,875
Regional Tourism Strategy	Economic Services	10,000	39,998	(9,004)	40,994	0	(30,909)	10,085
MWIP - 2 Modular Staff Houses	Housing	0	360,000	0	360,000	0	(37,303)	322,697 *
Kidsports	Recreation & Culture	0	110,000	(44,000)	66,000	0	(44,225)	21,775
CLGF 2012-13	Economic Services	0	250,000	(240,754)	9,246	0	(9,246)	0
CLGF 2012-13	Recreation & Culture	0	171,524	(117,003)	54,521	0	0	54,521 *
Landcare Grant	Economic Services	0	0	0	0	20,000	0	20,000
Total		<u>70,500</u>	<u>931,522</u>	<u>(440,035)</u>	<u>561,987</u>	<u>20,000</u>	<u>(133,034)</u>	<u>448,953</u>

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.

* At 30 June 2015 the Shire had committed this funding for use in accordance with the funding agreement.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,631,349	(87,676)
Restricted		<u>2,085,547</u>	<u>2,596,322</u>
		<u><u>3,716,896</u></u>	<u><u>2,508,646</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	11	43,808	97,549
Plant Reserve	11	54,213	293,874
Building Reserve	11	341,162	564,501
Yalgoo Ninghan Road Reserve	11	304,480	166,699
Sports Complex Reserve	11	85,170	107,402
Housing Maintenance Reserve	11	109,584	105,859
General Road Reserve	11	114,889	110,984
Community Amenities Maintenance Reserve	11	241,479	233,271
HCP Reserve	11	126,044	121,760
Yalgoo Morawa Road Reserve	11	134,844	130,261
Superannuation Back-Pay Reserve	11	22	80,863
Office Equipment Reserve	11	3,221	3,112
Natural Disaster Triggerpoint Reserve	11	11,387	11,000
Emergency Road Repairs Reserve	11	7,453	7,200
Unspent grants	2(c)	448,953	561,987
Unspent loans (not held in Building Reserve)	21(c)	58,838	0
		<u><u>2,085,547</u></u>	<u><u>2,596,322</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		233,937	144,303
Sundry debtors		509,254	73,360
GST receivable		27,310	32,222
Provision for Doubtful Debts		<u>(203,382)</u>	<u>(89,877)</u>
		<u><u>567,119</u></u>	<u><u>160,008</u></u>
The aging of the past due but not impaired receivables (Rates outstanding and Sundry debtors) are as follows:			
0 to 3 months overdue		95,788	18,825
3 to 6 months overdue		0	0
Over 6 months overdue		<u>36,932</u>	<u>37,421</u>
		<u><u>132,720</u></u>	<u><u>56,246</u></u>
5. INVENTORIES			
Current			
Fuel and materials		<u>1,225</u>	<u>2,019</u>
		<u><u>1,225</u></u>	<u><u>2,019</u></u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 3	175,000	175,000
	<u>175,000</u>	<u>175,000</u>
	<u>175,000</u>	<u>175,000</u>
Building and improvements at:		
- Independent valuation 2014 - level 3	7,093,000	8,296,000
- Management 2014 - level 3	1,923,682	1,929,773
- Additions after valuation - cost	342,241	0
Less: accumulated depreciation	<u>(462,598)</u>	<u>(229,363)</u>
	8,896,325	9,996,410
	<u>8,896,325</u>	<u>9,996,410</u>
	<u>8,896,325</u>	<u>9,996,410</u>
Total land and buildings	<u>9,071,325</u>	<u>10,171,410</u>
Furniture and equipment at:		
- Management valuation 2013 - level 3	44,850	44,850
- Additions after valuation - cost	9,922	0
Less accumulated depreciation	<u>(18,363)</u>	<u>(9,100)</u>
	36,409	35,750
	<u>36,409</u>	<u>35,750</u>
Plant and equipment at:		
- Independent valuation 2013 - level 3	1,837,207	2,010,982
- Management valuation 2013 - level 3	543,915	593,310
- Additions after valuation - cost	1,168,455	774,343
Less accumulated depreciation	<u>(816,956)</u>	<u>(390,219)</u>
	2,732,621	2,988,416
	<u>2,732,621</u>	<u>2,988,416</u>
	<u>11,840,355</u>	<u>13,195,576</u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	175,000	0	0	0	0	0	0	175,000
Total land	175,000	0	0	0	0	0	0	175,000
Building and improvements	9,996,410	268,738	(77,079)	0	0	(283,726)	(1,008,018)	8,896,325
Total buildings	9,996,410	268,738	(77,079)	0	0	(283,726)	(1,008,018)	8,896,325
Total land and buildings	10,171,410	268,738	(77,079)	0	0	(283,726)	(1,008,018)	9,071,325
Furniture and equipment	35,750	9,922	0	0	0	(9,263)	0	36,409
Plant and equipment	2,988,416	434,343	(223,135)	0	0	(467,003)	0	2,732,621
Total property, plant and equipment	13,195,576	713,003	(300,214)	0	0	(759,992)	(1,008,018)	11,840,355

