

Shire of Yilgarn 2013/2014



Annual Report 2013 - 2014

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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 2015

Postal Address:
111b Altair Street
Southern Cross 6426
T: 9049 1322
F: 9049 1442
cr_truran@yilgarn.wa.gov.au

Cr Onida T Truran
Shire President



Term Expires: October 2017

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
Deputy Shire President



Term Expires: October 2015

Postal Address:
75 Antares Street
Southern Cross 6426
T: 9049 1048
F: 9049 1185
cr_pasini@yilgarn.wa.gov.au

Cr David J Pasini



Term Expires: October 2017

Postal Address:
76 Sirius Street
Southern Cross 6426
T: 9049 1667
cr_chrisp@yilgarn.wa.gov.au

Cr Kim L Chrisp



Term Expires: October 2015

Postal Address:
PO Box 106
Southern Cross 6426
T: 9049 1328
cr_guerini@yilgarn.wa.gov.au

Cr Gary M Guerini



Term Expires: October 2017

Postal Address:
PO Box 196
Southern Cross 6426
T: 9049 1608
cr_close@yilgarn.wa.gov.au

Cr Bryan Close



Term Expires: October 2017

Postal Address:
21 Corinthia West Rd
Bodallin 6424
T: 9047 7015
F: 9047 7015
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	2



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”.

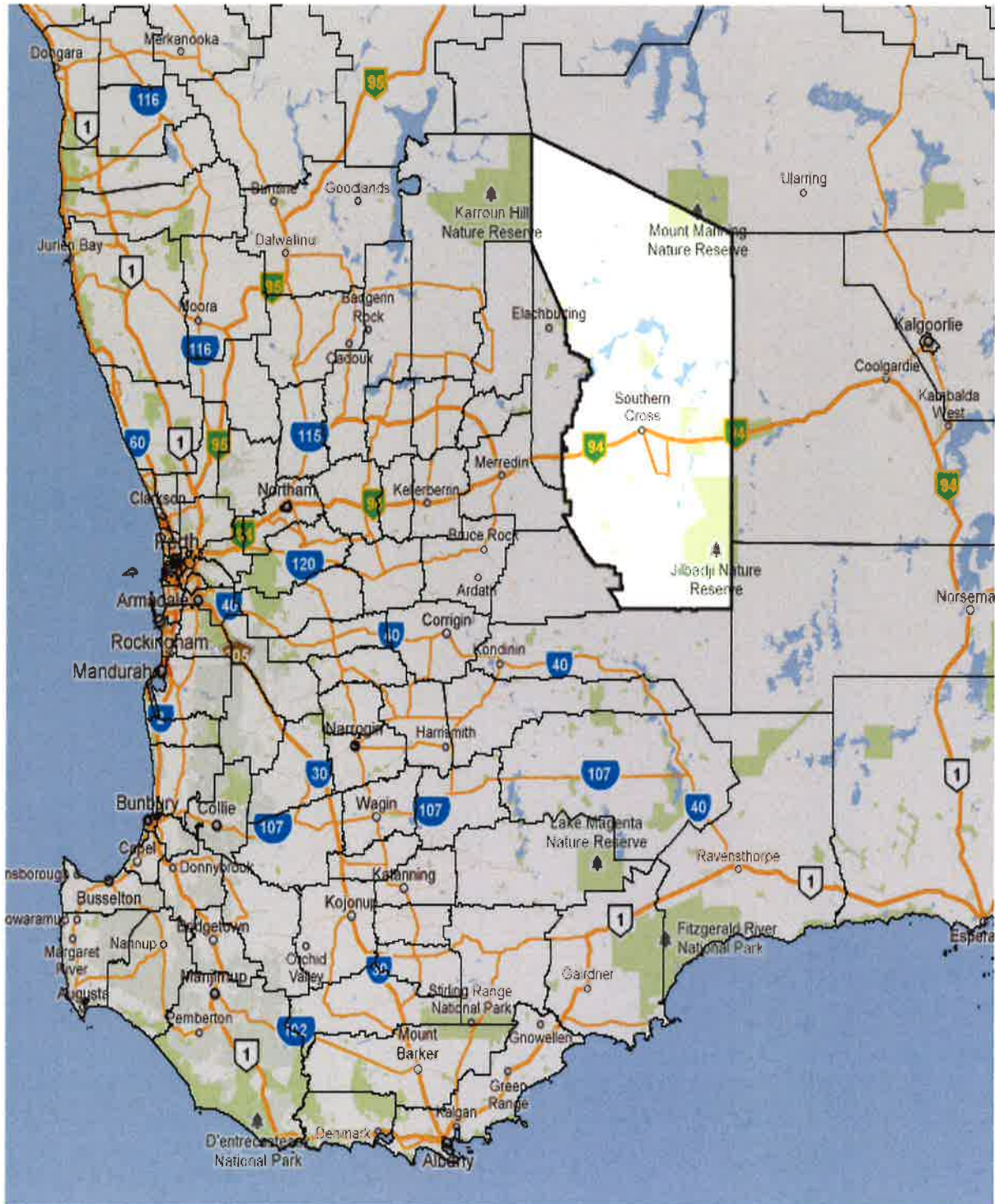
Southern Cross is the major town centre of the Shire of Yilgarn and is 370km east of Perth along the Great Eastern Highway. Other town sites in the Shire include Bodallin, Bullfinch, Ghooli, Koolyanobbing, Marvel Loch, Moorine Rock and Yellowdine.

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
4TH FEBRUARY 2015

SHIRE OF YILGARN

AGENDA

ANNUAL ELECTORS' MEETING

The Annual Meeting of Electors' of the Shire of Yilgarn will be held on
Wednesday, 4th February 2015 in the Council Chambers at the Shire of Yilgarn
Commencing at

The order of business is as follows:-

Presentation of the Annual Report comprising;

1. Confirmation of Previous Minutes (18th December 2013)
2. Presentation of the Shire President, Chief Executive Officers and Other Reports
3. Receiving of the Financial Statement for the year ended 30 June 2014.
4. Reading of the Auditor's Report for the year ended 30 June 2014.
5. Other Business.

Note: Copies of the Annual Report for the year ended 30 June 2014 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

Vivienne Piccoli
Chief Executive Officer

MINUTES

ANNUAL
ELECTORS' MEETING

FRIDAY
18TH DECEMBER 2013

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 18th DECEMBER 2013**

Minutes of the Annual Electors' Meeting of the Yilgarn Shire Council held in the Council Chambers, Antares Street, Southern Cross on Wednesday, 18th December 2013.

ATTENDANCE AND APOLOGIES

Councillors: -

Cr O Truran, Cr J Della Bosca, Cr K Chrisp
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: -

Mrs D Della Bosca, Mr B Panizza, Mrs K Crafter, Mr H Bennett, Mr R Patroni, Mr B Harvey, Mrs V Carlson, Mr Bryan Close

APOLOGIES

Cr D Pasini

The Shire President declared the meeting open at 7.30pm.

1. **MINUTES**

Moved Cr G Guerini Seconded Cr J Della Bosca, that the Minutes of the Annual Electors Meeting held on Friday, 12th November 2012 as presented, be confirmed as a true and correct record of that meeting with the change of the word gravel to bitumen mentioned at point 3 page 12 of the Annual Report.

CARRIED

2. **BUSINESS ARISING**

- Manager for Works, Robert Bosenberg advised that the brick paving of the island near the Palace Hotel had been completed.
- Manager for Works, Robert Bosenberg advised that the kerbing near BP and Caltex would be reviewed when MainRoads came to review the roadside for the new Visitor Information Centre building.
- Manager of Works, Robert Bosenberg advised that the transfer of land behind the Caltex Service Station was in the process of being transferred to the Shire through Landgate. Once the transfer is complete the works will be undertaken.
- MEHBS Wendy Dallywater advised that the alfresco area at the Senior Citizens Centre was now being maintained by the gardening staff and that the Shire's building maintenance team had commenced removing the damp area to correct the ceiling problem.

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 18th DECEMBER 2013**

- Manager of Works, Robert Bosenberg advised there are 31 homesteads on gravel roads and provided the meeting with an estimate of the cost to bitumise a one kilometre stretch of road in front each homestead. The estimated cost to bitumise in front of each homestead is in excess of \$3 million.
- MEHBS Wendy Dallywater has travelled to Corrigin and viewed their hydro pool. She advised that the next stage of the swimming pool upgrade will be the kiosk, office and change rooms. The Shire is in the process of sourcing grant funding for this stage which is anticipated to commence in 2014/2015.
- MEHBS Wendy Dallywater advised the acoustics in the Bowls Tennis Clubhouse have been addressed and that acoustic panels have been installed in the building.
- Manager of Works, Robert Bosenberg advised that he had contacted MainRoads regarding the Give Way signs. He advised MainRoads have been out to do an assessment and was waiting to receive the report.

2. PRESENTATION OF REPORTS

2.1 Shire President's Report

Cr Truran presented the Shire President's report on behalf of retiring Shire President R Patroni report to 30 June 2013.

Moved Cr W Della Bosca Seconded Kaye Crafter that the Shire President's Report to 30 June 2013, as presented, be received.

CARRIED

2.2 Chief Executive Officer's Report

Ms Vivienne Piccoli presented her report to 30 June 2013.

Moved Cr Chrisp Seconded Di Della Bosca that the Chief Executive Officer's Report to 30 June 2013, as presented, be received.

CARRIED

2.3 Deputy Chief Executive Officer's Report

Mrs Mia Dohnt presented her report to 30 June 2013.

Moved Cr Kaye Crafter Seconded Cr Guerini that the Deputy Chief Executive Officer's Report to 30 June 2013, as presented, be received.

CARRIED

2.4 Manager for Works' Report

Mr Robert Bosenberg presented his report to 30 June 2013.

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 18th DECEMBER 2013**

Moved Cr W Della Bosca Seconded Bob Panizza that the Manager Works Report to 30 June 2013, as presented, be received.

CARRIED

2.5 Manager of Environmental Health & Building Services Report

Ms Wendy Dallywater presented her report to 30 June 2013.

Moved Cr Chrisp Seconded Di Della Bosca that the Manager of Environmental Health & Building Services Report to 30 June 2013, as presented, be received.

CARRIED

3. RECEIVING OF THE ANNUAL FINANCIAL REPORT TO 30 JUNE 2013

Moved Cr J Della Bosca Seconded Di Della Bosca that the Annual Financial Report to 30 June 2013, as presented, be received.

CARRIED

4. READING OF THE AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2013

The Auditor's Report for the year ended 30 June 2013 to the electors of the Shire of Yilgarn was read by the Deputy Chief Executive Officer.

Moved Cr Guerini Seconded Cr J Della Bosca that the Auditor's Report for the year ended 30 June 2013, as presented, be received.

CARRIED

5. GENERAL BUSINESS

The following questions were received from attending residents:

- Mr Bruce Harvey noted there were very little activities in the Shire for the Youth and asked if the Shire can assist in getting cricket up and running again.

It was noted in conversation from the meeting that on a number of occasions the community had tried to get cricket going again without any success due to extreme heat in summer and children of today not wanting to be in the sun.

- Mr Bruce Harvey commended the Shire on the quality of the roads within the district and however he noted a couple of trouble spots.

