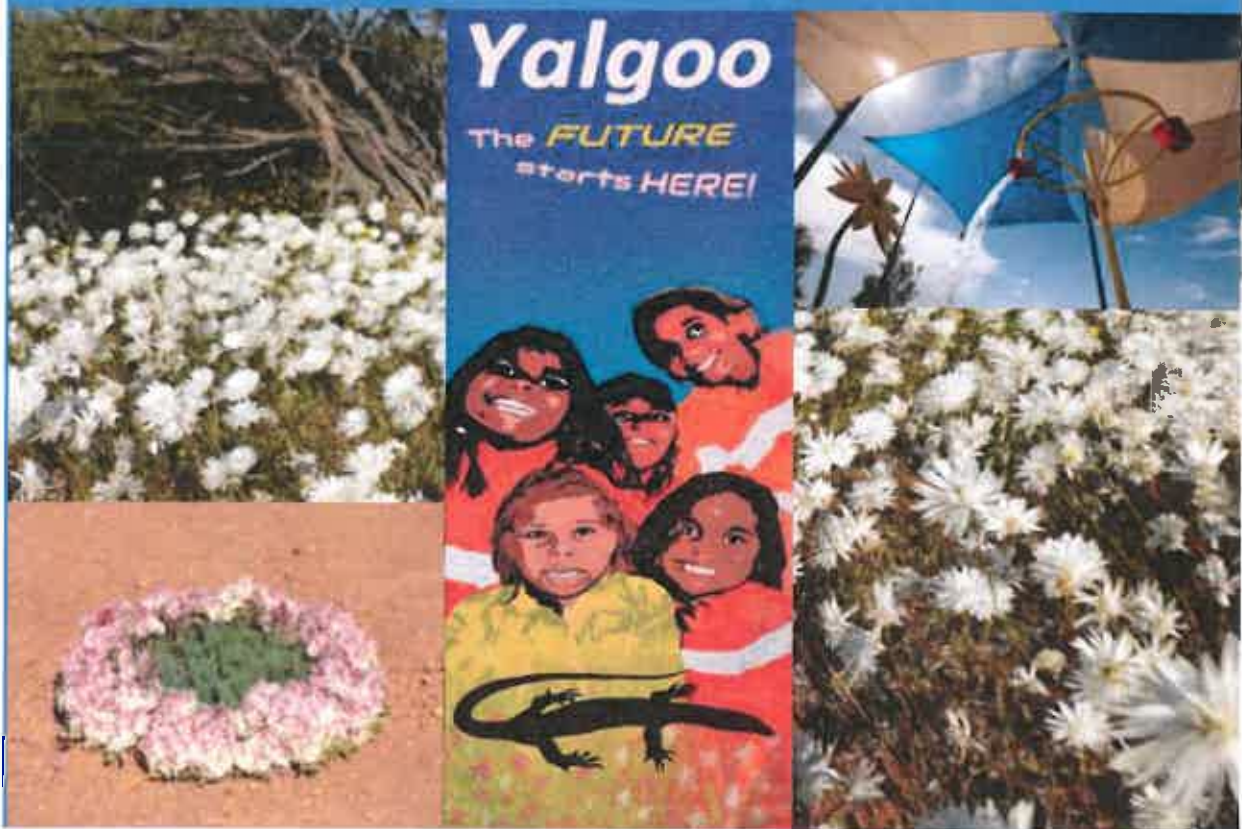




# Annual Report

For the year ending 30 June 2013



*Gateway to the outback - wildflowers; wreath flower; Banners in the Terrace entry 2013; water playground*

**As adopted at the Special Meeting of Council held 14 November 2013**  
**Decision number S2013-11xx**

## CONTENTS

KEY STATISTICS .....	4
PRESIDENT'S REPORT .....	5
ELECTED MEMBERS REPORT .....	6
CHIEF EXECUTIVE OFFICER'S REPORT .....	7
OTHER REPORTS .....	9
Plan for the Future .....	9
National Competition Policy .....	14
Register of Certain Complaints of Minor Breaches.....	14
Public Interest Disclosures .....	15
Disability Access and Inclusion Plan.....	15
Freedom of Information Statement.....	16
Record Keeping .....	21
APPENDED .....	23
Shire of Yalgoo Audited Financial Statements and Auditor's Report for the financial year ended 30 June 2012 .....	23

## KEY STATISTICS

	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>
	<b>405 in the</b>	<b>405 in the</b>	<b>242 in the</b>
	<b>2011 Census</b>	<b>2011 Census</b>	<b>2006 Census</b>
<b>Total number of residents</b>			
<b>Total number of rateable properties</b>	<b>492</b>	<b>463</b>	<b>432</b>
<b>Rates levied</b>	<b>1,522,994</b>	<b>1,346,819</b>	<b>1,146,594</b>
<b>Minimum general residential rate</b>	<b>250</b>	<b>240</b>	<b>230</b>
<b>Minimum general commercial rate</b>	<b>250</b>	<b>240</b>	<b>230</b>
<b>Minimum general pastoral rate</b>	<b>250</b>	<b>240</b>	<b>230</b>
<b>Minimum general mining rate</b>	<b>250</b>	<b>240</b>	<b>230</b>
<b>Revenue from Ordinary Activities</b>	<b>4,781,422</b>	<b>7,454,001</b>	<b>5,856,315</b>
<b>Net current assets</b>	<b>3,629,724</b>	<b>2,041,280</b>	<b>1,742,300</b>
<b>Grants and Subsidies – Operating</b>	<b>2,823,935</b>	<b>5,319,772</b>	<b>2,136,675</b>
<b>Grants and Subsidies – Non-Operating</b>	<b>2,140,200</b>	<b>1,091,469</b>	<b>1,773,798</b>
<b>Total number of employees (FTE)</b>	<b>19</b>	<b>15</b>	<b>16</b>
<b>Building applications approved</b>	<b>5</b>	<b>2</b>	<b>3</b>
<b>Value of building applications approved</b>	<b>3,458,000</b>	<b>9,100,000</b>	<b>866,200</b>

## PRESIDENT'S REPORT

During 2012/13 Council has achieved another successful year's operation committed to focus on long term planning to ensure a positive strategic future for Yalgoo. The community has provided significant input through the consultation process. Most importantly it has given clear indication that our priorities are reflected and confirmed in the outcome of the Strategic Community Plan.

The projects completed this year, supported by Royalties for Regions through the Country Local Government Fund, have been significant and assisted in the much needed catch up of our infrastructure. This funding together with the success of other grant applications has enabled us to advance our projects. The Council's executive staff are to be commended for their effort on behalf of our community.

Projects either completed or nearing completion this year are the town security lighting, water wise town reticulation, waste management transfer station, cemetery gazebo and niche wall, the refurbishment of several staff houses and the parks and gardens depot. Other projects completed in 2012-13 are the caravan park house extension and six new drive-through bays.

Perhaps the most significant project completed is the under covered sports facility that has proved to be a great attraction for the young people in our community.

The final section seal of the Yalgoo Morawa Road is also nearing completion and pads have been prepared to build two staff houses.

Council is very much aware of the need to address the drainage and septic issue created by our unique terrain. Town sewerage is a major project and not within the financial capacity of the Council, however every effort to obtain assistance is being sought from the appropriate Government agencies.

The Shire of Yalgoo has also taken a lead role in getting a collaborative project off the ground for regional tourism. This project has long been on the regional wish list. In February the Shire invited all local governments in the region to a meeting in Yalgoo. Subsequently funding has been secured from various sources to develop a regional tourism blueprint for the six Murchison Shires plus Upper Gascoyne.

I congratulate both the administrative staff and works crew for their contribution to ensuring we have a great town and thank them for their loyalty and dedication without which we could not have achieved the goals we set.

I also thank my fellow councillors for their efforts and commitment to the Shire of Yalgoo and also from me personally, I believe we have a solid team and together we can ensure a strong community future for our Shire.

**Cr Terry Iturbide**  
President



## ELECTED MEMBERS REPORT

### Councillors

As at 30 June 2013:

President	Cr Terry K Iturbide	Term expires 2015
Deputy President	Cr Raul Valenzuela	Term expires 2013
Members	Cr Laurence Hodder	Term expires 2013
	Cr Neil Grinham	Term expires 2013
	Cr Robert Grinham	Term expires 2015
	Cr Stanley Willock	Term expires 2015

### Attendance at Council Meetings

There were 11 Ordinary Meetings, 4 Special Meetings and 2 Audit Meetings of Council held between 1 July 2012 and 30 June 2013. A breakdown of Councillors' presence at meetings is detailed in the table below, for Councillors in office as at 30 June 2013:

Councillor	Ordinary (11)	Special (4)	Audit Committee (2)
Cr TK Iturbide	10/11	4/4	2/2
Cr L Hodder	10/11	4/4	2/2
Cr R Valenzuela	11/11	4/4	2/2
Cr N Grinham	8/11	1/4	0/2
Cr R Grinham	6/7	1/2	1/1
Cr S Willock	4/5	1/1	1/1

### Fees and Allowances

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

Fees, Expenses, Allowances	Actual \$ 2012/13	Budget \$ 2012/13	Actual \$ 2011/12	Budget \$ 2011/12
Meeting Fees	11,045	10,500	11,054	15,300
President's Allowance	6,720	6,720	6,512	6,624
Deputy President's Allowance	1,325	1,140	1,011	940
Travelling Expenses	11,401	25,000	21,971	22,500
Telecommunication Allowance	4,470	5,000	3,952	2,520
<b>Total</b>	<b>34,961</b>	<b>48,360</b>	<b>44,500</b>	<b>47,884</b>



## CHIEF EXECUTIVE OFFICER'S REPORT

### The year in review

After two years of back to back natural disasters and critical staff shortages 2012/13 has been a year of consolidation.