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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					
Freehold land	3	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	July 2013	Price per hectare / market borrowing rate
Building and improvements	3	Improvements to land valued using cost approach using depreciated replacement cost (Net Valuation Method)	Management valuation	July 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	(Net Valuation Method) Cost approach using depreciated replacement cost	Management valuation	June 2013	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent valuation 2013 - level 3	3	(Net Valuation Method) Market approach using recent observable market data for similar properties	Independent valuers	June 2013	Price per item
- Management valuation 2013 - level 3	3	(Net Valuation Method) Cost approach using depreciated replacement cost	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used 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 2015

	2015	2014
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Independent valuation 2015 - level 3	71,436,735	0
- Cost	0	38,044,422
Less accumulated depreciation	<u>(10,930,492)</u>	<u>(20,498,964)</u>
	<u>60,506,243</u>	<u>17,545,458</u>
Airports		
- Independent valuation 2015 - level 3	2,039,468	0
Less accumulated depreciation	<u>(556,336)</u>	<u>0</u>
	<u>1,483,132</u>	<u>0</u>
	 <u>61,989,375</u>	 <u>17,545,458</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires infrastructure to be shown at fair value.

Infrastructure was revalued as at 30 June 2015 by Core Business Australia.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$
Roads	17,545,458	887,492	0	42,485,242	0	(411,949)	0	60,506,243
Other infrastructure	0	73,521	0	0	0	(19)	(73,502)	0
Airports	0	0	0	401,612	0	0	1,081,520	1,483,132
Total infrastructure	<u>17,545,458</u>	<u>961,013</u>	<u>0</u>	<u>42,886,854</u>	<u>0</u>	<u>(411,968)</u>	<u>1,008,018</u>	<u>61,989,375</u>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$42,886,854 in the net value of infrastructure.

All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Airports	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	547,708	521,194
Accrued interest on debentures	1,998	2,214
Accrued salaries and wages	23,724	22,360
ATO liabilities	78,513	23,354
Other Payables	3,158	0
	655,101	569,122

9. LONG-TERM BORROWINGS

Current

Secured by floating charge		
Debentures	80,198	32,490
	80,198	32,490

Non-current

Secured by floating charge		
Debentures	694,571	397,040
	694,571	397,040

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual/Sick Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014			
Current provisions	108,955	63,226	172,181
Non-current provisions	0	23,150	23,150
	108,955	86,376	195,331
Additional provision	59,644	16,630	76,274
Amounts used	(101,692)	(54,171)	(155,863)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	1,617	1,617
Balance at 30 June 2015	66,907	50,452	117,359
Comprises			
Current	66,907	31,720	98,627
Non-current	0	18,732	18,732
	66,907	50,452	117,359

