

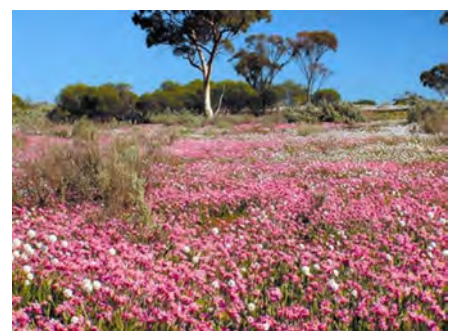
Shire of Yilgarn 2012/2013 Annual Report



Annual Report 2012 - 2013

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Our Vision

A strong, vibrant and progressive Shire that retains strength in its communities by way of continual promotion of agriculture and mining as the Shire's major industries, with an added focus on tourism, to ensure that a robust economic and social base is retained for all residents".

Councillors



Term Expires: October 2013

*Postal Address:
PO Box 108
Southern Cross 6426
T: 9040 1014
F: 9040 1158
cr_patroni@yilgarn.wa.gov.au*

Cr P Romolo Patroni

Shire President



Term Expires: October 2015

*Postal Address:
11b Altair Street
Southern Cross 6426
T: 9049 1322
F: 9049 1442
cr_truran@yilgarn.wa.gov.au*

Cr Onida T Truran

Deputy Shire President



Term Expires: October 2015

*Postal Address:
75 Antares Street
Southern Cross 6426
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cr_pasini@yilgarn.wa.gov.au*

Cr David J Pasini



Term Expires: October 2013

*Postal Address:
Post Office
Moorine Rock 6425
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F: 9049 8040
cr_auld@yilgarn.wa.gov.au*

Cr David G Auld



Term Expires: October 2015

*Postal Address:
PO Box 106
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cr_guerini@yilgarn.wa.gov.au*

Cr Gary M Guerini



Term Expires: October 2013

*Postal Address:
PO Box 114
Southern Cross 6426
T: 9049 1149
F: 9049 1880
cr_wdellabosca@yilgarn.wa.gov.au*

Cr Wayne A Della Bosca



Term Expires: October 2013

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21 Corinthia West Rd
Bodallin 6424
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cr_jdellabosca@yilgarn.wa.gov.au*

Cr Julie A M Della Bosca



Organisational Structure

COUNCILLORS



Chief Executive Officer
Vivienne Piccoli

Responsible Officer for:

- ⇒ Governance
- ⇒ Emergency Services
- ⇒ Public Relations
- ⇒ Strategic Planning
- ⇒ Overseeing Organisation Operations



Deputy CEO
Mia Dohnt

Responsible Officer for:

- ⇒ Finance and Administration
- ⇒ Customer Service
- ⇒ Information Technology
- ⇒ Community Resource Centre
- ⇒ Library
- ⇒ Tourism & Area Promotion
- ⇒ Skeleton Weed Program



Manager for Works
Robert Bosenberg

Responsible Officer for:

- ⇒ Road and Transport
- ⇒ Parks & Gardens
- ⇒ Technical Services
- ⇒ Engineering Operations
- ⇒ Aerodrome Operations
- ⇒ Plant Purchasing



Manager for Environmental, Health
and Building Services
Wendy Dallywater

Responsible Officer for:

- ⇒ Health and Building Services
- ⇒ Community Facilities
- ⇒ Environmental
- ⇒ Planning Implementation
- ⇒ Ranger Services
- ⇒ Leisure Facilities
- ⇒ Age Care Housing
- ⇒ Sanitation, Sewerage Schemes & Drainage
- ⇒ Domestic Services

Employees' Remuneration – salary range \$

SALARY RANGE \$	NUMBER OF EMPLOYEES
190,000 to 200,000	1
140,000 to 150,000	1
130,000 to 140,000	1
120,000 to 130,000	1



Shire Profile

The Shire of Yilgarn is 30,720 square km in area and has a population of approx. 3000 including FIFO. The Yilgarn is known by many as the gateway to the Wheatbelt and the Goldfields. The name "Yilgarn" is Aboriginal for "white stone" or quartz".

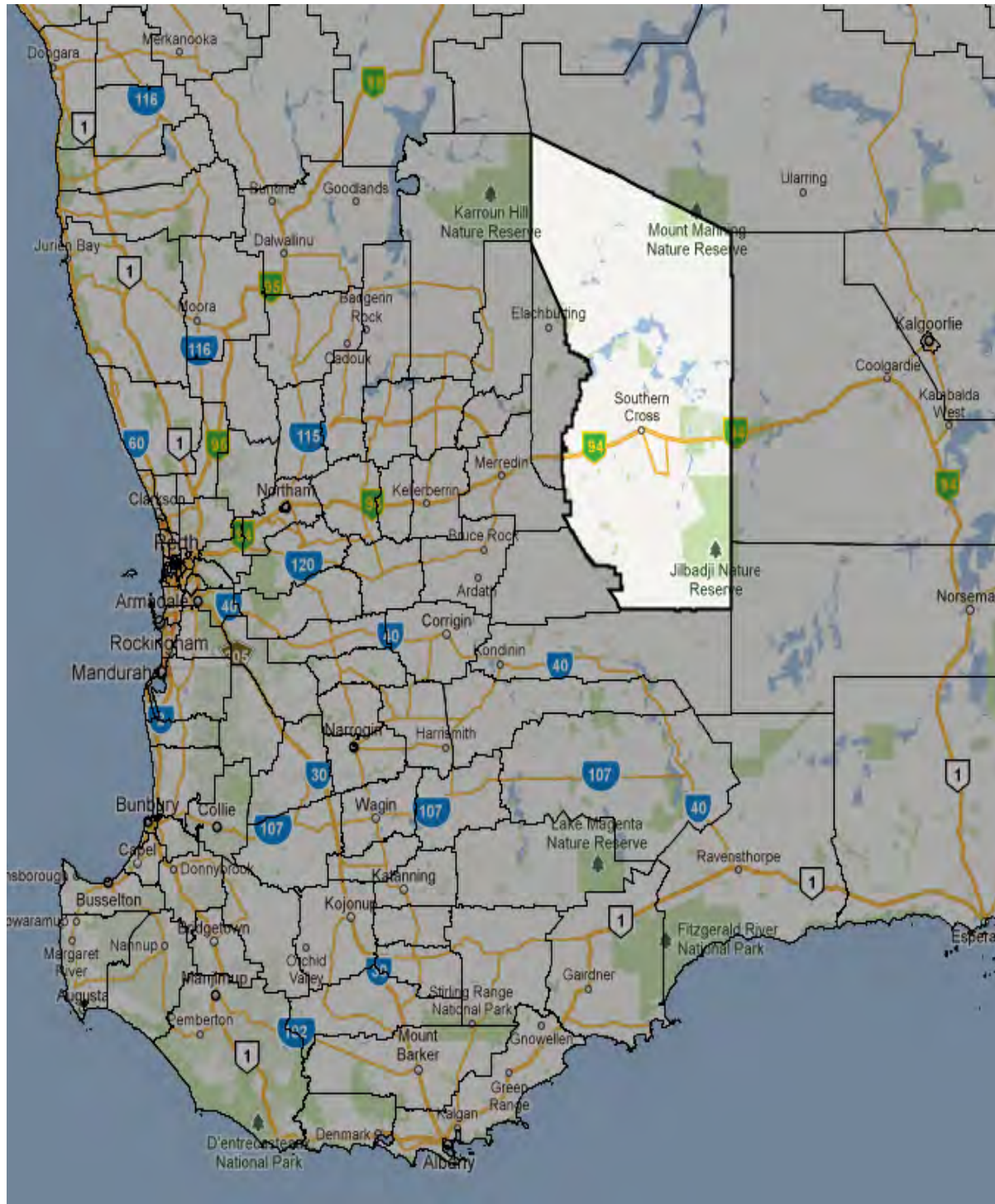
Southern Cross is the major town centre of the Shire of Yilgarn and is 370km east of Perth along the Great Eastern Highway. Other town sites in the Shire include Bodallin, Bullfinch, Ghooli, Koolyanobbing, Marvel Loch, Moorine Rock and Yellowdine.

The two major industries in the area are Agriculture and Mining. Gold, gypsum, salt and iron ore are mined, while grain, wool, sheep, cattle and pigs are the focus of the rural industry.

Along with farming, mining is a major industry within the Yilgarn. Gold was first discovered at Eenuin and Golden Valley in late 1887. Early in 1888, Tom Riseley and Mick Toomey discovered gold in the locality they named "Southern Cross" after the stars which had been their guide. All the streets, parks, and the salt lake, which passes through the town, are named after the stars and constellations. This amazing concept is just another unique aspect about the Yilgarn and the town of Southern Cross. The co-existence of mining and agriculture has balanced the Yilgarn's economy, with the two activities supplementing and complementing each other through their respective boom and bust cycles.



Shire Location



AGENDA

ANNUAL
ELECTORS' MEETING

WEDNESDAY
18TH DECEMBER 2013

SHIRE OF YILGARN

AGENDA

ANNUAL ELECTORS' MEETING

The Annual Meeting of Electors' of the Shire of Yilgarn will be held on
Wednesday, 18th December 2013 in the Council Chambers at the Shire of Yilgarn
Commencing at 7.30pm

The order of business is as follows:-

Presentation of the Annual Report comprising;

1. Confirmation of Previous Minutes (12th December 2012)
2. Presentation of the Shire President, Chief Executive Officers and Other Reports
3. Receiving of the Financial Statement for the year ended 30 June 2013.
4. Reading of the Auditor's Report for the year ended 30 June 2013.
5. Other Business.

Note: Copies of the Annual Report for the year ended 30 June 2013 will be available from the Council office during normal business hours (8:30am – 4:30pm).

Electors wishing to be supplied with detailed answers to questions are asked to give notice to the Chief Executive Officer no later than 4:00pm Friday 6th December 2013.

Vivienne Piccoli
Chief Executive Officer

MINUTES

ANNUAL
ELECTORS' MEETING

FRIDAY
12TH DECEMBER 2012

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 12th DECEMBER 2012**

Minutes of the Annual Electors' Meeting of the Yilgarn Shire Council held in the Council Chambers, Antares Street, Southern Cross on Wednesday, 12th DECEMBER 2012.

ATTENDANCE AND APOLOGIES

Councillors: -

Cr P R Patroni, Cr O Truran, Cr J Della Bosca,
Cr W A Della Bosca, Cr G Guerini

Officers: -

Chief Executive Officer (CEO)	Vivienne Piccoli
Deputy Chief Executive Officer (DCEO)	Mia Dohnt
Manager for Works (MW)	Robert Bosenberg
Manager of Environmental Health and Building Services (MEHB)	Wendy Dallywater

Electors and members of the public: -

Mr B Dorazio, Mrs D Della Bosca, Mr J Panizza, Mr B Panizza, Mrs K Crafter, Mrs C Della Bosca, Mr H Bennett

APOLOGIES

Cr D Pasini, Cr D Auld, Mr J Williamson and Mrs B Williamson

The Shire President declared the meeting open at 7.30pm.

1. MINUTES

Moved Cr O Truran Seconded Cr W Della Bosca, that the Minutes of the Annual Electors Meeting held on Friday, 18th November 2011 as presented, be confirmed as a true and correct record of that meeting.

CARRIED

2. BUSINESS ARISING

- Manager for Works, Robert Bosenberg followed up with MainRoads WA to get more information on the planned maintenance for the Marvel Loch Road. MainRoads were contacted a couple of weeks prior to this meeting and requested to supply information which had not been received. Robert was verbally informed that MainRoads had no planned works for Marvel Loch Road.
- The Manager for Environment and Building Services was asked if the Transfer Station is in operation, she explained that the Waste Transfer Station had been trialled and seemed to working well. At present the gate is shut so that the last landfill hole could be filled at which time the waste transfer station would then reopen. There is more detail on this in the Manager of Environmental Health & Buildings Services report.
- It was noted that there were more being used in town. It was advised that works had been completed to the Doctors surgery where a ramp

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 12th DECEMBER 2012**

had been installed. It was also noted that works would be carried out in the near future to install ramps for gopha/wheel chair access.

- It was noted that Doctor Sally Simpson was still practicing in the Shire. Since the Marvel Loch mine has cancelled the Monday flight she arrives in on the Monday train and is in town by noon and departs on Friday leaving on a flight at 3.00pm.

2. PRESENTATION OF REPORTS

2.1 Shire President's Report

Cr Patroni presented his report to 30 June 2012.

Moved Cr J Della Bosca Seconded Kaye Crafter that the Shire President's Report to 30 June 2012, as presented, be received.

CARRIED

2.2 Chief Executive Officer's Report

Ms Vivienne Piccoli presented her report to 30 June 2012.

Moved Cr Guerini Seconded Kaye Crafter that the Chief Executive Officer's Report to 30 June 2012, as presented, be received.

CARRIED

2.3 Deputy Chief Executive Officer's Report

Ms Vivienne Piccoli presented her report to 30 June 2012.

Moved Cr Guerini Seconded Kaye Crafter that the Deputy Chief Executive Officer's Report to 30 June 2012, as presented, be received.

CARRIED

2.4 Manager for Works' Report

Mr Robert Bosenberg presented his report to 30 June 2012.

Moved Carla Della Bosca Seconded Cr W Della Bosca that the Manager Works Report to 30 June 2012, as presented, be received.

CARRIED

2.5 Manager of Environmental Health & Building Services Report

Ms Wendy Dallywater presented her report to 30 June 2012.

