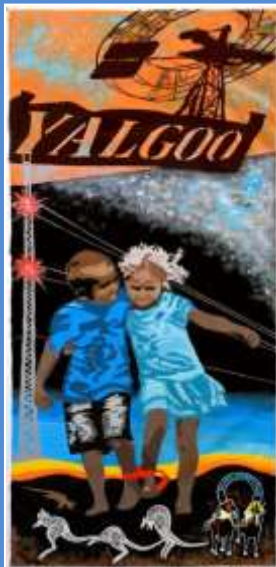




Annual Report

For the year ending 30 June 2019



As adopted at the Ordinary Meeting of Council held 28 February 2020
Council Decision

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PRESIDENT'S REPORT

President's Report 2018 - 2019

The Council on the 13 September 2019 adopted the 2018-2019 financial year Annual Budget and it is pleasing to report that the rate in the dollar and the minimum rates for each differential rating category has been constrained to a 2% increase for town site residential properties, town site vacant land, pastoral and rural properties. Mining, exploration and prospecting have remained the same as the previous year.

The Shire in 2018-19 undertook the following major capital projects.

- Multi Purpose Sports Complex	\$ 766,467
- Plant Replacement	\$ 308,281
- Extensive road works	\$ 870,275

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

I would like to thank the former President Cr Joanne Kanny, Councillors, Chief Executive Officer and his support staff for their hard work and loyalty they have provided to the Shire over the past year.

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

Cr Gregory Payne
President

CHIEF EXECUTIVE OFFICER'S REPORT

The year in review

The completion of the Multi-Purpose Sports Complex was the highlight for the Shire in the 2018-19 financial year. The facility over future years will enable the school children and local residents to realise their sporting and recreational pursuits.

The Shire road widening program continued in 2018-19 with approximately \$856,000 being spent on the Yalgoo-Morawa and Yalgoo-Ninghan roads. The widening and sealing of the roads will improve safety and bring economic benefits to the general public and the Shire's mining and pastoral industries.

The Arts and Culture Centre has expanded its activities seeing the involvement of many residents and the production of amazing artwork.

The Shire was successful in obtaining a grant amounting to \$218,000. This will be spent in conjunction with the Murchison Regional Vermin Council to complete the unconstructed portion of the vermin cell fence within the Shire of Yalgoo.

The Shire in the 2018-19 financial year has continued to consolidate its financial position while allowing for expansion of services and facilities.

I take this opportunity to thank the former Chief Executive Officer, Silvio Brenzi and the Shire Staff in managing the substantial capital works program during the 2018/19 year and for their professionalism and dedication.

Thank you.

John Read
Acting Chief Executive Officer

OTHER REPORTS

Strategic Community Plan 2014 - 2023

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

During 2012/13 the Shire engaged with the community to develop and draft a strategic community plan that sets out the vision, aspirations and objectives of the community in the district. The plan was adopted by Council in September 2013. The following report shows achievements against the plan in 2018/19 and major activities planned for 2019/20.

1. Social

Education, Respect and Belongingness Objectives	Outcomes	Achieved 2018/19	Planned 2019/20
An educated, respectful and inclusive community, a place where people feel they belong.	<ul style="list-style-type: none"> Maintenance of existing and development of new community infrastructure and resources. 	<ul style="list-style-type: none"> Completion of Multi Purpose Sports Facility 	<ul style="list-style-type: none"> Progressing the renovation of the Yalgoo Community Hall
	<ul style="list-style-type: none"> Improved opportunities for education and training. 	<ul style="list-style-type: none"> Facilitating interventions targeting young people disengaged from education Strengthening the relationship with MEEDAC, the local RJCP provider. 	<ul style="list-style-type: none"> Facilitating interventions targeting young people disengaged from education Strengthening the relationship with MEEDAC, the local RJCP provider.
	<ul style="list-style-type: none"> Successful facilitation of wide ranging program of community activities. 	<ul style="list-style-type: none"> Continued facilitation or support for local events Continued facilitation of regular school holiday programs Facilitating and supporting arts workshops Continued provision of broad-ranging information, referral and support services to the community 	<ul style="list-style-type: none"> Continued facilitation or support for local events Continued facilitation of regular school holiday programs Facilitating and supporting arts workshops Continued provision of broad-ranging information, referral and support services to the community

Education,
Respect and
Belongingness
Objectives

Outcomes

Achieved 2018/19

Planned 2019/20

	<ul style="list-style-type: none"> Improved delivery of existing or new health and support services. 	<ul style="list-style-type: none"> Lobbying health services to provide increased health services in the Shire. 	<ul style="list-style-type: none"> Lobbying health services to provide increased health services in the Shire.
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2. Environment

Appreciation and
Balance
Objectives

Outcomes

Achieved 2018/19

Planned 2019/20

	<ul style="list-style-type: none"> Well maintained and improved built environments. 	<ul style="list-style-type: none"> Improvements to staff houses - Security Bollards Community Park 	<ul style="list-style-type: none"> Improvement to staff housing – Solar Panels
An environment that is managed well and appreciated by all	<ul style="list-style-type: none"> The natural environment is protected and utilised. 	<ul style="list-style-type: none"> Support for MRVC and the vermin fence 	<ul style="list-style-type: none"> Support for MRVC and the vermin fence
	<ul style="list-style-type: none"> Indigenous cultural heritage in the landscape is protected and appreciated. 	<ul style="list-style-type: none"> Participation in cultural awareness training 	<ul style="list-style-type: none"> Participation in cultural awareness training
	<ul style="list-style-type: none"> Become a leader in remote location waste management. 	<ul style="list-style-type: none"> Investigation of recycling options 	<ul style="list-style-type: none"> Investigation of recycling options

3. Economic

Appreciation and
Balance
Objectives

Objectives	Outcomes	Achieved 2018/19	Planned 2019/20
	<ul style="list-style-type: none"> Increased population size. 		<ul style="list-style-type: none"> Additional staff housing Lobbying of government for additional housing
A modern and sustainable economy that provides for our growing community	<ul style="list-style-type: none"> Increased housing stock. 	<ul style="list-style-type: none"> Continued lobbying of government for additional housing 	<ul style="list-style-type: none"> Continued lobbying of government for additional housing
	<ul style="list-style-type: none"> Increase in number of tourists visiting the shire. 	<ul style="list-style-type: none"> Tourism advertising campaign 	<ul style="list-style-type: none"> Tourism advertising campaign Expansion to Caravan Park Construction of self- contained accommodation units
	<ul style="list-style-type: none"> Maintained and improved services and amenities. 	<ul style="list-style-type: none"> Upgrade to Shire facilities such as the, Depot, Fuel station 	<ul style="list-style-type: none"> Upgrade to Shire facilities such as the Depot Upgrade to Paynes Find Airstrip Fence Paynes Find Beautification Shelters Jokers Tunnel and Railway Station

4. Civic

Service,
Leadership and
Integrity
Objectives

Objectives	Outcomes	Achieved 2018/19	Planned 2019/20
	<ul style="list-style-type: none"> An informed and participatory community. 	<ul style="list-style-type: none"> Consultants engaged to undertake a Community Survey on Shire performance 	
To be a Shire that serves our community with integrity and leadership	<ul style="list-style-type: none"> To have our community trust and respect us. 	<ul style="list-style-type: none"> Improved community interaction through community engagement 	<ul style="list-style-type: none"> Improved community interaction through community engagement

Service, Leadership and Integrity Objectives	Outcomes	Achieved 2018/19	Planned 2019/20
	<ul style="list-style-type: none"> High quality integrated planning and compliance. 		<ul style="list-style-type: none"> Review of the Workforce and Community Strategic plans Review of the Long Term Financial Plan
	<ul style="list-style-type: none"> High quality strategic partnerships. 	<ul style="list-style-type: none"> Continuation and facilitation of monthly Yalgoo Interagency meetings 	<ul style="list-style-type: none"> Continuation and facilitation of monthly Yalgoo Interagency meetings

National Competition Policy

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

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality were implemented in respect of any relevant activity undertaken during the 2018/19 year.