Our small Shire achieved a commendable rate of success with grant applications including securing funding for a \$500,000 upgrade to the Shire caravan park, \$421,000 to progress sealing on the strategically significant Morawa Road and \$872,000 for the sport and recreation element of the Yalgoo Community Hub.

The Morawa Road project was completed in less than twelve weeks after signing the funding agreement. As at June 30 2013 less than twenty kilometres remain unsealed and we expect to complete the seal by 30 June 2015 which will provide all weather access to Morawa and Perth.



During the year stage one of the caravan park was completed, adding six new drive through bays and a dump point. Funding agreements for the major final phase were in place at 30 June ready to commence construction of rammed earth accommodation, ablutions and camp kitchen in the new financial year.

The flagship Hub project was substantially completed by June 30. This facility gives our community a covered 'rage cage' multi-sport court, bmx track, mini-golf course, skate park, volleyball court, refurbished tennis court and adventure playground in one location adjacent to the existing water playground. The Hub is set to become a unique attraction for visitors and residents of all ages.



Council is concurrently planning for a range of visionary future projects that include lobbying for Water Corp to install sewerage in Yalgoo as a community service obligation, revitalisation planning for the town centre and surrounds, a volunteer emergency services training and operations centre (VESTOC) and the community and youth centre element to complete the Yalgoo Community Hub.

### Community Development and Integrated Planning

In 2009 the Shire ceased to directly employ any staff in the area of community development. This led to deep discontent in the community expressed through regular verbal complaints and evident social decline particularly in the area of misbehaviour of bored youth.

Council, deeply aware of the need to strengthen the Shire's community focus, appointed a community and youth development coordinator (CYDC) in November 2012. The overall aim of this new role is to work in partnership with all sectors of the community to build sustainable capacity and foster a vibrant, resilient and welcoming community of independent people.

This is a tall order for one person. The mutually supportive environment achieved by working in tandem with the Centacare Indigenous parenting coordinator has made this difficult role sustainable. In due

course as funding is available the CYDC will be supported by a local trainee. In turn, this strategy will assist with succession planning and will improve the likelihood that the community development program is sustained with continuity of service delivery.

Along with direct service delivery, the role of the CYDC for the first six months has included consulting with the community to establish the Shire's inaugural Community Strategic Plan. Community aspirations for the Shire's future have been captured in this planning process resulting in a vision of, 'inclusive and peaceful, prosperous and strong' distilled from contributions across the broad spectrum of our residents.

## Workforce Planning

For the past eighteen months the Shire has focussed on workforce development. Under the guidance of a human resource consultant the Shire team identified strengths, gaps and development needs which resulted in Council adopting a revised structure in May 2013. This process has provided a solid foundation for our workforce plan that will increase the Shire's capacity to resource its functions over the longer term.

The structure makes provision for a number of local traineeships to be introduced in future years. Over the past year we have welcomed two young local residents to the road work crew and one to the office team. This strategy builds capacity in our community and strengthens the capability of the Shire to meet outcomes with a stable and skilled local workforce.

Whilst we have provided opportunities to youth to develop their skills, at the other end of the scale the Shire has introduced strategies to retain mature-age members of our workforce, capture their corporate knowledge, recognise their highly developed skills and protect their health and wellbeing.

The Shire works crew received high praise in February from an experienced trainer and assessor who delivered a range of machinery operator training on site in Yalgoo. In an email to the CEO on 07 February 2013 the trainer wrote:

*On another separate matter I would like to take the opportunity to thank you all, and especially to commend the Yalgoo Shire for your assistance in the way things were organised, your genuinely positive approach to the training and development of your employees, and the overall cooperation of all involved in my recent training delivery for the Shire.*

*Further, as I have been an assessor for more than 20 years, having worked all over this country, across most industry sectors, as well as being a Safety Practitioner, and WorkSafe Trainer and Assessor, I am adequately qualified to confidently say that those that I had the privilege to train, are an absolute asset to the Shire of Yalgoo. Because of the level of commitment, all of my training sessions went smoothly, and were actually fun. Your employees made my job easy.*

*With regard to the machinery practical assessments, there was clearly demonstrated a high level of operator skill, your operators are among the best that I have seen, and could stand up anywhere as such in either the Civil Construction or Mining industries.*

## Australia Day – Bringing the Beach to Yalgoo

With the appointment of the new CYDC, the Shire once again created a beach in the main street to hold a fun filled day of cricket culminating in a movie under the stars. This novel event caught the attention of the media and we expect to further develop beach cricket as an iconic annual Australia Day event in Yalgoo.

**Sharon Daishe**  
Chief Executive Officer





## OTHER REPORTS

### Plan for the Future

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

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

During 2012/13 the Shire engaged with the community to develop and draft a strategic community plan that sets out the vision, aspirations and objectives of the community in the district. The draft community strategic plan will be presented to the community for feedback and a final draft will be presented to Council in September 2013. *Regulation 19C of the Local Government (Administration) Regulations 1996 as amended 26 August 2011.*

The Annual Report must include an overview of the Plan for the Future including major initiatives planned to commence or continue in the next year. *Section 5.53 (2) (e) of the Local Government Act 1995.* The following report shows achievements against the plan in 2012/13 and major activities planned for 2013/14.

#### 1. Economic Prosperity

Program	Achieved 2012/13	Planned 2013/14
Maintenance and operation of the Yalgoo and Paynes Find Airport:	<ul style="list-style-type: none"> <li>Maintained access roads and airstrips</li> </ul>	<ul style="list-style-type: none"> <li>Maintain access roads and airstrips</li> <li>Appoint caretaker at Paynes Find duties to include airstrip inspection and reporting</li> </ul>
Asset acquisition and replacement:	<ul style="list-style-type: none"> <li>Changed over plant and equipment in accordance with the Shire's policy</li> <li>Purchased additional resources as per budget following recommendations</li> <li>Obtained fair valuation of plant and equipment for long term financial plan</li> <li>Commenced asset management plan</li> </ul>	<ul style="list-style-type: none"> <li>Review plant and equipment for the inaugural asset management plan and long term financial plan</li> <li>Change over plant and equipment in accordance with the Shire's policy</li> <li>Purchase additional resources as per budget following recommendations</li> </ul>

<b>Program</b>	<b>Achieved 2012/13</b>	<b>Planned 2013/14</b>
Develop partnerships with mining companies in the Shire area:	<ul style="list-style-type: none"> <li>Secured agreement from MMG Golden Grove for matching funds for a three year regional road group project to widen and resheet certain sections of the Yalgoo Ninghan Road</li> <li>Continued negotiations with Western Queen, Mutiny Gold, Sino Steel and Top Iron for heavy haulage tasks on local roads in the Shire.</li> </ul>	<ul style="list-style-type: none"> <li>Finalise agreement with Sino Steel regarding improvements and access to the Yalgoo Ninghan Road</li> <li>Finalise agreement with Western Queen regarding improvements and access to Uanna Hills and Mt Farmer Road</li> <li>Continue negotiations with Top Iron for access to Mt Gibson Road and Yalgoo Ninghan Road</li> <li>Continue negotiations with Mutiny Gold for access to the Yalgoo Morawa Road</li> </ul>
Promote and progress partnerships and regional development opportunities:	<ul style="list-style-type: none"> <li>Prepared business case and applied for further regional funding to complete the seal on the Morawa Road (as approved by regional group for CLGF)</li> <li>Gained support of Shires in the Murchison Region and the Shire of Upper Gascoyne for a regional tourism project. Shire of Yalgoo as lead Shire has secured \$70,000 in funds from various sources and applied for additional \$50,000 from TIRF.</li> </ul>	<ul style="list-style-type: none"> <li>Implement regional tourism project with Shires in the Murchison region</li> <li>Remain involved in other regional activities and seek new opportunities.</li> </ul>

## 2. Environmental Integrity

<b>Program</b>	<b>Achieved 2012/13</b>	<b>Planned 2013/14</b>
Improve the efficiency of the Bush Fire Brigade	<ul style="list-style-type: none"> <li>Conducted a rigorous bushfire preparedness program for fire season and responded to fires</li> </ul>	<ul style="list-style-type: none"> <li>Provide training to the bushfire brigade and improve systems for maintenance of vehicles and administration of the brigade</li> </ul>
Implementation of landfill waste reduction programs	<ul style="list-style-type: none"> <li>Completed waste transfer station at Yalgoo</li> <li>Inspected and recommended future management plan for Paynes Find waste facility</li> </ul>	<ul style="list-style-type: none"> <li>Carry out works at the Paynes Find and Yalgoo waste facilities in accordance with the budget</li> </ul>
Pursue increased State Government action to control feral animals.	<ul style="list-style-type: none"> <li>Maintained membership of Vermin Council and pledged funds for the vermin cell fence project</li> </ul>	<ul style="list-style-type: none"> <li>Maintain membership of Vermin Council and provide funds in accordance with the budget.</li> </ul>