Moved Cr G Guerini Seconded Carla Della Bosca that the Manager of Environmental Health & Building Services Report to 30 June 2012, as presented, be received.

CARRIED

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 12th DECEMBER 2012**

3. RECEIVING OF THE ANNUAL FINANCIAL REPORT TO 30 JUNE 2012

Moved Cr W Della Bosca Seconded Cr G Guerini that the Annual Financial Report to 30 June 2012, as presented, be received.

CARRIED

4. READING OF THE AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2011

The Auditor's Report for the year ended 30 June 2012 to the electors of the Shire of Yilgarn was read by the Chief Executive Officer.

Moved Cr W Della Bosca Seconded G Guerini that the Auditor's Report for the year ended 30 June 2012, as presented, be received.

CARRIED

5. GENERAL BUSINESS

The following questions were received from attending residents:

- Mrs K Crater enquired whether the island near the Palace hotel on Great Eastern Highway belonged to the Shire and whether they could be paved.

Robert Bosenberg advised the island was under the control of MainRoads WA and therefore the Shire was unable to do anything with it but he would put a request into MainRoads for some maintenance work to be done.

- Mrs K Crafter also noted that there are bricks everywhere from broken islands near BP Service station and asked whether these islands could be reduced in size to stop the trucks breaking them.

Manager of Works, Robert Bosenberg, advised that they could not be reduced in size as it would pose safety issues with trucks and vehicles and a possibility of cars hitting the power pole. He also advised that maintenance work to fix the problem would be scheduled.

- Mrs K Crafter noted that there needs to be some areas around Caltex Service Stations cleaned up.

Manager of Works, Robert Bosenberg, advised that there was an issue with ownership of land around this site and Council are currently trying to resolve them. Once resolved, works will be programmed to be done in the area.

- Mr B Dorazio requested that Council do something about the entry of the Community Centre, the paving bricks are covered with bird poo from birds nesting

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 12th DECEMBER 2012**

- in the eaves above. He also stated that the mess had been there for several years now and was very unsightly.

Manager for Environmental Health and Building Services, Wendy Dallywater, advised that she was in the process of having wire strands put up to alleviate the problem. Until that is possible the cleaners have been doing the best they can to ensure the paving is clean.

- Mr B Dorazio stated that he was recently at the Senior Citizens Centre for a BBQ and there was six inches of leaves and paper in the alfresco area. He requested a small sign be erected and bins put out near the BBQ area to minimise the rubbish. He also stated that there was water stains on the walls and they were rotting. Mrs D Della Bosca said, as a rate payer she agreed with Mr Dorazio.

The Manager for Environmental Health and Building Services, Wendy Dallywater, advised that the builder is responsible for seven years however they are not taking responsibility for the problem. She is seeking advice on adjusting the gutters and roof alignment. She noted the gutters are very low and this is why the roof is leaking.

- Mr B Panizza said there are a number of homesteads on gravel roads which have been there for many years and he does not understand why these homesteads cannot be provided with a couple of hundred metres of gravel in front of their properties.

The Manager of Works responded that the Shire had, over the last couple of years, been providing gravel and this is something the Shire is progressively working towards. Cr Patroni asked for a list to be constructed so that there was some indication of the financial impact this would have on the Shire.

- Mrs K Crafter commented on the litter down Marvel Loch Road and Great Eastern Highway, that there is metres of stubbies on the road side.

She was advised that along the highway is MainRoads jurisdiction.

- Mrs C Della Bosca asked whether the pool was going to be heated and if the change rooms are going to be upgraded.

Cr Patroni advised that it was in the Shire's plan to do this work and that the MEHBS was to travel to Corrigin and view their new hydrotherapy pool.

- Mrs D Della Bosca congratulated the Shire on the construction of the new Tennis and Bowling Club building and stated "that because there was a lot of community consultation and involvement in the project, the community are really pleased with the outcome of the facility".

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 12th DECEMBER 2012**

- Cr W Della Bosca said that the acoustics in the new clubhouse needed to be reviewed, because when there are too many people in the building it is difficult to hear.

MEHBS advised that she had ordered some acoustic panels and they will be installed as soon as they arrive.

- Cr J Della Bosca asked if 'Give Way' signs can be erected at the crossroads throughout the Shire.

The Manager of Works advised that MainRoads WA has control over road signage and one of their representatives would need to come out and assess the roads and make a decision whether there is a need for any signs.

6. CLOSURE

The Shire President thanked all those attending and there being no further business, the meeting was declared closed at 9.00pm.

SHIRE PRESIDENT'S REPORT

SHIRE OF YILGARN
SHIRE PRESIDENT'S REPORT
2012/2013 FINANCIAL YEAR

Ladies and Gentlemen,

It is with pleasure that I present this report to the Electors of the Shire of Yilgarn on the activities of Council's operations during the 2012/2013 financial year.

The 2012/2013 financial year commenced like every other financial year with Council setting a well-planned Budget that provided for the provision of services throughout the course of the year and concentrated on a number of major projects that would enhance the facilities and services that Council provides to its residents in the Yilgarn district.

In 2012 we saw the completion of one of Council's major capital projects, the Yilgarn Bowls and Tennis Clubhouse and Bowling Green, and more recently the final stage of the project; the construction of three synthetic tennis courts were completed. Since the opening we have seen the facility being well used by the individual clubs and casual hirers for functions. Over the past twelve months we have witnessed how a shared facility such as this brings people together and strengthens the social fabric of our community.

Transport Services including road construction / maintenance and other associated road expenditure is still the largest item in the Council's budget totalling \$5.3M in 2012/2013. Council has managed to secure grants from different funding bodies including; Roads to Recovery (\$564,105), Heavy Vehicle Road Improvement Contributions (\$42,872), Main Road direct grant (\$195,782), Regional Road Group (\$609,901) and Federal Assisted grants of \$1.67M. In addition, Council has continued with its Plant Replacement Program and purchased and traded various plant items to the value of \$564,000.

Council recognises the importance of having Medical Services in Southern Cross for our residents to access and invests considerable resources towards the provision of medical services to the value of \$185,569 in 2012/2013 and would like to thank those mining companies that assist by contributing towards minimising the cost, these companies include Cliffs Resources (\$10,000) and WA Salt (\$15,000).

Council also continued with its ongoing support for the Skeleton Weed LAG Committee and the Southern Cross Community Resource Centre.

The early part of 2013 saw Council Officers working towards meeting the Department of Local Government Integrated Strategic Planning Statutory Reporting requirements prior to the 30th June 2013. This process included

SHIRE OF YILGARN
SHIRE PRESIDENT'S REPORT
2012/2013 FINANCIAL YEAR

extensive community consultation where Council met with representatives of our Youth, Businesses and General community members to gain an understanding of their priorities and aspiration for the district.

Council will use this plan as a road map to a secure future and it will provide guidance to our Council as we make important decisions on behalf of the community over the next 10 years. The plan incorporates our vision, our values, and our aspirations for the future and will allow the Council to prioritise projects, programs and infrastructure upgrades that have been identified as important to all community members.

I would like to thank those community members who made the effort to participate in developing the Community Strategic Plan, your thoughts and ideas forms the basis of Council's Budgets in future years.

Within the Local Government arena, there is still a strong push for reform of Local Governments by the new Minister, Hon Tony Simpson MLA. A recent independent review on Metro Local Government reform recommended a reduction from 30 metro Councils to 12, to date the Local Government Advisory Board (LGAB) has received 21 proposals for reform. Council has been advised by the Minister that Metro reform will be his primary focus up to 2015 and then he will be looking at Regional and then Rural Councils, so there may still be an amalgamation sometime in the future.

I would like to commend the excellent and dedicated work that is carried out by our volunteers in the Yilgarn district. Community groups like the St John Ambulance, Bushfire Brigades, Agriculture Society, Seniors, Op-shop and Museum group and all our sporting bodies provide services within the community that would otherwise not be available.

I would like to thank Council's parks and gardens staff for their continual efforts in making Southern Cross a very beautiful up kept town, I have in the past received many comments from visitors to our town liking it to an oasis in the bush. Equally, I would like to thank Council's outside works crew on their continued efforts in ensuring the Yilgarn roads are the best in the Wheatbelt.

In closing, I would like to thank my fellow Councillors and the Council staff for their ongoing commitment and dedication to the development of this shire for the benefit of you, our community.

Cr Romolo Patroni OAM JP
Shire President

CHIEF EXECUTIVE
OFFICER'S
REPORT

SHIRE OF YILGARN
CHIEF EXECUTIVE OFFICER'S REPORT
2012/2013 FINANCIAL YEAR

Ladies and Gentlemen,

It is with pleasure that I present my report as Chief Executive Officer advising on the administration of the Council for the year ending 30th June, 2013 and in doing so I must acknowledge the Councillors and Staff of the Shire for their support and involvement in the projects undertaken this year.

2012/2013 has been an extremely busy year in many areas of Council's operations. Council's involvement in external organisations is considerable with Councillors and senior managers devoting significant time in travelling to and attending meetings throughout the Wheatbelt Region to keep abreast of the many and varied issues and working towards developing a regional approach to finding solutions. An example of a regional project that is currently on the table is to find a solution to 'Age Care in the Wheatbelt', with the assistance from Wheatbelt Development Commission (WDC) 11 Councils have come together to develop a strategy so that our elderly community can age in place amongst family and friends, and have the necessary facilities and services available. The Central East Wheatbelt Aged Support and Care Regional Solution/s report was launched at the Wheatbelt conference in April 2013 and will be used as a tool to secure Regional funding in the future.

Council's Management team was heavily involved in developing a suite of Integrated Strategic plans prior to the 30th June 2013, in order to fulfil our statutory requirements. The Suite includes the Strategic Community Plan (CSP) which identifies Council's vision for the district and the priorities and aspirations of the community. The Corporate Business Plan (CBP) which is used as a tool to deliver the actions of the CSP has also been developed, this document feeds into the annual budget. Other plans that have been integrated into these overarching plans include the Asset Management Plan (AMP), Workforce Plan (WP) and Long Term Financial Plan (LTFP). Council would like to acknowledge the assistance of the Department of Local Government in the provision of funding towards the development of the plans. Council is committed in reviewing these integrated plans on a regular basis to ensure that the community's aspirations for the district are being reflected in the things we do and the services that we provide.

The Shire of Yilgarn's road construction projects in any year of operation are always significant, considering our vast network of roads, with this financial year being no exception. The Manager for Works has made reference to a number of projects completed during the year and the standard of road construction works undertaken by Council's road construction work force is second to none and they should be congratulated on their performance.

**SHIRE OF YILGARN
CHIEF EXECUTIVE OFFICER'S REPORT
2012/2013 FINANCIAL YEAR**

In 2012/2013 we saw the completion of the Yilgarn Bowls and Tennis clubhouse, Bowling Green and Tennis courts. I commend both Wendy Dallywater and Robert Bosenberg for their commitment to the project and the excellent results achieved with a sporting facility that definitely meets the community's needs.

I also take this opportunity to thank the entire Shire of Yilgarn workforce for their continued efforts and strong team approach to achieving results over the past year. It always makes it easier when you have a team of committed employees whose one objective is to provide the best possible service to the residents of the district. Special thanks go to the Senior Management team; Mia Dohnt, Wendy Dallywater and Robert Bosenberg for their ongoing support and commitment to Council operations.

I would also like to thank the Shire President, Deputy Shire President and Councillors for their support and guidance over the past 12 months with me stepping into my first appointment as CEO. I believe there is a great working relationship between Councillors and staff and this makes working at the Shire of Yilgarn very enjoyable.

Vivienne Piccoli
Chief Executive Officer

DEPUTY CHIEF
EXECUTIVE OFFICER'S
REPORT

SHIRE OF YILGARN

DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT

2012/2013 FINANCIAL YEAR

Ladies and Gentlemen,

It is with pleasure that I present my report to the Electors in my capacity as the Deputy Chief Executive Officer of the Shire of Yilgarn, by providing a brief overview of the financial position of Council as at the 30th June 2013.

FINANCIAL SUMMARY

Council concluded the financial year with a net Current Asset position of \$7.80m, which was substantially higher than the \$6.47m in 2012.

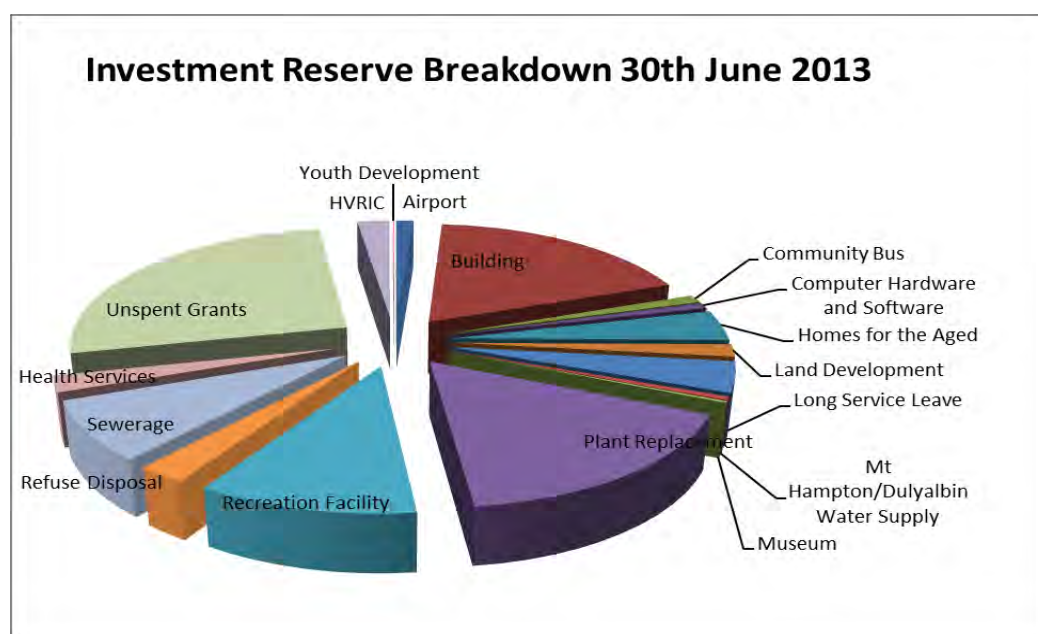
Council's Auditor, UHY Haines Norton, has completed an Audit of the Shire of Yilgarn Financial Statements for the period 1st July 2012 to 30th June 2013 and has furnished an Independent Auditor Report to that effect. A copy of the Report can be found in the final pages of this document, in addition to the Annual Financial Statements.