Competitive Neutrality

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

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

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

Legislation Review

The Shire reviewed its Local Laws in November 2006, a result of the legislation review requirements. The next review of Local Laws was required in 2014, to be undertaken in 2020.

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 2018-19.

Public Interest Disclosures

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

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

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

Disability Access and Inclusion Plan

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

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

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

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

DAIP IMPLEMENTATION PLAN

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

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

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

Outcome 1: Services and events

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

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

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

Effective – enhanced access and inclusion.

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

Ineffective – did not enhance access and inclusion.

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

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

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

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

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

Outcome 2: Buildings and facilities

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

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

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

Effective – enhanced access and inclusion.

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

Ineffective – did not enhance access and inclusion.

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

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

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

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

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

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

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

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

Outcome 3: Information

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

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

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

Effective – enhanced access and inclusion.

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

Ineffective – did not enhance access and inclusion.

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

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

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

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

Outcome 4: Level and quality of service

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

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

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

Effective – enhanced access and inclusion.

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

Ineffective – did not enhance access and inclusion.

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

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

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

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

Outcome 5: Complaints

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

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

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

Effective – enhanced access and inclusion.

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

Ineffective – did not enhance access and inclusion.

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

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

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

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

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

There have been no glitches in the current system and staff are always willing to assist any person with a disability to access this system.

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

Outcome 6: Consultation

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

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

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

Effective – enhanced access and inclusion.

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

Ineffective – did not enhance access and inclusion.

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

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

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

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

The Shire does not have any Agencies or Contractors engaged to provide services to the public on behalf of the Shire. Therefore, the requirement for them to report to the Shire in regards to DAIP is not relevant.

All staff are aware of the venue that is preferred and compliant with access for people with disabilities for consultation. A number of consultations are actually conducted on a one to one basis and generally in a place conducive to the person, which is generally their place of residence.

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

Outcome 7: Employment

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

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

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

Effective – enhanced access and inclusion.

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

Ineffective – did not enhance access and inclusion.

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

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

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

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

Freedom of Information Statement

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

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

1. Structure and Functions of Council

a) *Establishment*

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

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

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

b) *Council*

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

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

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

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

Meetings of Council and Committees are advertised at least once each year. Ordinary meetings of Council will be held on the last Friday of each month commencing at 10.00 am. All members of the public are welcome to attend. Two meetings per year are held at Paynes Find in recognition that the Shire district covers an extensive geographic area with remote populations. Meeting at Paynes Find offers members of this remote locality the opportunity to attend a Council meeting without a 310 kilometre round trip on gravel roads.

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

c) Regional Involvement

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

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

d) Committees

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

e) Agendas

To ensure that all items are included in the agenda, matters for consideration should reach the Council office at least 12 days before the Council meeting date as agendas are prepared for distribution at least 3 days in advance. A copy of the agenda is available to the public before the meetings.

f) Minutes

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

g) Delegated Authority

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

2. Service to the Community

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

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

3. Public Participation

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

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

4. Access to Council Documents

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

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

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

5. Amending Personal Information

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

6. Procedures and Access Arrangements

a) FOI Operations

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

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

b) *Freedom of Information Applications*

Access applications have to -

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

Applications and enquiries should be addressed to the CEO.

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

c) *Freedom of Information Charges*

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

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

d) *Deposits*

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

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

e) *Access Arrangements*

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

f) *Notice of Decision*

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

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

f) *Refusal of Access*

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

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

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

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

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

Enquiries can also be made to –

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

**Phone: 6551 7888 or 1800 621 244
Fax: 6551 7889
Email: info@foi.wa.gov.au
Web site: www.foi.wa.gov.au**

RECORD KEEPING

Background

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

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

The Shire of Yalgoo objectives for record keeping are:

- compliance with Section 19 of the State Records Act 2000,
- meeting the compliance requirements of the State Records Commission Standards and Records Management Standard AS15489,
- processes are in place to facilitate the accurate recording of business transactions and decisions,
- recorded information can be retrieved quickly, accurately and cheaply when required,
- protection and preservation of government records.

Minimum Compliance Requirements

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

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

The Shire in October 2016 adopted its Corporate Record Keeping Procedures detailed in its Record Keeping Procedures Handbook. Keywords for Council has been implemented. Staff have received training and the overall project will include archiving and destruction, improved record keeping facilities and review of the records management plan.

Review

The State Records Act 2000 s.28 (5) requires that Records Keeping Plan must be reviewed at least every five years. Between reviews, the implementation / continuation of requirements is to be further developed. The Plan was reviewed in 2016.

APPENDED

Shire of Yalgoo Audited Financial Statements and Auditor's Report for the financial year ended 30 June 2019

SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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COMMUNITY VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life

Principal place of business:
37 Gibbons Street
YALGOO WA 6635



SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Yalgoo for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Yalgoo at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 24 day of JANUARY 2020



Acting Chief Executive Officer

JOHN READ

Name of Acting Chief Executive Officer



SHIRE OF YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019



	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	19(a)	1,869,844	1,794,556	1,772,818
Operating grants, subsidies and contributions	2(a)	3,120,162	1,489,272	2,783,615
Fees and charges	2(a)	169,908	146,940	146,601
Interest earnings	2(a)	61,357	50,000	78,935
Other revenue	2(a)	177,005	16,153	219,084
		5,398,276	3,496,921	5,001,053
Expenses				
Employee costs		(1,589,860)	(2,044,488)	(1,825,232)
Materials and contracts		(1,821,679)	(1,631,293)	(1,702,891)
Utility charges		(60,093)	(78,150)	(51,296)
Depreciation on non-current assets	9(c)	(1,254,130)	(1,051,400)	(1,144,855)
Interest expenses	2(b)	(24,206)	(24,433)	(28,369)
Insurance expenses		(168,095)	(219,846)	(150,495)
Other expenditure		(374,643)	(462,599)	(140,945)
		(5,292,706)	(5,512,209)	(5,044,083)
		105,570	(2,015,288)	(43,030)
Non-operating grants, subsidies and contributions	2(a)	1,230,625	1,284,654	1,024,481
Profit on asset disposals	9(a)	13,708	14,000	0
(Loss) on asset disposals	9(a)	(58,111)	(2,600)	(47,641)
Fair value adjustments to financial assets at fair value through profit or loss	6	17,517	0	0
		1,203,739	1,296,054	976,840
Net result for the period		1,309,309	(719,234)	933,810
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	7,849,848
Total other comprehensive income for the period		0	0	7,849,848
Total comprehensive income for the period		1,309,309	(719,234)	8,783,658