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 18th DECEMBER 2013**

Mr Harvey noted that the Give Ways signs on Moorine South Road appeared to be incorrect as they were on Moorine South Road opposed to the minor road of Dulyalbin Road.

249/2013

Moved Bruce Harvey Seconded Cr W Della Bosca that Council investigate whether the Give Way signs at the intersection of Moorine South Road and Dulyalbin Road need to be changed.

- Mr Bruce Harvey asked Council to investigate whether there should be signs erected at the end of Cowan Road indicating the road was ending.
- Mr Romolo Patroni suggested that Council should write to CBH and express their concern that CBH decided to close the Marvel Loch bin late in the season and the effect it has had on local roads that were not previously being used as a transport route.
- Mr Romolo Patroni and Mr Bob Panizza advised that the road around the Dulyalbin Wheat Bin was dangerous and congested traffic. They suggested that the Manager of Works meets with CBH to discuss the options of improving the alignment of the road.
- Cr J Della Bosca advised that trucks and other vehicles are coming out of the Bodallin Wheat Bin and that visibility is poor due to shrubs blocking the line of sight. She noted that vehicles are almost onto Great Eastern Highway before they are able to see. She suggested that some of the shrubbery be trimmed to improve the line of sight for drivers.
- Mr B Panizza asked what Shire's policy was on taking on apprentices to help keep the youth in the district.

Mr Panizza was advised that the Shire currently has an apprentice Mechanic, an apprentice Carpenter, a trainee at the Community Resource Centre and have just employed a trainee to fill the Customer Service Officer position at the Administration Office.

- Mrs D Della Bosca asked where the Skate Park plans were up to.

The Shire President Cr Onida Truran advised that a consultant had visited the Yilgarn in September and had prepared a preliminary report. It has been advertised a number of times in the Crosswords for interested parties to form a working group

**SHIRE OF YILGARN
MINUTES - ANNUAL ELECTORS' MEETING
FRIDAY, 18th DECEMBER 2013**

and to date there had been two people show interest with one of those being a Councillor.

Cr Truran also noted that there needed to be support and input from the community to see this project progress.

6. CLOSURE

The Shire President thanked all those attending and there being no further business, the meeting was declared closed at 8.45pm.

SHIRE PRESIDENT'S
REPORT

\SHIRE OF YILGARN
SHIRE PRESIDENT'S REPORT
2013/2014 FINANCIAL YEAR

Ladies and Gentlemen,

It gives me great pleasure to present the President's Report for the 2013/14 Financial Year.

Following the annual elections held on October 2013 I was nominated Shire President by my fellow Councillors and it was my greatest honour to be voted President of the Shire of Yilgarn. This honour occurred due to the retirement from Local Government of Mr Romolo Patroni OAM JP, an icon in the Local Government industry, after 38 years with the Shire of Yilgarn, the past 26 as Shire President. His reign as the President has seen the Shire grow and prosper and I see it as my role to continue this process.

The 2013 elections saw Cr Romolo Patroni, Cr David Auld, Cr Wayne Della Bosca and Cr Julie Della Bosca's terms as elected member expire and Romolo Patroni and David Auld did not stand for re-election. Mr Patroni's feats as Councillor and President were outstanding over a long period of time with the last 26 years as president. Mr Auld's election to the Shire was 1997 and during his tenure he held the position of Deputy Shire President for two terms, from 1999 to 2001 and again, 2009 to 2011.

The calling for nominations resulted in only 3 nominations to fill the 4 vacancies and thus Cr Wayne Della Bosca, Cr Julie Della Bosca and Cr Kim Chrisp were elected unopposed. An extraordinary election was held on 14th December 2013 to fill the remaining position. There were 3 nominees and Cr Bryan Close was duly elected.

I look forward to working with my fellow elected members in continuing the fine works of the previous Council.

The 2013-14 Financial Year saw a Budget adopted which included \$14million in Operating and Capital Expenditure, one of the largest, if not the largest, in the Shire's history. The actual expenditure for the year is \$13.7million which included \$4.27million of Capital Works and Purchases. The major expenditures in this area were Road Infrastructure, \$2.417million, and Plant and Equipment \$924,000.

The Shire continues to present itself as a clean and tidy area and in fact is one of several nominees in the Goldfields Area being considered for a Tidy Town Award this year.

Finally I would like to take this opportunity to thank all elected members for their support over this year, particularly since November last year and Council staff for their diligence and dedication to the mission and goals of the Shire.

**SHIRE OF YILGARN
SHIRE PRESIDENT'S REPORT
2013/2014 FINANCIAL YEAR**

To all residents of the Shire, enjoy the coming festive season, drive safely and I look forward to meeting you whenever the opportunity arises.

Cr Onida Juran
Shire President

**CHIEF EXECUTIVE
OFFICER'S
REPORT**

SHIRE OF YILGARN
CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 FINANCIAL YEAR

Ladies and Gentlemen,

The Annual Financial Report for the year ended 30th June 2014 is presented to residents of the Shire of Yilgarn for their perusal and information.

From my point of view the Financial Statements present the Shire in a positive light revealing a net current position surplus of \$665,993 which compares most favourably with the \$639,360 surplus at 30th June 2013. This indicates that the Shire is operating within the budget constraints established in August 2013.

It is also worth mentioning that the Shire did have an operating deficit of \$1,844,902, the main reason for this net result is a decline in operating grants, subsidies and contributions not being matched by an operating expenditure decrease in the same financial year. This decrease was exacerbated and distorted in 2014 and 2013 by the early payment of Financial Assistance Grants (FAGs) in June 2013 which was not repeated in 2014, and based on the timing of receiving the grants this has impacted the Shire's Statement of Comprehensive Income net result.

It is most pleasing that the Council continues to fund its expenditure from Operations and Cash-Backed Reserves and has not had to draw on loans. As at 30th June 2014 the Cash-Backed Reserve balance stood at \$4.443million and whilst this is a reduction from 30 June 2013 of \$1.86million this amount is mainly the utilisation of the unspent grants from 2012/2013.

The bi-annual Local Government Elections were held in October 2013 and whilst no election was necessary in the Shire of Yilgarn for October 2013 as only 3 nominations were received for 4 vacancies, an Extraordinary Election was held on 14th December 2013 to fill the remaining vacancy.

Cr Romolo Patroni did not stand for re-election after 38 years on Council, the last 26 years as Shire President. I wish to express my heartfelt thanks to former Cr Patroni for his guidance, assistance and confidence during the few years we worked together. I welcome all newly elected members and look forward to a continuing harmonious working relationship.

The achievements over the past 12 months are the continuing requirements of the State imposed Integrated Strategic Planning incorporating the Community Strategic Plan, Corporate Business Plan, Asset Management Plan, Forward Capital Works Plan, Workforce Plan and Long Term Financial Plan. The maintenance and reconstruction of Council Road Infrastructure, both sealed and gravel, to the extent of \$2.417million, the ongoing improvement to the Southern Cross Airstrip and the continuation of the Shire's replacement and upgrading of Plant and Equipment.

SHIRE OF YILGARN
CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 FINANCIAL YEAR

The Shire of Yilgarn's road maintenance and 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.

The Shire is well served by officers in the Finance and Administration area with very few issues and a positive attitude to achieving time deadlines and ensuring resident satisfaction in its dealings with the Shire.

Officers concerned with Health, Building and Planning issues continue to perform well in a difficult area. The application of the various statutes governing this area can leave some applicants feeling distressed and the staff are to be congratulated on their empathy and understanding of residents frustrations.

Overall I am very pleased with the outcomes of 2013/2014 and wish to take this opportunity to thank all staff, particularly the Executive team for their ongoing commitment to achieving the Shire's goals and objectives in all the diverse areas now expected of Local Government.

Vivienne Piccoli
Chief Executive Officer

**DEPUTY CHIEF
EXECUTIVE OFFICER'S
REPORT**

**SHIRE OF YILGARN
DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 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 2014.

FINANCIAL SUMMARY

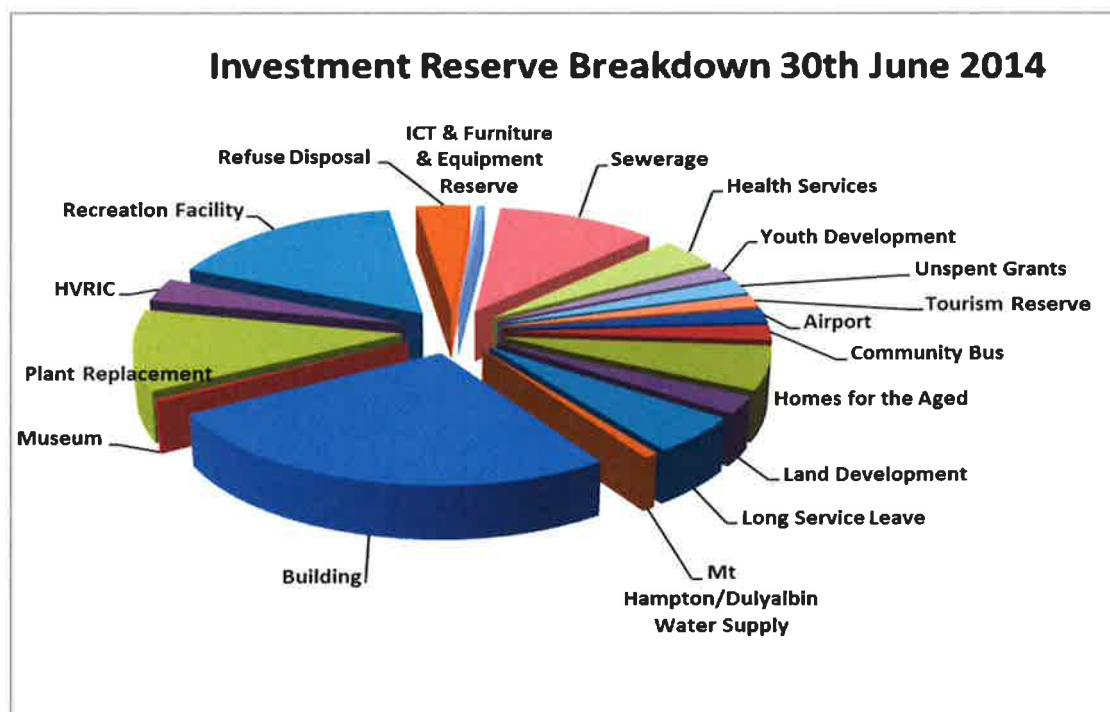
Council concluded the financial year with a net Current Asset position of \$4.90m, which was a reduction on the 2013 reported figure of \$7.8m.

Council's Auditor, UHY Haines Norton, has completed an Audit of the Shire of Yilgarn Financial Statements for the period 1st July 2013 to 30th June 2014 and has submitted 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 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 2014, Council held \$4,443,037 within several different special purpose Reserve accounts. In an effort to demonstrate where these funds are held, the following chart is provided.



