

SHIRE OF LEONORA

NOTICE OF AN ORDINARY COUNCIL MEETING



**MINUTES OF ORDINARY MEETING HELD
IN SHIRE CHAMBERS, LEONORA
ON TUESDAY 20TH OCTOBER, 2015
COMMENCING AT 9:35AM**

1.0 DECLARATION OF OPENING / ANNOUNCEMENTS OF VISITORS / FINANCIAL INTEREST DISCLOSURE

1.1 Mr JG Epis declared the meeting open at 9:35am.

1.2 Elections

1.2.1 President

Mr JG Epis advised of the nominations received for the office of President.

One nomination was received from PJ Craig.

Mr JG Epis called for any further nominations.

There being no further nominations, Cr PJ Craig was declared elected as President.

Cr PJ Craig was sworn in as President, witnessed by Mr JG Epis. Cr PJ Craig assumed the chair.

1.2.2 Deputy President

Cr PJ Craig advised of the nominations received for the office of Deputy President.

Nominations were received from RA Norrie and MWV Taylor.

Cr PJ Craig called for any further nominations.

There being no further nominations, a secret ballot was held for the office of Deputy President.

Mr JG Epis collected ballot papers, and advised that RA Norrie received three votes, and MWV Taylor received four votes. MWV Taylor was declared elected as Deputy President.

Cr MWV Taylor was sworn in as Deputy President, witnessed by Mr JG Epis.

1.2.3 WALGA State Council Delegations

Mr JG Epis advised that previously, zone delegates for WALGA Goldfields Esperance Zone have been the Shire President, and Chief Executive Officer. In the absence of the Shire President, the Deputy President would attend and assume voting rights, and in the absence of the Chief Executive Officer, the Deputy Chief Executive Officer would attend and assume voting rights. New delegations to the zone need to be advised as soon as practicable.

It was agreed that zone delegations will continue as per previous arrangement noted above.

1.3 Visitors or members of the public in attendance

Cr PJ Craig welcomed Mr M Van Der Merwe, Auditor, Butler Settineri, fulfilling annual requirement for the auditor to meet with Council once per year.

At 11:00am: Representation from Cameco Australia (Amanda Walker, Simon Williamson and Colin Tinnell) providing brief on the Public Environmental Review documentation for their Yeelirrie Uranium Project.

1.4 Financial Interests Disclosure

Nil

2.0 DISCLAIMER NOTICE

3.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

3.1 Present	
President	PJ Craig
Councillors	RM Cotterill
	LR Petersen
	MWV Taylor
	RA Norrie
	GW Baker
	AE Taylor
Chief Executive Officer	JG Epis
Deputy Chief Executive Officer	TM Browning
Manager of Community Services	SG Butson
Visitors:	
Butler Settineri	M Van Der Merwe (until 10:30am)
Cameco Australia	A Walker, S Williamson and C Tinkell (from 10:58am until 12:08pm)

3.2 Apologies

Nil

3.3 Leave Of Absence (Previously Approved)

Nil

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Nil

6.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7.0 PETITIONS / DEPUTATIONS / PRESENTATIONS

Cr PJ Craig welcomed Mr Van Der Merwe to the meeting, and invited him to address Council.

Mr Van Der Merwe provided the following information to the Council:

- Legislative requirement for Council to meet with its auditor once every twelve months, and considered and opportune time to do this was after providing audit report and management report to Council. In person meeting with Council provides good opportunity for elected members to ask questions directly.
- Advised that an unqualified audit report, with no points of statutory non compliance had been issued the week prior to the meeting following final audit for 2014/15.
- Discussed with Council the major item requiring review during 2014/15, being revaluation of infrastructure assets.
- Advised that result for the Shire of Leonora had been very good, and that works associated with the audit had been done well.
- Discussed points within the management report issued, including segregation of duties and operating surplus ratio. Staff advised that these matters would be discussed also during the next audit & risk committee meeting.
- Highlighted the importance of Integrated Planning and Reporting (IPR) Framework and importance of properly resourcing this work (it carries significant importance)
- Discussed materiality threshold (set at \$290,000, or 3% of outgoings) and requested that audit committee discuss this further to ensure that they are satisfied with the threshold being used.

Cr PJ Craig thanked Mr Van Der Merwe for his presentation.

Cr PJ Craig adjourned the meeting at 10:30am for a morning tea break.

Cr PJ Craig reconvened the meeting at 10:58am, with those previously listed in the attendance report present, except for Mr Van Der Merwe, who had left the meeting.

Ms A Walker, Mr S Williamson and Mr C Tinckell, of Cameco Australia, entered the meeting at 10:58am.

Cr PJ Craig welcomed representatives of Cameco Australia to the meeting and invited them to address Council. Mr S Williamson thanked Cr PJ Craig, and made a presentation to Council on the Public Environmental Review documentation for their Yeelirrie Uranium Project.

Cr PJ Craig thanked Mr Williamson, Mr Tinckell and Ms Walker of Cameco Australia for their presentation to Council and attendance at the meeting.

Mr Williamson, Mr Tinckell and Ms Walker left the meeting at 12:08pm.

8.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETINGS

Moved Cr GW Baker, Seconded Cr RA Norrie that the Minutes of the Ordinary Meeting held on 15th September, 2015 be confirmed as a true and accurate record, subject to the following correction:

CARRIED (7 VOTES TO 0)

9.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

10.0 REPORTS OF OFFICERS
10.2 DEPUTY CHIEF EXECUTIVE OFFICER
10.2(A) MONTHLY FINANCIAL STATEMENTS

SUBMISSION TO: Meeting of Council
Meeting Date: 20 October, 2015

AGENDA REFERENCE: 10.2 (A) OCT 15

SUBJECT: Monthly Financial Statements

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: Shire of Leonora

FILE REFERENCE: Nil

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Tanya Browning

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 12 October, 2015

BACKGROUND

In complying with the Local Government Financial Management Regulations 1996, a monthly statement of financial activity must be submitted to an Ordinary Council meeting within 2 months after the end of the month to which the statement relates. The statement of financial activity is a complex document but gives a complete overview of the “cash” financial position as at the end of each month. The statement of financial activity for each month must be adopted by Council and form part of the minutes.

It is understood that parts of the statement of financial activity have been submitted to Ordinary Council meetings previously. In reviewing the Regulations the complete statement of financial activity is to be submitted, along with the following reports that are not included in the statement.