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 2019



NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue			
Governance	0	0	2,000
General purpose funding	4,496,872	2,934,190	4,145,741
Law, order, public safety	28,722	16,822	17,931
Health	11,570	10,013	7,611
Education and welfare	3,613	0	10,000
Housing	22,075	12,000	31,083
Community amenities	11,835	14,600	14,851
Recreation and culture	25,198	2,950	4,119
Transport	224,242	245,053	285,986
Economic services	460,675	243,340	289,079
Other property and services	113,474	17,953	192,652
	5,398,276	3,496,921	5,001,053
Expenses			
Governance	(385,327)	(491,767)	(423,711)
General purpose funding	(190,509)	(206,026)	(203,473)
Law, order, public safety	(155,080)	(173,246)	(170,709)
Health	(108,363)	(100,492)	(108,379)
Education and welfare	(7,226)	(19,826)	(63,365)
Housing	(250,118)	(269,624)	(286,408)
Community amenities	(193,269)	(265,191)	(209,717)
Recreation and culture	(752,940)	(677,849)	(570,038)
Transport	(2,454,431)	(2,265,179)	(2,067,146)
Economic services	(678,016)	(997,974)	(625,597)
Other property and services	(93,221)	(20,602)	(287,171)
	(5,268,500)	(5,487,776)	(5,015,714)
Finance Costs	2(b)		
Housing	(21,168)	(21,163)	(24,705)
Community amenities	(3,038)	(3,270)	(3,664)
	(24,206)	(24,433)	(28,369)
	105,570	(2,015,288)	(43,030)
Non-operating grants, subsidies and contributions	2(a)		
Profit on disposal of assets	9(a)		
(Loss) on disposal of assets	9(a)		
Fair value adjustments to financial assets at fair value through profit or loss	6		
	1,230,625	1,284,654	1,024,481
	13,708	14,000	0
	(58,111)	(2,600)	(47,641)
	17,517	0	0
	1,203,739	1,296,054	976,840
Net result for the period	1,309,309	(719,234)	933,810
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	10		
	0	0	7,849,848
Total other comprehensive income for the period	0	0	7,849,848
Total comprehensive income for the period	1,309,309	(719,234)	8,783,658

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



SHIRE OF YALGOO
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,347,812	3,344,196
Trade receivables	5	346,483	387,176
TOTAL CURRENT ASSETS		4,694,295	3,731,372
NON-CURRENT ASSETS			
Other financial assets	6(a)	17,517	0
Property, plant and equipment	7	11,315,541	11,902,537
Infrastructure	8	74,252,228	73,149,489
TOTAL NON-CURRENT ASSETS		85,585,286	85,052,026
TOTAL ASSETS		90,279,581	88,783,398
CURRENT LIABILITIES			
Trade and other payables	11	481,969	254,882
Borrowings	12(a)	95,357	91,084
Employee related provisions	13	195,993	130,905
TOTAL CURRENT LIABILITIES		773,319	476,871
NON-CURRENT LIABILITIES			
Borrowings	12(a)	360,881	456,238
Employee related provisions	13	41,171	55,388
TOTAL NON-CURRENT LIABILITIES		402,052	511,626
TOTAL LIABILITIES		1,175,371	988,497
NET ASSETS		89,104,210	87,794,901
EQUITY			
Retained surplus		32,149,684	30,893,826
Reserves - cash backed	4	1,741,495	1,688,044
Revaluation surplus	10	55,213,031	55,213,031
TOTAL EQUITY		89,104,210	87,794,901

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 2019



			RESERVES		
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		29,998,435	1,649,625	47,363,183	79,011,243
Comprehensive income					
Net result for the period		933,810	0	0	933,810
Other comprehensive income	10	0	0	7,849,848	7,849,848
Total comprehensive income		933,810	0	7,849,848	8,783,658
Transfers from/(to) reserves	4	(38,419)	38,419	0	0
Balance as at 30 June 2018		30,893,826	1,688,044	55,213,031	87,794,901
Restated total equity at the beginning of the financial year		30,893,826	1,688,044	55,213,031	87,794,901
Comprehensive income					
Net result for the period		1,309,309	0	0	1,309,309
Total comprehensive income		1,309,309	0	0	1,309,309
Transfers from/(to) reserves	4	(53,451)	53,451	0	0
Balance as at 30 June 2019		32,149,684	1,741,495	55,213,031	89,104,210

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 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,912,720	1,944,556	1,737,247
Operating grants, subsidies and contributions		3,135,773	1,608,819	2,802,688
Fees and charges		169,908	146,940	146,601
Interest received		61,357	50,000	78,719
Goods and services tax received		32,494	50,000	109,849
Other revenue		177,005	16,153	219,084
		5,489,257	3,816,468	5,094,188
Payments				
Employee costs		(1,526,417)	(2,044,488)	(1,779,011)
Materials and contracts		(1,651,987)	(1,563,462)	(2,039,598)
Utility charges		(60,093)	(78,150)	(51,296)
Interest expenses		(29,671)	(219,846)	(24,508)
Insurance paid		(168,095)	(24,433)	(150,495)
Goods and services tax paid		0	(50,000)	0
Other expenditure		(374,643)	(462,599)	(140,944)
		(3,810,906)	(4,442,978)	(4,185,852)
Net cash provided by (used in) operating activities	14	1,678,351	(626,510)	908,335
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(333,337)	(578,379)	(794,297)
Payments for construction of infrastructure	8(a)	(1,667,303)	(1,644,624)	(1,553,878)
Non-operating grants, subsidies and contributions	2(a)	1,230,625	1,284,654	1,024,481
Proceeds from sale of property, plant & equipment	9(a)	186,364	205,000	185,489
Net cash provided by (used in) investment activities		(583,651)	(733,349)	(1,138,205)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	12(b)	(91,084)	(91,830)	(63,371)
Net cash provided by (used in) financing activities		(91,084)	(91,830)	(63,371)
Net increase (decrease) in cash held		1,003,616	(1,451,689)	(293,241)
Cash at beginning of year	3	3,344,196	3,344,197	3,637,436
Cash and cash equivalents at the end of the year	3,14	4,347,812	1,892,508	3,344,196