### 3. Social Equity

Program	Achieved 2012/13	Planned 2013/14
Review asset and risk management programs	<ul style="list-style-type: none"> <li>Engaged consultants to finalise asset management plan along with all elements of integrated planning</li> <li>Reviewed forward capital works plan</li> </ul>	<ul style="list-style-type: none"> <li>Scope project for review of internal controls and risk management</li> <li>Finalise asset management plan and continue to improve use of ROMAN for management of road assets</li> </ul>
Progress training and development programs for Councillors and staff	<ul style="list-style-type: none"> <li>Inducted new councillors</li> <li>Finalised draft workforce plan and new workforce structure</li> <li>Identified gaps in staff training and provided a range of training and development to address skills shortages</li> </ul>	<ul style="list-style-type: none"> <li>Provide induction and training to new staff and elected members</li> <li>Develop a training plan for staff and elected members</li> <li>Formalise staff induction process</li> </ul>
Review the Shire's governance structure, delegations and policies	<ul style="list-style-type: none"> <li>The Shire's annual compliance audit return was 96% compliant with only minor areas of non compliance.</li> <li>Reviewed various policies and introduced new policies as required</li> </ul>	<ul style="list-style-type: none"> <li>Begin best practice review of delegations to improve delegation manual and process</li> <li>Begin best practice review of policies to improve policy manual and separate operational policy from council policy</li> <li>Prepare scope for review of internal controls and risk management</li> </ul>
Continue the sealing of Yalgoo–Ninghan Road, Yalgoo–Morawa Road and town streets	<ul style="list-style-type: none"> <li>Secured funding to scope Gibbons St beautification project</li> <li>Continued sealing of Yalgoo Morawa Road (less than 20 kilometres to complete)</li> <li>Applied for funding to complete the seal of Yalgoo Morawa Road</li> <li>Progressed negotiations with MMG Golden Grove regarding Yalgoo Ninghan Road and secured additional funding</li> <li>Applied to Regional Roads group for funds for new project to improve the gravel surface (widen and sheet) of the Yalgoo Ninghan Road</li> </ul>	<ul style="list-style-type: none"> <li>Carry out funded project to scope Gibbons St beautification project</li> <li>Carry out Yalgoo Morawa Road sealing program</li> <li>Prepare final section of Yalgoo Morawa Road to Shire boundary</li> <li>Carry out RRG project to widen and resheet sections of the gravel surface on Yalgoo Ninghan Road</li> </ul>

<b>Program</b>	<b>Achieved 2012/13</b>	<b>Planned 2013/14</b>
Develop plans and seek funding to construct a path and trails network within the town, on the town outskirts, and within the district	<ul style="list-style-type: none"><li>▪ Secured funding to scope this project</li></ul>	<ul style="list-style-type: none"><li>▪ Carry out scoping project as funded by Northern Planning and delivered by Urbis Planning</li></ul>

#### 4. Community Well-being

Program	Achieved 2012/13	Planned 2013/14
To make budget allocation and transfer to Reserve Funds allowance for future development of recreation facilities, and provision for maintenance of the Railway Station as a heritage listed building	<ul style="list-style-type: none"> <li>Substantially completed rage cage project</li> <li>Council approved additional expenditure for 13/14 to enclose one end of the shed, add signage, seal tennis court to address drainage issue and add storage shed and BBQ</li> </ul>	<ul style="list-style-type: none"> <li>Complete rage cage project including additional works funded by council</li> <li>Seek funding for heritage work to railway station</li> </ul>
Identify priorities, source funding and implement actions for development of recreation facilities and reserves, arts and other cultural pursuits, sporting clubs and community organisations	<ul style="list-style-type: none"> <li>Substantially completed the Yalgoo Community Hub stage 1 Covered Sports Facility..</li> <li>Secured funding for active after schools and kidsport</li> <li>Secured approval to use CLGF funds to scope Yalgoo Community Hub Stage 2: Community and Youth Centre</li> </ul>	<ul style="list-style-type: none"> <li>Finalise Hub stage 1 (sport and rec).</li> <li>Planning and headworks project for stage 2 (community and youth centre)</li> <li>Encourage Yalgoo Sporting Club to reconvene re kidsport funding.</li> </ul>
Encourage and support volunteers, with particular focus on promotion, training and recognition.	<ul style="list-style-type: none"> <li>Continued partnership with ICV (Indigenous community volunteers) and established new partnerships with several other volunteering services</li> </ul>	<ul style="list-style-type: none"> <li>Continue partnership with volunteering services and develop new opportunities</li> </ul>
Implementation of the Disability Access and Inclusion Plan adopted in August 2007	<ul style="list-style-type: none"> <li>Commenced project to develop new disability access and inclusion plan (sought extension due to workload of new staff)</li> </ul>	<ul style="list-style-type: none"> <li>Re-write disability access and inclusion plan</li> </ul>
Explore opportunities to expand and further develop the Healthy Community Project, in co-operation with FaCSIA, Oxiana Mining and other potential partners.	<ul style="list-style-type: none"> <li>Engaged new Community and Youth Development Coordinator and recommenced a community development program in Yalgoo</li> </ul>	<ul style="list-style-type: none"> <li>Pursue Community Resource Centre project (community consultation and scoping of project)</li> <li>Develop project and apply for funding for Indigenous trainee community development assistant</li> <li>Further negotiations with mining companies for community benefit funding</li> </ul>



## National Competition Policy

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

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality were implemented in respect of any relevant activity undertaken during the 2012/13 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 2012-13.

## Public Interest Disclosures

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

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

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

## Disability Access and Inclusion Plan

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

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

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

- Outcome 4 – Provide a means of ensuring that people with disabilities receive the same level and quality of service from the staff of the Shire of Yalgoo.
- *Staff are aware of the need to assist where necessary*
  - *Separate interview room is used extensively for meeting and discussion with the public, rather than over the counter in an open area.*
- Outcome 5 – Provide a means of ensuring that people with disabilities have the same opportunities as others to make complaints to the Shire of Yalgoo.
- and*
- Outcome 6 – Provide a means of ensuring that people with disabilities have the same opportunities as others to participate in any public consultation with the Shire of Yalgoo.
- *People are invited to a separate interview room for any discussion*
  - *Email facilities to contact staff for those with internet access*

## Freedom of Information Statement

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

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

### 1. Structure and Functions of Council

#### a) Establishment

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

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

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

**b) Council**

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

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

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

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

Meetings of Council and Committees are advertised at least once each year. Unless changed, Ordinary meetings of Council usually are held on the second last Thursday of each month commencing at 11.00 am. Council does not generally meet in the months of January and 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 8 days in advance. A copy of the agenda is available to the public before the meeting.

**f) Minutes**

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

**g) Delegated Authority**

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

## **2. Service to the Community**

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

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

## **3. Public Participation**

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

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

## **4. Access to Council Documents**

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

Information that is available includes –

- Committee Agendas
- Council Agendas



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

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

## 5. Amending Personal Information

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

## 6. Procedures and Access Arrangements

### a) FOI Operations

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

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

### b) Freedom of Information Applications

Access applications have to

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

Applications and enquiries should be addressed to the CEO.

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

### c) Freedom of Information Charges

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

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

### d) Deposits

- Advance deposit may be required of the estimated charges 25%

- *Further advance deposit may be required to meet the charges for dealing with the application* 75%

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

*e) Access Arrangements*

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

*f) Notice of Decision*

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

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

*f) Refusal of Access*

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

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

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

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

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

Enquiries can also be made to –

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

Phone: 6551 7888 or 1800 621 244  
Fax: 6551 7889  
Email: [info@foi.wa.gov.au](mailto:info@foi.wa.gov.au)  
Website: [www.foi.wa.gov.au](http://www.foi.wa.gov.au)

## Record Keeping

### Background

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

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

The Shire of Yalgoo objectives for record keeping are:

- compliance with Section 19 of the State Records Act 2000,
- 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 2014 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 is scheduled for review in 2014.