Monthly Financial Statements submitted for adoption include:

- (a) Statement of Financial Activity – 30 September, 2015
- (b) Compilation Report
- (c) Material Variances – 30 September, 2015

The monthly statement of financial activity was not available for distribution at the time that this agenda went to print. This report will be printed and distributed prior to the meeting.

STATUTORY ENVIRONMENT

Part 4 — Financial reports— s. 6.4

34. *Financial activity statement report – s. 6.4*

(1A) *In this regulation —*

committed assets means revenue unspent but set aside under the annual budget for a specific purpose.

34. (1) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —*

- (a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);*

- (b) *budget estimates to the end of the month to which the statement relates;*
 - (c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
 - (d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
 - (e) *the net current assets at the end of the month to which the statement relates.*
34. (2) *Each statement of financial activity is to be accompanied by documents containing —*
- (a) *an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;*
 - (b) *an explanation of each of the material variances referred to in subregulation (1)(d); and*
 - (c) *such other supporting information as is considered relevant by the local government.*
34. (3) *The information in a statement of financial activity may be shown —*
- (a) *according to nature and type classification; or*
 - (b) *by program; or*
 - (c) *by business unit.*
34. (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —*
- (a) *presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*
 - (b) *recorded in the minutes of the meeting at which it is presented.*
34. (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report.

STRATEGIC IMPLICATIONS

There are no strategic implications resulting from the recommendation of this report.

RECOMMENDATIONS

That the Monthly Financial Statements for the month ended 30 September, 2015 consisting of:

- (a) Statement of Financial Activity – 30 September, 2015
- (b) Compilation Report
- (c) Material Variances – 30 September, 2015

be accepted.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr RA Norrie, Seconded Cr RM Cotterill that the Monthly Financial Statements for the month ended 30 September, 2015 consisting of:

- (a) Statement of Financial Activity – 30 September, 2015
- (b) Compilation Report
- (c) Material Variances – 30 September, 2015

CARRIED (7 VOTES TO 0)

Mr Jim Epis
The Chief Executive Officer
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COMPILATION REPORT TO THE SHIRE OF LEONORA

We have compiled the accompanying Local Government special purpose financial statements of the Shire of Leonora, which comprise the Statement of Financial Activity (by Statutory Reporting Program), a summary of significant accounting policies and other explanatory notes for the period ending 30 September 2015. The financial statements have been compiled to meet compliance with the *Local Government Act 1995* and associated Regulations.

THE RESPONSIBILITY OF THE SHIRE OF LEONORA

The Shire of Leonora are solely responsible for the information contained in the special purpose financial statements and are responsible for the maintenance of an appropriate accounting system in accordance with the relevant legislation.

OUR RESPONSIBILITY

On the basis of information provided by the Shire of Leonora we have compiled the accompanying special purpose financial statements in accordance with the requirements of the *Local Government Act 1995*, associated Regulations and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Shire of Leonora provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The Local Government special purpose financial statements were compiled exclusively for the benefit of the Shire of Leonora. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Moore Stephens (WA) Pty Ltd
Moore Stephens (WA) Pty Ltd
Chartered Accountants



Paul Breman
Director

9 October 2015

**SHIRE OF LEONORA
MONTHLY FINANCIAL REPORT
For the Period Ended 30 September 2015**

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

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SHIRE OF LEONORA
STATEMENT OF FINANCIAL ACTIVITY
Statutory Reporting Program
For the Period Ended 30 September 2015

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)/(a)	Var.
Operating Revenues		\$	\$	\$	\$	%	
Governance		3,115	786	365	(421)	(54%)	
General Purpose Funding - Rates		5,166,718	5,166,718	5,250,835	84,117	2%	
General Purpose Funding - Other		346,999	184,410	193,768	9,358	5%	
Law, Order, Public Safety		11,762	4,860	239	(4,621)	(95%)	
Health		26,291	8,291	5,671	(2,620)	(32%)	
Education and Welfare		271,143	67,799	91,150	23,351	34%	▲
Housing		50,735	12,672	8,594	(4,078)	(32%)	
Community amenities		226,979	170,230	169,433	(797)	(%)	
Recreation and Culture		217,762	51,475	37,491	(13,984)	(27%)	
Transport		1,118,711	787,124	775,147	(11,977)	(2%)	
Economic Services		414,838	52,033	122,739	70,706	136%	▲
Other Property and Services		81,724	20,443	32,373	11,930	58%	
Total Operating Revenue		7,936,777	6,526,841	6,687,805	160,964		▲
Operating Expense							
Governance		(553,229)	(167,628)	(171,930)	(4,302)	(3%)	
General Purpose Funding		(381,783)	(89,756)	(101,127)	(11,371)	(13%)	
Law, Order, Public Safety		(143,685)	(34,450)	(47,811)	(13,361)	(39%)	
Health		(646,485)	(171,242)	(164,566)	6,676	4%	
Education and Welfare		(626,621)	(167,022)	(133,170)	33,852	20%	▼
Housing		0	(7,680)	0	7,680	100%	
Community Amenities		(277,143)	(71,060)	(41,165)	29,895	42%	▼
Recreation and Culture		(1,196,606)	(379,289)	(222,108)	157,181	41%	▼
Transport		(3,750,572)	(929,918)	(845,274)	84,644	9%	▼
Economic Services		(1,603,170)	(369,660)	(250,211)	119,449	32%	▼
Other Property and Services		(14,892)	(87,925)	28,856	116,781	133%	▼
Total Operating Expenditure		(9,194,186)	(2,475,630)	(1,948,506)	527,124		▲
Funding Balance Adjustments							
Add back Depreciation		1,577,040	393,916	344,438	(49,478)	(13%)	▲
Adjust (Profit)/Loss on Disposal		220,713	7,977	15,275	7,298	91%	
Adjust Provisions and Accruals		0	0	(34,341)	(34,341)	(100%)	▲
Adjust Deferred Rates		0	0	0	0		
Net Cash from Operations		540,344	4,453,104	5,064,671	611,567		
Capital Revenues							
Grants, Subsidies and Contributions		4,203,547	120,000	120,000	0	0%	
Proceeds from Disposal of Assets	3	223,636	20,000	27,273	7,273	36%	
Total Capital Revenues		4,427,183	140,000	147,273	7,273		
Capital Expenses							
Land	3	0	0	0	0		
Land and Buildings	3	(8,479,004)	(1,180,000)	(216,476)	963,524	82%	▼
Infrastructure - Roads	3	(1,111,251)	(150,000)	(303,854)	(153,854)	(103%)	
Infrastructure - Other	3	(751,917)	0	0	0		
Plant and Equipment	3	(618,589)	(167,189)	(81,221)	85,968	51%	▼
Furniture and Equipment	3	0	0	0	0		
Total Capital Expenditure		(10,960,761)	(1,497,189)	(601,551)	895,638		
Net Cash from Capital Activities		(6,533,578)	(1,357,189)	(454,278)	902,911		
Financing							
Transfer from Reserves	7	0	0	0	0		
Transfer to Reserves	7	(998,174)	(3,545)	(3,871)	(326)	9%	
Net Cash from Financing Activities		(998,174)	(3,545)	(3,871)	(326)		
Net Operations, Capital Financing		(6,991,408)	3,092,370	4,606,522	1,514,151		▲
Opening Funding Surplus(Deficit)	2	6,991,408	6,991,408	6,991,573			
Closing Funding Surplus(Deficit)	2	0	10,083,778	11,598,095			