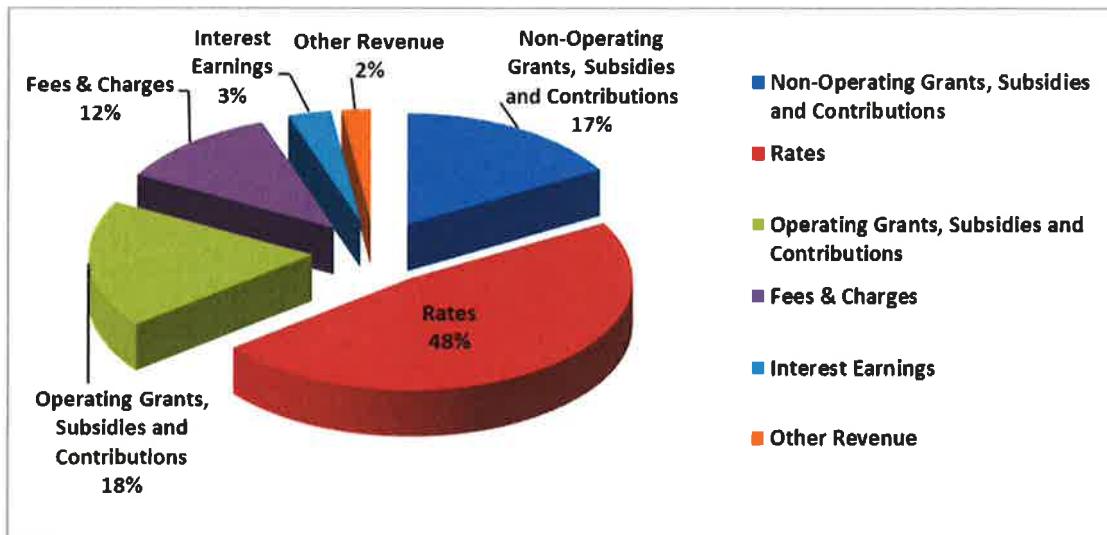
SHIRE OF YILGARN DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT 2013/2014 FINANCIAL YEAR

Revenue

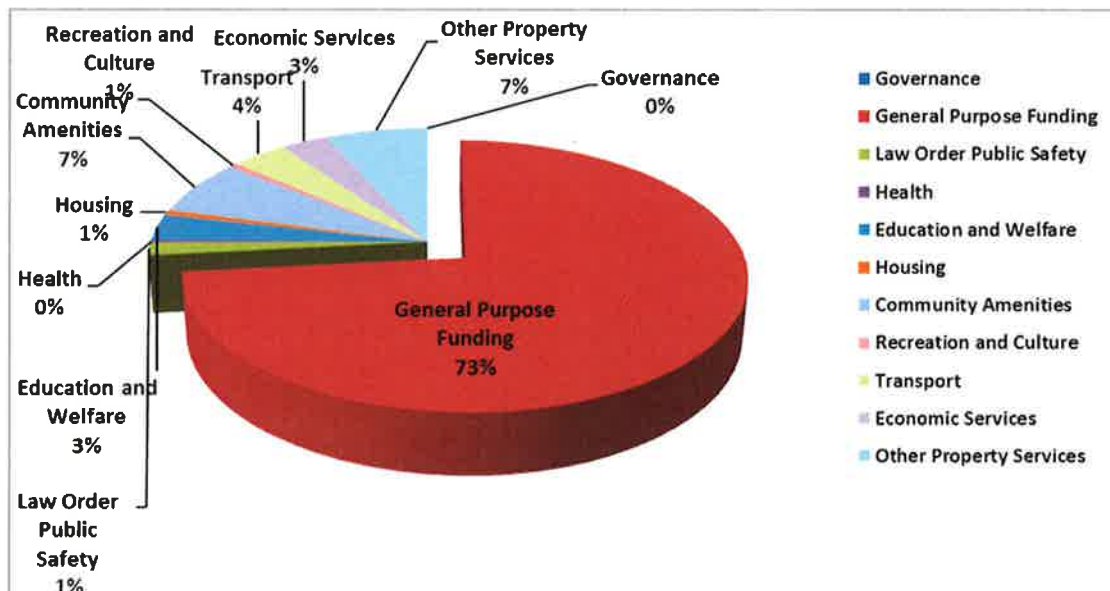
Council is limited in its capacity to raise revenue from its own sources, revenue is primarily received in the form of grants, rates and fees and charges.

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 2013/2014 by Nature and Type.



The graph below details the break-up of the income received for 2013/14 by Program.



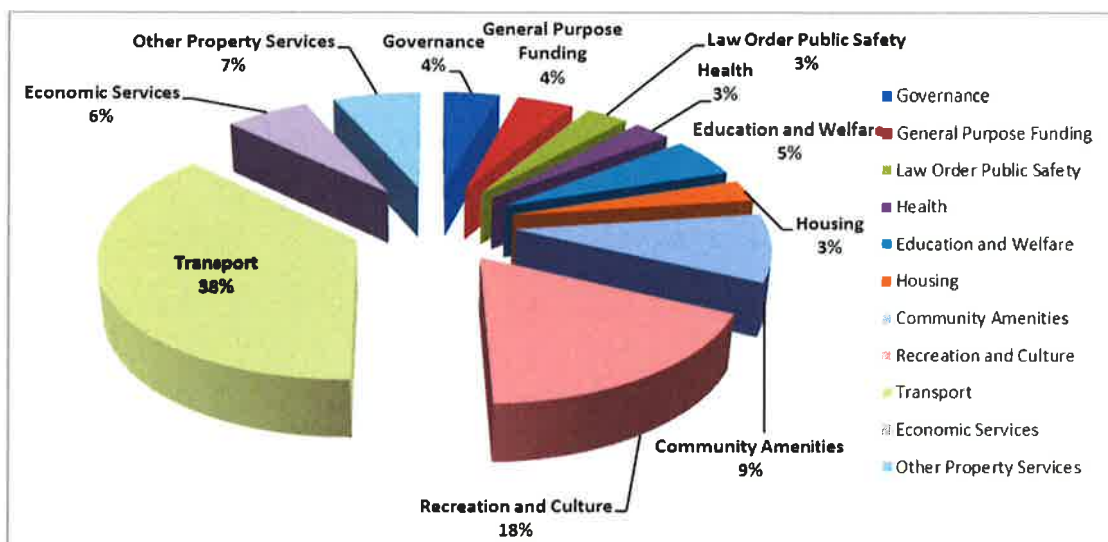
**SHIRE OF YILGARN
DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 FINANCIAL YEAR**

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 2013/2014 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.)



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

**SHIRE OF YILGARN
DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 FINANCIAL YEAR**

reflective of their property values. The GRV town valuations are due once again in 2016.

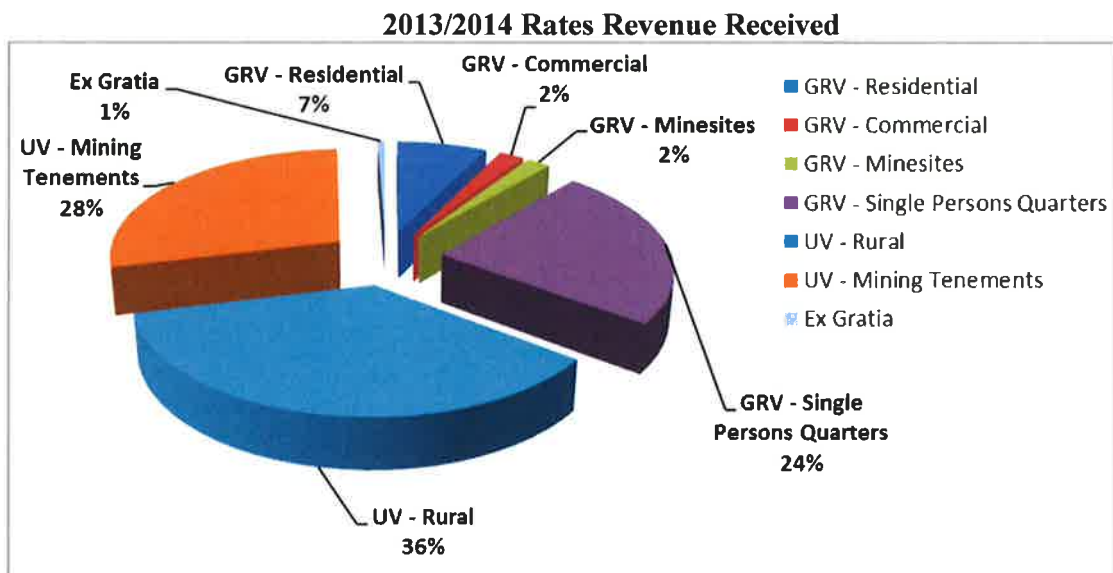
Unimproved values (Farming) are revalued every year. The values are set by the Valuer General and are outside Council's control. Variations in valuation can be quite widespread throughout the Shire and can create inconsistencies in the rates for individual property owners, which in turn creates confusion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

2013/2014 Differential Rates Chart

	Rate in \$
GRV – Residential	0.1007
GRV – Commercial	0.0689
GRV – Mine sites	0.3811
GRV – Single Persons Quarters	0.3811
UV – Rural	0.0169
UV – Mining Tenements	0.2014



**SHIRE OF YILGARN
DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 FINANCIAL YEAR**

Loans

As at the 30th June 2014, Council had no loan liability.

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.
- ***Information Statement***
In compliance with the Freedom of Information Act 1992 Council has an Information Statement that can be obtained from the Shire's Administration Office.

**SHIRE OF YILGARN
DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 FINANCIAL YEAR**

- ***Register of Complaints***

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

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.

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DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT
2013/2014 FINANCIAL YEAR

- ***Adopted 2014/2015 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 2015. Naturally, copies of the 2014/2015 adopted budget, which reflected income and expenditure associated with this Annual Report is also available.

IN CONCLUSION

In August of 2014 I replaced Mia Dohnt as Deputy CEO. Since arriving I have noted the Shire has in place a balanced budget and sound financial systems.

I wish to thank the CEO for giving me the opportunity to take up the role and I look forward in the future to making a valuable contribution to Shire's operations and the community at large.