Reserve Funds

In line with Council's Plan for the Future, a vast Reserve Portfolio is managed, where optimum return on investment is sought through Term-Deposit structures, identified in line with Council's Policy on Surplus Fund Investments.

At the 30th June 2012, Council held \$6,301,727 within several different special purpose Reserve accounts.

In an effort to demonstrate where these funds are held, the following chart is provided.



SHIRE OF YILGARN

DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT

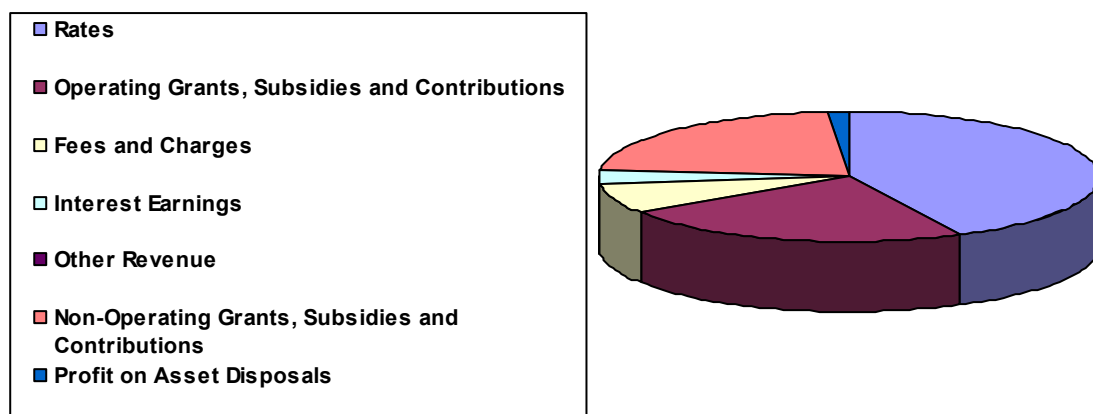
2012/2013 FINANCIAL YEAR

Revenue

Council is limited in its capacity to raise revenue from its own sources, revenue is primarily received in the form of grants, rates and fees and charges.

Unfortunately, whichever way you look at it, Council is required to ensure adequate revenue is achieved to match operating expenditure and capital growth in the community, and ensuring services are adequately provided in the Yilgarn district.

The graph below details the break-up of the income received for 2012/2013 by Nature and Type.



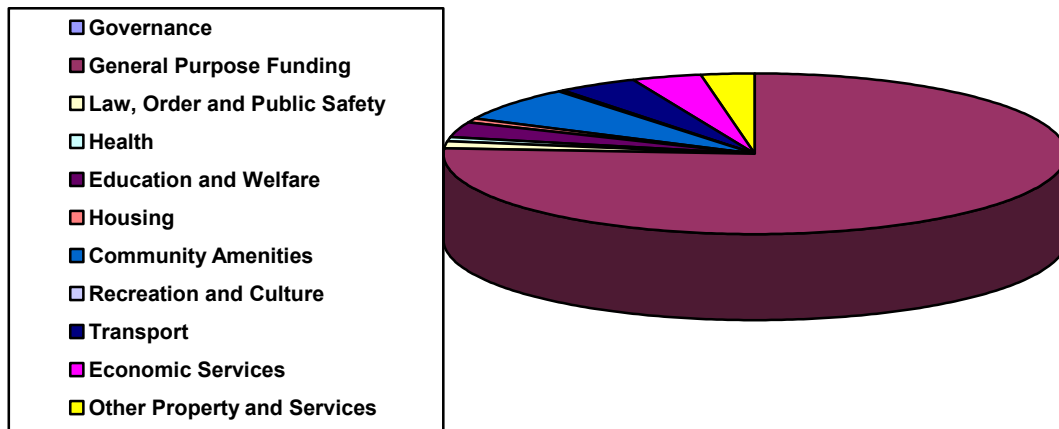
The total of Council's General Purpose Grant have increased gradually over the past five years, changing the trend of the previous ten years when there was an overall decrease in grant funds on offer. The upward trend is mainly due to the Federal Assisted Grants (FAG) and Royalties to Regions that have been applied for and received by Council. There has also been an early payment of 2013/2014 FAG grants to the value of \$892,258 inflating 2012/2013 revenue.

The graph below illustrates Council's Revenue by Program, as opposed to Nature and Type.

SHIRE OF YILGARN

DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT

2012/2013 FINANCIAL YEAR

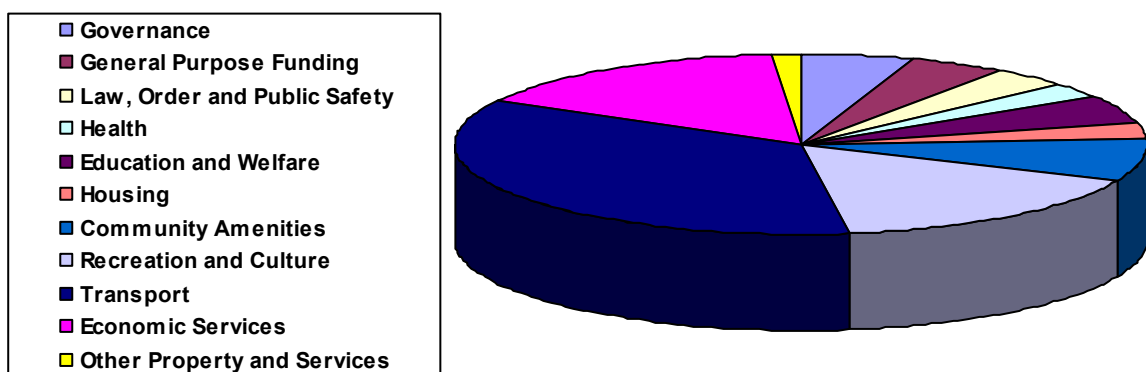


Wherever possible, Council strives to maintain revenue escalation somewhere between the Australian Bureau of Statistics Consumer Price Index (CPI) and the Western Australian Local Government Association's Local Government Cost Index (LGCI), an indicator developed to more accurately reflect increases applicable to this industry specific sector.

Expenditure

Council's operating expenditure for 2012/2013 by Program is illustrated in the below chart. As can be seen, a majority of Council's funds have been spent on Transport, primarily Maintenance of the vast Road Network within the Shire of Yilgarn.

Other principal areas of expenditure are Recreation and Culture (Recreation Facilities, Halls, Ovals, etc.) and Economic Services (Tourism, Area Promotion, Noxious Weed Control, Standpipes, etc.)



SHIRE OF YILGARN

DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT

2012/2013 FINANCIAL YEAR

Rating

The amount of revenue raised from rates depends upon three factors.

- The type of rate - Gross Rental Value or Unimproved Value
- The Valuation of the property, and;
- The rate in the dollar set for each Rate Type.

Gross Rental Values are generally applied to properties within town sites as well as mining infrastructure and Unimproved Values relate to rural farmland and mining tenements.

Gross Rental Values (Town) are revalued every three to five years, with 2013 being a revaluation year. Following this revaluation residents experienced rate increases reflective of their property values. The GRV town valuations are due once again in 2016.

Unimproved values (Farming) are revalued every year. The values are set by the Valuer General and are outside Council's control. Variations in valuation can be quite widespread throughout the Shire and can create inconsistencies in the rates for individual property owners, which in turn creates confusion and uncertainty.

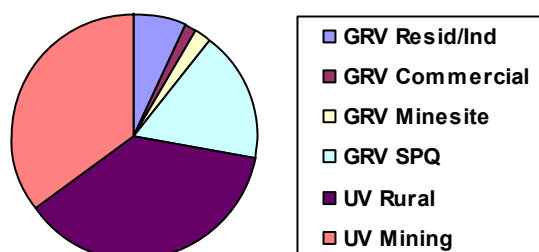
Council sets its rate budget to generate overall revenue for each type of rating and is sympathetic to those ratepayers where increases are higher than average due to increased valuations. Unfortunately there is little that Council can do, except to encourage those Ratepayers that are unhappy with their valuation, to appeal to the Valuer General. Members of Council's staff are more than happy to provide advice regarding this process.

Council has differential rates that fall into two categories, UV (unimproved land) and GRV (improved land) and different rates in the dollar are applied to each property valuation:

2012/2013 Differential Rates Chart

	Rate in \$
GRV – Residential	0.0972
GRV – Commercial	0.0665
GRV – Mine sites	0.3510
GRV – Single Persons Quarters	0.3510
UV – Rural	0.0164
UV – Mining Tenements	0.1900

2012/2013 Rates Revenue Received



SHIRE OF YILGARN

DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT

2012/2013 FINANCIAL YEAR

Loans

As at the 30th June 2013, Council's had no loan liability as Loan 97, relating to the purchase of two Residential Homes in Southern Cross was paid in full during 2012/2013.

COMPLIANCE REQUIREMENTS

- ***National Competition Policy***

In accordance with statutory requirements set down in the National Competition Policy legislation, outlined below is a report on the Shire of Yilgarn's compliance with the requirements.

- ***Competitive Neutrality***

The Shire of Yilgarn does not have a business activity which generates a user pays income of \$200,000 or more, therefore no obligation exists for the Municipality to conduct a Public Benefits Test. Nonetheless, the Shire of Yilgarn remains committed to the principals of Competitive Neutrality.

- ***Legislative Review***

The Shire of Yilgarn reviews its Local Laws annually in conjunction with its Policy Manual Review and concluded that none restrict competition in any way. Nonetheless, the Shire of Yilgarn remains committed to the principals of Legislative reform.

- ***Structural Reform***

The Shire of Yilgarn has no obligation under the principals of structural reform and did not privatise any public monopolies in the current year.

- ***Record Keeping Plan***

In compliance with the State Records Act 2000, as required by Standard 2, Principle 6, Council maintains a Record Keeping Plan which is reviewed annually by the Chief Executive Officer.

- ***Public Interest Disclosure***

In compliance with the Public Interest Disclosure Act 2003, as required by Section 23, part 1, Council has appointed a PID Officer in the agency, being the Deputy Chief Executive Officer, and Council has published internal procedures relating to the agency's obligations.

- ***Register of Complaints***

The Shire received no complaints in relation to minor breaches made by Councillors.

SHIRE OF YILGARN

DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT

2012/2013 FINANCIAL YEAR

OTHER DOCUMENTS

Members of the public are encouraged to read Council's other publications which are available from the Shire Library / Community Resource Centre.

These include:

- ***Plan for the Future***

All local governments are currently required to produce a plan for the future under S5.56 (1) of the *Local Government Act 1995*. Regulation 19C (inserted in Gazette 26 Aug 2011 p.3483-4), 19DA (inserted in Gazette 26 Aug 2011 p.3484-5) 19DB (inserted in Gazette 26 Aug 2011 p.3485-6) where amended in the Local Government (Administration) Regulations 1996 to enact the changes.

The minimum requirement to meet the intent of the plan for the future is the development of a Strategic Community Plan and A Corporate Business Plan.

Community Strategic Plan 2013-2023

This Plan outlines the long-term (10+ years) vision and values of the community of the Shire of Yilgarn, whilst also acknowledging the requirements and resourcing capabilities of the Shire. The plan not only establishes a vision for the Shire's future, but will also drive the development of other plans in the Integrated Planning framework.

Corporate Business Plan 2013/14 to 2016/2017

The plan details the services, operations and projects a local government will deliver within a defined period. It also includes the processes for delivering these and the costs associated.

Forward Capital Works Plan 2013/2014 to 2017/2018

The Shire of Yilgarn Corporate Business Plan, together with the Strategic Community Plan, sets an exciting direction for the Shire of Yilgarn. The Shire of Yilgarn Strategic Community Plan establishes key themes, strategies and actions to achieve them and measurable performance indicators to enable Council and the Community to review progress.

- ***Adopted 2013/2014 Budget***

Council's Budget is a working document used by Council's staff on a daily basis, detailing Council income and expenditure for the twelve months to 30 June 2014. Naturally, copies of the 2012/2013 adopted budget, which reflected income and expenditure associated with this Annual Report is also available.

IN CONCLUSION

I would like to thank Council's Management Team, being the Chief Executive Officer – Vivienne Piccoli, Manager for Works – Robert Bosenberg and Manager for Environmental Health and Building – Wendy Dallywater, for their assistance and guidance over the past year, together we have worked efficiently and effectively to ensure a seamless delivery of services to the community.