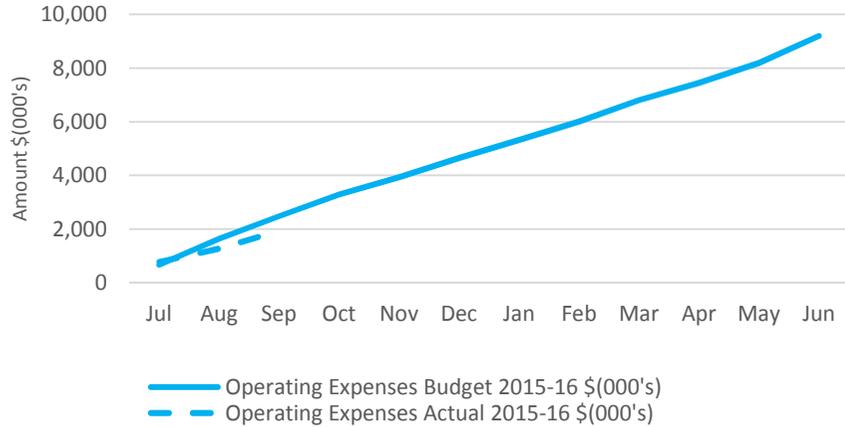
▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to the attached Explanation of Material Variances Statement for an explanation of the reasons for the variance

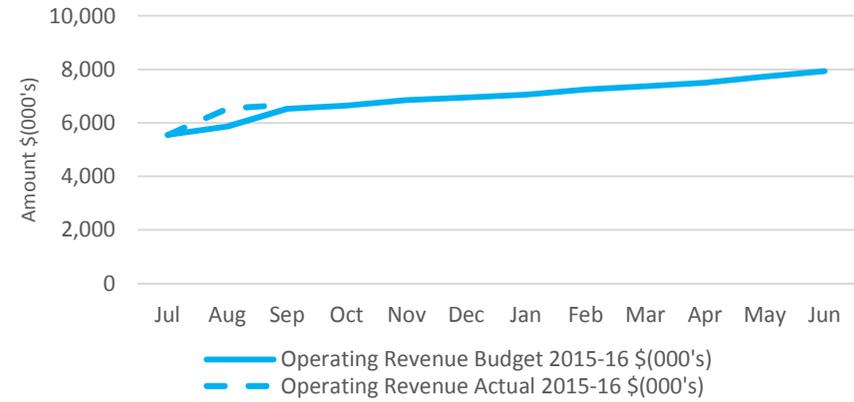
This statement is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF LEONORA
SUMMARY GRAPHS - FINANCIAL ACTIVITY
For the Period Ended 30 September 2015**

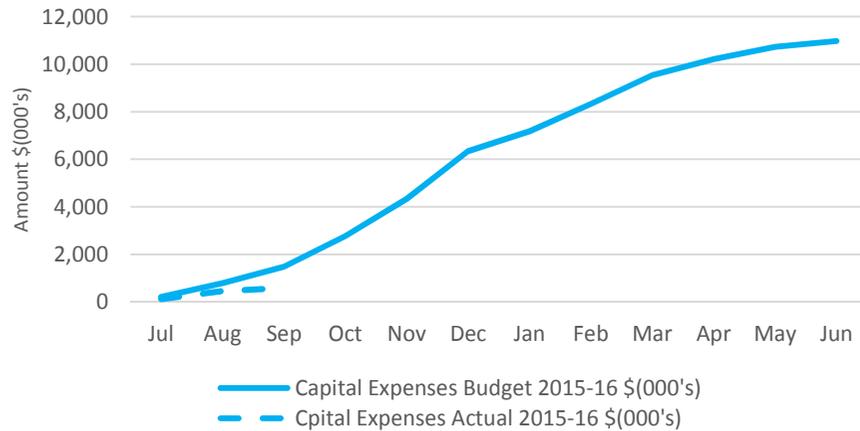
Operating Expenses



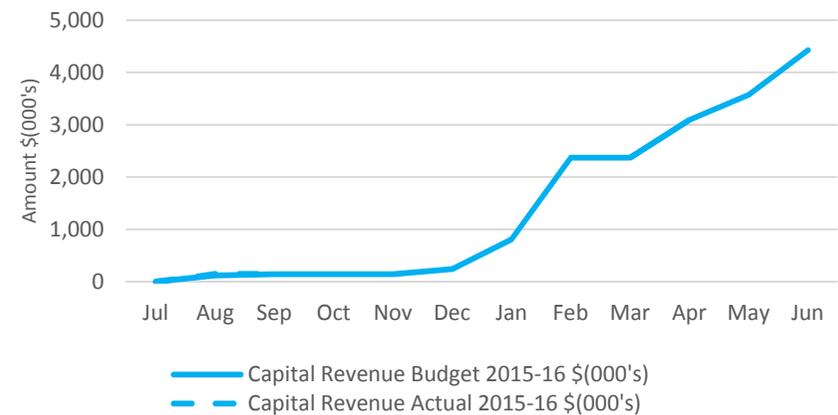
Operating Revenue



Capital Expenditure



Capital Revenue



This information is to be read in conjunction with the accompanying financial statements and notes.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement 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.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement. 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 statement, but a separate statement of those monies appears at Note 11.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) 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.

(e) Goods and Services Tax

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.

(f) 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.

(g) 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.

(h) Inventories

General

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land 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.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

(j) Depreciation of Non-Current Assets

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

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

Note 1 (j) (Continued)

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

Asset	Depreciation Rate
Buildings	30 to 50 years
Furniture and Equipment	2 to 15 years
Plant and Equipment	5 to 15 years
Roads – Aggregate	25 years
Roads – Unsealed – Gravel	35 years
Drains and Sewers	75 years
Airfield – Runways	12 years

(k) Trade and Other Payables

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

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

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

(p) Nature or Type Classifications

Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of noncurrent assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments.