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening balance	97,549	97,549	94,054
Amount set aside / transfer to reserve	2,259	2,926	3,495
Amount used / transfer from reserve	<u>(56,000)</u>	<u>0</u>	<u>0</u>
	<u>43,808</u>	<u>100,475</u>	<u>97,549</u>
(b) Plant Reserve			
Opening balance	293,874	293,874	235,811
Amount set aside / transfer to reserve	10,339	178,507	58,063
Amount used / transfer from reserve	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>
	<u>54,213</u>	<u>222,381</u>	<u>293,874</u>
(c) Building Reserve			
Opening balance	564,501	564,501	481,605
Amount set aside / transfer to reserve	419,861	16,935	82,896
Amount used / transfer from reserve	<u>(643,200)</u>	<u>(150,000)</u>	<u>0</u>
	<u>341,162</u>	<u>431,436</u>	<u>564,501</u>
(d) Yalgoo Ninghan Road Reserve			
Opening balance	166,699	166,699	160,727
Amount set aside / transfer to reserve	137,781	5,001	5,972
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>304,480</u>	<u>171,700</u>	<u>166,699</u>
(e) Sports Complex Reserve			
Opening balance	107,402	107,402	84,270
Amount set aside / transfer to reserve	3,778	3,222	23,132
Amount used / transfer from reserve	<u>(26,010)</u>	<u>(28,000)</u>	<u>0</u>
	<u>85,170</u>	<u>82,624</u>	<u>107,402</u>
(f) Housing Maintenance Reserve			
Opening balance	105,859	105,859	29,754
Amount set aside / transfer to reserve	3,725	3,176	76,105
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>109,584</u>	<u>109,035</u>	<u>105,859</u>
(g) General Road Reserve			
Opening balance	110,984	110,984	107,008
Amount set aside / transfer to reserve	3,905	3,330	3,976
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>114,889</u>	<u>114,314</u>	<u>110,984</u>
(h) Community Amenities Maintenance Reserve			
Opening balance	233,271	233,271	171,885
Amount set aside / transfer to reserve	8,208	6,998	61,386
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>241,479</u>	<u>240,269</u>	<u>233,271</u>
(i) HCP Reserve			
Opening balance	121,760	121,760	117,398
Amount set aside / transfer to reserve	4,284	3,653	4,362
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>126,044</u>	<u>125,413</u>	<u>121,760</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED (CONTINUED)			
(j) Yalgoo Morawa Road Reserve			
Opening balance	130,261	130,261	91,848
Amount set aside / transfer to reserve	4,583	3,908	38,413
Amount used / transfer from reserve	0	0	0
	<u>134,844</u>	<u>134,169</u>	<u>130,261</u>
(k) Superannuation Back-Pay Reserve			
Opening balance	80,863	80,863	77,966
Amount set aside / transfer to reserve	2,846	0	2,897
Amount used / transfer from reserve	(83,687)	(80,863)	0
	<u>22</u>	<u>0</u>	<u>80,863</u>
(l) Office Equipment Reserve			
Opening balance	3,112	3,112	22,284
Amount set aside / transfer to reserve	109	93	828
Amount used / transfer from reserve	0	0	(20,000)
	<u>3,221</u>	<u>3,205</u>	<u>3,112</u>
(m) Road Agreement YA-NI Rd Reserve			
Opening balance	0	0	0
Amount set aside / transfer to reserve	0	186,000	0
Amount used / transfer from reserve	0	0	0
	<u>0</u>	<u>186,000</u>	<u>0</u>
(n) Natural Disaster Triggerpoint Reserve			
Opening balance	11,000	11,000	0
Amount set aside / transfer to reserve	387	330	11,000
Amount used / transfer from reserve	0	0	0
	<u>11,387</u>	<u>11,330</u>	<u>11,000</u>
(o) Emergency Road Repairs Reserve			
Opening balance	7,200	7,200	0
Amount set aside / transfer to reserve	253	216	7,200
Amount used / transfer from reserve	0	0	0
	<u>7,453</u>	<u>7,416</u>	<u>7,200</u>
TOTAL RESERVES	<u><u>1,577,756</u></u>	<u><u>1,939,767</u></u>	<u><u>2,034,335</u></u>
Total Opening balance	2,034,335	2,034,335	1,674,610
Total Amount set aside / transfer to reserve	602,318	414,295	379,725
Total Amount used / transfer from reserve	(1,058,897)	(508,863)	(20,000)
TOTAL RESERVES	<u><u>1,577,756</u></u>	<u><u>1,939,767</u></u>	<u><u>2,034,335</u></u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