## APPENDED

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



**SHIRE OF YALGOO**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**TABLE OF CONTENTS**

<b>Statement by Chief Executive Officer</b>	<b>2</b>
<b>Statement of Comprehensive Income by Nature or Type</b>	<b>3</b>
<b>Statement of Comprehensive Income by Program</b>	<b>4</b>
<b>Statement of Financial Position</b>	<b>5</b>
<b>Statement of Changes in Equity</b>	<b>6</b>
<b>Statement of Cash Flows</b>	<b>7</b>
<b>Rate Setting Statement</b>	<b>8</b>
<b>Notes to and Forming Part of the Financial Report</b>	<b>9 to 52</b>
<b>Independent Audit Report</b>	<b>53 &amp; 54</b>
<b>Supplementary Ratio Information</b>	<b>55</b>
<b>Principal place of business</b> <b>37 Gibbons Street</b> <b>Yalgoo WA 6635</b>	

**SHIRE OF YALGOO  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Yalgoo being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Yalgoo at 30th June 2013 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 6th day of November 2013



Sharon Daishe  
Chief Executive Officer

**SHIRE OF YALGOO**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Rates	22	1,522,994	1,507,194	1,346,819
Operating Grants, Subsidies and Contributions	28	2,823,935	1,610,443	5,319,772
Fees and Charges	27	161,132	157,023	628,108
Interest Earnings	2(a)	162,719	127,244	103,316
Other Revenue		<u>120,642</u>	<u>31,600</u>	<u>55,986</u>
		<b>4,781,422</b>	<b>3,433,504</b>	<b>7,454,001</b>
<b>Expenses</b>				
Employee Costs		(1,362,198)	(1,203,798)	(1,158,194)
Materials and Contracts		(1,506,361)	(1,447,665)	(3,815,966)
Utility Charges		(96,318)	(49,600)	(96,965)
Depreciation on Non-Current Assets	2(a)	(1,192,026)	(1,286,239)	(1,167,588)
Interest Expenses	2(a)	(31,141)	(31,800)	(32,934)
Insurance Expenses		(191,097)	(247,633)	(174,429)
Other Expenditure		<u>(104,570)</u>	<u>(63,761)</u>	<u>(85,886)</u>
		<b>(4,483,711)</b>	<b>(4,330,496)</b>	<b>(6,531,962)</b>
		<b>297,711</b>	<b>(896,992)</b>	<b>922,039</b>
<b>Non-Operating Grants, Subsidies and Contributions</b>	28	<b>2,140,200</b>	<b>2,059,106</b>	<b>1,091,469</b>
Profit on Asset Disposals	20	<b>4,022</b>	<b>0</b>	<b>58,000</b>
Loss on Asset Disposal	20	<u><b>(108,076)</b></u>	<u><b>(62,637)</b></u>	<u><b>(30,228)</b></u>
<b>Net Result</b>		<b>2,333,857</b>	<b>1,099,477</b>	<b>2,041,280</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	<b>1,295,867</b>	<b>0</b>	<b>0</b>
<b>Total Other Comprehensive Income</b>		<u><b>1,295,867</b></u>	<u><b>0</b></u>	<u><b>0</b></u>
<b>Total Comprehensive Income</b>		<u><b>3,629,724</b></u>	<u><b>1,099,477</b></u>	<u><b>2,041,280</b></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 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		0	0	399
General Purpose Funding		4,143,732	3,036,017	4,325,933
Law, Order, Public Safety		36,969	38,700	257,067
Health		16,443	14,123	66,175
Housing		13,310	12,000	10,868
Community Amenities		84,257	13,300	14,801
Recreation and Culture		2,982	5,300	12,637
Transport		250,127	164,264	2,521,336
Economic Services		98,660	97,600	145,340
Other Property and Services		134,962	52,200	99,445
	2(a)	4,781,422	3,433,504	7,454,001
<b>Expenses</b>				
Governance		(383,322)	(427,255)	(297,500)
General Purpose Funding		(173,909)	(170,806)	(311,258)
Law, Order, Public Safety		(196,296)	(180,898)	(365,711)
Health		(97,051)	(98,718)	(66,093)
Education and Welfare		(5,762)	(9,431)	(162)
Housing		(312,895)	(306,380)	(262,888)
Community Amenities		(281,959)	(246,543)	(186,813)
Recreation & Culture		(622,771)	(619,928)	(524,839)
Transport		(2,011,444)	(1,741,385)	(4,136,453)
Economic Services		(376,924)	(508,488)	(328,072)
Other Property and Services		9,763	11,136	(29,240)
	2(a)	(4,452,570)	(4,298,696)	(6,499,029)
<b>Financial Costs</b>				
General Purpose Funding		0	(600)	0
Housing		(25,488)	(25,500)	(26,996)
Community Amenities		(5,653)	(5,700)	(5,938)
	2(a)	(31,141)	(31,800)	(32,933)
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Law, Order, Public Safety		118,923	11,000	0
Community Amenities		0	0	50,000
Recreation & Culture		562,721	691,817	10,000
Transport		1,418,556	1,316,289	1,031,469
Economic Services		40,000	40,000	0
		2,140,200	2,059,106	1,091,469
<b>Profit/(Loss) on Disposal of Assets</b>				
Law, Order, Public Safety		19	0	0
Housing		(5,753)	0	0
Recreation & Culture		(9,497)	0	0
Economic Services		(10,195)	0	0
Transport		(41,236)	(19,637)	27,772
Other Property and Services		(37,392)	(43,000)	0
		(104,054)	(62,637)	27,772
<b>Net Result</b>		2,333,857	1,099,477	2,041,280
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	1,295,867	0	0
<b>Total Other Comprehensive Income</b>		1,295,867	0	0
<b>Total Comprehensive Income</b>		3,629,724	1,099,477	2,041,280

This statement is to be read in conjunction with the accompanying notes.  
Liability limited by a scheme approved under Professional Standards Legislation

**SHIRE OF YALGOO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	3,804,832	3,431,030
Trade and Other Receivables	4	155,110	92,815
Inventories	5	80,054	680
<b>TOTAL CURRENT ASSETS</b>		<b>3,839,796</b>	<b>3,524,325</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	9,940,809	7,765,203
Infrastructure	7	17,531,895	16,036,878
<b>TOTAL NON-CURRENT ASSETS</b>		<b>27,472,704</b>	<b>23,802,081</b>
<b>TOTAL ASSETS</b>	17	<b>31,312,500</b>	<b>27,326,406</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	736,747	367,230
Long Term Borrowings	9	30,479	28,593
Provisions	10	207,974	163,734
<b>TOTAL CURRENT LIABILITIES</b>		<b>975,200</b>	<b>559,557</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	429,530	460,009
Provisions	10	17,947	46,741
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>447,477</b>	<b>506,750</b>
<b>TOTAL LIABILITIES</b>		<b>1,422,677</b>	<b>1,066,307</b>
<b>NET ASSETS</b>		<b>29,889,823</b>	<b>26,260,099</b>
<b>EQUITY</b>			
Retained Surplus		25,767,242	23,551,457
Reserves - Cash Backed	11	1,874,610	1,556,538
Revaluation Surplus	12	2,447,971	1,152,104
<b>TOTAL EQUITY</b>		<b>29,889,823</b>	<b>26,260,099</b>

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 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		21,823,086	1,243,829	1,152,104	24,218,819
Net Result		2,041,280	0	0	2,041,280
Reserve Transfers		(312,909)	312,909	0	0
Balance as at 30 June 2012		23,551,457	1,556,538	1,152,104	26,260,099
Comprehensive Income					
Net Result		2,333,857	0	0	2,333,857
Changes on Revaluation of Non-Current Assets	12			1,295,867	1,295,867
Total Other Comprehensive Income		2,333,857	0	1,295,867	3,629,724
Reserve Transfers		(118,072)	118,072	0	0
Balance as at 30 June 2013		25,767,242	1,674,610	2,447,971	29,889,823

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 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,485,540	1,507,194	1,367,212
Operating Grants, Subsidies and Contributions		2,845,299	1,451,847	5,742,479
Fees and Charges		161,132	157,023	628,108
Service Charges		0	0	0
Interest Earnings		152,719	127,244	103,316
Goods and Services Tax		178,526	455,995	525,778
Other Revenue		120,642	31,600	55,986
		<u>4,943,858</u>	<u>3,730,703</u>	<u>8,422,879</u>
<b>Payments</b>				
Employee Costs		(1,322,241)	(1,384,064)	(1,107,254)
Materials and Contracts		(1,240,621)	(1,489,046)	(4,180,582)
Utility Charges		(96,318)	(49,600)	(96,965)
Interest Expenses		(31,249)	(247,633)	(33,021)
Insurance Expenses		(191,097)	(34,249)	(174,429)
Goods and Services Tax		(224,931)	(433,050)	(366,305)
Other Expenditure		(104,570)	(63,761)	(85,886)
		<u>(3,211,027)</u>	<u>(3,701,403)</u>	<u>(6,044,442)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>1,732,831</u>	<u>29,300</u>	<u>2,378,437</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(1,879,550)	(2,244,578)	(1,137,832)
Payments for Construction of Infrastructure		(1,920,286)	(1,911,148)	(933,955)
Non-Operating Grants, Subsidies and Contributions		2,140,200	2,059,106	1,091,469
Proceeds from Sale of Plant & Equipment		129,000	177,363	119,818
Proceeds from Advances		0	0	0
<b>Net Cash Provided by (Used In) Investment Activities</b>		<u>(1,530,636)</u>	<u>(1,919,257)</u>	<u>(860,500)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(28,593)	(28,593)	(26,823)
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(28,593)</u>	<u>(28,593)</u>	<u>(26,823)</u>
<b>Net Increase (Decrease) in Cash Held</b>		173,602	(1,918,550)	1,491,114
<b>Cash at Beginning of Year</b>		3,431,030	3,434,988	1,939,916
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>3,604,632</u>	<u>1,516,438</u>	<u>3,431,030</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 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>Revenue</b>				
Governance		0	0	399
General Purpose Funding		2,620,738	1,528,823	2,979,114
Law, Order, Public Safety		156,074	49,700	257,067
Health		16,443	14,123	66,175
Housing		13,310	12,000	10,868
Community Amenities		84,257	13,300	64,801
Recreation and Culture		565,683	697,117	22,637
Transport		1,668,683	1,480,553	3,610,805
Economic Services		138,660	137,600	145,340
Other Property and Services		138,802	52,200	99,445
		<u>5,402,650</u>	<u>3,985,416</u>	<u>7,256,651</u>
<b>Expenses</b>				
Governance		(383,322)	(427,255)	(297,500)
General Purpose Funding		(173,909)	(171,406)	(311,258)
Law, Order, Public Safety		(196,459)	(180,898)	(365,711)
Health		(97,051)	(98,718)	(66,093)
Education and Welfare		(5,762)	(9,431)	(162)
Housing		(344,136)	(331,880)	(279,883)
Community Amenities		(287,612)	(252,243)	(192,751)
Recreation and Culture		(632,268)	(619,928)	(524,839)
Transport		(2,052,680)	(1,761,022)	(4,166,681)
Economic Services		(387,119)	(508,488)	(328,072)
Other Property and Services		(31,469)	(31,864)	(29,240)
		<u>(4,561,787)</u>	<u>(4,393,133)</u>	<u>(6,562,190)</u>
<b>Net Result Excluding Rates</b>		<b>810,863</b>	<b>(407,717)</b>	<b>694,461</b>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	20	104,054	62,637	(27,772)
Movement in Accrued Interest		(108)	0	(87)
Movement in Accrued Salaries and Wages		20,156	0	0
Movement in Employee Benefit Provisions (Non-current)		15,446	(3,922)	65,433
Depreciation and Amortisation on Assets	2(a)	1,192,026	1,286,239	1,167,588
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings	6	(1,258,673)	(1,626,817)	(713,417)
Purchase Infrastructure Assets - Roads	7	(1,640,067)	(1,666,601)	(823,572)
Purchase Infrastructure Assets - Other	7	(280,219)	(344,547)	(110,383)
Purchase Plant and Equipment	6	(614,956)	(610,261)	(419,595)
Purchase Furniture and Equipment	6	(5,921)	(7,500)	(4,820)
Proceeds from Disposal of Assets	20	129,000	177,363	119,818
Repayment of Debentures	21(a)	(28,593)	(28,593)	(26,823)
Transfers to Reserves (Restricted Assets)	11	(143,526)	(170,354)	(809,446)
Transfers from Reserves (Restricted Assets)	11	25,454	210,454	496,537
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	1,603,036	1,522,425	648,295
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	1,450,966	0	1,603,036
<b>Total Amount Raised from General Rate</b>	<b>22(a)</b>	<b><u>(1,522,994)</u></b>	<b><u>(1,507,194)</u></b>	<b><u>(1,346,819)</u></b>