Losses are disclosed under the expenditure classifications.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

Note 1 (p) (Continued)

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

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

Other Revenue / Income

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

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(r) Program Classifications (Function/Activity)

Governance

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

Rates, general purpose government grants and interest revenue.

Law, Order, Public Safety

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

Health

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

Education and Welfare

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

Provision and maintenance of elderly residents housing.

Community Amenities

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

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

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

Economic Services

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

Other Property and Services

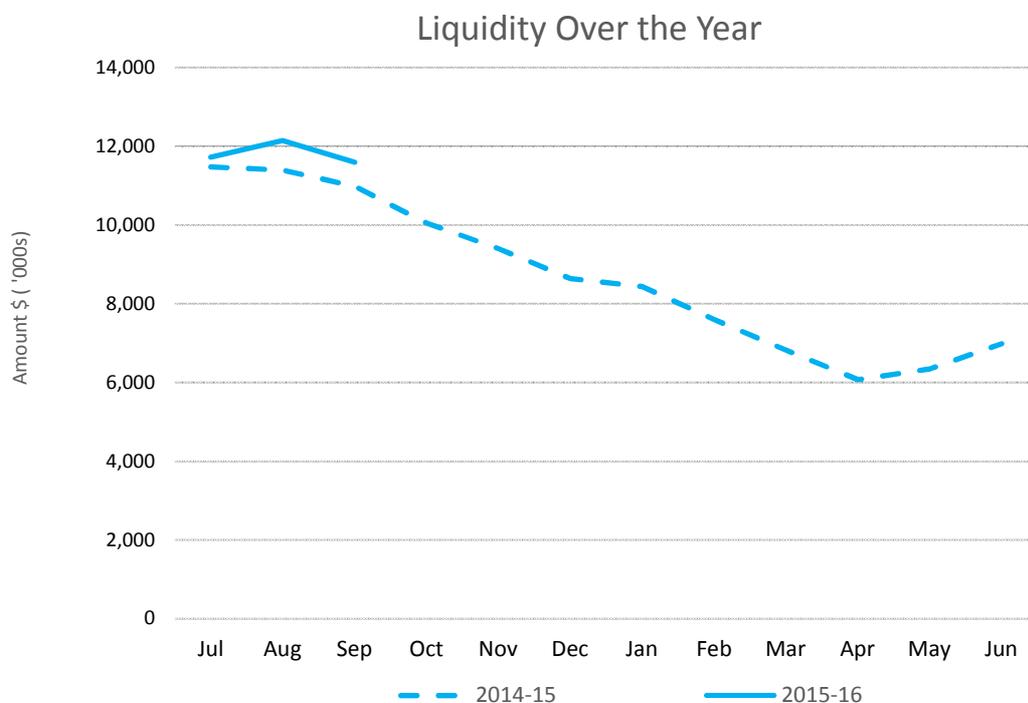
Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 2. NET CURRENT ASSETS

Net Current Assets	Note	30 June 2015	YTD 30 Sep 2014	YTD 30 Sep 2015
		\$	\$	\$
Current Assets				
Cash Municipal	4	1,073,277	4,971,313	5,703,837
Cash Reserves	4	1,029,296	734,188	1,033,167
Restricted Municipal Cash Investments	4	4,719,816	4,618,249	4,743,052
Receivables - Rates	5	83,147	1,134,046	1,269,746
Receivables -Other	5	1,371,967	562,598	204,686
Inventories		30,145	52,400	26,062
		<u>8,307,648</u>	<u>12,072,794</u>	<u>12,980,550</u>
Less: Current Liabilities				
Payables	6	(286,779)	(349,043)	(349,288)
Provisions		(218,163)	(246,192)	(183,822)
Less: Cash Reserves	7	(1,029,296)	(734,188)	(1,033,167)
Add: Cash Backed Leave Provisions		183,822	217,785	183,822
Add: Accrued Salaries already funded		34,341	28,403	0
Net Current Funding Position		<u>6,991,573</u>	<u>10,989,559</u>	<u>11,598,095</u>

Positive=Surplus (Negative=Deficit)

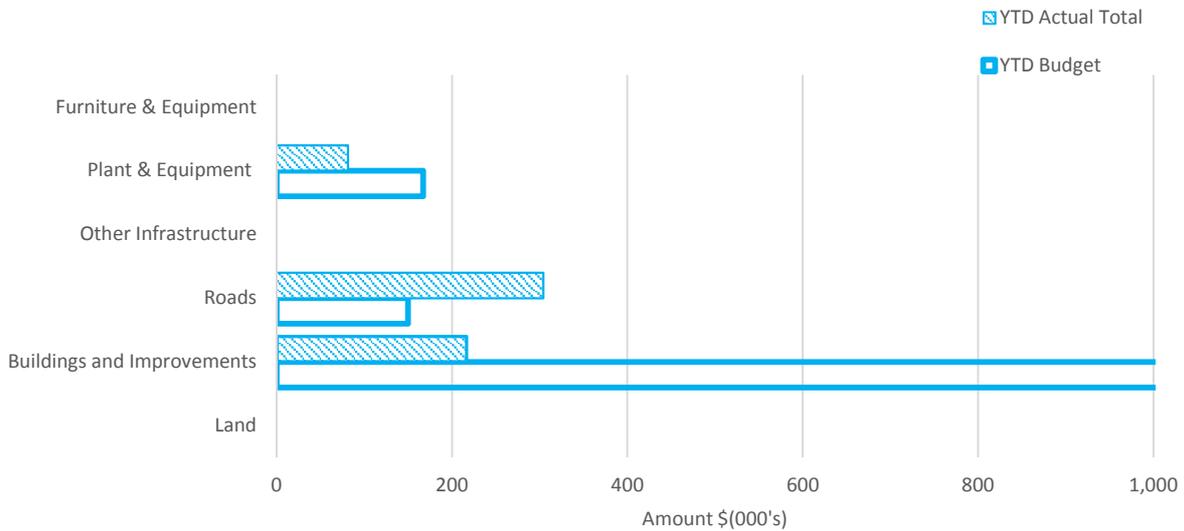


SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 3. CAPITAL - ACQUISITIONS AND FUNDING