11. RESERVES - CASH BACKED (CONTINUED)

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

- (a) Leave Reserve**
 - to be used to fund annual and long service leave requirements
- (b) Plant Reserve**
 - to be used for the purchase of major plant
- (c) Building Reserve**
 - to be used for the replacement of council properties including housing and other properties.
- (d) Yalgoo Ninghan Road Reserve**
 - to be used to maintain the sealed Yalgoo Ninghan Road.
- (e) Sports Complex Reserve**
 - for the development of new recreational facilities.
- (f) Housing Maintenance Reserve**
 - to be used for the maintenance of staff and other housing owned by the Shire.
- (g) General Road Reserve**
 - to be used for the maintenance of grids, etc. on roads in the Shire.
- (h) Community Amenities Maintenance Reserve**
 - to be used for the maintenance of community amenities.
- (i) HCP Reserve**
 - to be used for future community projects operating expenditure.
- (j) Yalgoo Morawa Road Reserve**
 - to be used to maintain the sealed Yalgoo Morawa Road.
- (k) Superannuation Back-Pay Reserve**
 - to be used for the purpose of paying any superannuation back pay costs.
- (l) Office Equipment Reserve**
 - to be used for the purpose of purchase of new office equipment and the maintenance of existing
- (m) Road Agreement YA-NI Rd Reserve**
 - to be used for asset renewal of the Yalgoo Ninghan Road relating to Restricted Access Vehicles.
- (n) Natural Disaster Triggerpoint Reserve**
 - to be used to fund the Shire's mandatory contribution ("Triggerpoint") when the Shire receives funding for reparation after natural disaster events.
- (o) Emergency Road Repairs Reserve**
 - to be used to fund emergency repairs to roads that are damaged by unfunded events (e.g. unfunded storm damages, vehicular etc.).

The leave and plant reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

12. REVALUATION SURPLUS	2015	2014
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Buildings and Improvements		
Opening balance	2,089,567	1,152,104
Revaluation increment	0	937,463
Revaluation decrement	0	0
Transfer of Airport reclassification	(925,718)	
	<u>1,163,849</u>	<u>2,089,567</u>
(b) Furniture and equipment		
Opening balance	44,850	44,850
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>44,850</u>	<u>44,850</u>
(c) Plant and equipment		
Opening balance	1,251,017	1,251,017
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>1,251,017</u>	<u>1,251,017</u>
(d) Roads		
Opening balance	0	0
Revaluation increment	42,485,242	0
Revaluation decrement	0	0
	<u>42,485,242</u>	<u>0</u>
(e) Airport		
Opening balance	0	0
Transfer of Airport reclassification	925,718	
Revaluation increment	401,612	0
Revaluation decrement	0	0
	<u>1,327,330</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>46,272,288</u></u>	<u><u>3,385,434</u></u>
Revaluation Surplus Opening Balance	3,385,434	2,447,971
Revaluation increment	42,886,854	937,463
Revaluation decrement	0	0
Revaluation Surplus Closing Balance	<u><u>46,272,288</u></u>	<u><u>3,385,434</u></u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>3,716,896</u>	<u>2,514,564</u>	<u>2,508,646</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,463,163	936,622	1,390,438
Non-cash flows in Net result:			
Depreciation	1,171,960	1,191,529	1,133,275
(Profit)/Loss on sale of asset	167,501	183,300	972,651
Non-current assets recognised due to changes in legislative requirements	0	0	(1,045,000)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(407,111)	100,306	(4,898)
(Increase)/Decrease in inventories	794	819	78,035
Increase/(Decrease) in payables	85,979	163,675	(167,625)
Increase/(Decrease) in provisions	(77,972)	17,157	(30,590)
Grants contributions for the development of assets	<u>(937,179)</u>	<u>(903,833)</u>	<u>(1,830,217)</u>
Net cash from operating activities	<u>1,467,135</u>	<u>1,689,575</u>	<u>496,069</u>
(c) Undrawn Borrowing Facilities			
	2015 \$		2014 \$
Credit Standby Arrangements			
Bank overdraft limit	50,000		50,000
Bank overdraft at balance date	0		0
Credit card limit	5,000		6,000
Credit card balance at balance date	0		0
Total amount of credit unused	<u>55,000</u>		<u>56,000</u>
Loan Facilities			
Loan facilities - current	80,198		32,490
Loan facilities - non-current	694,571		397,040
Total facilities in use at balance date	<u>774,769</u>		<u>429,530</u>
Unused loan facilities at balance date	<u>400,000</u>		<u>NIL</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

14. CONTINGENT LIABILITIES

There were no known contingent liabilities as at the 30th June 2015.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

(b) Capital Expenditure Commitments	2015	2014
	\$	\$
Contracted for:		
- capital expenditure projects	404,243	0
- plant & equipment purchases	200,000	0
Payable:		
- not later than one year	454,243	0
- one year to five years	150,000	0

The capital expenditure project outstanding at the end of the current reporting period represents the construction of 2 modular staff homes and software licence agreement.