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

SHIRE OF YALGOO
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019



	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	20 (b)	1,833,393	1,833,013	1,954,002
		1,833,393	1,833,013	1,954,002
Revenue from operating activities (excluding rates)				
Governance		0	0	2,000
General purpose funding		2,627,028	1,139,634	2,372,923
Law, order, public safety		37,325	16,822	17,931
Health		11,570	10,013	7,611
Education and welfare		3,613	0	10,000
Housing		22,075	12,000	31,083
Community amenities		11,835	14,600	14,851
Recreation and culture		25,198	2,950	4,119
Transport		229,347	255,653	285,986
Economic services		460,675	243,340	289,079
Other property and services		130,991	21,353	192,652
		3,559,657	1,716,365	3,228,235
Expenditure from operating activities				
Governance		(388,787)	(491,767)	(423,711)
General purpose funding		(190,509)	(206,026)	(203,473)
Law, order, public safety		(156,964)	(173,246)	(170,709)
Health		(108,523)	(100,492)	(108,379)
Education and welfare		(11,114)	(19,826)	(63,365)
Housing		(271,286)	(290,787)	(311,113)
Community amenities		(197,492)	(268,461)	(213,381)
Recreation and culture		(764,235)	(677,849)	(591,595)
Transport		(2,466,711)	(2,267,779)	(2,083,406)
Economic services		(683,231)	(997,974)	(625,597)
Other property and services		(111,965)	(20,602)	(296,994)
		(5,350,817)	(5,514,809)	(5,091,723)
Non-cash amounts excluded from operating activities	20(a)	1,349,984	1,040,000	1,210,056
Amount attributable to operating activities		1,392,217	(925,431)	1,300,570
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,230,625	1,284,654	1,024,481
Proceeds from disposal of assets	9(a)	186,364	205,000	185,489
Purchase of property, plant and equipment	7(a)	(333,337)	(578,379)	(794,297)
Purchase and construction of infrastructure	8(a)	(1,667,303)	(1,644,624)	(1,553,878)
Amount attributable to investing activities		(583,651)	(733,349)	(1,138,205)
FINANCING ACTIVITIES				
Repayment of borrowings	12(b)	(91,084)	(91,830)	(63,371)
Transfers to reserves (restricted assets)	4	(368,015)	(358,513)	(38,419)
Transfers from reserves (restricted assets)	4	314,564	314,567	0
Amount attributable to financing activities		(144,535)	(135,776)	(101,790)
Surplus/(deficit) before imposition of general rates		664,031	(1,794,556)	60,575
Total amount raised from general rates	19(a)	1,869,844	1,794,556	1,772,818
Surplus/(deficit) after imposition of general rates	20(b)	2,533,875	0	1,833,393

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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 22 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	2,425,005	1,088,534	2,288,934
Law, order, public safety	24,486	11,822	12,622
Health	10,561	9,263	0
Education and welfare	3,613	0	10,000
Housing	8,750	0	0
Transport	224,242	244,653	285,986
Economic services	332,000	135,000	186,073
Other property and services	91,505	0	0
	3,120,162	1,489,272	2,783,615
Non-operating grants, subsidies and contributions			
Recreation and culture	425,072	524,272	283,228
Transport	805,553	760,382	741,253
	1,230,625	1,284,654	1,024,481
Total grants, subsidies and contributions	4,350,787	2,773,926	3,808,096

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 18. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Other revenue			
Reimbursements and recoveries	11,868	9,853	197,717
Other	165,137	6,300	21,367
	177,005	16,153	219,084
Fees and Charges			
General purpose funding	(75)	600	645
Law, order, public safety	236	1,000	884
Health	1,009	750	7,611
Housing	13,325	12,000	14,300
Community amenities	11,835	14,600	14,851
Recreation and culture	1,557	2,950	4,119
Transport	0	400	0
Economic services	128,675	108,340	103,006
Other property and services	13,346	6,300	1,185
	169,908	146,940	146,601
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Reserve accounts interest	44,954	35,000	38,419
Rates instalment and penalty interest (refer Note 19(c))	12,014	11,000	36,907
Other interest earnings	4,389	4,000	3,609
	61,357	50,000	78,935

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest earnings (Continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings (refer Note 12(b))

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	37,000	37,000	42,881
	0	0	1,381
	37,000	37,000	44,262
	24,206	24,433	28,369
	24,206	24,433	28,369

3. CASH AND CASH EQUIVALENTS

	NOTE	2019	2018
		\$	\$
Cash at bank and on hand		4,347,812	3,344,196
		4,347,812	3,344,196
Comprises:			
- Unrestricted cash and cash equivalents		2,317,518	1,595,411
- Restricted cash and cash equivalents		2,030,294	1,748,785
		4,347,812	3,344,196
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Reserves cash backed - Leave Reserve	4	48,620	47,371
Reserves cash backed - Plant	4	60,168	58,623
Reserves cash backed - Building	4	160,114	350,864
Reserves cash backed - Yalgoo-Ninghan Road	4	525,216	329,249
Reserves cash backed - Sports Complex	4	94,526	92,098
Reserves cash backed - Housing Maintenance	4	121,621	118,497
Reserves cash backed - General Road	4	127,509	124,234
Reserves cash backed - Community Amenities Maintenance	4	268,005	261,121
Reserves cash backed - HCP	4	139,889	136,296
Reserves cash backed - Yalgoo-Morawa Road	4	171,318	145,812
Reserves cash backed - Superannuation Back-Pay	4	24	23
Reserves cash backed - Office Equipment	4	3,575	3,484
Reserves cash backed - Natural Disaster Trigger Point	4	12,638	12,313
Reserves cash backed - Emergency Road Repairs	4	8,272	8,059
		1,741,495	1,688,044
Other restricted cash and cash equivalents			
Unspent grants/contributions	18	270,460	60,741
Bonds and deposits	11	18,339	0
Total restricted cash and cash equivalents		2,030,294	1,748,785

SIGNIFICANT ACCOUNTING POLICIES**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
(a) Reserves cash backed - Leave Reserve	\$ 47,371	\$ 1,249	\$ 0	\$ 48,620	\$ 47,371	\$ 982	\$ 0	\$ 48,353	\$ 46,293	\$ 1,078	\$ 0	\$ 47,371
(e) Reserves cash backed - Plant	58,623	1,545	0	60,168	58,623	1,215	0	59,838	57,289	1,334	0	58,623
(f) Reserves cash backed - Building	350,864	9,250	(200,000)	160,114	350,864	7,275	(200,000)	158,139	342,879	7,985	0	350,864
(g) Reserves cash backed - Yalgoo-Ninghan Road	329,249	310,531	(114,564)	525,216	329,247	308,678	(114,567)	523,358	321,756	7,493	0	329,249
(h) Reserves cash backed - Sports Complex	92,098	2,428	0	94,526	92,098	1,910	0	94,008	90,002	2,096	0	92,098
(i) Reserves cash backed - Housing Maintenance	118,497	3,124	0	121,621	118,497	2,457	0	120,954	115,800	2,697	0	118,497
(j) Reserves cash backed - General Road	124,234	3,275	0	127,509	124,234	2,576	0	126,810	121,407	2,827	0	124,234
(k) Reserves cash backed - Community Amenities Maintenance	261,121	6,884	0	268,005	261,121	5,414	0	266,535	255,178	5,943	0	261,121
(l) Reserves cash backed - HCP	136,296	3,593	0	139,889	136,296	2,826	0	139,122	133,194	3,102	0	136,296
(m) Reserves cash backed - Yalgoo-Morawa Road	145,812	25,506	0	171,318	145,812	24,685	0	170,497	142,493	3,319	0	145,812
(n) Reserves cash backed - Superannuation Back-Pay	23	1	0	24	23	0	0	23	22	1	0	23
(o) Reserves cash backed - Office Equipment	3,484	91	0	3,575	3,484	72	0	3,556	3,404	80	0	3,484
(p) Reserves cash backed - Natural Disaster Trigger Point	12,313	325	0	12,638	12,314	255	0	12,569	12,033	280	0	12,313
(q) Reserves cash backed - Emergency Road Repairs	8,059	213	0	8,272	8,061	168	0	8,229	7,875	184	0	8,059
	<u>1,688,044</u>	<u>368,015</u>	<u>(314,564)</u>	<u>1,741,495</u>	<u>1,688,045</u>	<u>358,513</u>	<u>(314,567)</u>	<u>1,731,991</u>	<u>1,649,625</u>	<u>38,419</u>	<u>0</u>	<u>1,688,044</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.