I would also like to thank the Shire President and Councillors for their continued support and encouragement.

More importantly, I would like to thank Council's Administrative Team who have worked tirelessly during times when we have been understaffed during 2012/2013. Council administration staff have continuously provided the support and assistance necessary to ensure the guidance and direction conveyed ensures maximum productivity and above all, positive results.

I am pleased to work with such a dedicated team who make Southern Cross and surrounding town sites such a pleasant place to live.

 *Mrs Mia Doherty - Deputy Chief Executive Officer*

MANAGER FOR
WORKS'
REPORT

**SHIRE OF YILGARN
MANAGER FOR WORKS' REPORT
2012/2013 FINANCIAL YEAR**

Parks and Gardens, Road Maintenance and Construction Works

Roads 2030 Regional Road Development Strategic Program

Bodallin North Road	3km 10mm bitumen reseal
Moorine South Road	5km 14mm bitumen reseal
Moorine Rock South Road	4km constructed to a 7 metre prime seal 12 linear metres x 375mm barrel culverts installed
Parker Range Road	5.5km 10mm bitumen reseal

Roads to Recovery Program

Bodallin North Road	2km constructed to a 7 metre prime seal
Bodallin South Road	2km x 9m x 150mm gravel overlay
Cramphorne Road	5km x 9m x 150mm gravel overlay
Marvelloch Forrestania Road	2km 10mm bitumen reseal

Heavy Vehicle Road Improvements

Koolyanobbing Road	1.5km 10mm bitumen reseal (HVRI)
Southern Cross South Road	1.5km 10mm bitumen reseal (HVRI)

Council Programs (Gravel Sheetting and Bitumen Reseal)

Marvel Loch Forrestania Road	3 km's 10mm bitumen reseal
Noongar South Road	3.5 km's x 9m x 150mm gravel overlay
Southern Cross South Road	2 km's x 9m x 150mm gravel overlay
Dulyalbin Road	2.5 km's x 9m x 150mm gravel overlay
Emu Fence Road	4 km's x 9m x 150mm gravel overlay
Nulla Nulla South Road	2.5 km's x 9m x 150mm gravel overlay
Kent Road	2 km's x 9m x 150mm gravel overlay
Grace Road	2.5 km's x 9m x 150mm gravel overlay

SHIRE OF YILGARN MANAGER FOR WORKS' REPORT 2012/2013 FINANCIAL YEAR

Drainage

Install 45 metres x 600mm box culverts along Phoenix Street

Once again in the 2012/2013 Financial Year Councils maintenance and construction staff have had a very productive year with a total of 6 kilometre's of road been constructed to a 7 metre prime seal stage, 21.5 kilometre's of bitumen reseal works carried out and 22.5 kilometre's of gravel sheeting been completed. Over all council's construction, maintenance grading and bitumen repair personnel have maintained a good standard of road works/maintenance through-out the 2012/2013 Financial Year.

Private Works

Leighton Contractors supply traffic controllers for four vehicle accidents on Great Eastern Highway, repair flood damage Great Eastern Highway

DEC upgrade camping area at Mount Palmer

Landfill Sites

Maintenance to landfill sites within the Shire of Yilgarn (*Bodallin, Moorine Rock, Bullfinch, Marvel Loch and Southern Cross*) in the 2012/2013 Financial Year was carried out by council staff to a satisfactory standard.

Parks and Gardens

The maintenance works carried out by council's dedicated garden staff on council's parks and reserves within the Shire of Yilgarn (*Bodallin, Moorine Rock, Bullfinch, Marvel Loch and Southern Cross*) has once again resulted in excellent verbal and written comments from the public, sporting sector and tourism sector.

Plant Replacement

As part of councils ongoing plant replacement program, the following light vehicles and road plant equipment was purchased:

1 x Backhoe
1 x Float/Trailer
2 x Utilities

In conclusion I would like to thank the following:

Councils outside Workforce, Councils Work Supervisor Mr. Noel Teale and Contractors engaged by council to assist with the busy maintenance and construction programs undertaken during 2012/2013 Financial Year.

Thanks also to Councils Administration, Senior Management Staff and Councillors for their continued support during 2012/2013 Financial Year.

Robert Rosenberg
Manager for Works

MANAGER
ENVIROMENTAL
HEALTH AND
BUILDING SERVICES'
REPORT

SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND BUILDING
REPORT
2012/2013 FINANCIAL YEAR

I am happy to present the following report on activities that occurred during the 2012/2013 financial year regarding the various facets of my job covering health, building, and planning issues within the Shire of Yilgarn.

Below are matters that I wish to raise or are required to raise through licence conditions or legislation requirements.

Health Matters –

WASTE ISSUES

In August 2012 the new Southern Cross Landfill Site was opened for use by Shire Staff and contractors such as Avon Waste which collects the kerbside domestic rubbish waste each week. The old Southern Cross Landfill Site was closed and changed to being a Transfer Station that local residents can access every day. Twelve months on it appears that the two sites are operating reasonably well.

In June/July 2013 some bulk bins were placed at the Transfer Station – 2 for cardboard only and 2 for co-mingled recyclable waste. Local businesses have taken advantage of the bulk cardboard bins to the point where we are looking at placing bulk bins in certain locations that are more readily accessible by the commercial businesses within town.

Following the introduction of a waste and recycling information pamphlet with magnet holder in 2011, this document was amended up-dated and re-printed in early 2013 with a 2013 calendar indicating the recycling collection dates. These were distributed through a letter drop to all households within Southern Cross and Marvel Loch, and copies are available in the front foyer of the Shire Office. Less recycling bins are placed out for collection on non-collection days so it appears that people are using and taking note of the calendar for when to place their bins out for collection.

During 2010/2011 a total of 96.6 tonnes of recyclable waste was collected by Avon Waste from the Yilgarn Shire. In 2011/2012 there was a total of 86.03 tonnes of recyclable waste collected from the Shire. In 2012/2013 Avon Waste collected 82.418 tonnes of recyclable waste from the Shire. I believe that this figure will only increase now with the introduction of the bulk collections bins at the Transfer Station and around Southern Cross.

As you know the Shire of Yilgarn operates a deep sewer scheme within the Southern Cross townsite and a semi-deep sewer scheme within the Marvel Loch townsite. The Shire has a Customer Service Charter stating its obligations in regards to maintaining both sewer schemes which is to be reviewed every 3 years. The Customer Service Charter was reviewed and

SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND BUILDING
REPORT
2012/2013 FINANCIAL YEAR

adopted at the August 2012 Council Meeting. Copies of the reviewed Customer Service Charter can be obtained from the Shire Office or you can view and download a copy for the Shire's website www.yilgarn.wa.gov.au

MOSQUITO CONTROL

During the warmer months of October to April each year, the Shire has conducted a fogging program to reduce the number of mosquitoes around the towns in the Shire. Southern Cross having the largest population is treated weekly, while Marvel Loch is treated fortnightly, and Bullfinch, Bodallin, Moorine Rock, and Mt Hampton are treated less often. If there is going to be an outdoor function or activity in any of the towns, please let me know with enough notice and we can arrange for a treatment to be carried out 1 or 2 days before your function or activity.

SWIMMING POOL

In 2012/2013 Mrs Margaret Pasini ceased co-sharing the Swimming Pool Manager's duties at the Southern Cross Public Swimming Pool, and Mrs Sandra Ciabarri carried out this role with the assistance of Mr John Ciabarri acting as a Relief Manager once a week. Once again the facility was maintained to a high standard throughout the swimming season. Attendance numbers have been reducing over the past few years due mainly to families with children that swim leaving the Shire, plus there are other new interests to occupy them after school or work finishes for the day. While saying this, the facility is used for conducting School Swimming Lessons, VACSWIM lessons, private adult and children swimming lessons, Bronze Medallion qualifications, and to train the Swim School squad; plus Mrs Ciabarri & Mrs Pasini conduct their water aerobic classes 4 evenings a week.

Mrs Pasini became a volunteer for Council to carry out water aerobics and walking exercises with seniors at the Swimming Pool and around town.

While preparing the 2013/2014 Draft Budget Mrs Ciabarri made a number of suggested improvements to improve the use of the Swimming Pool facility. Most of these suggestions were included in the final Budget and you will see these now at the facility.

I wish to thank Mrs Ciabarri for her cooperation, diligence and commitment during the past year.

DISABILITY SERVICE PLAN

The Shire's DAIP was fully reviewed in July 2012. Copies of the reviewed DAIP can be obtained from the Shire office or its website, plus copies are available at the Library and the Senior Citizens Centre. This Plan outlines the ways in which the Council will ensure that people with disabilities have equal

SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND BUILDING
REPORT
2012/2013 FINANCIAL YEAR

access to its facilities and services. It is a requirement for each local government to report on its DAIP at its public electors' meeting or ratepayers' meeting, as well as reporting annually to the Disability Services Council on the implementation of the DAIP. Therefore to meet this obligation, the following is the Policy Statement from Council's DAIP:-

**ACCESS AND INCLUSION POLICY STATEMENT FOR PEOPLE WITH
DISABILITIES, THEIR FAMILIES AND CARERS**

The Shire of Yilgarn is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families, and carers.

The Shire of Yilgarn also interprets an accessible and inclusive community as one in which all Council functions, facilities, and services (both in-house and contracted) are as open, available and accessible to people with disabilities as for other people in the community.

The Shire of Yilgarn:

- recognizes that people with disabilities are valued members of the community who make a variety of contributions to local, social, economic, and cultural life.
- believes that a community that recognizes its diversity and supports the participation and inclusion of all its members makes for a richer community life.
- believes that people with disabilities, their families and carers should be supported to remain living and participating in the community.
- is committed to consulting with people with disabilities, their families and carers, and the community in general, to ensure that barriers to access and inclusion are appropriately addressed.
- is committed to supporting local community groups and other relevant organizations to facilitate the inclusion of people with disabilities through access to information, services, and facilities in the community.
- is committed to ensuring that its agents and contractors work towards the desired outcomes in the Town's DAIP.

The Shire of Yilgarn is also committed to achieving six desired outcomes through its DAIP. They are:-

- 1) People with disabilities, their families and carers have the same opportunities as other people to access the services of, and any events organized by, the Shire of Yilgarn.
- 2) People with disabilities have the same opportunities as other people to access all buildings of a public nature, plus other facilities provided by the Shire of Yilgarn.

SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND BUILDING
REPORT
2012/2013 FINANCIAL YEAR

- 3) People with disabilities receive information from the Shire of Yilgarn in a format that will enable them to access the information as readily as other people are able to access it.
- 4) People with disabilities receive the same level and quality of service from the staff of, and contractors/agents to, the Shire of Yilgarn.
- 5) People with disabilities have the same opportunities as other people to make complaints to the Shire of Yilgarn.
- 6) People with disabilities have the same opportunities as other people to participate in any public consultation process with the Shire of Yilgarn.

Disabilities cover a range of conditions. Sometimes we only think of disabilities in terms of people in wheelchairs or using a walking frame or walking stick(s). This Plan is to cover people with movement (whether from an accident, disease, or old age), visual, hearing, and mental disabilities.

If anyone has any comments or suggestion to improve the Shire's DAIP I invite them to forward their suggestions to me at the Shire Office.

During the last DAIP review it was identified that access to the Southern Cross Medical Centre was difficult for some elderly people and those with hip or knee problems. This was included in the new DAIP and during 2012/2013 the Shire has removed the old concrete ramp surface leading directly to the front door of the Centre and replaced it with a new concrete ramp surface plus a new disabled ramp that runs through the front garden bed to the front door. The sections of dirt or gravel between the concrete curb and the concrete footpath in front of the Medical Centre have also been concreted to assist people accessing the footpath.

Other Issues -

The Shire has acquired 3 parcels of land during the past year – Lot 60 Antares Street (old Uniting Church site); the Old Bowling Club lots on Antares Streets; and Lot 9 (H/No 8) corner Antares & Orion Streets, Southern Cross. The Old Uniting Church building and the Old Bowling Clubhouse and bowling green were removed and the site left relatively flat ready for future development. At this time the Shire is looking to develop the Old Bowling Club land for additional aged accommodation, and Lot 9 as a tourist information centre.

The Shire of Yilgarn in conjunction with the Shire of Westonia commenced in May 2013 the tender process for the supply of 4 by 2 bedroom transportable dwellings – 2 for Southern Cross and 2 for Westonia. The dwellings for Southern Cross will be used to accommodate professional people, either those employed to do work for the Shire or those who provide a service to the community, and will be located on Lot 1 Libra Place. The funding for these dwellings is from Royalties for Regions Grant Funding.

**SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND BUILDING
REPORT
2012/2013 FINANCIAL YEAR**

Maintenance of Shire owned buildings was carried out throughout the year through a combination of local contractors (builders, electricians, and plumbers) and the Shire Building Maintenance Staff, plus the Shire Domestic Cleaning Staff. I wish to thank all those people for their work throughout the year, in particular the Building Maintenance Person and the 5 members of the Domestic Cleaning Staff.

Conclusion

In conclusion I wish to thank Council, the members of the senior management team, and all other Shire staff who have given support and assistance to me throughout the year.

Wendy Dallywater

Manager Environmental Health and Building Services

2012/2013

ANNUAL FINANCIAL
REPORT

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

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Yilgarn being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Yilgarn at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 25th day of November 2013

A large, stylized handwritten signature in black ink, consisting of a large loop followed by a series of smaller, connected strokes.