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	3,670	3,712
General purpose funding	146,988	54,426
Law, order, public safety	226,235	267,823
Health	729,389	795,752
Housing	2,610,599	3,284,906
Community amenities	941,198	955,755
Recreation and culture	4,112,398	3,658,364
Transport	65,135,413	21,467,679
Economic services	1,588,151	1,482,561
Other property and services	611,387	934,196
Unallocated	2,009,542	506,533
	<u>78,114,970</u>	<u>33,411,707</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014	2013
18. FINANCIAL RATIOS			
Current ratio	2.78	0.11	2.02
Asset sustainability ratio	0.13	0.56	0.39
Debt service cover ratio	19.65	12.11	23.72
Operating surplus ratio	0.25	(0.20)	0.10
Own source revenue coverage ratio	0.32	0.38	0.43

The above ratios are calculated as follows:

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

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

19. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Yamatji 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	5,884	500	(900)	5,484
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
Unallocated	(157)	0	(70)	(227)
Candidates Deposits	240	0	(80)	160
Museum	9,220	0	0	9,220
Casual Bus Bond	100	0	0	100
	<u>20,042</u>			<u>19,492</u>

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Housing						
30 Selwyn Road	77,079	0	30,000	0	(47,079)	0
Transport						
Caterpillar 140H - YA420		230,000		150,000	0	(80,000)
Volvo FH16 - YA480	99,467	100,000	36,373	40,000	(63,094)	(60,000)
John Deere X300 - YA486		6,000		2,000	0	(4,000)
TSE Transport - YA1590		4,000		1,500	0	(2,500)
Trailer - YA1610	5,478	0	1,795	200	(3,683)	200
Bomag BW24R - YA484	37,946	40,000	10,000	15,000	(27,946)	(25,000)
EMWI Vehicle - YA840	48,064	94,000	32,727	84,000	(15,337)	(10,000)
Works Ute - YA899	32,180	70,000	21,818	68,000	(10,362)	(2,000)
	<u>300,214</u>	<u>544,000</u>	<u>132,713</u>	<u>360,700</u>	<u>(167,501)</u>	<u>(183,300)</u>

Profit	0	200
Loss	(167,501)	(183,500)
	<u>(167,501)</u>	<u>(183,300)</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 53 - 19a & b Stanley	152,171		11,945	12,000	140,226	140,171	9,852	10,000
Loan 55 - 18 c & d Shamrock	196,074		14,493	14,500	181,581	181,574	12,378	12,500
Loan 56 - Staff Housing	0	400,000	22,271	21,000	377,729	379,000	6,080	8,500
Community amenities								
Loan 54 - Public Toilets	81,285		6,052	6,000	75,233	75,285	4,907	5,000
	429,530	400,000	54,761	53,500	774,769	776,030	33,217	36,000

All other loan repayments were financed by general purpose revenue.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$						Actual \$	Budget \$	
Purchase of Staff Housing	400,000	400,000	WATC	Debenture	8	476,891	4.20%	0	400,000	400,000
	400,000	400,000				476,891		0	400,000	400,000

(c) Unspent Debentures

The Shire had an unspent debenture fund of \$ 400,000 as at 30 June 2015. The amount of \$400,000 was transferred to building reserve. However, an existing credit balance of \$58,838 in the building reserve has resulted in an additional restriction of cash of \$58,838 in the Municipal Fund as at 30th June 2015.