Capital Acquisitions	Note	YTD		Adopted Annual Budget	YTD Budget (d)	YTD Actual Total (c) = (a)+(b)	Variance (d) - (c)
		Actual New /Upgrade (a)	YTD Actual (Renewal Expenditure) (b)				
		\$	\$	\$	\$	\$	\$
Land				0	0	0	0
Buildings and Improvements		107,376	109,100	8,479,004	1,180,000	216,476	(7,299,004)
Roads		303,854		1,111,251	150,000	303,854	(961,251)
Other Infrastructure		0		751,917	0	0	(751,917)
Plant & Equipment		34,597	46,624	618,589	167,189	81,221	(451,400)
Furniture & Equipment		0		0	0	0	0
Capital Expenditure Totals		445,827	155,724	10,960,761	1,497,189	601,551	(9,463,572)
Capital Acquisitions Funded By							
Capital Grants and Contributions				4,203,547	120,000	120,000	(4,083,547)
Borrowings				0	0	0	0
Other (Disposals & C/Fwd)				27,273	27,273	27,273	0
Council Contribution - Cash Backed Reserves							0
Total Council Contribution- Cash Backed Reserves				0	0	0	0
Council Contribution - Operations				6,729,941	1,349,916	454,278	(5,380,025)
Capital Funding Total				10,960,761	1,497,189	601,551	

Capital Expenditure Program YTD



SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 3. CAPITAL ACQUISITIONS

		Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Capital Acquisitions					
Building and Improvements		\$	\$	\$	\$
CSRFF Rec Centre Flooring	Renewal	150,000	0	0	(150,000)
Relocate Gym within Rec Centre	Upgrade	10,000	10,000	0	(10,000)
Depot Workshop	Upgrade	130,000	0	0	(130,000)
Conservation Work Gwalia Cottages	Renewal	718,745	50,000	98,340	(620,405)
Barnes Federal Theatre Conservation	Renewal	520,000	0	10,760	(509,240)
Hoover House Renewal	Renewal	150,000	0	0	(150,000)
Museum Mine Office	Renewal	100,000	0	0	(100,000)
Museum Assay Office	Renewal	50,000	0	0	(50,000)
NGROAC Facility	New	4,618,249	1,120,000	107,376	(4,510,873)
NGROAC Facility	New	1,564,700	0	0	(1,564,700)
NGROAC Facility	New	317,310	0	0	(317,310)
Alternate Energy - Rec Centre		150,000	0	0	(150,000)
TOTAL - Building and Improvements		8,479,004	1,180,000	216,476	
Land					
		0	0	0	0
TOTAL - Land		0	0	0	
Plant & Equipment					
Road Grader	Renewal	400,000	0	0	(400,000)
Town Canvas Tip Truck	Renewal	51,400	0	0	(51,400)
DCEO Vehicle	Renewal	46,624	46,624	46,624	0
MEHS Vehicle	Renewal	25,749	25,749	0	(25,749)
MCS Vehicle	Renewal	25,749	25,749	0	(25,749)
Doctor Vehicle	Renewal	32,652	32,652	0	(32,652)
Maintenance Grader Vehicle	Renewal	36,415	36,415	34,597	(1,818)
TOTAL - Plant & Equipment		618,589	167,189	81,221	
Furniture & Equipment					
			0	0	0
			0	0	0
TOTAL - Furniture & Equipment		0	0	0	
TOTAL PROPERTY PLANT AND EQUIPMENT		9,097,593	1,347,189	297,697	

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 3. CAPITAL ACQUISITIONS

Capital Acquisitions		Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Roads					
Roads to Recovery 2015-16	Upgrade	566,251	0	0	(566,251)
RRG Weebo Wildara Road	Renewal	450,000	150,000	303,854	(146,146)
Footpath Renewals	Renewal	95,000	0	0	(95,000)
TOTAL - Roads		1,111,251	150,000	303,854	
Other Infrastructure					
Relocation Rustition Engine		10,000	0	0	(10,000)
Liquid Waste Site Upgrade		60,000	0	0	(60,000)
Install Fitness/Playground Equipment		24,000	0	0	(24,000)
Gwalia Headframe Renewl		595,417	0	0	(595,417)
Upgrade Gwalia Precinct Entrance		53,000	0	0	(53,000)
Rucbbish Recycling Equipment		9,500	0	0	(9,500)
TOTAL - Other Infrastructure		751,917	0	0	(751,917)
TOTAL INFRASTRUCTURE		1,863,168	150,000	303,854	
Total Capital Expenditure		10,960,761	1,497,189	601,551	

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 3. CAPITAL DISPOSALS

Assets Disposed

Description Disposed Asset	Cost	Accum Depr	Proceeds	Adopted Budget Profit/(Loss)	Actual Profit/(Loss)	Variance	Comments
	\$	\$	\$	\$	\$	\$	
Plant and Equipment							
L2012 Vehicle Toyota Landcruiser Petrol				(4,471)		4,471	
1DOT000 2010 12M Caterpillar Grader				(168,401)		168,401	
L2225 2009 Fuso Canvas Truck				(6,457)		6,457	
KBC926D 2012 Mitsubishi Outlander				(10,752)		10,752	
2L DCEO Ford Territory Titanium	46,537	(3,989)	27,273	(19,239)	(15,275)	3,964	
KBC490 MCS Nissan Dualis				(3,416)		3,416	
3L 2013 Territory TX Wagon				(7,977)		7,977	
	46,537	(3,989)	27,273	(220,713)	(15,275)	205,438	
Furniture and Equipment							
	0	0	0	0	0	0	
Land and Buildings							
	0	0	0	0	0	0	
Infrastructure							
	0	0	0	0	0	0	
	46,537	(3,989)	27,273	(220,713)	(15,275)	205,438	

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 4. CASH AND INVESTMENTS

Bank Accounts	Municipal	Municipal Restricted	Reserves	Trust	Investments	Total	Institution	Interest
						Amount		Rate
	\$		\$	\$	\$	\$		
(a) Cash Deposits								
Municipal Account	5,702,027					5,702,027	NAB	Variable
Trust Account				16,112		16,112	NAB	Variable
LSL Maximiser			129,574			129,574	NAB	Variable
Fire Maximiser			22,438			22,438	NAB	Variable
Plant Maximiser			308,731			308,731	NAB	Variable
Annual Leave Maximiser			158,558			158,558	NAB	Variable
Gwalia Precinct Maximiser			168,286			168,286	NAB	Variable
Building Maintenance Maximiser			245,580			245,580	NAB	Variable
Cash on Hand	1,810					1,810	NAB	NIL
(b) Term Deposits								
N/A						0		
(c) Other Investments								
OCDC R4R		4743052				4,743,052	WATC	1.97%
Total	5,703,837	4,743,052	1,033,167	16,112	0	11,496,168		