Vivienne Piccoli
Chief Executive Officer

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22	4,119,579	3,961,234	3,789,064
Operating Grants, Subsidies and Contributions	28	2,348,993	2,255,753	3,763,594
Fees and Charges	27	1,048,222	1,460,554	918,708
Interest Earnings	2(a)	320,994	366,140	350,441
Other Revenue		<u>1,394,988</u>	<u>209,550</u>	<u>183,179</u>
		9,232,776	8,253,231	9,004,986
Expenses				
Employee Costs		(2,161,700)	(2,559,759)	(2,224,541)
Materials and Contracts		(2,983,611)	(4,148,903)	(1,776,142)
Utility Charges		(430,319)	(315,800)	(389,142)
Depreciation on Non-Current Assets	2(a)	(3,196,865)	(3,251,600)	(2,926,487)
Interest Expenses	2(a)	(756)	(1,917)	(3,217)
Insurance Expenses		(301,806)	(247,290)	(209,262)
Other Expenditure		<u>(116,776)</u>	<u>(102,548)</u>	<u>(76,738)</u>
		<u>(9,191,833)</u>	<u>(10,627,817)</u>	<u>(7,605,529)</u>
		40,943	(2,374,586)	1,399,457
 Non-Operating Grants, Subsidies and Contributions	28	2,265,010	2,279,070	2,470,077
Profit on Asset Disposals	20	155,223	118,375	144,407
Loss on Asset Disposal	20	<u>(63,407)</u>	<u>(98,990)</u>	<u>(31,960)</u>
Net Result		2,397,769	(76,131)	3,981,981
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	746,839	0	10,549,173
Total Other Comprehensive Income		<u>746,839</u>	<u>0</u>	<u>10,549,173</u>
Total Comprehensive Income		<u><u>3,144,608</u></u>	<u><u>(76,131)</u></u>	<u><u>14,531,154</u></u>

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

SHIRE OF YILGARN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		1,185	1,000	255,075
General Purpose Funding		5,791,911	5,594,237	6,417,850
Law, Order, Public Safety		93,235	126,840	111,118
Health		82,649	60,388	55,752
Education and Welfare		238,026	213,181	220,700
Housing		60,270	60,060	57,886
Community Amenities		817,134	754,876	725,351
Recreation and Culture		1,312,375	29,100	34,540
Transport		321,881	484,702	282,018
Economic Services		285,156	750,947	675,767
Other Property and Services		228,954	177,900	168,929
	2(a)	<u>9,232,776</u>	<u>8,253,231</u>	<u>9,004,986</u>
Expenses				
Governance		(480,634)	(544,099)	(670,056)
General Purpose Funding		(421,506)	(477,909)	(329,099)
Law, Order, Public Safety		(311,608)	(412,167)	(307,412)
Health		(256,128)	(313,040)	(271,830)
Education and Welfare		(478,518)	(490,886)	(395,120)
Housing		(247,746)	(205,403)	(119,677)
Community Amenities		(719,800)	(954,984)	(537,361)
Recreation and Culture		(1,483,777)	(1,639,675)	(1,266,420)
Transport		(3,239,401)	(3,354,875)	(3,085,298)
Economic Services		(1,422,139)	(1,857,040)	(550,483)
Other Property and Services		(129,820)	(375,822)	(69,556)
	2(a)	<u>(9,191,077)</u>	<u>(10,625,900)</u>	<u>(7,602,312)</u>
Finance Costs				
Housing		(756)	(1,917)	(3,217)
	2(a)	<u>(756)</u>	<u>(1,917)</u>	<u>(3,217)</u>
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		720,573	392,361	838,707
Governance		25,000	0	0
Law Order & Public Safety		0	410,000	0
Recreation & Culture		258,586	301,798	375,000
Transport		1,260,851	1,174,911	1,256,370
		<u>2,265,010</u>	<u>2,279,070</u>	<u>2,470,077</u>
Profit/(Loss) on Disposal of Assets				
Law Order & Public Safety		0	(97,751)	4,383
Recreation & Culture		(57,506)	0	(27,329)
Transport		99,781	73,726	132,418
Economic Services		24,167	8,000	(4,631)
Other Property & Services		25,374	35,410	7,606
		<u>91,816</u>	<u>19,385</u>	<u>112,447</u>
Net Result		<u>2,397,769</u>	<u>(76,131)</u>	<u>3,981,981</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	746,839	0	10,549,173
Total Other Comprehensive Income		<u>746,839</u>	<u>0</u>	<u>10,549,173</u>
Total Comprehensive Income		<u>3,144,608</u>	<u>(76,131)</u>	<u>14,531,154</u>

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

SHIRE OF YILGARN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	7,370,574	6,898,038
Trade and Other Receivables	4	407,314	254,046
Inventories	5	24,813	14,999
TOTAL CURRENT ASSETS		<u>7,802,701</u>	<u>7,167,083</u>
NON-CURRENT ASSETS			
Other Receivables	4	57,356	59,462
Property, Plant and Equipment	6	25,917,964	24,442,969
Infrastructure	7	48,173,248	46,720,596
TOTAL NON-CURRENT ASSETS		<u>74,148,568</u>	<u>71,223,027</u>
TOTAL ASSETS		<u>81,951,269</u>	<u>78,390,110</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	618,360	243,740
Current Portion of Long Term Borrowings	9	0	45,270
Provisions	10	492,966	397,660
TOTAL CURRENT LIABILITIES		<u>1,111,326</u>	<u>686,670</u>
NON-CURRENT LIABILITIES			
Provisions	10	29,198	37,303
TOTAL NON-CURRENT LIABILITIES		<u>29,198</u>	<u>37,303</u>
TOTAL LIABILITIES		<u>1,140,524</u>	<u>723,973</u>
NET ASSETS		<u>80,810,745</u>	<u>77,666,137</u>
EQUITY			
Retained Surplus		63,213,006	62,147,790
Reserves - Cash Backed	11	6,301,727	4,969,174
Revaluation Surplus	12	11,296,012	10,549,173
TOTAL EQUITY		<u>80,810,745</u>	<u>77,666,137</u>

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

**SHIRE OF YILGARN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		59,553,998	3,580,985	0	63,134,983
Comprehensive Income					
Net Result		3,981,981	0	0	3,981,981
Changes on Revaluation of Non-Current Assets	12	0	0	10,549,173	10,549,173
Total Comprehensive Income		3,981,981	0	10,549,173	14,531,154
Reserve Transfers		(1,388,189)	1,388,189	0	0
Balance as at 30 June 2012		62,147,790	4,969,174	10,549,173	77,666,137
Comprehensive Income					
Net Result		2,397,769	0	0	2,397,769
Changes on Revaluation of Non-Current Assets	12	0	0	746,839	746,839
Total Other Comprehensive Income		2,397,769	0	746,839	3,144,608
Reserve Transfers		(1,332,553)	1,332,553	0	0
Balance as at 30 June 2013		63,213,006	6,301,727	11,296,012	80,810,745

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

**SHIRE OF YILGARN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		4,077,832	3,973,764	3,810,445
Operating Grants, Subsidies and Contributions		2,286,166	2,280,953	3,763,594
Fees and Charges		1,048,222	1,468,554	897,522
Interest Earnings		320,994	365,990	350,441
Goods and Services Tax		663,250	450,000	800,221
Other Revenue		107,572	209,550	188,308
		<u>8,504,036</u>	<u>8,748,811</u>	<u>9,810,531</u>
Payments				
Employee Costs		(2,073,786)	(2,509,209)	(2,142,618)
Materials and Contracts		(2,618,287)	(4,111,318)	(1,690,981)
Utility Charges		(430,319)	(304,595)	(389,142)
Insurance Expenses		(301,806)	(247,290)	(209,262)
Interest expenses		(1,987)	(1,917)	(4,287)
Goods and Services Tax		(715,838)	(450,000)	(729,596)
Other Expenditure		(116,776)	(102,548)	(76,738)
		<u>(6,258,799)</u>	<u>(7,726,877)</u>	<u>(5,242,624)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>2,245,237</u>	<u>1,021,934</u>	<u>4,567,907</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	(100,000)	0
Payments for Purchase of Property, Plant & Equipment		(1,147,557)	(3,133,809)	(2,743,525)
Payments for Construction of Infrastructure		(3,123,555)	(3,210,340)	(2,298,021)
Non-Operating Grants, Subsidies and Contributions		2,265,010	2,279,070	2,470,077
Proceeds from Sale of Plant & Equipment		272,671	261,555	299,432
Net Cash Provided By (Used In) Investing Activities		<u>(1,733,431)</u>	<u>(3,903,524)</u>	<u>(2,272,037)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(45,270)	(45,270)	(42,830)
Proceeds from Self Supporting Loans		6,000	6,000	6,000
Net Cash Provided By (Used In) Financing Activities		<u>(39,270)</u>	<u>(39,270)</u>	<u>(36,830)</u>
Net Increase (Decrease) in Cash Held		472,536	(2,920,860)	2,259,040
Cash at Beginning of Year		6,898,038	6,898,696	4,638,998
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>7,370,574</u></u>	<u><u>3,977,836</u></u>	<u><u>6,898,038</u></u>

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

**SHIRE OF YILGARN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		26,185	1,000	255,075
General Purpose Funding		2,392,905	2,282,894	3,467,493
Law, Order, Public Safety		93,235	536,840	111,118
Health		82,649	60,388	55,752
Education and Welfare		238,026	213,181	220,700
Housing		60,270	60,060	57,886
Community Amenities		817,134	497,346	729,734
Recreation and Culture		1,570,961	330,898	409,540
Transport		1,687,113	1,734,578	1,670,806
Economic Services		310,624	758,947	675,767
Other Property and Services		254,328	213,310	176,535
		<u>7,533,430</u>	<u>6,689,442</u>	<u>7,830,406</u>
Expenses				
Governance		(480,634)	(544,099)	(670,056)
General Purpose Funding		(421,506)	(477,909)	(329,099)
Law, Order, Public Safety		(311,608)	(509,918)	(307,412)
Health		(256,128)	(313,040)	(271,830)
Education and Welfare		(478,518)	(490,886)	(395,120)
Housing		(248,502)	(207,320)	(122,894)
Community Amenities		(719,800)	(954,984)	(537,361)
Recreation and Culture		(1,541,283)	(1,639,675)	(1,293,749)
Transport		(3,244,001)	(3,356,114)	(3,089,929)
Economic Services		(1,423,440)	(1,857,041)	(550,483)
Other Property and Services		(129,820)	(375,821)	(69,555)
		<u>(9,255,240)</u>	<u>(10,726,807)</u>	<u>(7,637,488)</u>
Net Result Excluding Rates		(1,721,810)	(4,037,365)	192,917
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
Land Vested in and Under the Control of Council		(1,287,416)	0	0
(Profit)/Loss on Asset Disposals	20	(91,816)	(19,385)	(112,447)
Movement in Unused Leave Entitlements (Added Back)		493	0	2,789
Movement in Deferred Pensioner Rates (Non-Current)		(3,894)	0	(3,976)
Movement in Employee Benefit Provisions (Non-Current)		(8,105)	0	7,290
Depreciation and Amortisation on Assets	2(a)	3,196,865	3,251,600	2,926,487
Capital Expenditure and Revenue				
Purchase of Work in Progress		0	0	(1,708,763)
Purchase Land Held for Resale		0	(100,000)	0
Purchase Land and Buildings		(505,772)	(1,891,808)	(46,763)
Purchase Plant and Equipment		(641,785)	(1,242,001)	(987,999)
Purchase Furniture and Equipment		0	0	0
Purchase Infrastructure Assets - Roads		(2,189,247)	(2,494,740)	(1,942,478)
Purchase Infrastructure Assets - Footpaths		(66,482)	(70,800)	0
Purchase Infrastructure Assets - Drainage		(19,935)	(20,040)	(20,245)
Purchase Infrastructure Assets - Parks & Ovals		(29,801)	(35,000)	0
Purchase Infrastructure Assets - Refuse		0	(22,250)	0
Purchase Infrastructure Assets - Sewerage		0	(60,900)	0
Purchase Infrastructure Assets - Townscape		(59,411)	(86,610)	(24,047)
Purchase Infrastructure Assets - Aerodromes		(230,543)	0	0
Purchase Infrastructure Assets - Other		(528,136)	(420,000)	(311,251)
Proceeds from Disposal of Investments				
Proceeds from Disposal of Assets	20	272,671	261,555	299,432
Repayment of Debentures	21	(45,270)	(45,270)	(42,830)
Proceeds from New Debentures	21			
Self-Supporting Loan Principal Income		6,000	6,000	6,000
Transfers to Reserves (Restricted Assets)	11	(3,914,967)	(3,116,098)	(4,313,418)
Transfers from Reserves (Restricted Assets)	11	2,582,414	4,387,454	2,925,229
ADD Surplus/(Deficit) July 1 B/Fwd	22(b)	1,805,728	1,794,424	1,170,737
LESS Surplus/(Deficit) June 30 C/Fwd	22(b)	639,360	0	1,805,728
Total Amount Raised from General Rate	22(a)	<u>(4,119,579)</u>	<u>(3,961,234)</u>	<u>(3,789,064)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax (GST)

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

Receivables and payables 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

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

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

(f) Inventories

General

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

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

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

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

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

Land Under Control

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Initial Recognition

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

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

Revaluation

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

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

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

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement

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

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

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

Land under Roads

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

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

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

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

Buildings	30 to 50 years
Plant and Equipment	5 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	30 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
construction/road base	50 years
gravel sheet	15 years
Formed roads	
formation	not depreciated
construction/road base	50 years
Footpaths - slab	12 years
Sewerage piping	50 years
Water supply piping and drainage systems	50 years
Airfields and Runways	30 years
Refuse Disposal Disposal Sites	not depreciated

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Intangible Assets

Easements

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

(a) the amount in which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and

(d) less any reduction for impairment.