(d) Overdraft

The Shire established an overdraft facility of \$50,000.
The balance of the bank overdraft at 1 July 2014 and 30 June 2015 was \$nil.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate											
Gross rental valuations											
GRV - Townsite Improved	0.0712	34	284,064	20,225	0	0	20,225	20,225	0	0	20,225
Unimproved valuations											
UV - Pastoral	0.0628	20	901,067	56,587	(13)	0	56,574	57,623	0	0	57,623
UV - Mining Leases	0.3575	132	4,390,963	1,569,769	(114,118)	0	1,455,651	1,569,769	30,000	0	1,599,769
UV - Exploration/Prospecting	0.1899	124	736,296	139,823	(16,131)	0	123,692	139,823	0	0	139,823
UV - Rural	0.0628	2	16,500	1,036	0	0	1,036	0	0	0	0
Sub-Totals		312	6,328,890	1,787,440	(130,262)	0	1,657,178	1,787,440	30,000	0	1,817,440
Minimum payment	Minimum \$										
Gross rental valuations											
GRV - Townsite Improved	260	2	4,155	520	0	0	520	520	0	0	520
GRV - Townsite Vacant	600	11	386	6,600	(5,372)	0	1,228	6,600	0	0	6,600
Unimproved valuations											
UV - Pastoral	260	2	5,489	520	0	0	520	780	0	0	780
UV - Mining Leases	260	29	16,632	7,540	4,944	0	12,484	7,540	0	0	7,540
UV - Exploration/Prospecting	260	94	58,276	24,440	30,281	0	54,721	24,440	0	0	24,440
UV - Rural	260	1	100	260	0	0	260	0	0	0	0
Sub-Totals		139	85,038	39,880	29,853	0	69,733	39,880	0	0	39,880
Discounts/concessions (refer note 25)							1,726,911				1,857,320
Total amount raised from general rate							0				0
Specified Area Rate (refer note 23)							1,726,911				1,857,320
Totals							0				0
							1,726,911				1,857,320

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>2,078,105</u>	<u>91,790</u>	<u>91,790</u>
Comprises:			
Cash and cash equivalents			
Unrestricted	1,631,349	(87,676)	(222,637)
Restricted	2,085,547	2,596,322	2,731,283
Receivables			
Rates outstanding	233,937	144,303	144,303
Sundry debtors	509,254	73,360	73,360
GST receivable	27,310	32,222	32,222
Provision for Doubtful Debts	(203,382)	(89,877)	(89,877)
Inventories			
Fuel and materials	1,225	2,019	2,019
Prepayments	0	0	
Less:			
Trade and other payables			
Sundry creditors	(547,708)	(521,194)	(521,194)
Accrued interest on debentures	(1,998)	(2,214)	(2,214)
Accrued salaries and wages	(23,724)	(22,360)	(22,360)
ATO liabilities	(78,513)	(23,354)	(23,354)
Other Payables	(3,158)	0	
Current portion of long term borrowings			
Secured by floating charge	(80,198)	(32,490)	0
Provisions			
Provision for Sick Leave	0	(24,945)	(24,945)
Provision for annual leave	(66,907)	(84,010)	(84,010)
Provision for long service leave	(31,720)	(63,226)	(63,226)
Net current assets	<u>3,451,314</u>	<u>1,896,880</u>	<u>1,929,370</u>
Less:			
Reserves - restricted cash	(1,577,756)	(2,034,335)	(2,034,335)
Add:			
Secured by floating charge	80,198	32,490	0
Accrued salaries and wages	23,724	22,360	22,360
Provisions	98,627	172,181	172,181
Accrued interest on debentures	1,998	2,214	2,214
Surplus/(deficit)	<u><u>2,078,105</u></u>	<u><u>91,790</u></u>	<u><u>91,790</u></u>

Difference

There was no difference between the surplus 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus carried forward position as disclosed in the 2014 audited financial report.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rate assessments	Write-Off	N/A	42,245	0

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

26. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%		1,144	4,000
Charges on instalment plan		15	8,977	10,000
			10,121	14,000

Ratepayers had the option of paying rates in four equal instalments, due on 3 October 2014, 5 Decemberr 2014, 6 February 2015 and 10 April 2015. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2015 \$	2014 \$
General purpose funding	9,023	10,612
Law, order, public safety	692	3,382
Health	472	16,629
Housing	12,392	13,872
Community amenities	13,744	18,268
Recreation and culture	3,674	465
Transport	50	2,913
Economic services	106,615	31,465
Other property and services	3,780	52,682
	<u>150,442</u>	<u>150,288</u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

28. GRANT REVENUE

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

	2015	2014
By Nature or Type:	\$	\$
Operating grants, subsidies and contributions	4,851,953	2,096,210
Non-operating grants, subsidies and contributions	937,179	1,830,217
	<u>5,789,132</u>	<u>3,926,427</u>
By Program:		
Governance	0	2,000
General purpose funding	3,436,322	1,555,959
Law, order, public safety	34,121	9,581
Housing	0	360,000
Community amenities	20,000	0
Recreation and culture	36,477	276,333
Transport	2,000,712	1,413,806
Economic services	261,500	308,748
	<u>5,789,132</u>	<u>3,926,427</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>21</u>	<u>20</u>
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30. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	37,660	22,000	34,376
President's allowance	8,976	9,500	9,903
Deputy President's allowance	1,685	2,500	2,236
Travelling expenses	60,304	28,200	42,960
Telecommunications allowance	19,540	21,000	18,915
	<u>128,165</u>	<u>83,200</u>	<u>108,390</u>

31. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2014/15.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,716,896	2,508,646	3,716,896	2,508,646
Receivables	567,119	160,008	567,119	160,008
	<u>4,284,015</u>	<u>2,668,654</u>	<u>4,284,015</u>	<u>2,668,654</u>
Financial liabilities				
Payables	655,101	569,122	655,101	569,122
Borrowings	774,769	429,530	853,870	482,944
	<u>1,429,870</u>	<u>998,652</u>	<u>1,508,971</u>	<u>1,052,066</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

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

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	26,946	30,012
- Statement of Comprehensive Income	26,946 ⁽¹⁾	30,012 ⁽¹⁾

Notes:

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. 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:

	2015	2014
Percentage of rates and annual charges		
- Current	4%	13%
- Overdue	96%	87%
Percentage of other receivables		
- Current	25%	82%
- Overdue	75%	15%

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015</u>					
Payables	655,101	0	0	655,101	655,101
Borrowings	116,767	467,007	448,132	1,031,906	774,769
	<u>771,868</u>	<u>467,007</u>	<u>448,132</u>	<u>1,687,007</u>	<u>1,429,870</u>
<u>2014</u>					
Payables	569,121	0	0	569,121	569,122
Borrowings	59,843	239,372	337,204	636,419	429,530
	<u>628,964</u>	<u>239,372</u>	<u>337,204</u>	<u>1,205,540</u>	<u>998,652</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (continued)

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

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

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2015</u>								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	0	774,769	774,769	4.94%
Weighted average Effective interest rate						4.94%		
<u>Year ended 30 June 2014</u>								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	0	429,530	429,530	6.49%
Weighted average Effective interest rate						6.49%		

**SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

33. FINANCIAL RISK MANAGEMENT (Continued)

Events occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2015 and the date when the financial statements are "authorised for issue") have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditor's Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Events that occur after the Reporting Period represent one of two types:

- i. Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

- ii. Events that provide evidence of conditions that arose after the Reporting Period

The Council is not aware of any material or significant 'non-adjusting events' that should be disclosed.



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INDEPENDENT AUDITOR'S REPORT

TO THE RATEPAYERS OF THE SHIRE OF YALGOO

Report on the Financial Report

We have audited the financial report of the Shire of Yalgoo, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date, the summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion on the financial report and our qualified audit opinion on statutory compliance.

Independence

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

Auditor's opinion on the Financial Report

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

- (i) gives a true and fair view of the financial position of the Shire of Yalgoo as at 30 June 2015 and of its financial performance for the year ended on that date;
- (ii) complies with the *Local Government Act 1995* Part 6 and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) in relation to the Supplementary Ratio Information presented in the financial report, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and reasonable assumptions.

Report on Statutory Compliance

Basis for Qualified Opinion

- (i) The annual financial report for the year ended 30 June 2015 was not submitted to the auditor by 30 September 2015 as required by *Local Government Act 1995* section 6.4(3)(b); and
- (ii) The March 2015 statement of financial activity was not presented at an ordinary meeting of Council within 2 months after the end of the month to which the statement relates as required by *Local Government (Financial Management) Regulations 1996* regulation 34(4)(a).

Auditor's qualified opinion on Statutory Compliance

Except for the matters described in the Basis for Qualified Opinion paragraphs, we did not, during the course of our audit, become aware of any instances where the Shire of Yalgoo did not comply with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* as they relate to the financial report.

A stylized, handwritten signature of D J Wall in black ink.

RSM AUSTRALIA PTY LTD

A handwritten signature in black ink, appearing to read 'D J Wall'.

D J WALL
Director

Perth, WA
Dated: 16 December 2015

**SHIRE OF YALGOO
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

RATIO INFORMATION

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

	2015	2014	2013
Asset consumption ratio	0.61	0.58	0.56
Asset renewal funding ratio	0.91	0.84	1.15

The above ratios are calculated as follows:

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