Maturity

Date

Cheque Acc.
On Hand

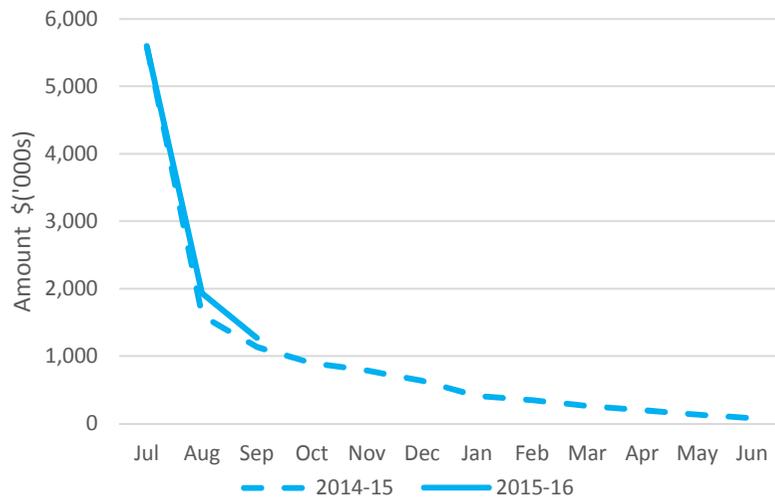
Ongoing

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

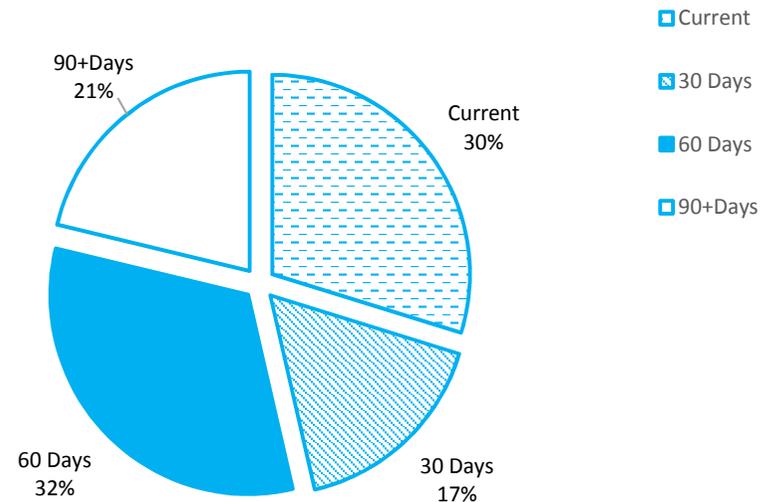
NOTE 5. RECEIVABLES

Receivables - Rates and Other Rates Receivable	YTD 30 Sep 2015	30 June 2015	Receivables - General	Credit	Current	30 Days	60 Days	90+Days	Total
	\$	\$		\$	\$	\$	\$	\$	\$
Opening Arrears Previous Years	83,147	162,802	Receivables - General	0	60,883	34,053	66,206	43,544	204,686
Levied this year	5,250,835	5,411,027							
Discounts	0	0							
Deferred	0	0							
Less Collections to date	(4,064,236)	(5,490,682)							
Equals Current Outstanding	1,269,746	83,147							
Net Rates Collectable	1,269,746	83,147	Total Receivables General Outstanding						204,686
% Collected	76.20%	98.51%	Amounts shown above include GST (where applicable)						

Rates Receivable



Accounts Receivable (non-rates)



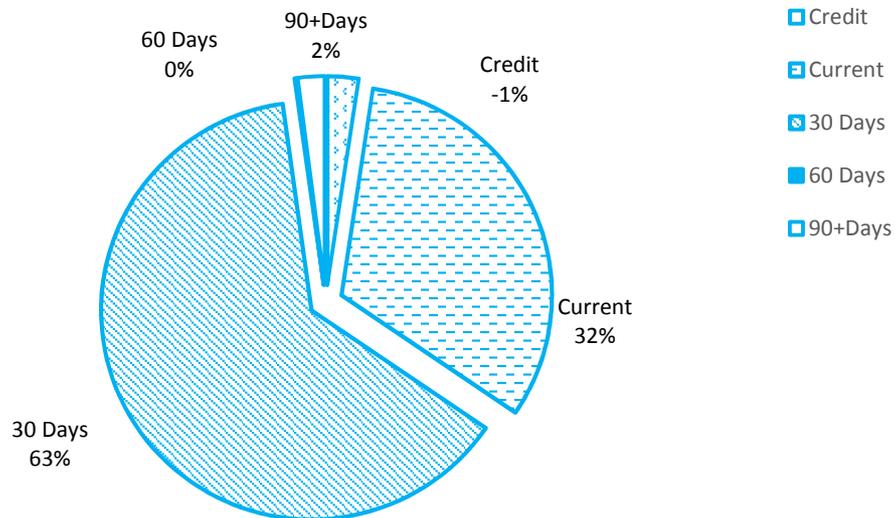
SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 6. PAYABLES

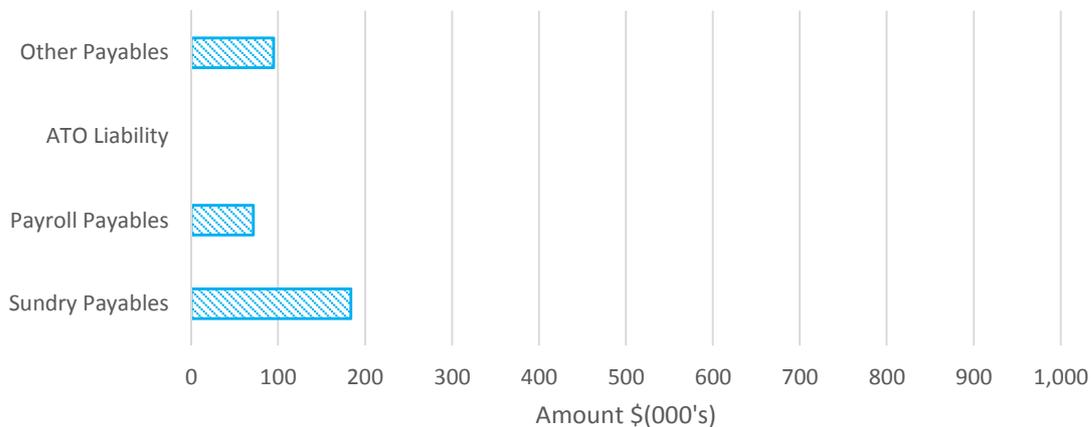
Payables	Credit	Current	30 Days	60 Days	90+Days	Total
Payables - General	\$ (4,620)	\$ 62,102	\$ 122,355	\$ (299)	\$ 3,962	\$ 183,500
Sundry Payables						183,500
Payroll Payables						71,164
ATO Liability						0
Other Payables						94,624
Total Payables General Outstanding						349,288