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Derecognition

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

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

(j) Impairment

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

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

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

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

(k) Trade and Other Payables

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

(l) Employee Benefits

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

(m) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when:

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

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

(o) Leases

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Joint Venture

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

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

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

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	01 January 2013 Deferred AASB 9 until 1 January 2015	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2013	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

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

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

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

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

2. REVENUE AND EXPENSES	2013	2012
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of the financial report	18,150	15,425
- Financial Management Review	8,000	0
- Assistance with finalisation of annual report	3,300	1,250
- Audit of Acquittals	2,850	2,100
Depreciation		
Buildings	709,726	581,526
Plant and Equipment	740,676	725,894
Roads	1,603,357	1,509,822
Footpaths	37,363	37,363
Drainage	6,880	6,726
Sewerage	22,781	22,759
Townscapes	8,707	8,345
Aerodromes	13,686	13,307
Other	53,689	20,745
	<u>3,196,865</u>	<u>2,926,487</u>
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 21(a)</i>)	<u>756</u>	<u>3,217</u>
Rental Charges		
- Operating Leases	<u>8,509</u>	<u>12,763</u>
(ii) Crediting as Revenue:		
Significant Revenue		
	2013	2012
	\$	\$
- Recreation and Culture	<u>1,287,416</u>	<u>0</u>
	<u>1,287,416</u>	<u>0</u>

The significant revenue relates to the initial recognition of land under the Shire's control in accordance with the amendments to the Financial Management Regulations. It has been classified as Other Revenue by Nature or Type.

	2013	2013	2012
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	198,148	220,330	182,542
- Other Funds	76,006	110,810	132,159
Other Interest Revenue (<i>refer note 26</i>)	46,840	35,000	35,740
	<u>320,994</u>	<u>366,140</u>	<u>350,441</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

GOVERNANCE

Administration and operation of facilities and services to members of Council;
other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services

GENERAL PURPOSE FUNDING

Rates, General Purpose government grants and interest revenue

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

Food quality and pest control, immunisation services, inspection of abattoir and operation of child health clinic

EDUCATION AND WELFARE

Operation of Senior Citizens centre, day care centres and pre-school facilities; assistance to playgroups, Homes for the Aged and other voluntary services

HOUSING

Maintenance of staff housing as well as commercially rented dwellings

COMMUNITY AMENITIES

Rubbish collection services, operation of refuse disposal sites, noise control, administration of the Town Planning Scheme, maintenance of cemeteries, maintenance of rest centre and storm water drainage maintenance, operation and maintenance of sewerage schemes

RECREATION AND CULTURE

Maintenance of halls, the aquatic centre, recreation centres and various reserves; operation of the library

TRANSPORT

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, traffic lights; depot maintenance and airstrip maintenance

ECONOMIC SERVICES

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control, plant nursery and standpipes

OTHER PROPERTY & SERVICES

Private works operations and miscellaneous other items. Plant Operation Costs, Public Works Overheads and Administration expenses are re-allocated to the relevant function area

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance (*) 1-Jul-11 \$	Received (+) 2011/12 \$	Expended (#) 2011/12 \$	Closing Balance (*) 30-Jun-12 \$	Received (+) 2012/13 \$	Expended (#) 2012/13 \$	Closing Balance 30-Jun-13 \$
Grant/Contribution	Function/ Activity							
R4R - Forward Capital Works Dept of Local Govt - Amalgamation Planning	Governance	6,779	0	(6,779)	0	0	0	0
Dept of Local Govt - Asset Management	Governance	102,254	0	(102,254)	0	0	0	0
Dept of Local Govt - Strategic Planning	Governance	147,000	0	(73,656)	73,344	0	(59,038)	14,306
Dept of Local Govt - Long Term Financial Plan	Governance	64,247	0	(895)	63,352	0	(35,612)	27,740
	Governance	50,000	0	0	50,000	0	(50,000)	0
Crime Prevention Strategies Royalties for Regions Regional Component	L,O,PS	10,640	0	(10,640)	0	0	0	0
Dry Season - Swam in a Drought	Housing Community Amenities Community	0	0	0	0	720,573	0	720,573
Dry Season - General Grant Heavy Vehicle Road Improvement Charge	Amenities	384	0	(384)	0	0	0	0
Local Government Country Fund - State Barrier Fence	Transport	16,164	0	(16,164)	0	0	0	0
Dept of Agriculture & Food - State Barrier Fence	Economic Services	29,563	178,458	(27,720)	180,301	42,872	(86,364)	136,809
	Economic Services	0	441,386	0	441,386	0	(441,386)	0
	Economic Services	0	370,000	0	370,000	0	(370,000)	0
Total		<u>427,031</u>	<u>989,844</u>	<u>(238,492)</u>	<u>1,178,383</u>	<u>763,445</u>	<u>(1,042,400)</u>	<u>899,428</u>

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - 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.

(#) - 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.

As a 30 June 2012 \$113,594 is included in HVRIC Reserve, \$998,082 is included in Unspent Grants Reserve and \$66,707 is disclosed as unspent grant at Note 3.

As a 30 June 2013 \$136,809 is included in HVRIC Reserve, \$762,619 is included in Unspent Grants Reserve and \$Nil is disclosed as unspent grant at Note 3.

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

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,068,847	1,862,157
Restricted	6,301,727	5,035,881
	<u>7,370,574</u>	<u>6,898,038</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Airport Reserve	74,646	145,766
Building Reserve	1,145,981	389,217
Community Bus Reserve	65,553	56,447
Computer Hardware and Software Reserve	46,348	29,418
Homes for the Aged Reserve	255,971	205,331
Land Development Reserve	102,580	175,346
Long Service Leave Reserve	255,712	255,219
Mt Hampton/Dulyalbin Water Supply Reserve	31,394	27,032
Museum Reserve	13,739	16,388
Plant Replacement Reserve	1,044,059	828,270
Recreation Facility Reserve	677,006	1,026,710
Refuse Disposal Reserve	153,954	146,849
Sewerage Reserve	500,916	421,085
Health Services Reserve	135,682	129,420
Unspent Grants Reserve	1,654,877	998,082
HVRIC Reserve	138,067	113,594
Youth Development Reserve	5,242	5,000
Unspent Grants	0	66,707
	<u>6,301,727</u>	<u>5,035,881</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	202,997	165,144
Sundry Debtors	172,967	95,452
GST Receivable	52,588	0
Accrued Income	13,581	4,347
less Provision for doubtful debts	(40,819)	(16,897)
Loans - Clubs/Institutions	6,000	6,000
	<u>407,314</u>	<u>254,046</u>
Non-Current		
Rates Outstanding - Pensioners	19,856	15,962
Loans - Clubs/Institutions	37,500	43,500
	<u>57,356</u>	<u>59,462</u>
5. INVENTORIES		
Current		
Fuel and Materials	24,813	14,999
	<u>24,813</u>	<u>14,999</u>

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

	2013 \$	2012 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land at:		
- Independent Valuation 2012	900,500	900,500
- Cost	77,062	0
	<u>977,562</u>	<u>900,500</u>
Land Vested in and Under the Control of Council:		
- Cost	1,287,416	0
Total Land	<u>2,264,978</u>	<u>900,500</u>
Buildings at:		
- Independent Valuation 2012	17,405,400	17,405,400
- Cost	2,301,918	46,763
Less Accumulated Depreciation	<u>(1,187,826)</u>	<u>(480,595)</u>
Total Buildings	18,519,492	16,971,568
WIP	0	1,886,446
Total Land and Buildings	<u>20,784,470</u>	<u>19,758,514</u>
Furniture and Equipment at:		
- Management Valuation 2013	39,253	0
- Cost	0	33,788
Less Accumulated Depreciation	<u>0</u>	<u>(33,788)</u>
	39,253	0
Plant and Equipment at:		
- Management Valuation 2013	5,094,241	0
- Cost	0	7,533,590
Less Accumulated Depreciation	<u>0</u>	<u>(2,849,135)</u>
	5,094,241	4,684,455
	<u>25,917,964</u>	<u>24,442,969</u>

Plant and Equipment:

Furniture and Equipment:

The Shire's Plant and Equipment and Furniture and Equipment were revalued at 30 June 2013 by Management. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$746,839 in the net value of the Shire's plant and equipment (\$707,586) and Furniture and Equipment (\$39,253). These increases were credited to the revaluation surplus in the Shire's equity (refer Note 12(b) & (c) for further details) and were recognised as changes on Revaluation of non-current assets in the Profit and Loss.

Land and Buildings:

The above Independent Valuation in relation to Land and Buildings was performed in 2012 and was not subject to the current requirements of Local Government (Financial Management) Regulation 17A. It was performed in accordance with AASB 116. In accordance with the new regulation it is due for revaluation by 30th June 2015 (if not performed prior) and will be subject to the requirements of AASB13 upon revaluation.

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land \$	WIP \$	Non- Specialised Buildings \$	Specialised Buildings \$	Total Buildings \$	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Furniture and Equipment (Level 2) \$	Total \$
Balance as at the beginning of the year	900,500	1,886,446	8,555,764	8,415,804	16,971,568	19,758,514	4,684,455	0	24,442,969
Additions	77,062	0	153,716	274,994	428,710	505,772	641,785	0	1,147,557
(Disposals)	0	0	0	(57,506)	(57,506)	(57,506)	(123,349)	0	(180,855)
Revaluation - Increments	0	0	0	0	0	0	746,839	0	746,839
- (Decrements)	0	0	0	0	0	0	0	0	0
Transfers :									
To Furniture & Equipment	0	0	0	0	0	0	(39,253)	39,253	0
To Parks & Ovals	0	0	0	0	0	0	(16,738)	0	(16,738)
To Infrastructure Other	0	0	0	0	0	0	(58,822)	0	(58,822)
To Specialised Buildings	0	(1,886,446)	0	1,886,446	0	0	0	0	0
Initial Recognition of assets due to changes to Regulations	1,287,416	0	0	0	0	1,287,416	0	0	1,287,416
Depreciation (Expense)	0	0	(334,029)	(375,697)	(709,726)	(709,726)	(740,676)	0	(1,450,402)
Carrying amount at the end of year	<u>2,264,978</u>	<u>0</u>	<u>8,375,451</u>	<u>10,144,041</u>	<u>16,633,046</u>	<u>20,784,470</u>	<u>5,094,241</u>	<u>39,253</u>	<u>25,917,964</u>

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

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	79,584,804	77,395,557
Less Accumulated Depreciation	<u>(36,289,328)</u>	<u>(34,685,971)</u>
	43,295,476	42,709,586
 Footpaths - Cost	 517,723	 451,241
Less Accumulated Depreciation	<u>(363,908)</u>	<u>(326,545)</u>
	153,815	124,696
 Drainage - Cost	 548,079	 528,144
Less Accumulated Depreciation	<u>(93,524)</u>	<u>(86,644)</u>
	454,555	441,500
 Refuse Site - Cost	 341,733	 341,733
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	341,733	341,733
 Sewerage - Cost	 1,724,228	 1,724,228
Less Accumulated Depreciation	<u>(518,467)</u>	<u>(495,686)</u>
	1,205,761	1,228,542
 Townscape - Cost	 698,510	 639,099
Less Accumulated Depreciation	<u>(84,511)</u>	<u>(75,804)</u>
	613,999	563,295
 Parks & Ovals - Cost	 417,059	 191,420
Less Accumulated Depreciation	<u>(179,100)</u>	<u>0</u>
	237,959	191,420
 Aerodromes - Cost	 613,053	 382,510
Less Accumulated Depreciation	<u>(38,415)</u>	<u>(24,729)</u>
	574,638	357,781
 Other - Cost	 1,503,731	 916,773
Less Accumulated Depreciation	<u>(208,419)</u>	<u>(154,730)</u>
	1,295,312	762,043
	<u><u>48,173,248</u></u>	<u><u>46,720,596</u></u>

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

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads \$	Footpaths \$	Drainage \$	Parks & Ovals \$	Refuse Site \$	Sewerage \$	Townscape \$	Aerodromes \$	Other \$	Total \$
Balance at the beginning of the year	42,709,586	124,696	441,500	191,420	341,733	1,228,542	563,295	357,781	762,043	46,720,596
Additions	2,189,247	66,482	19,935	29,801	0	0	59,411	230,543	528,136	3,123,555
(Disposals)	0	0	0	0	0	0	0	0	0	0
Transfers: From Plant & Equipment	0	0	0	16,738	0	0	0	0	58,822	75,560
Depreciation (Expense)	(1,603,357)	(37,363)	(6,880)	0	0	(22,781)	(8,707)	(13,686)	(53,689)	(1,746,463)
Carrying amount at the end of year	<u>43,295,476</u>	<u>153,815</u>	<u>454,555</u>	<u>237,959</u>	<u>341,733</u>	<u>1,205,761</u>	<u>613,999</u>	<u>574,638</u>	<u>1,295,312</u>	<u>48,173,248</u>

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

	2013 \$	2012 \$
8. TRADE AND OTHER PAYABLES		
Current		
Accrued Interest/Loan Guarantee Fee	0	1,231
GST Payable	0	6,709
FBT Liability	4,935	7,500
PAYG Liability	38,013	35,371
Sundry Creditors	496,285	120,104
ESL Liability	2,232	3,275
Accrued Salaries and Wages	67,080	69,550
Accrued Expenses	9,815	0
	<u>618,360</u>	<u>243,740</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge
 Debentures