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 2013**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

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

**Critical Accounting Estimates**

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

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

**(b) The Local Government Reporting Entity**

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

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

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

**(c) Goods and Services Tax (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 in the statement of financial position are stated inclusive of applicable GST. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(d) Cash and Cash Equivalents**

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

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

**(e) Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and services 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.

Collectibility 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.

**(f) Inventories**

***General***

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

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

***Land Held for Resale***

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

Gains and losses are recognised in the statement of comprehensive income 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 resale is classified as current except where it is held as non-current based on Council's intention to release for sale.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets**

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

***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.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

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

***Land Under Control***

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is 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 other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets (Continued)**

***Initial Recognition***

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

***Revaluation***

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from the determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets (Continued)**

***Transitional Arrangement***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes

Those assets carried at cost will be carried in accordance with the policy detailed in the **Initial Recognition** section as detailed above.

Those assets carried at fair value will be carried in accordance with the **Revaluation** Methodology section as detailed above.

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to Fair Value, **AASB 13 - Fair Value Measurement** does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard)

As a consequence, the principles embodied in **AASB 13 - Fair Value Measurement** have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

***Land Under Roads***

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets (Continued)**

***Depreciation of Non-Current Assets***

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

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

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

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

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that to retained earnings surplus.

***Capitalisation Threshold***

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

**(h) Intangible Assets**

***Easements***

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(I) Financial Instruments**

***Initial Recognition and Measurement***

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

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

***Classification and Subsequent Measurement***

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at Fair Value with changes to carrying amount being included in profit and loss.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(i) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

***(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 and fixed maturities that the Council's management 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 non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

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

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

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

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

***(v) Financial liabilities***

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

***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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 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 instruments, 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.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued 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.

**(j) Impairment**

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

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

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

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

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**(m) 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.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(n) Provisions**

Provisions are recognised when:

- a) The Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

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

**(o) Leases**

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

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

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

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(p) Joint Venture**

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

The Council's interests in joint venture entities are recorded using the equity method of accounting in (refer to Note 1(p) for details) in the financial report.

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

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

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

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

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

**(r) Superannuation**

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**(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 Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on the Council's intentions to release for sale.

**(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.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(u) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(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 2013**

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

**(x) 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 Council.

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

Title and Topic	Issued	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 – Financial Instruments AASB 2012 - 6 Amendments to Australian Accounting Standards - Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	1 January 2013 Deferred AASB 9 until 1 January 2015	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2008 -11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	1 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(iii) AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	1 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

Title and Topic	Issued	Applicable <sup>(1)</sup>	Impact
(iv) AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 134, 1039 & 1049]	September 2011	1 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit and loss subsequently.  It effects presentation only and is not expected to significantly impact the Council.
(v) AASB 119 - Employee Benefits, AASB 2011 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	1 January 2013	The changes in relation to defined benefits plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vi) AASB 2012 - 2 Amendments to Australian Accounting Standards - Disclosure - Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	1 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.  The Standard is not expected to significantly impact on the Council's financial statements.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

Title and Topic	Issued	Applicable <sup>(1)</sup>	Impact
(vii) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
(x) AASB 2012-5: Amendments to Australian Accounting Standards arising from the Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	1 January 2013	The Standard is not expected to significantly impact on the Council's financial statements.  Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.
(ix) AASB 2012-10 - Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretations 12]	December 2012	1 January 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

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

These new and revised standards were:

AASB 2010 - 8  
AASB 2011 - 3  
AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they 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.

The Council also chose to early adopt AASB 13 - *Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

<b>2. REVENUE AND EXPENSES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit of the annual financial report	18,536	17,380
- Other Services	2,717	1,345
<b>Depreciation</b>		
Buildings	205,186	183,375
Furniture and Equipment	18,600	24,785
Plant and Equipment	541,295	546,745
Tools	1,676	0
Roads	390,990	382,054
Other Infrastructure	34,279	30,629
	<u>1,192,026</u>	<u>1,167,588</u>
<b>Interest Expenses (Finance Costs)</b>		
Debentures (refer Note 21(a))	31,141	32,934
	<u>31,141</u>	<u>32,934</u>
(ii) Crediting as Revenue:		
<b>Significant Revenue</b>		
General Purpose Funding	1,074,995	996,350
	<u>1,074,995</u>	<u>996,350</u>
This significant revenues relate to Local Government Financial Assistance Grant		

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	72,961	70,044	81,128
- Other Funds	70,736	51,200	16,600
Other Interest Revenue (refer note 26)	9,022	6,000	5,588
	<u>152,719</u>	<u>127,244</u>	<u>103,316</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(b) Statement of Objective**

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

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

Food quality, pest control and immunisation services.

**EDUCATION AND WELFARE**

Telecentre Access Point Service.

**HOUSING**

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

**COMMUNITY AMENITIES**

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

**RECREATION AND CULTURE**

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

**TRANSPORT**

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

**ECONOMIC SERVICES**

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

**OTHER PROPERTY AND SERVICES**

Private works operations, plant repairs and operation costs.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

<b>(c) Conditions Over Grants/Contributions</b>		<b>Opening Balance <sup>(1)</sup> 1/07/2011 \$</b>	<b>Received <sup>(2)</sup> 2011/12 \$</b>	<b>Expended <sup>(3)</sup> 2011/12 \$</b>	<b>Closing Balance <sup>(1)</sup> 30/06/2012 \$</b>	<b>Received <sup>(2)</sup> 2012/13 \$</b>	<b>Expended <sup>(3)</sup> 2012/13 \$</b>	<b>Closing Balance 30/06/2013 \$</b>
<b>Grant/Contribution</b>	<b>Function/ Activity</b>							
Liability limited by a shire	Rec & Culture	3,419	0	(3,419)	0			0
CLGF Hall Upgrade	GPF	25,000	0	0	25,000		(25,000)	0
CLGF (FCWP)	Law Order	20,000	0	0	20,000		(20,000)	0
Crime Prevention Grant	Transport	13,875	0	(13,875)	0	2,940	(2,940)	0
Black Spot Funding	Econ Services	14,291	0	(14,291)	0	0	0	0
Dry Season Assistance	Econ Services	10,859	0	(10,859)	0	0	0	0
MWD Entry Statement	Various	0	479,522	(140,429)	339,093		(339,093)	0
CLGF	Law Order	0	7,500	(6,180)	1,320		(1,320)	0
Emergency Management	Law Order	0	5,000	0	5,000		(5,000)	0
Roadwise LG Road Safety Grant	Community Amen	0	50,000	(12,000)	38,000	70,500		108,500
Yalgoo town Structure Plan	Transport	0	609,610	(226,239)	383,371		(383,371)	0
Roads to Recovery (R2R)	Econ Services	0	20,000	0	20,000	60,000	(60,000)	0
Community Benefit	Law Order	0	0	0	0	4,235	(4,235)	0
Cat Act Implementation	Rec & Culture	0	0	0	0	304,431	(304,431)	0
CSRFF - Covered Sports	Rec & Culture	0	0	0	0	200,000	(200,000)	0
R4R/MSIP YCH - Covered Sports	Rec & Culture	0	0	0	0	55,892	(55,892)	0
Variety YCH - Covered Sports	Various	0	0	0	0	421,524	(167,080)	254,444
CLGF individual - 11-12	Transport	0	0	0	0	421,524	(421,524)	0
CLGF Regional - Morawa Rd	Econ Services	0	0	0	0	10,000	0	10,000
Regional Tourism Strategy	Law Order	0	0	0	0	8,100	0	8,100
PF Telephone Box Lighting								
<b>Total</b>		<b>87,444</b>	<b>1,171,632</b>	<b>(427,292)</b>	<b>831,784</b>	<b>1,559,146</b>	<b>(2,009,886)</b>	<b>361,044</b>