Mr John Bingham
Deputy Chief Executive Officer

MANAGER FOR WORKS'
REPORT

**SHIRE OF YILGARN
MANAGER FOR WORKS' REPORT
2013/2014 FINANCIAL YEAR**

Parks and Gardens, Road Maintenance and Construction Works

Roads 2030 Regional Road Development Strategic Program

Bodallin North Road	7.6 km's 10mm bitumen reseal
Moorine South Road	3 km's 14mm bitumen reseal
Parker Range Road	6.5 km's 10mm bitumen reseal
Moorine Rock South Road seal	4.5 km's constructed to a 7 metre prime seal 24 linear metres x 375mm barrel culverts installed

Roads to Recovery Program

Bitumen Reseals

Bodallin North Road	2 km's 10mm bitumen reseal
Parker Range Road	3.5 km's 10mm bitumen reseal
Marvel Loch Forrestania Road	5 km's 10mm bitumen reseal

Gravel Sheeting

Emu Fence Road	2 km's x 9m x 150mm gravel overlay
Cramphorne Road	5 km's x 9m x 150mm gravel overlay

Heavy Vehicle Road Improvements

Koolyanobbing Road (HVRI)	1.5 km's gravel shoulder re-furbishing
---------------------------	--

Council Programs

Bitumen Reseals

Southern Cross South Road	1.3 km's 10mm bitumen reseal
Arcturus Street	1.3 km's 10mm bitumen reseal
Leo Street	250 metres 10mm bitumen reseal
Omega Street	250 metres 10mm bitumen reseal
Antares Street	80 metres 10mm bitumen reseal

**SHIRE OF YILGARN
MANAGER FOR WORKS' REPORT
2013/2014 FINANCIAL YEAR**

Sporting Complex Car Park	10mm bitumen reseal
Orion Street (adjacent to BP and Caltex Service Stations)	10mm bitumen reseal
Dorothy Street (Bullfinch)	600 metres 10mm bitumen reseal
Manxman Street (Bullfinch)	1 km 10mm bitumen reseal
M40 Intersection	80 metres 10mm bitumen reseal

Gravel Sheeting

Noongar South Road	2.5 km's x 9m x 150mm gravel overlay
Southern Cross South Road	3 km's x 9m x 150mm gravel overlay
Dulyalbin Road	2 km's x 9m x 150mm gravel overlay
Emu Fence 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 km's x 9m x 150mm gravel overlay

Southern Cross Airstrip

6720 m² Asphalt over lay of the apron area. Funding for this these works was from Regional Area Development Scheme and Councils Airport Reserve

Once again in the 2013/2014 Financial Year Councils maintenance and construction staff have had a very productive year with a total of 4.5 kilometres of road been constructed to a 7 metre prime seal stage, 36.7 kilometres of bitumen reseal works carried out and 20 kilometres of gravel sheeting been completed. Over all council's construction, maintenance grading and bitumen repair personnel have maintained a good standard of roadwork's and road maintenance through-out the 2013/2014 Financial Year.

Parks and Gardens

The maintenance works carried out by council's gardening staff on council's parks and reserves within the Shire of Yilgarn (*Bodallin, Moorine Rock, Bullfinch, Marvel Loch and Southern Cross*) has been to a good standard with some good verbal and written comments received by council from the public, sporting sector and tourism sector.

**SHIRE OF YILGARN
MANAGER FOR WORKS' REPORT
2013/2014 FINANCIAL YEAR**

Private Works

Private works carried out in the 2013/14 Financial included traffic management at accident sites on Greta Eastern Highway, clearing storm damaged trees and bitumen shoulder grading on Great Eastern Highway. These works were carried out by council staff for Leighton Opus and generated an income for council of \$160,500

Plant Replacement

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

1 x Grader
1 x Loader
1 x Light Truck
1 x Utility

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 2013/2014 Financial Year.

Thanks also to Councils Administration, Senior Management Staff and Councillors for their continued support during 2013/2014 Financial Year.

*Robert Bosenberg
Manager for Works*

MANAGER
ENVIROMENTAL
HEALTH AND
BUILDING SERVICES'
REPORT

**SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND
BUILDING REPORT
2013/2014 FINANCIAL YEAR**

I am pleased to present the following report on activities that occurred during the 2013/2014 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

Use and operation of the new Southern Cross Landfill Site (disposal of waste at the site commenced in August 2012) is good as this site is closed to the general public, and at the Southern Cross Transfer Station it is fairly good although it could be improved with people separating out their waste materials and placing them in the designated areas at the Transfer Station. While it has been discussed in the past, it may be time to seriously consider closing the Transfer Station and only having it manned and open 3-4 days each week.

To increase the amount of cardboard being collected and recycled the Shire commenced the purchase and hire of 17 bulk recycling bins in April 2014 which were delivered over the next 2 months to various commercial businesses in Southern Cross. These are in addition to the bulk bins located at the Transfer Station. Between April and October 2014 a total of 15.74 tonnes of cardboard and co-mingled recycling material from these bulk bins was collected (average of 2.2.5 tonnes per month) and diverted away from landfill. This is in addition to the 76.13 tonnes collected through the kerbside recycling service between July 2013 and June 2014.

I remind residents that they can recycle their old mobile telephones and charges at either the Shire Office or the Community Resource Centre, as well as your empty toner cartridges at the Community Resource Centre.

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. On Christmas Eve 2013 the 2 sewer pumps at the Achernar Street Pump Station failed. A loan pump was sourced in early January 2014. Two new sewer pumps and a control panel plus new gate valves and non-return valves were ordered in February and were installed in June 2014. The control panel was not as ordered and while it worked happily for several months after installation, it failed in October 2014. Work has been carried out to re-wire the control panel but it is still not correct and hopefully this will be resolved soon. I apologise to residence in the area that were affected by foul odours coming from the Pump Station during the year and thank them for their understanding.

**SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND
BUILDING REPORT
2013/2014 FINANCIAL YEAR**

The Shire has a Customer Service Charter stating its obligations in regards to maintaining both sewer schemes which was 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. Due to changes in the legislation the Shire no longer is obligated to have a Customer Service Charter, however, we will continue to meet our current obligations stated in the Charter.

Some people would be aware that the Shire had to cease accepting septic tank and leach drain waste at the Southern Cross Sewer Ponds or at the Marvel Loch Sewer Ponds in December 2013. This was a directive from the Department of Environmental Regulations. Such waste then needed to be disposed of outside of the Yilgarn area which added to the overall cost of a septic tank and/or leach drain pump out. I have applied to the Department of Environmental Regulations for the development of a sullage pit at the new Southern Cross Landfill Site. As the Landfill Site's licence is to be renewed in January 2015 I hope that it will allow for the disposal of this waste at the Landfill Site.

MOSQUITO CONTROL

During the warmer months of October to April each year, the Shire 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 2013/2014 the Southern Cross Public Swimming Pool was managed by Mrs Sandra Ciabbarri with the assistant of Mr John Ciabbarri acting of as a Relief Manager once a week. Once again the facility was maintained to a high standard throughout the swimming season. Attendance numbers still continued to decline from the previous year 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. The purchase and use of a large inflatable and 3 smaller inflatables at the Pool did create some interest, as do the new cricket pitch nets and equipment, and the basketball concrete floor. 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 Ciabbarri & Mrs Pasini conduct their water aerobics classes 4 evenings a week.

**SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND
BUILDING REPORT
2013/2014 FINANCIAL YEAR**

On Sunday 24th November 2014 after the opening of the Yilgarn History Museum Time Capsule the Southern Cross Public Swimming Pool was open free of charge to celebrate its 50th year of being open. A great day was had by all those who attended. Similarly on Australia Day 2014 the Pool was again open free of charge to the public and was well attended.

I wish to thank Mrs Ciabbari and Mr Ciabbari for their cooperation, diligence and commitment during the past year.

Mrs Pasini continued as a volunteer of Council to carry out water aerobics and walking exercises with seniors at the Swimming Pool and around town during the year. Those who attend Mr Pasini's exercise sessions look forward to and appreciate the sessions.

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 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.

**SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND
BUILDING REPORT
2013/2014 FINANCIAL YEAR**

- 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.
- 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

**SHIRE OF YILGARN
MANAGER ENVIRONMENTAL HEALTH AND
BUILDING REPORT
2013/2014 FINANCIAL YEAR**

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 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 were installed on-site on Lot 1 Libra Place in March 2014, hand-over did not occur until July 2014, and they were completed ready for occupation in October 2014. Generally they 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. The funding for these dwellings was from Royalties for Regions Grant Funding along with Shire reserve funds.

I commenced discussions with some of the outlying communities in regards to the future use of their halls and other facilities that the Shire owns and whether the community still needs these facilities. This communication will continue with the communities into the future as the Shire looks to rationalise its building assets.

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 Staff and the 5 members of the Domestic Cleaning Staff.

I wish to thank the Asset Management Officer for all her work assisting me and the Manager for Works throughout the year, as well as the Environmental Officer/LAG Support Officer, the LAG Coordinator, and the Ranger for all their work and cooperation throughout the year.

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

2013/2014

ANNUAL FINANCIAL
REPORT

SHIRE OF YILGARN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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Principal place of business:

23 Antares Street
Southern Cross
WA 6426

**SHIRE OF YILGARN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

**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 supporting notes and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Yilgarn at 30th June 2014 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 11th day of December 2014



Vivienne Piccoli
Chief Executive Officer

SHIRE OF YILGARN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Rates	22	4,024,584	4,490,398	4,119,579
Operating Grants, Subsidies and Contributions	28	1,566,674	1,265,006	2,348,993
Fees and Charges	27	1,003,660	928,963	1,048,222
Interest Earnings	2(a)	264,526	277,950	320,994
Other Revenue		177,333	158,688	1,394,988
		<u>7,036,777</u>	<u>7,121,005</u>	<u>9,232,776</u>
Expenses				
Employee Costs		(2,569,405)	(2,766,768)	(2,161,700)
Materials and Contracts		(2,823,236)	(2,634,190)	(2,983,611)
Utility Charges		(432,575)	(346,300)	(430,319)
Depreciation on Non-Current Assets	2(a)	(3,260,792)	(3,277,400)	(3,196,865)
Interest Expenses	2(a)	0	0	(756)
Insurance Expenses		(311,677)	(150,570)	(301,806)
Other Expenditure		(79,135)	(180,216)	(116,776)
		<u>(9,476,820)</u>	<u>(9,355,444)</u>	<u>(9,191,833)</u>
		<u>(2,440,043)</u>	<u>(2,234,439)</u>	<u>40,943</u>
Non-Operating Grants, Subsidies and Contributions	28	1,413,504	2,657,849	2,265,010
Loss on Revaluation of Fixed Assets	7(a)	(699,091)	0	0
Profit on Asset Disposals	20	0	73,479	155,223
Loss on Asset Disposals	20	(119,272)	(10,810)	(63,407)
NET RESULT		(1,844,902)	486,079	2,397,769
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	12	273,493,691	0	746,839
Total Other Comprehensive Income		273,493,691	0	746,839
Total Comprehensive Income		<u>271,648,789</u>	<u>486,079</u>	<u>3,144,608</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 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
	2(a)			
Governance		0	1,320	1,185
General Purpose Funding		5,160,396	5,490,596	5,791,911
Law, Order, Public Safety		110,456	70,446	93,235
Health		20,469	25,500	82,649
Education and Welfare		224,225	211,689	238,026
Housing		47,785	60,060	60,270
Community Amenities		477,532	515,134	817,134
Recreation and Culture		43,226	31,600	1,312,375
Transport		257,828	324,427	321,881
Economic Services		221,755	269,895	285,156
Other Property and Services		473,105	120,338	228,954
		<u>7,036,777</u>	<u>7,121,005</u>	<u>9,232,776</u>
Expenses				
	2(a)			
Governance		(410,529)	(429,771)	(480,634)
General Purpose Funding		(408,283)	(404,710)	(421,506)
Law, Order, Public Safety		(305,270)	(401,715)	(311,608)
Health		(264,357)	(315,396)	(256,128)
Education and Welfare		(504,023)	(532,751)	(478,518)
Housing		(273,942)	(254,914)	(247,746)
Community Amenities		(863,312)	(916,848)	(719,800)
Recreation & Culture		(1,677,346)	(1,563,034)	(1,483,777)
Transport		(3,546,844)	(3,460,950)	(3,239,401)
Economic Services		(601,964)	(656,581)	(1,422,139)
Other Property and Services		(620,950)	(418,774)	(129,820)
		<u>(9,476,820)</u>	<u>(9,355,444)</u>	<u>(9,191,077)</u>
Financial Costs				
	2(a)			
Housing		0	0	(756)
		<u>0</u>	<u>0</u>	<u>(756)</u>
Non-Operating Grants, Subsidies and Contributions				
Governance		0	0	25,000
General Purpose Funding		0	392,361	720,573
Law, Order, Public Safety		0	450,000	0
Recreation & Culture		417	0	258,586
Transport		1,413,087	1,334,453	1,260,851
Economic Services		0	481,035	0
		<u>1,413,504</u>	<u>2,657,849</u>	<u>2,265,010</u>
Loss on Revaluation of Non-Current Assets				
Transport		(699,091)	0	0
		<u>(699,091)</u>	<u>0</u>	<u>0</u>
Profit/(Loss) on Disposal of Assets				
Recreation & Culture		0	0	(57,506)
Transport		(88,626)	25,864	99,781
Economic Services		0	0	24,167
Other Property and Services		(30,646)	36,805	25,374
		<u>(119,272)</u>	<u>62,669</u>	<u>91,816</u>
NET RESULT		(1,844,902)	486,079	2,397,769
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	273,493,691	0	746,839
Total Other Comprehensive Income		273,493,691	0	746,839
Total Comprehensive Income		<u>271,648,789</u>	<u>486,079</u>	<u>3,144,608</u>