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

5. TRADE RECEIVABLES

Current

	2019 \$	2018 \$
Rates receivable	115,656	457,561
Sundry receivables	271,624	258,301
Allowance for impairment of receivables	(46,201)	(363,024)
Accrued Income	5,404	216
Telstra technology fund	0	34,122
	346,483	387,176

Rates debtors aged analysis

Current	2,408	0
More than 1 year past due	41,985	94,537
More than 2 years past due	25,062	0
More than 3 years past due	46,201	363,024
	115,656	457,561

Sundry debtors aged analysis

Current	232,911	0
More than 30 days past due	100	7,080
More than 60 days past due	583	1,532
More than 90 days past due	38,030	249,689
	271,624	258,301

Reconciliation of the allowance for impairment of receivables

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

Opening Balance 1 July	363,024	363,024
Less amounts written off	(189,941)	0
Less amounts recovered and reversed	(141,886)	0
Plus amounts added	15,004	0
Closing balance 30 June	46,201	363,024

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. OTHER FINANCIAL ASSETS

(a) Non-current assets

Local government house unit trust

Financial assets at fair value through profit and loss

- *Unlisted equity investments*

Local government house unit trust

During the year, the following gains/(losses) were recognised in profit and loss:

Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services

2019	2018
\$	\$
17,517	0
17,517	0
17,517	0
17,517	0
17,517	0
17,517	0
17,517	0

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	332,085	1,641,277	7,552,198	9,525,560	48,884	2,431,612	12,006,056
Additions	0	0	325,254	325,254	38,670	430,373	794,297
(Disposals)	0	0	0	0	0	(233,130)	(233,130)
Depreciation (expense)	0	(46,449)	(204,244)	(250,693)	(11,685)	(402,308)	(664,686)
Carrying amount at 30 June 2018	332,085	1,594,828	7,673,208	9,600,121	75,869	2,226,547	11,902,537
Comprises:							
Gross carrying amount at 30 June 2018	332,085	1,641,277	7,877,452	9,850,814	90,275	2,967,962	12,909,051
Accumulated depreciation at 30 June 2018	0	(46,449)	(204,244)	(250,693)	(14,406)	(741,415)	(1,006,514)
Carrying amount at 30 June 2018	332,085	1,594,828	7,673,208	9,600,121	75,869	2,226,547	11,902,537
Additions	0	0	25,056	25,056	0	308,281	333,337
(Disposals)	0	0	(2,369)	(2,369)	(26,889)	(201,509)	(230,767)
Depreciation (expense)	0	(46,449)	(210,488)	(256,937)	(13,336)	(419,293)	(689,566)
Carrying amount at 30 June 2019	332,085	1,548,379	7,485,407	9,365,871	35,644	1,914,026	11,315,541
Comprises:							
Gross carrying amount at 30 June 2019	332,085	1,641,277	7,899,988	9,873,350	54,147	2,968,450	12,895,947
Accumulated depreciation at 30 June 2019	0	(92,898)	(414,581)	(507,479)	(18,503)	(1,054,424)	(1,580,406)
Carrying amount at 30 June 2019	332,085	1,548,379	7,485,407	9,365,871	35,644	1,914,026	11,315,541

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

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

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

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

8. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Airport	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2017	61,711,082	1,477,496	1,037,354	64,225,932
Additions	805,622	0	748,256	1,553,878
Revaluation increments / (decrements) transferred to revaluation surplus	6,887,526	8,454	953,868	7,849,848
Depreciation (expense)	(429,249)	(2,818)	(48,102)	(480,169)
Carrying amount at 30 June 2018	68,974,981	1,483,132	2,691,376	73,149,489
Comprises:				
Gross carrying amount at 30 June 2018	78,631,087	2,039,468	2,694,321	83,364,876
Accumulated depreciation at 30 June 2018	(9,656,106)	(556,336)	(2,945)	(10,215,387)
Carrying amount at 30 June 2018	68,974,981	1,483,132	2,691,376	73,149,489
Additions	862,766	0	804,537	1,667,303
Depreciation (expense)	(411,457)	(40,789)	(112,318)	(564,564)
Carrying amount at 30 June 2019	69,426,290	1,442,343	3,383,595	74,252,228
Comprises:				
Gross carrying amount at 30 June 2019	79,493,853	2,039,468	3,498,858	85,032,179
Accumulated depreciation at 30 June 2019	(10,067,563)	(597,125)	(115,263)	(10,779,951)
Carrying amount at 30 June 2019	69,426,290	1,442,343	3,383,595	74,252,228

8. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

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

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

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

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

A new accounting policy was introduced on 1 July 2018, where all assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. The impact of this new accounting policy can be seen at Note 9.(b). All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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

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

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

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
Buildings - specialised	2,369	0	0	(2,369)	0	0	0	0	0	0	0	0
Furniture and equipment	26,889	0	0	(26,889)	0	0	0	0	0	0	0	0
Plant and equipment	201,509	186,364	13,708	(28,853)	193,600	205,000	14,000	(2,600)	233,130	185,489	0	(47,641)
	230,767	186,364	13,708	(58,111)	193,600	205,000	14,000	(2,600)	233,130	185,489	0	(47,641)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Law, order, public safety				
Toyota Landcruiser	28,897	37,500	8,603	0
Slip on Fire Unit	120	0	0	(120)
Honda 9hp Pump	94	0	0	(94)
Health				
Super Hawk Miser Fogger	160	0	0	(160)
Community amenities				
Rubbish Bins (40)	250	0	0	(250)
Rubbish Truck Crate	275	0	0	(275)
7 x 5 Heavy Duty S/Axle Trailer (1TIR728)	660	0	0	(660)
Recreation and culture				
Pump for Retic (Shamrock Park)	275	0	0	(275)
Fuso Rosa Bus Deluxe-seat covers & window tint	200	0	0	(200)
Solor Sun Pump SDDSD128	1,375	0	0	(1,375)
Solar Sun Pump SDDSD128	1,100	0	0	(1,100)
Transport				
Tandem Trailer	2,867	5,000	2,133	0
Toyota Landcruiser 70 t/d d/c/c GXL	50,892	53,864	2,972	0
MIG 320R Remote Welder	560	0	0	(560)
Air Compressor	550	0	0	(550)
Hose Extension	220	0	0	(220)
Diesel Water pump/hose/fittings	660	0	0	(660)
Pump, Centrifugal 3"	825	0	0	(825)
YAFF1 Firefighter - 600 ltr Skid Mounted (1950 x	1,375	0	0	(1,375)
YAFF2 Firefighter - 600 ltr Skid Mounted (1950 x	1,375	0	0	(1,375)
Iridium Satellite Handset and Vehicle Kit	200	0	0	(200)
Iridium Satellite Handset and Vehicle Kit	200	0	0	(200)
Iridium Satellite Handset and Vehicle Kit	200	0	0	(200)
Iridium Satellite Handset and Vehicle Kit	200	0	0	(200)
Desktop Computer - Vostro U220104AU	140	0	0	(140)
Desktop Computer - Autocad LT2012 Comm	550	0	0	(550)
CompuLoad Weighing system & printer	550	0	0	(550)
Sundry Small Plant PARTS	1,375	0	0	(1,375)
Curbing Machine	550	0	0	(550)
12V Diesel Pump Kit	275	0	0	(275)
Single Axle Trailer YA 1684 2014	1,100	0	0	(1,100)
Tandem Trailer YA 1683 2014	1,375	0	0	(1,375)
Other property and services				
Toyota Hilux 4x4 2.8L DSL	28,116	26,364	0	(1,752)
Toyota Landcruiser Vehicle	66,293	63,636	0	(2,657)
Water Tank	750	0	0	(750)
Parts Cabinets	375	0	0	(375)
Polmac Trailer	1,250	0	0	(1,250)
Compressor V/Air WD2050 Diesel	275	0	0	(275)
2 x Inspiron 2330 Computers - Accessories CEO laptop	440	0	0	(440)
2 x Inspiron 2330 Computers	440	0	0	(440)
Dell Office Computers,screen and accessories	1,100	0	0	(1,100)
Dell Office Computers,screen and accessories	1,650	0	0	(1,650)
Dell Office Computers,screen and accessories	1,375	0	0	(1,375)
	201,509	186,364	13,708	(28,853)
Buildings - specialised				
Economic services				
Shade Structure Caravan Park	2,369	0	0	(2,369)
	2,369	0	0	(2,369)