**Notes:**

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	<b>Note</b>	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		1,548,978	1,042,708
Restricted		2,055,654	2,388,322
		<u>3,604,632</u>	<u>3,431,030</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	94,054	89,884
Plant Reserve	11	235,811	217,034
Building Reserve	11	481,605	460,251
Yalgoo Ninghan Road Reserve	11	160,727	168,369
Sports Complex Reserve	11	84,270	80,534
Housing Maintenance Reserve	11	29,754	37,991
General Road Reserve	11	107,008	102,263
Community Amenities Maintenance Reserve	11	171,885	163,308
HCP Reserve	11	117,398	53,323
Yalgoo Morawa Road Reserve	11	91,848	87,775
Superannuation Back-Pay Reserve	11	77,966	74,510
Office Equipment Reserve	11	22,284	21,296
Unspent Grants	2(c)	381,044	831,784
		<u>2,055,654</u>	<u>2,388,322</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
Current			
Rates Outstanding		44,846	7,392
Sundry Debtors		56,145	61,900
Provision for Doubtful Debts		(16,652)	(1,043)
GST Receivable		70,771	24,366
		<u>155,110</u>	<u>92,615</u>
<b>5. INVENTORIES</b>			
Current			
Fuel and Materials		80,054	680
		<u>80,054</u>	<u>680</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 \$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
- Cost	8,471,044	7,212,371
Less Accumulated Depreciation	<u>(1,664,226)</u>	<u>(1,459,040)</u>
	6,806,818	5,753,331
Furniture and Equipment		
- Management Valuation 2013	44,850	0
- Cost	0	423,923
Less Accumulated Depreciation	<u>0</u>	<u>(378,989)</u>
	44,850	44,934
Plant and Equipment		
- Independent Valuation 2013	2,178,360	0
- Management Valuation 2013	910,781	0
- Cost	0	4,815,702
Less Accumulated Depreciation	<u>0</u>	<u>(2,650,440)</u>
	3,089,141	1,965,262
Tools - Cost	0	6,250
Less Accumulated Depreciation	<u>0</u>	<u>(4,574)</u>
	0	1,676
	<u>9,940,809</u>	<u>7,765,203</u>

**Furniture and Equipment**

The Shire's Furniture and Equipment was revalued at 30 June 2013 by management. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 3 inputs in the fair value hierarchy).

The revaluation resulted in an overall increment of \$ 44,850 in the net value of the Shire's furniture and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(c) for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Plant and Equipment**

The Shire's Plant and Equipment was revalued at 30 June 2013 by management and an Independent valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 3 inputs in the fair value hierarchy).

The revaluation resulted in an overall increment of \$ 1,251,017 in the net value of the Shire's plant and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(c) for further details) 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 2013**

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

**Movements In Carrying Amounts**

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

	Land and Buildings (Level 3) \$	Plant and Equipment (Level 3) \$	Furniture and Equipment (Level 3) \$	Tools (Level 3) \$	Total \$
Balance as at the beginning of the year	5,753,331	1,965,262	44,934	1,676	7,765,203
Additions	1,258,673	614,956	5,921	0	1,879,550
(Disposals)	0	(200,799)	(32,255)	0	(233,054)
Revaluation - Increments - (Decrements)	0	1,251,017	44,850	0	1,295,867
	0	0	0	0	0
Impairment - (Losses) - Reversals	0	0	0	0	0
	0	0	0	0	0
Initial Recognition of Assets Due to Change to Regulations	0	0	0	0	0
Depreciation (Expense)	(205,186)	(541,295)	(18,600)	(1,876)	(766,757)
Carrying amount at the end of year	<u>6,806,818</u>	<u>3,089,141</u>	<u>44,850</u>	<u>0</u>	<u>9,940,809</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads - Costs	36,072,866	34,432,800
Less Accumulated Depreciation	<u>(20,096,610)</u>	<u>(19,705,621)</u>
	15,976,256	14,727,179
 Infrastructure Other - Cost	 1,638,949	 1,358,730
Less Accumulated Depreciation	<u>(83,310)</u>	<u>(49,031)</u>
	1,555,639	1,309,699
	<u><u>17,531,895</u></u>	<u><u>16,036,878</u></u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	Roads (Level 3) \$	Other (Level 3) \$	Total \$
Balance at the beginning of the year	14,727,179	1,309,699	16,036,878
Additions	1,640,067	280,219	1,920,286
(Disposals)	0	0	0
Revaluation - Increments - (Decrements)	0 0	0 0	0 0
Impairment - (losses) - Reversals	0 0	0 0	0 0
Depreciation (Expense)	(390,960)	(34,279)	(425,269)
Carrying amount at the end of year	<u>15,976,256</u>	<u>1,555,639</u>	<u>17,531,895</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
Current		
Sundry Creditors	684,317	337,654
Accrued Interest on Debentures	2,371	2,479
ATO Liabilities	29,465	25,110
Accrued Salaries and Wages	20,156	0
Other Payables	438	1,987
	<u>736,747</u>	<u>367,230</u>

**9. LONG-TERM BORROWINGS**

Current		
Secured by Floating Charge		
Debentures	<u>30,479</u>	<u>28,593</u>
	<u>30,479</u>	<u>28,593</u>
Non-Current		
Secured by Floating Charge		
Debentures	<u>429,530</u>	<u>460,009</u>
	<u>429,530</u>	<u>460,009</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

**Analysis of Total Provisions**

Current	207,974	163,734
Non Current	<u>17,947</u>	<u>46,741</u>
	<u>225,921</u>	<u>210,475</u>

	Provision for Annual Leave \$	Provision for Sick	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2012	82,089	26,486	101,900	210,475
Additional provision	121,752	35,417	2,250	159,419
Amounts used	(118,250)	(30,203)	(13,467)	(161,920)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	0	17,947	17,947
Balance at 30 June 2013	<u>85,591</u>	<u>31,700</u>	<u>108,630</u>	<u>225,921</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2013 Budget \$	2012 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Long Service and Annual Leave Reserve</b>			
Opening Balance	89,884	89,884	85,994
Amount Set Aside / Transfer to Reserve	4,170	4,045	4,320
Amount Used / Transfer from Reserve	0	0	(430)
	<u>94,054</u>	<u>93,929</u>	<u>89,884</u>
<b>(b) Plant Reserve</b>			
Opening Balance	217,034	217,034	194,928
Amount Set Aside / Transfer to Reserve	18,777	18,475	23,082
Amount Used / Transfer from Reserve	0	0	(976)
	<u>235,811</u>	<u>235,509</u>	<u>217,034</u>
<b>(c) Building Reserve</b>			
Opening Balance	460,251	460,251	390,248
Amount Set Aside / Transfer to Reserve	21,354	20,711	183,956
Amount Used / Transfer from Reserve	0	(150,000)	(113,953)
	<u>481,605</u>	<u>330,962</u>	<u>460,251</u>
<b>(d) Yalgoo Ninghan Road Reserve</b>			
Opening Balance	168,369	168,369	158,533
Amount Set Aside / Transfer to Reserve	7,812	7,577	152,402
Amount Used / Transfer from Reserve	(15,454)	(15,454)	(142,566)
	<u>160,727</u>	<u>160,492</u>	<u>168,369</u>
<b>(e) Sports Complex Reserve</b>			
Opening Balance	80,534	80,534	77,049
Amount Set Aside / Transfer to Reserve	3,736	3,624	3,871
Amount Used / Transfer from Reserve	0	0	(386)
	<u>84,270</u>	<u>84,158</u>	<u>80,534</u>
<b>(f) Housing Maintenance Reserve</b>			
Opening Balance	37,991	37,991	32,907
Amount Set Aside / Transfer to Reserve	1,763	1,710	72,789
Amount Used / Transfer from Reserve	(10,000)	(10,000)	(67,705)
	<u>29,754</u>	<u>29,701</u>	<u>37,991</u>
<b>(g) General Road Reserve</b>			
Opening Balance	102,263	102,263	72,370
Amount Set Aside / Transfer to Reserve	4,745	4,602	30,255
Amount Used / Transfer from Reserve	0	0	(362)
	<u>107,008</u>	<u>106,865</u>	<u>102,263</u>
<b>(h) Community Amenities Maintenance Reserve</b>			
Opening Balance	163,308	163,307	101,726
Amount Set Aside / Transfer to Reserve	8,577	7,349	91,091
Amount Used / Transfer from Reserve	0	(15,000)	(29,509)
	<u>171,885</u>	<u>155,656</u>	<u>163,308</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 Budget \$	2012 \$
<b>11. RESERVES - CASH BACKED (continued)</b>			
<b>(i) HCP Reserve</b>			
Opening Balance	53,323	53,324	80
Amount Set Aside / Transfer to Reserve	64,075	64,000	193,243
Amount Used / Transfer from Reserve	0	0	(140,000)
	<u>117,398</u>	<u>117,324</u>	<u>53,323</u>
<b>(j) Yalgoo Morawa Reserve</b>			
Opening Balance	87,775	87,775	58,509
Amount Set Aside / Transfer to Reserve	4,073	3,950	29,559
Amount Used / Transfer from Reserve	0	0	(293)
	<u>91,848</u>	<u>91,725</u>	<u>87,775</u>
<b>(k) Superannuation Back-pay Reserve</b>			
Opening Balance	74,510	74,509	71,285
Amount Set Aside / Transfer to Reserve	3,456	3,353	3,582
Amount Used / Transfer from Reserve	0	0	(357)
	<u>77,966</u>	<u>77,862</u>	<u>74,510</u>
<b>(l) Office Equipment Reserve</b>			
Opening Balance	21,296	21,297	0
Amount Set Aside / Transfer to Reserve	988	958	21,296
Amount Used / Transfer from Reserve	0	(20,000)	0
	<u>22,284</u>	<u>2,255</u>	<u>21,296</u>
<b>(m) Digital Communications Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	30,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>30,000</u>	<u>0</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>1,674,610</u>	<u>1,516,438</u>	<u>1,558,538</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 2013**