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

**SHIRE OF YILGARN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014**

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,876,933	7,370,574
Trade and Other Receivables	4	683,892	407,314
Inventories	5	55,615	24,813
TOTAL CURRENT ASSETS		<u>5,616,440</u>	<u>7,802,701</u>
NON-CURRENT ASSETS			
Other Receivables	4	58,103	57,356
Property, Plant and Equipment	6	25,473,513	25,684,023
Infrastructure	7	322,043,818	48,407,189
TOTAL NON-CURRENT ASSETS		<u>347,575,434</u>	<u>74,148,568</u>
TOTAL ASSETS		<u>353,191,874</u>	<u>81,951,269</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	148,084	618,360
Provisions	10	561,246	492,966
TOTAL CURRENT LIABILITIES		<u>709,330</u>	<u>1,111,326</u>
NON-CURRENT LIABILITIES			
Provisions	10	23,010	29,198
TOTAL NON-CURRENT LIABILITIES		<u>23,010</u>	<u>29,198</u>
TOTAL LIABILITIES		<u>732,340</u>	<u>1,140,524</u>
		<u>352,459,534</u>	<u>80,810,745</u>
EQUITY			
Retained Surplus		63,226,793	63,213,006
Reserves - Cash Backed	11	4,443,038	6,301,727
Revaluation Surplus	12	284,789,703	11,296,012
TOTAL EQUITY		<u>352,459,534</u>	<u>80,810,745</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 2014**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 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 Comprehensive Income		<u>2,397,769</u>	<u>0</u>	<u>746,839</u>	<u>3,144,608</u>
Transfers from/(to) Reserves		(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
Comprehensive Income					
Net Result		(1,844,902)	0	0	(1,844,902)
Changes on Revaluation of Non-Current Assets	12	0	0	273,493,691	273,493,691
Total Comprehensive Income		<u>(1,844,902)</u>	<u>0</u>	<u>273,493,691</u>	<u>271,648,789</u>
Transfers from/(to) Reserves		1,858,689	(1,858,689)	0	0
Balance as at 30 June 2014		63,226,793	4,443,038	284,789,703	352,459,534

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 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,841,714	4,502,928	4,077,832
Operating Grants, Subsidies and Contributions		1,466,485	1,290,206	2,286,166
Fees and Charges		1,003,660	936,963	1,048,222
Interest Earnings		264,526	325,740	320,994
Goods and Services Tax		667,363	452,050	663,250
Other Revenue		177,333	158,688	107,572
		<u>7,421,081</u>	<u>7,666,575</u>	<u>8,504,036</u>
Payments				
Employee Costs		(2,486,804)	(2,713,633)	(2,073,786)
Materials and Contracts		(3,344,823)	(2,596,605)	(2,618,287)
Utility Charges		(432,575)	(335,095)	(430,319)
Interest Expenses		0	0	(1,987)
Insurance Expenses		(311,677)	(150,570)	(301,806)
Goods and Services Tax		(667,629)	(441,950)	(715,838)
Other Expenditure		(79,135)	(180,216)	(116,776)
		<u>(7,322,643)</u>	<u>(6,418,069)</u>	<u>(6,258,799)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>98,438</u>	<u>1,248,506</u>	<u>2,245,237</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	(50,000)	0
Payments for Purchase of Property, Plant & Equipment		(1,523,224)	(2,889,724)	(1,147,557)
Payments for Construction of Infrastructure		(2,747,401)	(2,945,269)	(3,123,555)
Non-Operating Grants, Subsidies and Contributions		1,413,504	2,657,849	2,265,010
Proceeds from Sale of Fixed Assets		259,042	245,440	272,671
Net Cash Provided by (Used in) Investment Activities		<u>(2,598,079)</u>	<u>(2,981,704)</u>	<u>(1,733,431)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		0	0	(45,270)
Proceeds from Self Supporting Loans		6,000	6,000	6,000
Net Cash Provided By (Used In) Financing Activities		<u>6,000</u>	<u>6,000</u>	<u>(39,270)</u>
Net Increase (Decrease) in Cash Held		<u>(2,493,641)</u>	<u>(1,727,198)</u>	<u>472,536</u>
Cash at Beginning of Year		7,370,574	7,369,849	6,898,038
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>4,876,933</u></u>	<u><u>5,642,651</u></u>	<u><u>7,370,574</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 2014**

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue				
Governance		0	1,320	26,185
General Purpose Funding		1,135,812	1,392,559	2,392,905
Law, Order, Public Safety		110,456	520,446	93,235
Health		20,469	25,500	82,649
Education and Welfare		224,225	211,689	238,026
Housing		47,785	60,060	60,270
Community Amenities		477,532	515,134	817,134
Recreation and Culture		43,643	31,600	1,570,961
Transport		1,670,915	1,695,554	1,687,113
Economic Services		221,755	750,930	310,624
Other Property and Services		473,105	157,143	254,328
		<u>4,425,697</u>	<u>5,361,935</u>	<u>7,533,430</u>
Expenses				
Governance		(410,529)	(429,771)	(480,634)
General Purpose Funding		(408,283)	(404,710)	(421,506)
Law, Order, Public Safety		(305,270)	(401,715)	(311,608)
Health		(264,357)	(315,396)	(256,128)
Education and Welfare		(504,023)	(532,751)	(478,518)
Housing		(273,942)	(254,914)	(248,502)
Community Amenities		(863,312)	(916,848)	(719,800)
Recreation and Culture		(1,677,346)	(1,563,034)	(1,541,283)
Transport		(4,334,561)	(3,471,760)	(3,244,001)
Economic Services		(601,964)	(656,581)	(1,423,440)
Other Property and Services		(651,596)	(418,774)	(129,820)
		<u>(10,295,183)</u>	<u>(9,366,254)</u>	<u>(9,255,240)</u>
Net Result Excluding Rates		(5,869,486)	(4,004,319)	(1,721,810)
Adjustments for Cash Budget Requirements:				
Initial Recognition of Assets Due to Change to Regulations				
- Land Vested in and Under the Control of Council		0	0	(1,287,416)
(Profit)/Loss on Asset Disposals	20	119,272	(62,669)	(91,816)
Movement in Unused Leave Entitlements (Added Back)		0	0	493
Movement in Deferred Pensioner Rates (Non-Current)		(6,747)	0	(3,894)
Movement in Employee Benefit Provisions (Non-current)		(53,979)	0	(8,105)
Depreciation and Amortisation on Assets	2(a)	3,260,792	3,277,400	3,196,865
Loss on Revaluation of Non-Current Assets	7(a)	699,091	0	0
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	(50,000)	0
Purchase Land and Buildings	6(a)	(588,265)	(1,470,224)	(505,772)
Purchase Furniture and Equipment	6(a)	(10,538)	0	0
Purchase Plant and Equipment	6(a)	(924,421)	(1,419,500)	(641,785)
Purchase Roads	7(a)	(2,397,130)	(2,441,765)	(2,189,247)
Purchase Footpaths	7(a)	(19,842)	(72,073)	(66,482)
Purchase Drainage	7(a)	0	(33,955)	(19,935)
Purchase Sewerage	7(a)	(63,939)	(74,600)	0
Purchase Townscape	7(a)	(38,289)	(54,838)	(59,411)
Purchase Parks & Ovals	7(a)	0	(29,115)	(29,801)
Purchase Aerodromes	7(a)	(212,976)	0	(230,543)
Purchase Other	7(a)	(15,225)	(238,923)	(528,136)
Proceeds from Disposal of Fixed Assets	20	259,042	245,440	272,671
Repayment of Debentures	21(a)	0	0	(45,270)
Proceeds from Self Supporting Loans		6,000	6,000	6,000
Transfers to Reserves (Restricted Assets)	11	(1,027,236)	(1,815,565)	(3,914,967)
Transfers from Reserves (Restricted Assets)	11	2,885,925	2,886,593	2,582,414
ADD Surplus/(Deficit) July 1 B/Fwd	22(b)	639,360	861,715	1,805,728
LESS Surplus/(Deficit) June 30 C/Fwd	22(b)	665,993	0	639,360
Total Amount Raised from General Rate	22(a)	<u>(4,024,584)</u>	<u>(4,490,398)</u>	<u>(4,119,579)</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 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

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. A separate statement of those monies appear at Note 19 to these financial statements.

(b) Goods and Services Tax (GST)

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

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

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

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

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

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

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land Held for Sale

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

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

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

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

In 2013, Council 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 was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

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

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

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings by 30 June 2015.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

Revaluation

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

Transitional Arrangements

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*** 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 only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) 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 the previous reporting period (year ended 30 June 2013).

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land Under Roads

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

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

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

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

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	30 to 50 years
Plant and Equipment	5 to 10 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- 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 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 in the period in which they arise.

When revalued assets are disposed of, 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.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Valuation techniques (Continued)

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) 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.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

(l) Borrowing Costs

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

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

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

(n) Leases

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

(o) Investment in Associates

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

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

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

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

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

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

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

(q) Rates, Grants, Donations and Other Contributions

Rates, grants, 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 operations 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 sale where it is held as non-current based on the Council's intentions to release for sale.

(t) Rounding Off Figures

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

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY 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, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

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

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	December 2013	1 January 2018	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii) AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
(iv) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation 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. This Standard is not expected to significantly impact the Council's financial statements.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v) AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	It is not expected to have a significant impact on Council. This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on Council.
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards. Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031. Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

Notes:

⁽¹⁾ 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 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUE AND EXPENSES	2014	2013
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of the annual financial report	24,325	18,150
- Audit of Acquittals	6,300	2,850
- Financial Management Review	0	8,000
- Assistance with the finalisation of the annual financial report	4,100	3,300
Depreciation		
Buildings	234,065	709,725
Specialised Buildings	535,124	0
Furniture and Equipment	2,122	0
Plant and Equipment	584,109	740,676
Roads	1,712,592	1,603,357
Footpaths	42,867	37,363
Drainage	7,113	6,880
Sewerage	22,882	22,781
Townscape	14,632	8,707
Aerodromes	21,582	13,686
Other	83,704	53,689
	<u>3,260,792</u>	<u>3,196,865</u>
Interest Expenses (Finance Costs)		
Debentures (refer Note 21 (a))	0	756
	<u>0</u>	<u>756</u>
Rental Charges		
- Operating Leases	0	8,509
	<u>0</u>	<u>8,509</u>
(ii) Crediting as Revenue:		
Significant Revenue		
Recreation and Culture	0	1,287,416
	<u>0</u>	<u>1,287,416</u>

This significant revenues in 2013 relate 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 and Type.