0	45,270
<u>0</u>	<u>45,270</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions:

Current

Provision for Annual Leave
 Provision for Long Service Leave

279,888	214,237
213,078	183,423
<u>492,966</u>	<u>397,660</u>

Non-Current

Provision for Long Service Leave

29,198	37,303
<u>29,198</u>	<u>37,303</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	214,237	220,726	434,963
Net Additional provisions	65,651	21,550	87,201
Balance at 30 June 2013	<u>279,888</u>	<u>242,276</u>	<u>522,164</u>

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

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Airport Reserve			
Opening Balance	145,766	145,766	33,853
Amount Set Aside / Transfer to Reserve	52,981	70,740	111,913
Amount Used / Transfer from Reserve	(124,101)	(109,980)	0
	<u>74,646</u>	<u>106,526</u>	<u>145,766</u>
(b) Building Reserve			
Opening Balance	389,217	389,217	193,250
Amount Set Aside / Transfer to Reserve	806,343	1,199,975	195,967
Amount Used / Transfer from Reserve	(49,579)	(1,127,861)	0
	<u>1,145,981</u>	<u>461,331</u>	<u>389,217</u>
(c) Community Bus Reserve			
Opening Balance	56,447	56,447	52,854
Amount Set Aside / Transfer to Reserve	9,106	13,200	53,593
Amount Used / Transfer from Reserve	0	0	(50,000)
	<u>65,553</u>	<u>69,647</u>	<u>56,447</u>
(d) Computer Hardware and Software Reserve			
Opening Balance	29,418	29,418	13,342
Amount Set Aside / Transfer to Reserve	16,930	16,930	16,076
Amount Used / Transfer from Reserve	0	0	0
	<u>46,348</u>	<u>46,348</u>	<u>29,418</u>
(e) Home for the Aged Reserve			
Opening Balance	205,331	205,331	152,874
Amount Set Aside / Transfer to Reserve	50,640	57,550	52,457
Amount Used / Transfer from Reserve	0	0	0
	<u>255,971</u>	<u>262,881</u>	<u>205,331</u>
(f) Land Development Reserve			
Opening Balance	175,346	175,347	69,337
Amount Set Aside / Transfer to Reserve	58,484	60,220	106,009
Amount Used / Transfer from Reserve	(131,250)	(50,000)	0
	<u>102,580</u>	<u>185,567</u>	<u>175,346</u>
(g) Long Service Leave Reserve			
Opening Balance	255,219	255,219	252,430
Amount Set Aside / Transfer to Reserve	12,349	13,220	15,000
Amount Used / Transfer from Reserve	(11,856)	(13,070)	(12,211)
	<u>255,712</u>	<u>255,369</u>	<u>255,219</u>

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

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED (Continued)			
(h) Mt Hampton/Dulyalbin Water Supply Reserve			
Opening Balance	27,032	27,032	25,516
Amount Set Aside / Transfer to Reserve	4,362	3,210	1,516
Amount Used / Transfer from Reserve	0	0	0
	<u>31,394</u>	<u>30,242</u>	<u>27,032</u>
(i) Museum Reserve			
Opening Balance	16,388	16,388	15,469
Amount Set Aside / Transfer to Reserve	4,604	1,860	919
Amount Used / Transfer from Reserve	(7,252)	0	0
	<u>13,739</u>	<u>18,248</u>	<u>16,388</u>
(j) Plant Replacement Reserve			
Opening Balance	828,270	828,270	706,576
Amount Set Aside / Transfer to Reserve	531,548	539,698	795,952
Amount Used / Transfer from Reserve	(315,759)	(514,585)	(674,258)
	<u>1,044,059</u>	<u>853,383</u>	<u>828,270</u>
(k) Recreation Facility Reserve			
Opening Balance	1,026,710	1,026,710	1,169,433
Amount Set Aside / Transfer to Reserve	346,822	224,998	1,664,978
Amount Used / Transfer from Reserve	(696,526)	(700,668)	(1,807,701)
	<u>677,006</u>	<u>551,040</u>	<u>1,026,710</u>
(l) Refuse Disposal Reserve			
Opening Balance	146,849	146,849	90,525
Amount Set Aside / Transfer to Reserve	7,105	7,540	56,324
Amount Used / Transfer from Reserve	0	(22,250)	0
	<u>153,954</u>	<u>132,139</u>	<u>146,849</u>
(m) Sewerage Reserve			
Opening Balance	421,085	421,085	274,009
Amount Set Aside / Transfer to Reserve	281,521	71,074	156,237
Amount Used / Transfer from Reserve	(201,688)	0	(9,161)
	<u>500,916</u>	<u>492,159</u>	<u>421,085</u>
(n) Health Services Reserve			
Opening Balance	129,420	129,420	101,490
Amount Set Aside / Transfer to Reserve	6,262	6,730	27,930
Amount Used / Transfer from Reserve	0	0	0
	<u>135,682</u>	<u>136,150</u>	<u>129,420</u>

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

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED (Continued)			
(o) Unspent Grants Reserve			
Opening Balance	998,082	1,020,147	400,464
Amount Set Aside / Transfer to Reserve	1,612,831	740,573	941,796
Amount Used / Transfer from Reserve	(956,036)	(1,760,720)	(344,178)
	<u>1,654,877</u>	<u>0</u>	<u>998,082</u>
(p) HVRIC Reserve			
Opening Balance	113,594	206,131	29,563
Amount Set Aside / Transfer to Reserve	112,837	88,320	111,751
Amount Used / Transfer from Reserve	(88,364)	(88,320)	(27,720)
	<u>138,067</u>	<u>206,131</u>	<u>113,594</u>
(q) Youth Development Reserve			
Opening Balance	5,000	5,000	0
Amount Set Aside / Transfer to Reserve	242	260	5,000
Amount Used / Transfer from Reserve	0	0	0
	<u>5,242</u>	<u>5,260</u>	<u>5,000</u>
TOTAL CASH BACKED RESERVES	<u><u>6,301,727</u></u>	<u><u>3,812,421</u></u>	<u><u>4,969,174</u></u>

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

11. RESERVES - CASH BACKED

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

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

Airport Reserve

- to be used for the upkeep and any major upgrade works to the Southern Cross Airport

Building Reserve

- to be used for major construction and improvements to Council's Buildings

Community Bus Reserve

- to provide a conduit Reserve for the proceeds from the hire of the Yilgarn Community Bus.

Computer Hardware and Software Reserve

- to be used to provide funds for the future management of Council's computer systems

Homes for the Aged Reserve

- to be used as a conduit for the placement of rental income from all twelve units, providing funding for future redevelopment works at this facility.

Land Development Reserve

- to be used for the acquisition of land in the Southern Cross townsite for future expansion of the town

Long Service Leave Reserve

- to be used to fund Long Service Leave requirements. Council approves the fixing of this Reserve to the level of Long Service Leave Reserve to the level of liability, recognised as at the 30th June each year, totalling the combined balance of the Current and Non-Current Long Service Leave Liability

Mt Hampton / Dulyalbin Water Supply Reserve

- to be used to fund future maintenance works at the Mt Hampton Dam and Dulyalbin Water Supply Tank, via annual contributions from the sale of water from these facilities

Museum Reserve

- monies held on behalf of the Yilgarn History Museum for their purpose and use as required.

Plant Replacement Reserve

- to be used for the purchase of major plant

Recreation Facility Reserve

- to be used to fund any major projects relating to Recreation within the community

Refuse Disposal Reserve

- to be used to meet future costs of major works to be carried out at Refuse Disposal Sites within the Shire of Yilgarn. Funds held in this Reserve will provide a buffer in the event of an emergency, where a substantial, catastrophic or undesired Refuse Disposal incident was to occur and could not be accommodated within the confines of Council's facilities.

Sewerage Reserve

- to be used to fund any major maintenance or future construction works required for the Southern Cross Sewerage and Marvel Loch Effluent Waste Water Schemes

Health Services Reserve

- to be used to fund and maintain the Health Service GP practice and associated assets in Southern Cross

Unspent Grants Reserve

- to provide adequate record keeping and disclosure of tied grants received, the source of funds and related expenditure.

HVRIC Reserve

- To provide adequate disclosure of funds received under the HVRIC and the relevant roads that funds are to be expended on.

Youth Development Reserve

- To be used to fund the development of Youth in the Yilgarn District.

The Reserves are not expected to be used within a set period as further transfers to reserves are expected as funds are utilised.

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

12. REVALUATION SURPLUS

2013
\$

2012
\$

Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:

(a) Land and Buildings

Opening balance	10,549,173	0
Revaluation Increment	0	10,549,173
Revaluation Decrement	0	0
	<u>10,549,173</u>	<u>10,549,173</u>

(b) Plant and Equipment

Opening Balance	0	0
Revaluation Increment	707,586	0
Revaluation Decrement	0	0
	<u>707,586</u>	<u>0</u>

(c) Furniture and Equipment

Opening Balance	0	0
Revaluation Increment	39,253	0
Revaluation Decrement	0	0
	<u>39,253</u>	<u>0</u>

TOTAL ASSET REVALUATION SURPLUS

11,296,012

10,549,173

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>7,370,574</u>	<u>3,977,836</u>	<u>6,898,038</u>

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

Net Result	2,397,769	(76,131)	3,981,981
Depreciation	3,196,865	3,251,600	2,926,487
(Profit)/Loss on Sale of Asset	(91,816)	(19,385)	(112,447)
(Increase)/Decrease in Receivables	(157,162)	45,580	97,262
(Increase)/Decrease in Inventories	(9,814)	2,050	20,819
Increase/(Decrease) in Payables	374,620	91,290	62,782
Increase/(Decrease) in Employee Provisions	87,201	6,000	61,100
Grants/Contributions for the Development of Assets	(2,265,010)	(2,279,070)	(2,470,077)
Non-Current Assets recognised due to changes in legislative requirements	<u>(1,287,416)</u>	<u>0</u>	<u>0</u>
Net Cash from Operating Activities	<u>2,245,237</u>	<u>1,021,934</u>	<u>4,567,907</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	5,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u>10,000</u>	<u>5,000</u>

Loan Facilities

Loan Facilities - Current	0	45,270
Loan Facilities - Non-Current	<u>0</u>	<u>0</u>
Total Facilities in Use at Balance Date	<u>0</u>	<u>45,270</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

14. CONTINGENT LIABILITIES

The Shire of Yilgarn has no known contingent liabilities.

	2013	2012
	\$	\$

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

The Shire of Yilgarn has no known finance lease commitments.

(b) Operating Lease Commitments

Non-cancellable operating leases
contracted for but not capitalised in
the accounts.

Payable:

- not later than one year	0	9,573
- later than one year but not later than five years	0	0
	<u>0</u>	<u>9,573</u>

(c) Capital Expenditure Commitments

The Shire of Yilgarn has no known capital expenditure commitments.

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

16. JOINT VENTURE

Council has no Joint Ventures in place as at 30 June 2013.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2013	2012
	\$	\$
Governance	1,707,456	2,624,067
General Purpose Funding	1,115,111	181,106
Law, Order, Public Safety	2,016,143	1,634,989
Health	657,390	642,905
Education and Welfare	3,144,956	3,229,273
Housing	3,100,274	2,767,310
Community Amenities	3,314,533	3,253,334
Recreation and Culture	14,051,574	10,790,935
Transport	46,160,767	45,184,728
Economic Services	2,237,478	1,977,035
Other Property and Services	3,840,492	3,822,491
Unallocated	605,095	2,281,937
	<u>81,951,269</u>	<u>78,390,110</u>

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

	2013	2012	2011
18. FINANCIAL RATIOS			
Current Ratio	1.671	4.235	3.600
Asset Sustainability Ratio	1.252	0.993	1.540
Debt Service Cover Ratio	72.359	96.458	69.417
Operating Surplus Ratio	0.023	0.281	0.152
Own Source Revenue Coverage Ratio	0.621	0.705	0.730

The above ratios are calculated as follows:

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

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 58 of this document.

Two of the 2013 ratios disclosed above are distorted by item of significant revenue totalling \$1,287,416 relating to the initial recognition of Land under the Shire's control in accordance with amendments to the Financial Management Regulations (refer to Notes 1(g) and 2(a)(ii) for further details).

This item forms part of operating revenue and has been included in the calculations above.