Amounts shown above include GST (where applicable)

Aged Payables



Payables

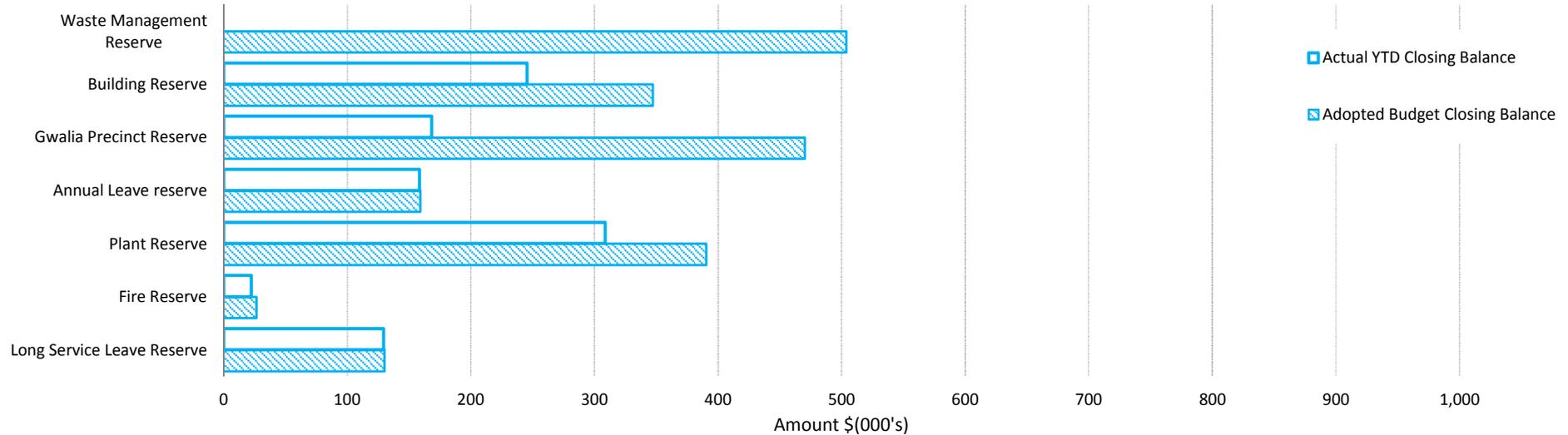


SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 7. CASH BACKED RESERVE

Reserves	Opening Balance	Adopted Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Adopted Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$		\$	\$
Long Service Leave Reserve	129,089	968	485	0	0	0	0		130,057	129,574
Fire Reserve	22,354	198	84	4,000		0	0		26,552	22,438
Plant Reserve	307,574	2,907	1,157	80,000		0	0		390,481	308,731
Annual Leave reserve	157,964	1,185	594	0		0	0		159,149	158,558
Gwalia Precinct Reserve	167,655	2,581	631	300,000		0	0		470,236	168,286
Building Reserve	244,660	2,585	920	100,000		0	0		347,245	245,580
Waste Management Reserve	0	3,750	0	500,000		0	0		503,750	0
	1,029,296	14,174	3,871	984,000	0	0	0	0	2,027,470	1,033,167

Reserve Balances



SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 8. RATING INFORMATION

RATE	Rate in	Number of Properties	Rateable Value	Rate Revenue	YTD Actual		Total Revenue	Rate Revenue	Adopted Budget		Total Revenue
					Interim Rates	Back Rates			Interim Rate	Back Rate	
General Rate	\$		\$				\$				\$
GRV	0.0648	594	17,514,198	1,134,920	(505)	0	1,134,415	1,134,920	1,586	0	1,136,506
UV	0.1420	1,073	27,531,468	3,853,271	7974	0	3,861,245	3,909,468	(131,776)	0	3,777,692
Sub-Totals		1,667	45,045,666	4,988,191	0	0	4,995,660	5,044,388	0	0	4,914,198
Minimum Payment	Minimum \$										
GRV	295	83	4,010	24,485	0	0	24,485	24,485	0	0	24,485
UV	295	782	9,531	230,690	0	0	230,690	228,035	0	0	228,035
Sub-Totals		0	17,951	255,175	0	0	255,175	0	0	0	252,520
							5,250,835				5,166,718
							0				
Amount from General Rates							5,250,835				5,166,718
Ex-Gratia Rates							0				0
							5,250,835				5,166,718

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 9. INFORMATION ON BORROWINGS

(a) Debenture Repayments

The Shire does not have any borrowings.

(b) New Debentures

There are no new debentures as at the reporting date.

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 10. GRANTS AND CONTRIBUTIONS