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Furniture & equipment				
Governance				
Projector	40	0	0	(40)
6 x Ipads for Councillor	3,420	0	0	(3,420)
Law, order, public safety				
Firearm	1,670	0	0	(1,670)
Education and welfare				
Day Care Centre Furniture	3,888	0	0	(3,888)
Recreation and culture				
Lounge and Furniture for Yalgoo Hall	3,917	0	0	(3,917)
Art Centre Furniture	2,646	0	0	(2,646)
Art Centre Furniture	400	0	0	(400)
Art Centre Furniture	946	0	0	(946)
Voice Recorder & Modem Router	436	0	0	(436)
Economic services				
HCP Computer Project	80	0	0	(80)
HCP Project Digital 3G Mobile Phone	648	0	0	(648)
Caravan Park Digital 3G Mobile Phone	648	0	0	(648)
Caravan Park Top Load Washing Machine	1,470	0	0	(1,470)
Compactus Filing Cabinets	336	0	0	(336)
Apple iPhone - Manager Corporate	821	0	0	(821)
HP Spectre 13-V001TU 13" Laptop - CEO	1,559	0	0	(1,559)
Longspan Racking for Compactus Shelving	2,103	0	0	(2,103)
HP Z240 TOWER COMPUTER	1,861	0	0	(1,861)
	26,889	0	0	(26,889)
	230,767	186,364	13,708	(58,111)

(b) Change in accounting policy

On 1 July 2018 Paragraph (5) of Regulation 17A was inserted into the Local Government (Financial Management) Regulation 1996.

The regulation stated that an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5,000.

The adoption of the regulation constitutes a change in accounting policy.

Due to the effect on the financial statements not being material, the Shire did not retrospectively apply the changes in accounting policy arising from the new regulations and has not restated comparative figures.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 1 July 2018, amounting to \$53,702, have been excluded from the assets of the Shire and written off in the Statement of Comprehensive Income. A summary of this is shown below:

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and equipment				
Other disposal of assets	177,065	186,364	13,708	(4,409)
Disposal of assets under \$5,000 in value	24,444	0	0	(24,444)
	201,509	186,364	13,708	(28,853)
Buildings - specialised				
Disposal of assets under \$5,000 in value	2,369	0	0	(2,369)
	2,369	0	0	(2,369)
Furniture and equipment				
Disposal of assets under \$5,000 in value	26,889	0	0	(26,889)
	26,889	0	0	(26,889)

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(c) Depreciation	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	46,449	40,887	46,449
Buildings - specialised	210,488	179,790	204,244
Furniture and equipment	13,336	8,407	11,685
Plant and equipment	419,293	404,170	402,308
Infrastructure - Roads	411,457	308,744	429,249
Infrastructure - Airport	40,789	2,102	2,818
Infrastructure - Other	112,318	107,300	48,102
	1,254,130	1,051,400	1,144,855

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

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

Depreciation (Continued)

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

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Revaluation surplus - Land - freehold land
Revaluation surplus - Buildings - specialised
Revaluation surplus - Furniture and equipment
Revaluation surplus - Plant and equipment
Revaluation surplus - Infrastructure - Roads
Revaluation surplus - Infrastructure - Airport
Revaluation surplus - Infrastructure - Other

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Rates paid in advance
Accrued salaries and wages
ATO liabilities
Other sundry liabilities
Bonds and deposits
Accrued interest on long term borrowings

2019	2018
\$	\$
322,800	154,635
17,794	0
58,559	39,482
58,512	32,523
1,480	22,777
18,339	0
4,485	5,465
481,969	254,882

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019



12. INFORMATION ON BORROWINGS

	2019	2018
	\$	\$
(a) Borrowings		
Current	95,357	91,084
Non-current	360,881	456,238
	456,238	547,322

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019				30 June 2019				30 June 2019				30 June 2019				30 June 2018				30 June 2018			
				Actual Principal 1 July 2018	Actual New Loans	Actual repayments	Actual Interest	Budget Principal 1 July 2018	Budget New Loans	Budget repayments	Budget Interest	Budget Principal 1 July 2018	Budget New Loans	Budget repayments	Budget Interest	Actual Principal 1 July 2017	Actual New Loans	Actual repayments	Actual Interest	Actual Principal 1 July 2017	Actual New Loans	Actual repayments	Actual Interest	Actual Principal outstanding	Actual Principal outstanding	Actual Principal outstanding	Actual Principal outstanding
Housing																											
19a & 19b Stanley St	53	WATC*	6.54%	99,332	0	15,511	6,182	99,332	0	15,511	6,241	83,821	0	14,531	7,211	113,863	0	14,531	7,211	113,863	0	14,531	7,211	99,332	0	14,531	7,211
18c & 18d Shamrock St	55	WATC*	6.35%	132,151	0	18,683	8,083	132,151	0	18,683	8,100	113,468	0	17,533	9,254	149,684	0	17,533	9,254	149,684	0	17,533	9,254	132,151	0	17,533	9,254
Staff Housing	56	WATC*	3.04%	261,188	0	49,134	6,903	261,188	0	49,880	6,822	211,308	0	24,017	8,240	285,205	0	24,017	8,240	285,205	0	24,017	8,240	261,188	0	24,017	8,240
Community amenities																											
Public Toilets	54	WATC*	6.20%	54,651	0	7,756	3,038	54,651	0	7,756	3,270	46,895	0	7,290	3,664	61,941	0	7,290	3,664	61,941	0	7,290	3,664	54,651	0	7,290	3,664
				547,322	0	91,084	24,206	547,322	0	91,830	24,433	455,492	0	83,371	28,369	610,693	0	83,371	28,369	610,693	0	83,371	28,369	547,322	0	83,371	28,369
				547,322	0	91,084	24,206	547,322	0	91,830	24,433	455,492	0	83,371	28,369	610,693	0	83,371	28,369	610,693	0	83,371	28,369	547,322	0	83,371	28,369

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

12. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2018	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2019
		\$	\$	\$	\$
Loan 56 - Purchase of Staff Housing	31 Dec 14	323,525	0	(200,000)	123,525
		323,525	0	(200,000)	123,525

	2019	2018
(d) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	50,000	50,000
Bank overdraft at balance date	0	0
Credit card limit	7,000	5,000
Credit card balance at balance date	(844)	(2,335)
Total amount of credit unused	56,156	52,665
Loan facilities		
Loan facilities - current	95,357	91,084
Loan facilities - non-current	360,881	456,238
Total facilities in use at balance date	456,238	547,322
Unused loan facilities at balance date	Nil	Nil

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 21.