	2014	2014	2013
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Reserve Funds	162,210	167,950	198,148
- Other Funds	44,292	75,000	76,006
Other Interest Revenue (refer note 26)	58,024	35,000	46,840
	<u>264,526</u>	<u>277,950</u>	<u>320,994</u>

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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.

Community Vision

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

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

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

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

Activities:

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control, standpipes and building control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening		2012/13		2012/13		Closing	
		Balance ⁽¹⁾	Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Received ⁽²⁾	Expended ⁽³⁾	Balance ⁽¹⁾	Balance
Grant/Contribution	Function/ Activity	1/07/12	30/06/13	2012/13	2012/13	2013/14	2013/14	30/06/13	30/06/14
		\$	\$	\$	\$	\$	\$	\$	\$
DLG - Asset Mgmt	Governance	73,344	0	0	(59,038)	0	0	14,306	14,306
DLG - Strategic Planning	Governance	63,352	0	0	(35,612)	0	0	27,740	27,740
DLG - Long Term Financial Plan	Governance	50,000	0	0	(50,000)	0	0	0	0
Royalties for Regions - Regional	Housing	0	720,573	720,573	0	0	(720,573)	0	0
HVRIC	Transport	180,301	42,872	42,872	(86,364)	36,440	(109,927)	136,809	63,322
Country Local Govt Fund	Econ. Serv.	441,386	0	0	(441,386)	0	0	0	0
State Barrier Fence	Econ. Serv	370,000	0	0	(370,000)	0	0	0	0
Police Department	Comm. Safety	0	0	0	0	25,000	0	0	25,000
Total		1,178,383	763,445	763,445	(1,042,400)	61,440	(830,500)	899,428	130,368

Notes:

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

As of 30 June 2014 \$63,322 is included in HVRIC Reserve, \$67,046 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 2014

	Note	2014 \$	2013 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		433,895	1,068,847
Restricted		<u>4,443,038</u>	<u>6,301,727</u>
		<u>4,876,933</u>	<u>7,370,574</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Airport Reserve	11	114,686	74,646
Building Reserve	11	1,318,529	1,145,981
Community Bus Reserve	11	90,043	65,553
Computer Hardware & Software Reserve	11	0	46,348
Health Services Reserve	11	140,092	135,682
Home for the Aged Reserve	11	311,081	255,971
HVRIC Reserve	11	104,139	138,067
ICT & Furniture Equipment Reserve	11	64,508	0
Land Development Reserve	11	55,780	102,580
Long Service Leave Reserve	11	207,921	255,712
Mt Hampton/Dulyalbin Water Supply Reserve	11	24,395	31,394
Museum Reserve	11	10,189	13,739
Plant Replacement Reserve	11	400,000	1,044,059
Recreation Facility Reserve	11	699,006	677,006
Refuse Disposal Reserve	11	158,954	153,954
Sewerage Reserve	11	557,767	500,916
Tourism Reserve	11	56,740	0
Unspent Grants Reserve	11	67,046	1,654,877
Youth Development Reserve	11	<u>62,162</u>	<u>5,242</u>
		<u>4,443,038</u>	<u>6,301,727</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		379,120	202,997
Sundry Debtors		273,716	172,967
GST Receivable		52,854	52,588
Loans - Clubs/Institutions		6,000	6,000
Accrued Income		15,876	13,581
less Provision for Doubtful Debts		<u>(43,674)</u>	<u>(40,819)</u>
		<u>683,892</u>	<u>407,314</u>
Non-Current			
Rates Outstanding - Pensioners		26,603	19,856
Loans - Clubs/Institutions		<u>31,500</u>	<u>37,500</u>
		<u>58,103</u>	<u>57,356</u>
5. INVENTORIES			
Current			
Fuel and Materials		<u>55,615</u>	<u>24,813</u>
		<u>55,615</u>	<u>24,813</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2013 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2012	900,500	900,500
- Additions after Valuation - Cost	<u>77,062</u>	<u>77,062</u>
	977,562	977,562
Land Vested In and Under the Control of Council at:		
- Cost	<u>1,053,475</u>	<u>1,053,475</u>
	1,053,475	1,053,475
Total Land	<u><u>2,031,037</u></u>	<u><u>2,031,037</u></u>
Buildings at:		
- Independent Valuation 2012	8,801,500	8,801,500
- Additions after Valuation - Cost	721,297	153,716
Less: Accumulated Depreciation	<u>(899,885)</u>	<u>(665,820)</u>
	8,622,912	8,289,396
Specialised Buildings at:		
- Independent Valuation 2012	8,603,900	8,603,900
- Additions after Valuation - Cost	2,168,886	2,148,202
Less: Accumulated Depreciation	<u>(1,057,130)</u>	<u>(522,006)</u>
	9,715,656	10,230,096
Total Buildings	<u><u>18,338,568</u></u>	<u><u>18,519,492</u></u>
Total Land and Buildings	<u><u>20,369,605</u></u>	<u><u>20,550,529</u></u>
Furniture and Equipment at:		
- Management Valuation 2013	39,253	39,253
- Additions after Valuation - Cost	10,538	0
Less Accumulated Depreciation	<u>(2,122)</u>	<u>0</u>
	47,669	39,253
Plant and Equipment at:		
- Management Valuation 2013	4,692,241	5,094,241
- Additions after Valuation - Cost	924,421	0
Less Accumulated Depreciation	<u>(560,423)</u>	<u>0</u>
	5,056,239	5,094,241
	<u><u>25,473,513</u></u>	<u><u>25,684,023</u></u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

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 together with Land Vested In and Under the Control of Council (which was recognised at deemed cost in 2013 as required by Local Government (Financial Management) Regulation 16) by 30th June 2015 and will be subject to the requirements of AASB13 upon revaluation.

Furniture and Equipment

Plant and Equipment:

Both Furniture & Equipment and Plant and Equipment were revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Whilst the additions at that time are shown at cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered in accordance with Local Government (Financial Management) Regulation 17A (2) which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at note 1(f).

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Freehold Land (Level 2)	977,562	0	0	0	977,562
Land Vested In and Under the Control of Council Total Land	<u>1,053,475</u> 2,031,037	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>1,053,475</u> 2,031,037
Buildings (Level 2)	8,289,396	567,581	0	(234,065)	8,622,912
Specialised Buildings (Level 3) Total Buildings	<u>10,230,096</u> 18,519,492	<u>20,684</u> 588,265	<u>0</u> 0	<u>(535,124)</u> (769,189)	<u>9,715,656</u> 18,338,568
Total Land and Buildings	<u>20,550,529</u>	<u>588,265</u>	<u>0</u>	<u>(769,189)</u>	<u>20,369,605</u>
Furniture and Equipment (Level 3)	39,253	10,538	0	(2,122)	47,669
Plant and Equipment (Level 2) Total Property, Plant and Equipment	<u>5,094,241</u> 25,684,023	<u>924,421</u> 1,523,224	<u>(378,314)</u> (378,314)	<u>(584,109)</u> (1,355,420)	<u>5,056,239</u> 25,473,513

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2013 \$
7. INFRASTRUCTURE		
Roads		
- Management Valuation 2014	230,872,330	0
- Cost	0	79,584,804
Less Accumulated Depreciation	0	(36,289,328)
	<u>230,872,330</u>	<u>43,295,476</u>
Footpaths		
- Management Valuation 2014	2,096,168	0
- Cost	0	517,723
Less Accumulated Depreciation	0	(363,908)
	<u>2,096,168</u>	<u>153,815</u>
Drainage		
- Management Valuation 2014	75,983,762	0
- Cost	0	548,079
Less Accumulated Depreciation	0	(93,524)
	<u>75,983,762</u>	<u>454,555</u>
Refuse Site		
- Management Valuation 2014	987,627	0
- Cost	0	341,733
Less Accumulated Depreciation	0	0
	<u>987,627</u>	<u>341,733</u>
Sewerage		
- Management Valuation 2014	9,353,975	0
- Cost	0	1,724,228
Less Accumulated Depreciation	0	(518,467)
	<u>9,353,975</u>	<u>1,205,761</u>
Townscape		
- Management Valuation 2014	152,967	0
- Cost	0	698,510
Less Accumulated Depreciation	0	(84,511)
	<u>152,967</u>	<u>613,999</u>
Parks & Ovals		
- Management Valuation 2014	584,585	0
- Cost	0	417,059
Less Accumulated Depreciation	0	(179,100)
	<u>584,585</u>	<u>237,959</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2013 \$
7. INFRASTRUCTURE (Continued)		
Aerodromes		
- Management Valuation 2014	595,784	0
- Cost	0	613,053
Less Accumulated Depreciation	<u>0</u>	<u>(38,415)</u>
	595,784	574,638
Other		
- Management Valuation 2014	1,416,620	0
- Cost	0	1,737,672
Less Accumulated Depreciation	<u>0</u>	<u>(208,419)</u>
	1,416,620	1,529,253
	<u>322,043,818</u>	<u>48,407,189</u>

Roads:

Footpaths:

Drainage:

Refuse Site:

Sewerage:

Townscape:

Parks & Ovals:

Aerodromes:

Other:

The Shires infrastructures assets were revalued in June 2014 by management.

These were valued having regard for their current replacement cost using both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, these assets are deemed to have been valued using Level 3 inputs.

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

The revaluation of these assets resulted in an overall increase of \$272,794,600 in the net value of the Shire's infrastructure assets. \$273,493,691 was credited to the revaluation surplus in the Shire's equity (refer Note 12 for further details) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income. \$699,091 was debited and recognised as a Loss on Revaluation of Non-Current Assets in the Statement of Comprehensive Income. Refer to the previous page for details.

**SHIRE OF YILGARN
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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.

	Balance as at the Beginning of the Year \$	Additions \$	Revaluation Increments/ (Decrements) \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Roads	(Level 2) 43,295,476	2,397,130	186,892,316	(1,712,592)	230,872,330
Footpaths	(Level 2) 153,815	19,842	1,965,378	(42,867)	2,096,168
Drainage	(Level 2) 454,555	0	75,536,320	(7,113)	75,983,762
Refuse Site	(Level 2) 341,733	0	645,894	0	987,627
Sewerage	(Level 2) 1,205,761	63,939	8,107,157	(22,882)	9,353,975
Townscape	(Level 2) 613,999	38,289	(484,689)	(14,632)	152,967
Parks & Ovals	(Level 2) 237,959	0	346,626	0	584,585
Aerodromes	(Level 2) 574,638	212,976	(170,248)	(21,582)	595,784
Other	(Level 2) 1,529,253	15,225	(44,154)	(83,704)	1,416,620
Total	<u>48,407,189</u>	<u>2,747,401</u>	<u>272,794,600</u>	<u>(1,905,373)</u>	<u>322,043,818</u>

**SHIRE OF YILGARN
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	2014	2013
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	17,104	496,285
Accrued Expenses	0	9,815
Accrued Salaries and Wages	79,567	67,080
ESL Liability	443	2,232
FBT Liability	11,110	4,935
PAYG Liability	39,860	38,013
	<u>148,084</u>	<u>618,360</u>

9. LONG-TERM BORROWINGS

The Shire did not have any long term borrowings at the reporting date.