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

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

**Long Service and Annual Leave Reserve**

- To be used to fund annual and long service leave requirements.

**Plant Reserve**

- To be used for the purchase of major plant.

**Building Reserve**

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

**Yalgoo Ninghan Road Reserve**

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

**Sports Complex Reserve**

- For the development of new recreational facilities.

**Community Amenities Maintenance Reserves**

- For the maintenance of community amenities.

**HCP Reserve**

- For future community projects operating expenditure.

**Housing Maintenance Reserve**

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

**Yalgoo Morawa Road Reserve**

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

**General Road Reserve**

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

**Superannuation Back-Pay Reserve**

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

**Office Equipment Reserve**

- To be used for the purchase of office equipment.

**Digital Communications Reserve**

- to be used to transition from analogue to digital television services.

**12. REVALUATION SURPLUS**

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

	2013 \$	2012 \$
<b>(a) Land &amp; Buildings</b>		
Opening balance	1,152,104	1,152,104
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>1,152,104</u>	<u>1,152,104</u>
<b>(b) Plant &amp; Equipment</b>		
Opening balance	0	0
Revaluation Increment	1,251,017	0
Revaluation Decrement	0	0
	<u>1,251,017</u>	<u>0</u>
<b>(c) Furniture &amp; Equipment</b>		
Opening balance	0	0
Revaluation Increment	44,850	0
Revaluation Decrement	0	0
	<u>44,850</u>	<u>0</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u>2,447,971</u>	<u>1,152,104</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**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:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>3,604,632</u>	<u>1,516,438</u>	<u>3,431,030</u>

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

Net Result	2,333,857	1,099,477	2,041,280
Depreciation	1,192,026	1,288,239	1,167,588
(Profit)/Loss on Sale of Asset	104,054	62,637	(27,772)
(Increase)/Decrease in Receivables	(62,495)	(135,851)	802,573
(Increase)/Decrease in Inventories	(79,374)	(1,967)	793
Increase/(Decrease) in Payables	349,361	(214,162)	(379,989)
Increase/(Decrease) in Employee Provisions	35,602	(7,967)	85,433
Grants Contributions for the Development of Assets	(2,140,200)	(2,059,106)	(1,091,469)
Net Cash from Operating Activities	<u>1,732,831</u>	<u>29,300</u>	<u>2,378,437</u>

	2013 \$	2012 \$
<b>(c) Undrawn Borrowing Facilities</b>		
Credit Standby Arrangements		
Bank Overdraft limit	50,000	50,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	5,000	7,000
Credit Card Balance at Balance Date	(2,946)	0
Total Amount of Credit Unused	<u>52,054</u>	<u>57,000</u>
<b>Loan Facilities</b>		
Loan Facilities - Current	30,479	28,593
Loan Facilities - Non-Current	429,530	460,009
Total Facilities in Use at Balance Date	<u>460,009</u>	<u>488,602</u>
Unused Loan Facilities at Balance Date	<u>Nil</u>	<u>Nil</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**14. CONTINGENT LIABILITIES**

There were no known contingent liabilities as at the 30 June 2013.

**15. CAPITAL AND LEASING COMMITMENTS**

There were no known leasing commitments as at the 30 June 2013.

**16. JOINT VENTURE**

The Shire did not participate in any joint ventures as at the 30 June 2013.

<b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Governance	23,035	0
General Purpose Funding	60,947	31,349
Law, Order, Public Safety	311,879	247,825
Health	816,014	707,148
Housing	2,609,100	2,063,524
Community Amenities	672,424	422,447
Recreation and Culture	3,715,933	2,623,628
Transport	18,977,184	16,840,398
Economic Services	726,047	607,994
Other Property and Services	1,397,203	816,288
Unallocated	2,002,734	2,962,805
	<u>31,312,500</u>	<u>27,323,406</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2013	2012	2011
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	2.02	2.42	1.81
Asset Sustainability Ratio	0.50	1.00	0.90
Debt Service Cover Ratio	23.72	35.98	6.11
Operating Surplus Ratio	0.10	0.43	(0.31)
Own Source Revenue Coverage Ratio	0.43	0.33	0.41

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 56 of this document.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**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 2012 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2013 \$
Yamatji BBMAC	150			150
Community Bus Bond - School	450			450
Licensing	1,063	7,634	(8,697)	0
Bus Yalgoo Hall - Annual Bond	300			300
Casual Complex	1,150			1,150
Housing Bonds	3,258	2,677	(351)	5,584
Land Auction Proceeds	2,500			2,500
Post Office Bonds	0	30		30
Casual Hall Bond	150			150
Library Bond	25			25
Unallocated	(127)		(30)	(157)
Candidates Deposits	0	160	0	160
Museum	0	0	9,220	9,220
	<u>8,919</u>			<u>19,562</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Furniture &amp; Equipment</b>						
<b>Law, Order, Public Safety</b>						
Write Offs per Valuation	163	0	0	0	(163)	0
Stirling Bolt Action rifle	0	0	182	0	182	0
<b>Housing</b>						
Write Offs per Valuation	5,753	0	0	0	(5,753)	0
<b>Recreation &amp; Culture</b>						
Write Offs per Valuation	6,497	0	0	0	(6,497)	0
<b>Economic Services</b>						
Write Offs per Valuation	10,195	0	0	0	(10,195)	0
<b>Other Property and Services</b>						
Write Offs per Valuation	9,647	0	0	0	(9,647)	0
<b>Plant &amp; Equipment</b>						
<b>Transport</b>						
Works Utility	29,875	37,000	24,545	28,000	(5,330)	(9,000)
Kubota Ride on Mower		4,000	0	2,000	0	(2,000)
Gardener's Utility	14,838	18,000	10,000	10,000	(4,838)	(8,000)
Dolly	0	12,000	0	11,363	0	(637)
Write Offs per Valuation	31,068	0	0	0	(31,068)	0
<b>Recreation &amp; Culture</b>						
Write Offs per Valuation	3,000	0	0	0	(3,000)	0
<b>Other Property and Services</b>						
CEO 4WD	53,433	70,000	57,273	50,000	3,840	(20,000)
Foreman's Utility	33,065	42,000	25,000	28,000	(8,065)	(14,000)
Project Executive Vehicle	0	37,000	0	28,000	0	(9,000)
Tri-axle Semi Trailer Water Cart	12,929	0	12,000	0	(929)	0
Write Offs per Valuation	22,591	0	0	0	(22,591)	0
	<b>233,054</b>	<b>220,000</b>	<b>129,000</b>	<b>157,363</b>	<b>(104,054)</b>	<b>(62,637)</b>

Profit	4,022	0
(Loss)	(108,076)	(62,637)
	<u>(104,054)</u>	<u>(62,637)</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**21. INFORMATION ON BORROWINGS**

**(a) Repayments - Debentures**

Particulars	Principal 1 July 2012 \$	New Loans \$	Principal Repayments		Principal 30 June 2013		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 53 - 19 a & b Stanley	173,843	0	10,481	10,482	163,362	163,361	11,348	11,500
Loan 55 - 18c & d Shamrock	222,439	0	12,765	12,765	209,674	209,676	14,140	14,000
<b>Community Amenities</b>					0			
Loan 54 - Public Toilets	92,320	0	5,347	5,346	86,973	86,973	5,653	5,700
	488,602	0	28,593	28,593	460,009	460,010	31,141	31,200

All loan repayments were financed by general purpose revenue.

**(b) New Debentures - 2012/13**

There were no new debentures during the 2012/13 financial year.

**(c) Unspent Debentures**

There were no unspent debentures during the 2012/13 financial year.