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	121,761	9,144	130,905
Non-current provisions	0	55,388	55,388
	121,761	64,532	186,293
Additional provision	44,121	6,750	50,871
Balance at 30 June 2019	165,882	71,282	237,164
Comprises			
Current	165,882	30,111	195,993
Non-current	0	41,171	41,171
	165,882	71,282	237,164

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

2019	2018
\$	\$
132,274	81,846
104,890	104,447
237,164	186,293

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	4,347,812	1,892,508	3,344,196
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,309,309	(719,234)	933,810
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(17,517)	0	0
Depreciation	1,254,130	1,051,400	1,144,855
(Profit)/loss on sale of asset	44,403	(11,400)	47,641
Changes in assets and liabilities:			
(Increase)/decrease in receivables	40,693	269,547	93,135
Increase/(decrease) in payables	227,087	67,831	(306,819)
Increase/(decrease) in provisions	50,871	0	20,194
Grants contributions for the development of assets	(1,230,625)	(1,284,654)	(1,024,481)
Net cash from operating activities	1,678,351	(626,510)	908,335

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	7,560	13,516
General purpose funding	3,030,965	921,707
Law, order, public safety	218,984	273,660
Health	976,780	1,011,005
Education and welfare	13,613	14,365
Housing	2,557,335	2,622,035
Community amenities	893,078	905,271
Recreation and culture	6,607,314	6,033,051
Transport	73,443,352	72,910,916
Economic services	1,876,659	1,722,841
Other property and services	653,941	759,618
Unallocated	0	1,595,413
	90,279,581	88,783,398

16. CONTINGENT LIABILITIES

The Shire of Yalgoo has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. As at the date of this report the value and timing of remediation has not been ascertained.

Lot 196, 21 Stanley Street, Yalgoo - Shire depot, contaminated with heavy metals and hydrocarbons, investigation of rehabilitation works is required.

17. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting fees	29,841	21,292	26,997
President's allowance	10,330	10,500	10,945
Deputy President's allowance	1,926	2,625	2,100
Travelling expenses	10,129	20,000	14,652
Telecommunications allowance	21,386	21,000	19,406
	73,612	75,417	74,100

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	191,533	200,527
Post-employment benefits	14,300	15,255
Other long-term benefits	17,567	4,000
Termination benefits	0	0
	223,400	219,782

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service level benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

17. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019	2018
	Actual	Actual
	\$	\$
Purchase of goods and services	840	10,725

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

iii. Entities subject to significant influence by the Shire

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

18. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance ⁽¹⁾ 30/06/18	Received ⁽²⁾ 2018/19	Expended ⁽³⁾ 2018/19	Closing Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
DFES - Fire Brigade Grant	0	3,662	0	3,662	5,534	(3,662)	5,534
Education and welfare							
LDAG - Local Action Group Grant	0	10,000	0	10,000	3,613	0	13,613
Community amenities							
Dept of Planning - Yalgoo Revitalisation	19,875	0	0	19,875	0	0	19,875
Recreation and culture							
CLGF 2012-13	44,222	0	(44,222)	0	0	0	0
Community Oval - BBRF Grant	0	283,228	(283,228)	0	209,635	(209,635)	0
Transport							
RRG - Yalgoo/Ninghan Road	0	211,134	(211,134)	0	0	0	0
R2R - Yalgoo/Morawa Road	0	530,119	(513,000)	17,119	527,849	(541,615)	3,353
Economic services							
Regional Tourism Strategy Grant	10,085	0	0	10,085	0	0	10,085
Combating Pests & Weeds Grant	0	0	0	0	218,000	0	218,000
Landcare Grant	166	0	(166)	0	0	0	0
Total	74,348	1,038,143	(1,051,750)	60,741	964,631	(754,912)	270,460

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.

(a) Rates

RATE TYPE	Number of Properties	2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
		Rate in \$	Rateable Value	Actual Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue			
Differential general rate / general rate															
Gross rental valuations															
GRV - Townsites Improved	34	0.076783	272,978	20,960	(2,407)	0	18,553	27,410	0	0	27,410	16,481			
GRV - Townsites Vacant	0	0.076783	0	0	0	0	0	0	0	0	0	0			
Unimproved valuations															
UV - Pastoral / Rural	23	0.067724	871,387	59,014	0	0	59,014	49,771	0	0	49,771	61,706			
UV - Mining / Mining Tenement	144	0.374303	4,240,260	1,587,140	30,492	0	1,617,632	1,554,990	0	0	1,554,990	1,537,717			
UV - Exploration / Prospecting	127	0.198825	689,057	137,002	1,031	0	138,033	117,345	10,000	0	127,345	120,340			
Sub-Total	328		6,073,682	1,804,116	29,116	0	1,833,232	1,749,516	10,000	0	1,759,516	1,736,244			
Minimum payment															
		Minimum \$													
Gross rental valuations															
GRV - Townsites Improved	3	280	8,840	840	0	0	840	840	0	0	840	1,350			
GRV - Townsites Vacant	10	620	1,240	6,200	0	0	6,200	6,200	0	0	6,200	6,200			
Unimproved valuations															
UV - Pastoral / Rural	8	280	9,785	2,240	0	0	2,240	840	0	0	840	1,350			
UV - Mining / Mining Tenement	20	280	10,971	5,600	0	0	5,600	5,600	0	0	5,600	7,830			
UV - Exploration / Prospecting	78	280	57,560	21,840	0	0	21,840	21,560	0	0	21,560	19,980			
Sub-Total	119		88,396	36,720	0	0	36,720	35,040	0	0	35,040	36,710			
Discounts/concessions (refer Note 19(b))															
	447		6,162,078	1,840,836	29,116	0	1,869,952	1,784,556	10,000	0	1,794,556	1,772,954			
													(136)		
													1,794,556		
Total amount raised from general rate															

Rates

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

19. RATING INFORMATION (Continued)

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

Rates Incentives

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2019 Actual \$	2019 Budget \$	2018 Actual \$
Rates small balances less than \$5.00	Write-off	N/A	N/A	108	0	136
General rates - Living Cities	Write-off	N/A	N/A	189,941	0	0
Total write-offs				190,049	0	136

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rates small balances less than \$5.00	Rates balances less than \$5.00 are written off	To write off small rates balances below \$5.00	To reduce administrative costs in endeavouring to collect small balances below \$5.00 in value
General rates - Living Cities	Write off of doubtful debt provision for living cities - company liquidated	To write off uncollectible rates	To write off uncollectible rates

19. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
One single payment	22 Oct 2018	0.00	0.00%	11.00%
Option Two				
Instalment 1	22 Oct 2018	0.00	0.00%	11.00%
Instalment 2	24 Dec 2018	10.00	5.50%	11.00%
Instalment 3	25 Feb 2019	10.00	5.50%	11.00%
Instalment 4	29 Apr 2019	10.00	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	12,000	10,000	35,313
Interest on instalment plan	14	1,000	1,594
Charges on instalment plan	(75)	0	645
	<u>11,939</u>	<u>11,000</u>	<u>37,552</u>