10. PROVISIONS

Analysis of Total Provisions

Current	561,246	492,966
Non-Current	23,010	29,198
	<u>584,256</u>	<u>522,164</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2013	279,888	242,276	522,164
Additional provision	44,680	17,412	62,092
Balance at 30 June 2014	<u>324,568</u>	<u>259,688</u>	<u>584,256</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED			
(a) Airport Reserve			
Opening Balance	74,646	74,646	145,766
Amount Set Aside / Transfer to Reserve	40,040	40,040	52,981
Amount Used / Transfer from Reserve	0	0	(124,101)
	<u>114,686</u>	<u>114,686</u>	<u>74,646</u>
(b) Building Reserve			
Opening Balance	1,145,981	1,145,982	389,217
Amount Set Aside / Transfer to Reserve	253,548	297,419	806,343
Amount Used / Transfer from Reserve	(81,000)	(244,480)	(49,579)
	<u>1,318,529</u>	<u>1,198,921</u>	<u>1,145,981</u>
(c) Community Bus Reserve			
Opening Balance	65,553	65,553	56,447
Amount Set Aside / Transfer to Reserve	24,490	24,490	9,106
Amount Used / Transfer from Reserve	0	0	0
	<u>90,043</u>	<u>90,043</u>	<u>65,553</u>
(d) Computer Hardware & Software Reserve			
Opening Balance	46,348	46,348	29,418
Amount Set Aside / Transfer to Reserve	1,041	0	16,930
Amount Used / Transfer from Reserve	(47,389)	(46,348)	0
	<u>0</u>	<u>0</u>	<u>46,348</u>
(e) Health Services Reserve			
Opening Balance	135,682	135,682	129,420
Amount Set Aside / Transfer to Reserve	4,410	4,410	6,262
Amount Used / Transfer from Reserve	0	0	0
	<u>140,092</u>	<u>140,092</u>	<u>135,682</u>
(f) Home for the Aged Reserve			
Opening Balance	255,971	255,971	205,331
Amount Set Aside / Transfer to Reserve	55,110	55,110	50,640
Amount Used / Transfer from Reserve	0	0	0
	<u>311,081</u>	<u>311,081</u>	<u>255,971</u>
(g) HVRIC Reserve			
Opening Balance	138,067	70,102	113,594
Amount Set Aside / Transfer to Reserve	(14,696)	76,000	112,837
Amount Used / Transfer from Reserve	(19,232)	(109,927)	(88,364)
	<u>104,139</u>	<u>36,175</u>	<u>138,067</u>
(h) ICT & Furniture Equipment Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	88,508	64,508	0
Amount Used / Transfer from Reserve	(24,000)	0	0
	<u>64,508</u>	<u>64,508</u>	<u>0</u>
(i) Land Development Reserve			
Opening Balance	102,580	102,581	175,346
Amount Set Aside / Transfer to Reserve	(46,800)	3,200	58,484
Amount Used / Transfer from Reserve	0	(50,000)	(131,250)
	<u>55,780</u>	<u>55,781</u>	<u>102,580</u>
(j) Long Service Leave Reserve			
Opening Balance	255,712	255,712	255,219
Amount Set Aside / Transfer to Reserve	(10,806)	8,160	12,349
Amount Used / Transfer from Reserve	(36,985)	(55,950)	(11,856)
	<u>207,921</u>	<u>207,922</u>	<u>255,712</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED (Continued)			
(k) Mt Hampton/Dulyalbin Water Supply Reserve			
Opening Balance	31,394	31,394	27,032
Amount Set Aside / Transfer to Reserve	(6,999)	3,000	4,362
Amount Used / Transfer from Reserve	0	(10,000)	0
	<u>24,395</u>	<u>24,394</u>	<u>31,394</u>
(l) Museum Reserve			
Opening Balance	13,739	13,739	16,388
Amount Set Aside / Transfer to Reserve	4,296	1,450	4,603
Amount Used / Transfer from Reserve	(7,846)	0	(7,252)
	<u>10,189</u>	<u>15,189</u>	<u>13,739</u>
(m) Plant Replacement Reserve			
Opening Balance	1,044,059	1,044,059	828,270
Amount Set Aside / Transfer to Reserve	(56,056)	635,110	531,548
Amount Used / Transfer from Reserve	(588,003)	(751,900)	(315,759)
	<u>400,000</u>	<u>927,269</u>	<u>1,044,059</u>
(n) Recreation Facility Reserve			
Opening Balance	677,006	677,006	1,026,710
Amount Set Aside / Transfer to Reserve	22,000	22,000	346,822
Amount Used / Transfer from Reserve	0	0	(696,526)
	<u>699,006</u>	<u>699,006</u>	<u>677,006</u>
(o) Refuse Disposal Reserve			
Opening Balance	153,954	153,953	146,849
Amount Set Aside / Transfer to Reserve	5,000	5,000	7,105
Amount Used / Transfer from Reserve	0	0	0
	<u>158,954</u>	<u>158,953</u>	<u>153,954</u>
(p) Sewerage Reserve			
Opening Balance	500,916	500,917	421,085
Amount Set Aside / Transfer to Reserve	125,490	62,008	281,519
Amount Used / Transfer from Reserve	(68,639)	(5,157)	(201,688)
	<u>557,767</u>	<u>557,768</u>	<u>500,916</u>
(q) Tourism Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	256,740	256,740	0
Amount Used / Transfer from Reserve	(200,000)	0	0
	<u>56,740</u>	<u>256,740</u>	<u>0</u>
(r) Unspent Grants Reserve			
Opening Balance	1,654,877	1,678,792	998,082
Amount Set Aside / Transfer to Reserve	25,000	0	1,612,831
Amount Used / Transfer from Reserve	(1,612,831)	(1,612,831)	(956,036)
	<u>67,046</u>	<u>65,961</u>	<u>1,654,877</u>
(q) Youth Development Reserve			
Opening Balance	5,242	5,242	5,000
Amount Set Aside / Transfer to Reserve	256,920	256,920	242
Amount Used / Transfer from Reserve	(200,000)	0	0
	<u>62,162</u>	<u>262,162</u>	<u>5,242</u>
TOTAL RESERVES	<u>4,443,038</u>	<u>5,186,651</u>	<u>6,301,727</u>
Total Opening Balance	6,301,727	6,257,679	4,969,174
Total Amount Set Aside / Transfer to Reserve	1,027,236	1,815,565	3,914,964
Total Amount Used / Transfer from Reserve	(2,885,925)	(2,886,593)	(2,582,411)
TOTAL RESERVES	<u>4,443,038</u>	<u>5,186,651</u>	<u>6,301,727</u>

**SHIRE OF YILGARN
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FOR THE YEAR ENDED 30TH JUNE 2014**

11. RESERVES - CASH BACKED (Continued)

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

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

- (a) Airport Reserve
 - to be used for the upkeep and any major upgrade works to the Southern Cross Airport.
- (b) Building Reserve
 - to be used for major construction and improvements to Council's Buildings.
- (c) Community Bus Reserve
 - to provide a conduit Reserve for the proceeds from the hire of the Yilgarn Community Bus.
- (d) Computer Hardware & Software Reserve
 - to be used to provide funds for the future management of Council's computer systems.
- (e) Health Services Reserve
 - to be used to fund and maintain the Health Service GP practice and associated assets in Southern Cross.
- (f) Home 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.
- (g) HVRIC Reserve
 - to provide adequate disclosure of funds received under the HVRIC and the relevant roads that funds are to be expended on.
- (h) ICT & Furniture Equipment Reserve
 - to be used to provide funds for the future of the Council's computer systems and furniture and equipment.
- (i) Land Development Reserve
 - to be used for the acquisition of land in the Southern Cross townsite for future expansion of the town.
- (j) 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.
- (k) 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.
- (l) Museum Reserve
 - monies held on behalf of the Yilgarn History Museum for their purpose and use as required.
- (m) Plant Replacement Reserve
 - to be used for the purchase of major plant.
- (n) Recreation Facility Reserve
 - to be used to fund any major projects relating to Recreation within the community.
- (o) 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.
- (p) 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
- (q) Tourism Reserve
 - to be used to fund tourism in the Yilgarn District.
- (r) Unspent Grants Reserve
 - to provide adequate record keeping and disclosure of tied grants received, the source of funds and related expenditure.
- (s) 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 2014

12. REVALUATION SURPLUS	2014	2013
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land & Buildings		
Opening Balance	10,549,173	10,549,173
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>10,549,173</u>	<u>10,549,173</u>
(b) Plant & Equipment		
Opening Balance	707,586	0
Revaluation Increment	0	707,586
Revaluation Decrement	0	0
	<u>707,586</u>	<u>707,586</u>
(c) Furniture & Equipment		
Opening Balance	39,253	0
Revaluation Increment	0	39,253
Revaluation Decrement	0	0
	<u>39,253</u>	<u>39,253</u>
(d) Roads:		
Opening Balance	0	0
Revaluation Increment	186,892,316	0
Revaluation Decrement	0	0
	<u>186,892,316</u>	<u>0</u>
(e) Footpaths:		
Opening Balance	0	0
Revaluation Increment	1,965,378	0
Revaluation Decrement	0	0
	<u>1,965,378</u>	<u>0</u>
(f) Drainage:		
Opening Balance	0	0
Revaluation Increment	75,536,320	0
Revaluation Decrement	0	0
	<u>75,536,320</u>	<u>0</u>
(g) Refuse Site:		
Opening Balance	0	0
Revaluation Increment	645,894	0
Revaluation Decrement	0	0
	<u>645,894</u>	<u>0</u>
(h) Sewerage:		
Opening Balance	0	0
Revaluation Increment	8,107,157	0
Revaluation Decrement	0	0
	<u>8,107,157</u>	<u>0</u>
(i) Parks & Ovals:		
Opening Balance	0	0
Revaluation Increment	346,626	0
Revaluation Decrement	0	0
	<u>346,626</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>284,789,703</u></u>	<u><u>11,296,012</u></u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>4,876,933</u>	<u>5,642,651</u>	<u>7,370,574</u>

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

Net Result	(1,844,902)	486,079	2,397,769
Depreciation	3,260,792	3,277,400	3,196,865
(Profit)/Loss on Sale of Asset	119,272	(62,669)	(91,816)
(Increase)/Decrease in Receivables	(283,325)	95,570	(157,162)
(Increase)/Decrease in Inventories	(30,802)	2,050	(9,814)
Increase/(Decrease) in Payables	(470,276)	101,925	374,620
Increase/(Decrease) in Employee Provisions	62,092	6,000	87,201
Grants Contributions for the Development of Assets	(1,413,504)	(2,657,849)	(2,265,010)
Loss on Revaluation of Non-Current Assets	699,091	0	0
Non-Current Assets recognised due to changes in legislative requirements	0	0	(1,287,416)
Net Cash from Operating Activities	<u>98,438</u>	<u>1,248,506</u>	<u>2,245,237</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

	2014 \$	2013 \$
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>10,000</u>	<u>10,000</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

14. CONTINGENT LIABILITIES

The Shire of Yilgarn has no known contingent liabilities.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014	2013
	\$	\$
Governance	1,027,094	1,707,456
General Purpose Funding	379,120	1,115,111
Law, Order, Public Safety	1,928,982	2,016,143
Health	636,273	657,390
Education and Welfare	3,036,702	3,144,956
Housing	4,086,125	3,100,274
Community Amenities	87,743,566	3,314,533
Recreation and Culture	12,685,678	14,051,574
Transport	236,062,599	46,160,767
Economic Services	1,185,865	2,237,478
Other Property and Services	3,925,929	3,840,492
Unallocated	493,941	605,095
	<u>353,191,874</u>	<u>81,951,269</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

18. FINANCIAL RATIOS	2014	2013	2012
Current Ratio	2.340	1.671	4.235
Asset Sustainability Ratio	0.662	1.252	0.993
Debt Service Cover Ratio	N/A	72.359	96.458
Operating Surplus Ratio	(0.468)	0.030	0.281
Own Source Revenue Coverage Ratio	0.570	0.471	0.705

The above ratios are calculated as follows:

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

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 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 and Structures under the Shire's control in accordance with amendments to the Financial Management Regulations (refer to Notes 1(f), and 2(a)(ii) for further details).