This item of significant revenue is considered to be "one-off" and is non-cash in nature and, if it was ignored, the calculations disclosed in the 2013 column above would be as follows:

	2013
Debt Service Cover Ratio	44.387
Operating Surplus Ratio	(0.201)

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

19. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Police Licensing	28,563	725,648	(744,702)	9,509
Builders Levy (BCITF)	249	324		573
TransWA Bookings	1,934	32,058	(28,027)	5,965
Staff Personal Deductions	24,081	23,010	(23,079)	24,012
Housing Tenancy Bonds	8,040	820	0	8,860
Hall Hire Bonds and Deposits	1,015	1,210	0	2,225
Security Key System Bonds	1,030	100	0	1,130
Skeleton Weed Group	47,990	0	(18,060)	29,930
Clubs and Groups (Wound-up)	11,943	3,282	(4,155)	11,070
Rates Overpaid	3,714	6,600	(3,928)	6,386
Residual - Doctor's Vehicle	11,245	0	(11,245)	0
Third Party Contributions	4,228	1,400	0	5,628
	<u>144,032</u>			<u>105,288</u>

20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Miners Settlement Fire Truck	0	0	0	0	0	0
YL5067 - Toyota Landcruiser	11,030	10,975	36,455	27,000	25,425	16,025
YL38 - Toyota Landcruiser	11,297	11,241	36,454	27,000	25,157	15,759
Toro Ride on Lawn Mower (YL4682)	0	0	8,000	1,500	8,000	1,500
YL3311 - Tri Axle Float	0	0	17,273	10,000	17,273	10,000
P&G Toyota Hilux (YL121)	17,839	21,239	22,274	20,000	4,435	-1,239
Backhoe Loader (YL985)	0	0	24,091	25,000	24,091	25,000
Traffic Classifiers	0	0	0	0	0	0
Traffic Counter	1,180	0	0	0	(1,180)	0
Traffic Counter	1,090	0	0	0	(1,090)	0
Traffic Counter	2,330	0	0	0	(2,330)	0
Box Car Trailer	0	0	0	0	0	0
Car Trailer	0	0	0	0	0	0
Bitumen Trailer	0	0	0	0	0	0
YL399 - Toyota Hilux Skeleton Weed						
Coordinator Vehicle	0	0	25,468	8,000	25,468	8,000
Skeleton Weed Tools	1,301	0	0	0	(1,301)	0
YL1 Executive Sedan CEO	25,208	24,228	33,581	39,150	8,373	14,922
YL252 MEBHS Sedan	22,158	19,187	23,455	27,820	1,297	8,633
Works Supervisors Vehicle (YL333)	29,916	33,645	45,620	45,500	15,704	11,855
Bowling Club Club House (B0156)	57,506	0	0	0	(57,506)	0
	<u>180,855</u>	<u>120,515</u>	<u>272,671</u>	<u>230,970</u>	<u>91,816</u>	<u>110,455</u>

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

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 97 - Housing	45,270	0	45,270	45,270	0	0	756	1,917
	45,270	0	45,270	45,270	0	0	756	1,917

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2012/13

Council did not raise any new debentures during the 2012/2013 financial year.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30 June 2013.

(d) Overdraft

Council does not have an overdraft facility in place.

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

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV - Townsite (Residential/Industrial)	0.0972	407	2,717,952	264,185	295	0	264,480	264,185	0	0	264,185
GRV - Commercial	0.0665	33	1,097,928	73,012	0	0	73,012	73,012	0	0	73,012
GRV - Minesite	0.3510	14	267,388	93,853	0	0	93,853	93,853	0	0	93,853
GRV - Single Persons Quarters	0.3510	9	1,371,664	481,454	251,765	0	733,219	481,454	0	0	481,454
UV - Rural	0.0164	407	88,519,600	1,451,721	(612)	0	1,451,109	1,544,595	0	0	1,544,595
UV - Mining	0.1900	421	7,378,915	1,401,994	(17,633)	0	1,384,361	1,401,994	0	0	1,401,994
Sub-Totals		1,291	101,353,447	3,766,219	233,815	0	4,000,034	3,859,093	0	0	3,859,093
Minimum Rates	Minimum \$										
GRV - Townsite (Residential/Industrial)	355	107	118,672	37,985	0	0	37,985	37,985	0	0	37,985
GRV - Commercial	355	8	17,705	2,840	0	0	2,840	2,840	0	0	2,840
GRV - Minesite	355	4	1,280	1,420	0	0	1,420	1,420	0	0	1,420
GRV - Single Persons Quarters	355	1	475	355	0	0	355	355	0	0	355
UV - Rural	355	40	6,029,250	14,200	0	0	14,200	13,845	0	0	13,845
UV - Mining	355	415	316,872	147,325	0	0	147,325	147,325	0	0	147,325
Sub-Totals		575	6,484,254	204,125	0	0	204,125	203,770	0	0	203,770
Ex-Gratia Rates							4,204,159				4,062,863
Movement in Excess Rates							23,371				23,371
Discounts (<i>refer note 25</i>)							4,164				0
							(112,115)				(125,000)
Total Amount Raised from General Rates/Total Rates							4,119,579				3,961,234

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

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

(b) Information on Surplus/(Deficit)	2013	2013	2012
Brought Forward	(30 June 2013	(1 July 2012	(30 June 2012
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus/(Deficit) - Rate Setting Statement	639,360	1,805,728	1,805,728
<u>Comprises:</u>			
Cash - Unrestricted	1,068,847	1,862,157	1,862,157
Cash - Restricted	6,301,727	5,035,881	5,035,881
Rates Outstanding	202,997	165,144	165,144
Sundry Debtors	172,967	95,452	95,452
Accrued Income	13,581	4,347	4,347
GST Receivable	52,588	0	0
Less Provision for Doubtful Debts	(40,819)	(16,897)	(16,897)
Inventories			
- Fuel and Materials	24,813	14,999	14,999
Less:			
Reserves - Restricted Cash			
-Airport Reserve	(74,646)	(145,766)	(145,766)
-Building Reserve	(1,145,981)	(389,217)	(389,217)
-Community Bus Reserve	(65,553)	(56,447)	(56,447)
-Computer Hardware and Software Reserve	(46,348)	(29,418)	(29,418)
-Homes for the Aged Reserve	(255,971)	(205,331)	(205,331)
-Land Development Reserve	(102,580)	(175,346)	(175,346)
-Long Service Leave Reserve	(255,712)	(255,219)	(255,219)
-Mt Hampton/Dulyalbin Water Supply Reserve	(31,394)	(27,032)	(27,032)
-Museum Reserve	(13,739)	(16,388)	(16,388)
-Plant Replacement Reserve	(1,044,059)	(828,270)	(828,270)
-Recreation Facility Reserve	(677,006)	(1,026,710)	(1,026,710)
-Refuse Disposal Reserve	(153,954)	(146,849)	(146,849)
-Sewerage Reserve	(500,916)	(421,085)	(421,085)
-Health Services Reserve	(135,682)	(129,420)	(129,420)
-Unspent Grants Reserve	(1,654,877)	(998,082)	(998,082)
-HVRIC Reserve	(138,067)	(113,594)	(113,594)
-Youth Development Reserve	(5,242)	(5,000)	(5,000)
Accrued Interest/Loan Guarantee Fee	0	(1,231)	(1,231)
GST Payable	0	(6,709)	(6,709)
FBT Liability	(4,935)	(7,500)	(7,500)
PAYG Liability	(38,013)	(35,371)	(35,371)
Sundry Creditors	(496,285)	(120,104)	(120,104)
ESL Liability	(2,232)	(3,275)	(3,275)
Accrued Salaries and Wages	(67,080)	(69,550)	(69,550)
Current Employee Benefits Provision	(492,966)	(397,660)	(397,660)
Accrued Expenses	(9,815)		
Current Loan Liability	0	(45,270)	(45,270)
Rounding		0	0
Add Back : Component of Leave Liability not			
Required to be Funded	255,712	255,219	255,219
Add Back : Current Loan Liability	0	45,270	45,270
Surplus/(Deficit)	639,360	1,805,728	1,805,728

Difference:

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

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

23. SEWERAGE RATE - 2012/13 FINANCIAL YEAR

	Rate in \$	Minimum \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Southern Cross Sewerage								
Residential	6.9	N/A	GRV	1,955,512	138,450	134,930		87,016
Residential Minimum	N/A	260	GRV	13,968	2,080	2,080		2,080
Commercial	4.6	N/A	GRV	771,836	35,504	35,504		35,504
Commercial Minimum	N/A	550	GRV	142,064	11,000	11,000		11,000
Industrial	6.9	N/A	GRV	0	0	0	128,831	0
Industrial Minimum	N/A	550	GRV	4,160	550	550		550
1st Major Fixture	N/A	160	GRV	0	1,120	1,120		1,120
Additional Fixtures	N/A	80	GRV	0	3,120	3,120		3,120
Class 3	N/A	850	GRV	0	2,550	2,550		2,550
Marvel Loch Sewerage								
General	6.4	N/A	GRV	995,800	63,826	63,731		63,731
General - Minimum	N/A	95	GRV	16,200	2,945	2,945	74,962	2,945
1st Major Fixture	N/A	320	GRV	0	0	0		0
					261,146	257,530	203,793	209,616

The Sewerage Rates for the Southern Cross Sewerage Scheme is for those properties in the Southern Cross locality which are connected to the scheme.

The proceeds of the rate are applied to the maintenance of the Scheme with the balance of the income transferred to the Sewerage Scheme Reserve.

The Sewerage Rate for the Marvel Loch Sewerage Scheme is for those properties in the Marvel Loch locality which are connected to the scheme.

The proceeds of the rate are applied to the maintenance of the Scheme with the balance of the income transferred to the Sewerage Scheme Reserve.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

Council did not raise any service charges for the 2012/2013 financial year.

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

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General& Minimum Rates	Discount	5.00%	112,115	125,000
Rate Assessment	Write-Off	N/A	0	0
Rates Incentive Prizes	Incentives	N/A	1,222	1,500

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A		34,500
Interest on Instalments Plan	5.50%	N/A	46,840	500
Charges on 2 Instalment Plan	N/A	10		
Charges on 4 Instalment Plan	N/A	30	6,530	5,300
			53,370	40,300

Ratepayers had the option of paying rates in four equal instalments, due on 5th September 2012, 7th November 2012, 11th January 2013 and 15th March 2013. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2013 \$	2012 \$
Governance	0	20,320
General Purpose Funding	8,818	7,126
Law, Order, Public Safety	1,945	4,048
Health	11,477	32,115
Education and Welfare	109,487	92,710
Housing	60,270	57,886
Community Amenities	543,632	454,688
Recreation and Culture	21,918	27,645
Transport	90,318	58,677
Economic Services	92,145	128,376
Other Property and Services	108,211	35,117
	<u>1,048,222</u>	<u>918,708</u>

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

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

28. GRANT REVENUE

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

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,348,993	3,763,594
Non-Operating Grants, Subsidies and Contributions	<u>2,265,010</u>	<u>2,470,077</u>
	<u>4,614,003</u>	<u>6,233,671</u>
By Program:		
Governance	26,185	234,755
General Purpose Funding	2,323,629	3,362,087
Law, Order, Public Safety	91,290	102,497
Health	59,927	23,636
Education and Welfare	128,258	127,611
Community Amenities	11,455	0
Recreation and Culture	261,586	381,000
Transport	1,492,415	1,450,435
Economic Services	193,011	547,392
Other Property and Services	<u>26,247</u>	<u>4,258</u>
	<u>4,614,003</u>	<u>6,233,671</u>

29. ELECTED MEMBERS REMUNERATION

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

	2013	2013	2012
	\$	Budget	\$
		\$	
Meeting Fees	13,698	16,000	13,440
President's Allowance	6,490	6,490	6,240
Deputy President's Allowance	1,625	1,625	1,560
Travelling Expenses	<u>6,838</u>	<u>5,500</u>	<u>5,992</u>
	<u>28,651</u>	<u>29,615</u>	<u>27,232</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2013	2012
<u>40</u>	<u>35</u>

31. MAJOR LAND TRANSACTIONS

Council did not have any major land transactions during the 2012/2013 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	7,370,574	6,898,038	7,370,574	6,898,038
Receivables	464,670	313,508	464,670	313,508
	<u>7,835,244</u>	<u>7,211,546</u>	<u>7,835,244</u>	<u>7,211,546</u>
Financial Liabilities				
Payables	618,360	243,740	618,360	243,740
Borrowings	0	45,270	0	43,833
	<u>618,360</u>	<u>289,010</u>	<u>618,360</u>	<u>287,573</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

Cash is subject to interest rate risk – the risk that movements in interest rates could affect returns.

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

Council manages these risks by investing its funds with recognised Australian Banking Corporations.

Impact of a 1% (*) movement in interest rates on cash and cash equivalents:

	2013	2012
	\$	\$
- Equity	74,169	65,508
- Statement of Comprehensive Income	74,169	65,508

Notes:

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

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2013	2012
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	92.29%	87.41%
- Overdue	7.71%	12.59%

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2013</u>					
Payables	618,360	0	0	618,360	618,360
Borrowings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>618,360</u>	<u>0</u>	<u>0</u>	<u>618,360</u>	<u>618,360</u>
<u>2012</u>					
Payables	243,740	0	0	243,740	243,740
Borrowings	<u>47,341</u>	<u>0</u>	<u>0</u>	<u>47,341</u>	<u>45,270</u>
	<u>291,081</u>	<u>0</u>	<u>0</u>	<u>291,081</u>	<u>289,010</u>

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2013</u>								
Borrowings								
Fixed Rate								
Debentures	0	0	0	0	0	0	0	0.00%
Weighted Average Effective Interest Rate								
<u>Year Ended 30 June 2012</u>								
Borrowings								
Fixed Rate								
Debentures	45,270	0	0	0	0	0	45,270	5.62%
Weighted Average Effective Interest Rate	5.62%							

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF YILGARN

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Shire of Yilgarn, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

AUDITOR'S OPINION

In our opinion, the financial report of the Shire of Yilgarn is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF YILGARN (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 58 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - i) reasonably calculated; and
 - ii) based on verifiable information
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS


WEN-SHIEN CHAI
PARTNER

Date: 26 November 2013
Perth, WA

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

RATIO INFORMATION

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information.

	2013	2012	2011
Asset Consumption Ratio	0.648	N/A	N/A
Asset Renewal Funding Ratio	1.282	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
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Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
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N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.