20. RATE SETTING STATEMENT INFORMATION

Note	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	9(a) (13,708)	(14,000)	0
Less: Movement in Local government house unit trust	6(a) (17,517)	0	0
Movement in employee benefit provisions	13 50,871	0	20,194
Movement in Accrued salaries and wages	11 19,077	0	0
Movement in accrued interest on long term borrowings	11 (980)	0	0
Movement in other provisions (non-current)	0	0	(2,634)
Add: Loss on disposal of assets	9(a) 58,111	2,600	47,641
Add: Depreciation on assets	9(c) 1,254,130	1,051,400	1,144,855
Non cash amounts excluded from operating activities	1,349,984	1,040,000	1,210,056
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - restricted cash	3 (1,741,495)	(1,731,991)	(1,688,044)
Add: Borrowings	12(a) 95,357	91,830	91,084
Add: Provision for current annual and long service leave	13 195,993	130,905	130,905
Add: Accrued interest on long term borrowings	11 4,485	0	5,465
Add: Accrued salaries and wages	11 58,559	39,483	39,482
Total adjustments to net current assets	(1,387,101)	(1,469,773)	(1,421,108)
Net current assets used in the Rate Setting Statement			
Total current assets	4,694,295	1,992,508	3,731,372
Less: Total current liabilities	(773,319)	(522,735)	(476,871)
Less: Total adjustments to net current assets	(1,387,101)	(1,469,773)	(1,421,108)
Net current assets used in the Rate Setting Statement	2,533,875	0	1,833,393

21. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.13%	4,347,812	0	4,347,812	0
2018					
Cash and cash equivalents	1.26%	3,344,196	0	3,344,196	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	43,478	33,442

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 12(b).

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

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

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	100.00%	
Gross carrying amount	2,408	41,985	25,062	46,201	115,656
Loss allowance	0	0	0	46,201	46,201
01 July 2018					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	100.00%	
Gross carrying amount	0	94,537	0	363,024	457,561
Loss allowance	0	0	0	363,024	363,024

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	232,911	100	583	38,030	271,624
Loss allowance	0	0	0	0	0
01 July 2018					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	0	7,080	1,532	249,689	258,301
Loss allowance	0	0	0	0	0

There were no adjustments as a result of adopting AASB 9.

21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 12(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2019</u>	\$	\$	\$	\$	\$
Payables	481,969	0	0	481,969	481,969
Borrowings	144,665	369,757	0	514,422	456,238
	626,634	369,757	0	996,391	938,207
<u>2018</u>					
Payables	254,882	0	0	254,882	254,882
Borrowings	116,271	437,186	48,884	602,341	547,322
	371,153	437,186	48,884	857,223	802,204

22. TRUST FUNDS

The table below provides a breakdown of the funds transferred:

	1 July 2018	Amounts Received	Amounts Paid	Reclassified to Restricted Cash	30 June 2019
	\$	\$	\$		\$
Yamtji BBMAC	150	0	0	(150)	0
Community Bus Bond - School	450	0	0	(450)	0
Bus Yalgoo Hall - Annual Bond	300	0	0	(300)	0
Casual Complex	1,150	0	0	(1,150)	0
Housing Bonds	7,664	0	(3,400)	(4,264)	0
Land Auction Proceeds	2,500	0	0	(2,500)	0
Post office Bonds	30	0	0	(30)	0
Casual Hall Bond	150	0	0	(150)	0
Library Bond	25	0	0	(25)	0
Museum	9,220	0	0	(9,220)	0
Casual Bus Bond	100	0	0	(100)	0
	21,739	0	(3,400)	(18,339)	0

In previous years, bonds and deposits were held as trust monies. These are now included in restricted cash at Note 3 and shown as current liabilities at Note 11.

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Chief Executive Officer submitted his resignation to the Council on 26 April 2019, with an effective termination date of 31 October 2019. A separation agreement was negotiated and formally executed post year-end, which captured the settlement terms and conditions.

A condition of settlement included the Toyota Landcruiser motor vehicle being purchased by the CEO as part his severance package. The written down value of the motor vehicle recorded on the Shire's Fixed Asset Register as at 30 June 2019 was \$79,665.

24. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

There were no adjustments as a result of adopting AASB 9.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

- The Shire did designate financial assets as at fair value through profit and loss.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire did not recognise any additional impairment on the Shire's Trade receivables.

25. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the Statement of Financial Position at the date of initial application (1 July 2019):

		AASB 118 carrying amount		AASB 15 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Contract liabilities - current				
Unspent grants, contributions and reimbursements	18	0	270,460	270,460
Adjustment to retained surplus from adoption of AASB 15	25(d)		(270,460)	

(b) Leases

The Shire will adopt AASB 16 retrospectively from 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire is required to apply this Standard to leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire does not have any lease liabilities resulting in no impact.

25. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)**(c) Income For Not-For-Profit Entities**

The Shire will adopt AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in no material changes in accounting policies.

(d) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			32,149,684
Adjustment to retained surplus from adoption of AASB 15	25(a)	(270,460)	(270,460)
Retained surplus - 01 July 2019			31,879,224

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

27. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation facilities and services to the members of the Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern other specific functions/activities of the Shire are also recorded here.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Food quality, pest control and immunisation services.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	To promote education services through the education initiatives.
HOUSING To provide housing for Shire of Yalgoo staff.	Provision and maintenance of staff, rental and Joint Venture Housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, noise control, litter control, administration of town planning schemes, strategic planning, maintenance of the cemetery, public conveniences and town storm water drainage.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, water park, recreation grounds and various reserves. The operation of library and maintenance of cultural heritage assets and TV/radio transmission services.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, drainage works, lighting of streets, maintenance of the depot and airstrips.
ECONOMIC SERVICES To help promote the shire and its economic wellbeing.	Regulation and provision of tourism services including the caravan park, area promotion, community activities, building control, noxious weeds and vermin control.
OTHER PROPERTY AND SERVICES To monitor and control Shire's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

28. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	3.68	4.62	3.37
Asset consumption ratio	0.86	0.88	0.86
Asset renewal funding ratio	0.97	0.97	0.96
Asset sustainability ratio	0.09	0.28	0.86
Debt service cover ratio	11.77	11.80	26.75
Operating surplus ratio	0.04	(0.04)	0.92
Own source revenue coverage ratio	0.40	0.43	0.36

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Yalgoo

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Yalgoo which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a. The Asset Sustainability Ratio as reported in Note 28 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last two financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. The Shire did not conduct independent review of all changes and adjustments made to master-files, including changes to payroll, fixed assets, revenue and expenditure.

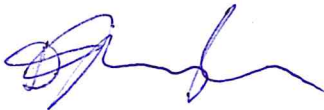
- b. For 15 of 25 purchases sampled there was no purchase order raised. Further, for 15 out of 25 creditor batches sampled there was no evidence of independent review and for 17 out of 25 payments sampled they were not approved by a second person.
 - c. 18 of 20 daily banking reconciliations sampled were either not completed or not signed by either the preparer or reviewer.
- (iii) All required information and explanations were obtained by me.
 - (iv) All audit procedures were satisfactorily completed.
 - (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial ratios for 2017 in Note 28 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Yalgoo for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
31 January 2020