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

This item of significant revenue is considered to be "one-off" and 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 2014

19. TRUST FUNDS

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

	Balance 1 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
Police Licensing	9,509	671,937	(681,446)	0
Builders Levy (BCITF)	573	2,628	0	3,201
Trans WA Bookings	5,965	24,652	(27,430)	3,187
Staff Personal Deductions	24,012	24,184	(24,196)	24,000
Housing Tenancy Bonds	8,860	1,760	(1,610)	9,010
Hall Hire Bonds and Deposits	2,225	1,490	(1,453)	2,262
Security Key System Bonds	1,130	900	(350)	1,680
Skeleton Weed Group	29,930	24,081	(18,134)	35,877
Clubs and Groups (Wound -Up)	11,070	2,366	(65)	13,371
Rates Overpaid	6,386	2,200	(4,017)	4,569
Third Party Contributions	5,628	0	0	5,628
Medical Services Provision	0	50,000	(14,907)	35,093
YBTC Sinking Fund	0	6,666	0	6,666
Dunp Point	0	23	0	23
Council Nomination Deposits	0	480	(480)	0
	<u>105,288</u>			<u>144,567</u>

20. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Law, Order, Public Safety						
P5128 - Bodallin 2.4 Truck	0	2,170	0	2,170	0	0
P5129 - Marvel Loch 2.4 Truck	0	2,170	0	2,170	0	0
Transport						
YL296 Grader (Volvo)	96,630	70,810	80,000	60,000	(16,630)	(10,810)
YL326 Loader (CAT950H)	174,176	74,238	105,000	99,500	(69,176)	25,262
YL363 - 4x4 Ute (Handyman)	16,911	3,588	14,091	15,000	(2,820)	11,412
Other Property and Services						
MWS 4WD - Toyota Prado (YL150)	50,597	19,722	41,309	44,000	(9,288)	24,278
DCEO - Toyota Kluger (YL50)	40,000	10,073	18,642	22,600	(21,358)	12,527
	<u>378,314</u>	<u>182,771</u>	<u>259,042</u>	<u>245,440</u>	<u>(119,272)</u>	<u>62,669</u>

Profit	0	73,479
Loss	<u>(119,272)</u>	<u>(10,810)</u>
	<u>(119,272)</u>	<u>62,669</u>

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Council did not have any debentures as at 30th June 2014.

(b) New Debentures - 2013/14

The Shire did not take up any new debentures during the year ended 30 June 2014.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2014.

(d) Overdraft

Council does not have an overdraft facility in place.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates		Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
RATE TYPE												
Differential General Rate												
GRV - Townsite (Residential/Industrial)	0.1007	416	3,106,476	312,822	(9,020)	0	0	303,802	312,822	0	0	312,822
GRV - Commercial	0.0689	33	1,144,448	78,852	0	0	0	78,852	78,852	0	0	78,852
GRV - Minesite	0.3811	14	202,828	77,298	0	0	0	77,298	77,298	0	0	77,298
GRV - Single Persons Quarters	0.3811	8	2,543,372	969,279	0	0	0	969,279	969,279	0	0	969,279
UV - Rural	0.0169	401	86,123,626	1,455,489	(3,216)	0	0	1,452,273	1,455,489	0	0	1,455,489
UV - Mining	0.2014	429	7,364,462	1,483,203	(468,860)	0	0	1,014,343	1,483,203	0	0	1,483,203
Sub-Totals		1,301	100,485,212	4,376,943	(481,096)	0	0	3,895,847	4,376,943	0	0	4,376,943
Minimum Payment												
GRV - Townsite (Residential/Industrial)	360	100	85,756	36,000	(36,000)	0	0	0	36,000	0	0	36,000
GRV - Commercial	360	7	19,839	2,520	0	0	0	2,520	2,520	0	0	2,520
GRV - Minesite	360	4	1,280	1,440	0	0	0	1,440	1,440	0	0	1,440
GRV - Single Persons Quarters	360	4	1,825	1,440	0	0	0	1,440	1,440	0	0	1,440
UV - Rural	360	38	328,735	13,680	0	0	0	13,680	13,680	0	0	13,680
UV - Mining	360	406	296,058	146,160	(7,401)	0	0	138,759	146,160	0	0	146,160
Sub-Totals		559	733,493	201,240	(43,401)	0	0	157,839	201,240	0	0	201,240
Ex-Gratia Rates								4,053,686				4,578,183
Discounts (refer note 25.)								24,215				24,215
Movement in Excess Rates								(78,370)				(112,000)
Total Amount Raised From General Rate								25,053				4,490,398

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)

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

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
Surplus/(Deficit) 1 July 13 Brought Forward	<u>665,993</u>	<u>639,360</u>	<u>639,360</u>
Comprises:			
Cash and Cash Equivalents			
Unrestricted	433,895	1,068,847	1,068,847
Restricted	4,443,038	6,301,727	6,301,727
Receivables			
Rates Outstanding	379,120	202,997	202,997
Sundry Debtors	273,716	172,967	172,967
GST Receivable	52,854	52,588	52,588
Loans - Clubs/Institutions	6,000	6,000	6,000
Accrued Income	15,876	13,581	13,581
less Provision for Doubtful Debts	(43,674)	(40,819)	(40,819)
Inventories			
Fuel and Materials	55,615	24,813	24,813
Less:			
Trade and other Payables			
Sundry Creditors	(17,104)	(496,285)	(496,285)
Accrued Expenses	0	(9,815)	(9,815)
Accrued Salaries and Wages	(79,567)	(67,080)	(67,080)
ESL Liability	(443)	(2,232)	(2,232)
FBT Liability	(11,110)	(4,935)	(4,935)
PAYG Liability	(39,860)	(38,013)	(38,013)
Provisions			
Provision for Annual Leave	(324,567)	(279,888)	(279,888)
Provision for Long Service Leave	(236,679)	(213,078)	(213,078)
Net Current Assets	<u>4,907,110</u>	<u>6,691,375</u>	<u>6,691,375</u>
Less:			
Reserves - Restricted Cash	(4,443,038)	(6,301,727)	(6,301,727)
Loans - Clubs/Institutions	(6,000)	(6,000)	(6,000)
Add:			
Component of Leave Liability not required to be funded.	207,921	255,712	255,712
Surplus/(Deficit)	<u>665,993</u>	<u>639,360</u>	<u>639,360</u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

23. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Shire did not impose any service charges.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2013/14 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	78,370	112,000
			78,370	112,000

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 - 2013/14 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	58,024	34,500
Interest on Instalments Plan	5.50%	N/A	0	500
Charges on Instalment Plan	N/A	10	11,010	6,000
			69,034	41,000

Ratepayers had the option of paying rates in four equal instalments, due on 4th September 2013, 6th November 2013, 10th January 2014 and 14th March 2014. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2014 \$	2013 \$
General Purpose Funding	14,032	8,818
Law, Order, Public Safety	6,204	1,945
Health	1,400	11,477
Education & Welfare	101,828	109,487
Housing	47,785	60,270
Community Amenities	477,032	543,632
Recreation and Culture	23,505	21,918
Transport	7,054	90,318
Economic Services	27,874	92,145
Other Property and Services	296,946	108,211
	<u>1,003,660</u>	<u>1,048,222</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 2014

28. GRANT REVENUE

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

	2014	2013
By Nature or Type:	\$	\$
Operating Grants, Subsidies and Contributions	1,566,674	2,348,993
Non-Operating Grants, Subsidies and Contributions	1,413,504	2,265,010
	<u>2,980,178</u>	<u>4,614,003</u>
By Program:		
Governance	0	26,185
General Purpose Funding	849,423	2,323,629
Law, Order, Public Safety	81,556	91,290
Health	16,591	59,927
Education and Welfare	121,357	128,258
Community Amenities	500	11,455
Recreation and Culture	18,075	261,586
Transport	1,661,116	1,492,415
Economic Services	193,882	193,011
Other Property and Services	37,678	26,247
	<u>2,980,178</u>	<u>4,614,003</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>40</u>	<u>40</u>
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30. ELECTED MEMBERS REMUNERATION

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

	2014	2014	2013
	\$	Budget	\$
		\$	
Meeting Fees	23,900	19,200	13,698
President's Allowance	6,750	6,750	6,490
Deputy President's Allowance	1,688	1,688	1,625
Travelling Expenses	7,504	5,500	6,838
	<u>39,842</u>	<u>33,138</u>	<u>28,651</u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	4,876,933	7,370,574	4,876,933	7,370,574
Receivables	741,995	464,670	741,995	464,670
	<u>5,618,928</u>	<u>7,835,244</u>	<u>5,618,928</u>	<u>7,835,244</u>
Financial Liabilities				
Payables	148,084	618,360	148,084	618,360
	<u>148,084</u>	<u>618,360</u>	<u>148,084</u>	<u>618,360</u>

Fair value is determined as follows:

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

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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 fund with recognised Australian Banking Corporations.

	2014	2013
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	69,663	74,169
- Statement of Comprehensive Income	69,663	74,169

Notes:

⁽¹⁾ 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 2014**

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:

	2014	2013
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100%	100.00%
Percentage of Other Receivables		
- Current	93.79%	92.29%
- Overdue	6.21%	7.71%

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

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

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>2014</u>					
Payables	148,084	0	0	148,084	148,084
	<u>148,084</u>	<u>0</u>	<u>0</u>	<u>148,084</u>	<u>148,084</u>
<u>2013</u>					
Payables	618,360	0	0	618,360	618,360
	<u>618,360</u>	<u>0</u>	<u>0</u>	<u>618,360</u>	<u>618,360</u>

**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 2014, 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. Those 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 management, 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 2014 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

**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 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.

Date: 11 December 2014
Perth, WA

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

**SHIRE OF YILGARN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014**

RATIO INFORMATION

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

	2014	2013	2012
Asset Consumption Ratio	0.993	0.648	N/A
Asset Renewal Funding Ratio	1.287	1.282	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio $\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$

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

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