**(d) Overdraft**

Council established an overdraft facility of \$50,000 in 2013 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2012 and 30 June 2013 was \$Nil.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>RATE TYPE</b>											
Differential General Rate											
GRV Townsite Improved	0.0690	35	290,064	20,014	(104)	0	19,910	20,015	0	0	20,015
UV Pastoral	0.0609	21	901,251	54,886	1,068	0	55,954	54,886	0	0	54,886
UV Mining	0.3109	127	3,930,930	1,222,126	29,845	0	1,251,971	1,222,126	0	0	1,222,126
UV Exploration/Prospecting	0.1840	135	788,953	145,167	(18,356)	0	126,811	148,167	0	0	148,167
<b>Sub-Totals</b>		<b>318</b>	<b>5,911,198</b>	<b>1,442,194</b>	<b>12,453</b>	<b>0</b>	<b>1,454,647</b>	<b>1,445,194</b>	<b>0</b>	<b>0</b>	<b>1,445,194</b>
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV Townsite Improved	250	2	4,155	500	0	0	500	500.00	0	0	500
GRV Townsite Vacant	575	12	386	6,900	(575)	0	6,325	6,900.00	0	0	6,900
UV Pastoral	250	3	5,489	750	0	0	750	750.00	0	0	750
UV Mining	250	37	21,621	9,250	8	0	9,258	9,250.00	0	0	9,250
UV Exploration/Prospecting	250	120	66,155	30,000	6,876	0	36,876	30,000.00	0	0	30,000
<b>Sub-Totals</b>		<b>174</b>	<b>97,806</b>	<b>47,400</b>	<b>6,309</b>	<b>0</b>	<b>53,709</b>	<b>47,400</b>	<b>0</b>	<b>0</b>	<b>47,400</b>
<b>Ex Gratia Rates Totals</b>							<b>1,508,356</b>				<b>1,492,594</b>
							<b>14,638</b>				<b>14,800</b>
							<b>1,522,994</b>				<b>1,507,194</b>

Liability to be approved by the Professional Standards Legislation



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)**

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

	<b>2013</b> <b>(1 July 2013</b> <b>Carried</b>	<b>2013</b> <b>(1 July 2012</b> <b>Brought Forward)</b> <b>\$</b>	<b>2012</b> <b>(30 June 2012</b> <b>Carried Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) 1 July 2011 Brought Forward</b>	<u><u>1,603,036</u></u>	<u><u>648,295</u></u>	<u><u>648,295</u></u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	1,548,978	1,874,492	1,874,492
Cash - Restricted	2,055,854	1,556,538	1,556,538
Rates Outstanding	44,848	7,392	7,392
Sundry Debtors	39,493	60,857	60,857
GST Receivable	70,771	24,366	24,366
Inventories			
- Fuel and Materials	80,054	680	680
<b><u>Less:</u></b>			
Reserves - Cash Backed	(1,674,610)	(1,556,538)	(1,556,538)
Sundry Creditors	(684,317)	(337,654)	(337,654)
ATO liabilities	(29,465)	(25,110)	(25,110)
Accrued Salaries and Wages	(438)	(1,987)	(1,987)
<b>Surplus/(Deficit)</b>	<u><u>1,450,966</u></u>	<u><u>1,603,036</u></u>	<u><u>1,603,036</u></u>

**Difference**

There was no difference between the Surplus 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus Carried Forward position as disclosed in the 2012 audited financial report.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR**

The Shire did not impose any specified area rates in the 2012/13 financial year.

**24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR**

The Shire did not impose any service charges in the 2012/13 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2012/13 FINANCIAL YEAR**

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

**26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		9,022	6,000
Charges on Instalment Plan		15	5,645	6,000
			14,667	12,000

Ratepayers had the option of paying rates in four equal instalments, due on 21 September 2012, 23 November 2012, 25 January 2013 and 29 March 2013. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2013 \$</b>	<b>2012 \$</b>
General Purpose Funding	5,645	10,214
Law, Order, Public Safety	4,022	210,731
Health	16,443	16,175
Housing	13,256	10,868
Community Amenities	13,757	12,330
Recreation and Culture	962	4,620
Transport	4,500	187,000
Economic Services	56,260	117,470
Other Property and Services	46,287	58,700
	<u>161,132</u>	<u>628,108</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 2013**

**28. GRANT REVENUE**

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

	2013	2012
	\$	\$
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,823,935	5,319,772
Non-Operating Grants, Subsidies and Contributions	2,140,200	1,091,469
	<u>4,964,135</u>	<u>6,411,241</u>
<b>By Program:</b>		
General Purpose Funding	2,462,374	2,865,583
Health	0	100,000
Law, Order, Public Safety	133,320	46,336
Community Amenities	70,500	0
Recreation and Culture	562,721	18,017
Transport	1,652,820	3,361,305
Economic Services	82,400	20,000
	<u>4,964,135</u>	<u>6,411,241</u>

**29. ELECTED MEMBERS REMUNERATION**

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

	2013	2013	2012
	\$	Budget	\$
		\$	
Meeting Fees	11,045	10,500	11,055
President's Allowance	6,720	6,720	6,512
Deputy President's Allowance	1,325	1,140	1,011
Travelling Expenses	11,401	25,000	21,971
Telecommunications Allowance	4,470	5,000	3,952
	<u>34,961</u>	<u>48,360</u>	<u>44,501</u>

**30. a) EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

2013	2012
<u>19</u>	<u>15</u>

**a) EMPLOYEE REMUNERATION**

Set out below, in bands of \$ 10,000, is the numbers of employees of the Shire entitled to an annual salary of \$ 100,00 or more per annum.

	2013	2012
<b>Salary Range (\$)</b>		
100,000 - 109,999	1	0
110,000 - 119,999	0	0
120,000 - 129,999	0	0
130,000 - 139,999	0	1
140,000 - 149,999	1	0

**31. MAJOR LAND TRANSACTIONS**

No major land transactions occurred in the 2012/13 financial year.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**33. FINANCIAL RISK MANAGEMENT**

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	3,604,632	3,431,030	3,604,632	3,431,030
Receivables	155,110	92,615	155,110	92,615
	<u>3,759,742</u>	<u>3,523,645</u>	<u>3,759,742</u>	<u>3,523,645</u>
<b>Financial Liabilities</b>				
Payables	736,747	367,230	736,747	367,230
Borrowings	460,009	488,602	417,841	441,424
	<u>1,196,756</u>	<u>855,832</u>	<u>1,154,588</u>	<u>808,654</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, 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 2013**

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

**(a) Cash and Cash Equivalents**

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

Cash 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 Council.

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

	2013 \$	2012 \$
Impact of a 10% movement in interest rates on cash		
- Equity	332,154	200,620
- Statement of Comprehensive Income	332,154 (*)	200,620 (*)

**Notes:**

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

Recent market volatility has seen large market movements for certain types of investments.

Impact of a 1% (\*) movement in interest rates on cash

- Equity	33,215	20,062
- Statement of Comprehensive Income	33,215 (*)	20,062 (*)

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2013	2012
<b>Percentage of Rates and Annual Charges</b>		
- Current	21.24%	50.18%
- Overdue	78.76%	49.82%
<b>Percentage of Other Receivables</b>		
- Current	30.16%	52.24%
- Overdue	69.84%	47.76%

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**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. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

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

	<u>2013</u>				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	736,747	0	0	736,747	736,747
Borrowings	59,843	239,372	337,206	636,421	480,009
	<u>796,590</u>	<u>239,372</u>	<u>337,206</u>	<u>1,373,168</u>	<u>1,196,756</u>
	<u>2012</u>				
Payables	367,230	0	0	367,230	367,230
Borrowings	59,843	239,372	395,247	694,462	488,602
	<u>427,073</u>	<u>239,372</u>	<u>395,247</u>	<u>1,061,692</u>	<u>855,832</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**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. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b>Year Ended 30 June 2013</b>								
Payables	736,747	0	0	0	0	0	736,747	
Borrowings								
Fixed Rate Debentures	0	0	0	0	0	480,009	480,009	6.49%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	6.49%		
<b>Year Ended 30 June 2012</b>								
Payables	367,230	0	0	0	0	0	367,230	
Borrowings								
Fixed Rate Debentures	0	0	0	0	0	488,602	488,602	6.49%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	6.49%		



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

### **Report on the Financial Report**

We have audited the financial report of the Shire of Yalgoo (the Shire), which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

### **Shire's Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

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

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

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

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

**Independence**

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

**Auditor's opinion on the Financial Report**

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

- (i) gives a true and fair view of the financial position of the Shire of Yalgoo as at 30 June 2013 and of its financial performance for the year ended on that date: and
- (ii) complies with the Local Government Act 1995 Part 6 and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations).
- (iii) in relation to the Supplementary Ratio Information presented on page 55 of this report, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and reasonable assumptions.

**Statutory Compliance**

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

*RSM Bird Cameron*  
RSM BIRD CAMERON

*S C Cubitt*  
S C CUBITT  
Director

Perth, WA  
Dated:

*6 November 2013*

**SHIRE OF YALGOO  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2013**

**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

	2013	2012	2011
Asset Consumption Ratio	1.80	N/A	N/A
Asset Renewal Funding Ratio	1.15	N/A	N/A

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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.