Grants	Grant Provider	Approval (Y/N)	2015-16	2015-16 Budget		Variations		Recoup Status	
			Adopted Budget	Operating	Capital	Additions / Operating	(Deletions) Capital	Received	Not Received
			\$	\$	\$	\$	\$	\$	
General Purpose Funding									
I030019 Grant Equalisation	WALGCC	Y	150,336	150,336	0	0	0	0	150,336
I030021 Grant - Roads	WALGCC	Y	159,882	159,882	0	0	0	0	159,882
Law, Order, Public Safety									
I053402 Operating Grant	DFES	Y	2,543	2,543	0	0	0	0	2,543
Welfare Services									
I080014 Childcare Grant			9,419	9,419	0	0	0	0	9,419
I082002 Youth Program Grants			49,392	49,392	0	0	0	0	49,392
I080002 Sustainability Child Care			54,715	54,715	0	0	0	0	54,715
I082001 Youth Support DCP Grant	DCP		67,353	67,353	0	0	0	0	67,353
Recreation and Culture									
I114467 Grant Swimming Pool	DSR		30,000	30,000	0	0	0	0	30,000
I114488 Rec Centre Floor Renewal			50,000	0	50,000	0	0	0	50,000
I117010 Other Grant Funding			123,720	123,720	0	0	0	0	123,720
Transport									
MRWA Funding									
I122200 MRWA Direct	MRWA		128,000	128,000	0	0	0	128,000	0
I122213 Natural Disaster Reinstatement	MRWA		547,895	547,895	0	0	0	547,895	0
I122052 Contribution Street Lights	MRWA		3,700	3,700	0	0	0	0	3,700
I122218 RRG Funding	MRWA		300,000	0	300,000	0	0	120,000	180,000
Other Streets/Roads Funding									
I122042 Contribution Crossovers			1,500	1,500	0	0	0	0	1,500
I122206 Roads to Recovery			566,251	0	566,251	0	0	0	566,251
Economic Services									
I134468 Minara Leonora Heritage Walk Trail			8,756	8,756	0	0	0	0	8,756
I134469 Lotterywest Geo Trails	Lotterywest		15,000	15,000	0	0	0	0	15,000
I134458 Projects			21,700	21,700	0	0	0	0	21,700
I138005 Grants			48,000	48,000	0	0	0	6,000	42,000
I138002 Sponsorship			115,000	115,000	0	0	0	0	115,000
I134463 Lotterywest Headframe Stage 1	Lotterywest		471,941	0	471,941	0	0	0	471,941
I134464 Lotterywest Cottages Conservation	Lotterywest		630,655	0	630,655	0	0	0	630,655
I134465 Lotterywest Barnes Federal Theatre	Lotterywest		420,000	0	420,000	0	0	0	420,000
I134470 Gwalia Precinct Renewal			200,000	0	200,000	0	0	0	200,000
I137008 Lotterywest Fitout funding	Lotterywest		1,564,700	0	1,564,700	0	0	0	1,564,700
TOTALS			5,740,458	1,536,911	4,203,547	0	0	801,895	4,938,563

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 12. TRUST FUND

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

Description	Opening Balance 1 Jul 15	Amount Received	Amount Paid	Closing Balance 30 Sep 15
	\$	\$	\$	\$
Proceeds from sale of impounded cattle	16,112	0	0	16,112
	16,112	0	0	16,112

SHIRE OF LEONORA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2015

NOTE 13. EXPLANATION OF MATERIAL VARIANCES

Details and explanations of the material variances reflected on the Statement of Financial Activity are provided below as required by Local

Reporting Program	Variance	Variance	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues	\$	%			
General Purpose Funding - Other	9,358	5.07%		Permanent	Higher portion of ratepayers electing to pay by instalments, higher interim rates than budget forecast
Education and Welfare	23,351	34.44%	▲	Timing	Some grants received earlier than expected, higher childcare income than budget forecast
Transport	(11,977)	(1.52%)		Permanent	Lower income for aerodrome fees than budgeted
Economic Services	70,706	135.89%	▲	Timing	Some grants received earlier than expected
Operating Expense					
Education and Welfare	33,852	20.27%	▼	Timing	Lower employee costs at childcare centre (new employees to commence soon)
Community Amenities	29,895	42.07%	▼	Timing	Some works programmes have been shifted to later in the year
Recreation and Culture	157,181	41.44%	▼	Timing	Alteration to timing of projects etc
Transport	84,644	9.10%	▼	Timing	Alteration to timing of projects etc
Economic Services	119,449	32.31%	▼	Timing	Alteration to timing of projects etc
Other Property and Services	116,781	132.82%	▼	Timing	Some overhead rates require review to correct overallocation, other variances result in alteration to timing of programmes etc.
Capital Revenues					
Capital Expenses					
Land and Buildings	963,524	81.65%	▼	Timing	Alteration to timing of projects etc
Plant and Equipment	85,968	51.42%	▼	Timing	Alteration to timing of projects etc
Additional Comments					
Note 2 - Net Current Assets					Approx. \$600k more funds held than same period last year
Note 3 - Capital					Some alteration to timing of asset purchases
Note 4 - Cash					N/A
Note 5 - Receivables					Rates collection tracking well
Note 6 - Payables					N/A
Note 7 - Reserves					N/A
Note 8 - Rates					N/A
Note 9 - Borrowings					N/A
Note 10 - Grants					N/A
Note 11 - Budget Amendments					N/A
Note 12 - Trust					N/A

10.0 REPORTS OF OFFICERS

10.2 DEPUTY CHIEF EXECUTIVE OFFICER

10.2(B) ACCOUNTS FOR PAYMENT

SUBMISSION TO: Meeting of Council
Meeting Date: 20 October, 2015

AGENDA REFERENCE: 10.2 (B) OCT 15

SUBJECT: Accounts for Payment

LOCATION / ADDRESS: Nil

NAME OF APPLICANT: Nil

FILE REFERENCE: Nil

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Tanya Browning

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 13 October, 2015

BACKGROUND

Attached statement consists of accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **20513** to **20558** and totalling **\$334658.50** and accounts paid by Council Authorisation represented by cheques numbered from **20559** to **20607** totalling **\$246,685.85**.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report.

STRATEGIC IMPLICATIONS

There are no strategic implications resulting from the recommendation of this report.

RECOMMENDATIONS

That accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **20513** to **20558** and totalling **\$334658.50** and accounts paid by Council Authorisation represented by cheques numbered from **20559** to **20607** totalling **\$246,685.85** be authorised for payment.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr LR Petersen, Seconded Cr RM Cotterill that accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **20513** to **20558** and totalling **\$334658.50** and accounts paid by Council Authorisation represented by cheques numbered from **20559** to **20607** totalling **\$246,685.85** be authorised for payment.

CARRIED (7 VOTES TO 0)

Shire of Leonora				
Monthly Report – List of Accounts Paid by Delegated Authority				
Submitted to Council on the 20th October, 2015				
The following list of accounts has been paid under delegation, and Direct Bank Transactions by the Chief Executive Officer, since the previous list of accounts. Cheques numbered from 20513 to 20558 and - 8 -hilips- 8 - \$334,658.50				
CHIEF EXECUTIVE OFFICER				
Cheque	Date	Name	Item	Payment by Delegated Authority
1	01/09/2015	Office National	Lease on Shire Photocopier – September Bank Statement	861.50
1	01/09/2015	National Australia Bank	EFTPOS Fee (Gwalia) September, 2015 Bank Statement	128.37
1	3/09/2015	National Australia Bank	Credit Card Purchases – August, 2015	13,883.75
1	4/09/2015	Westnet	CRC Internet Charges – September, 2015	11.00
1	8/09/2015	National Australia Bank	Fee for Super Pay – Aug 2015	21.75
1	10/09/2015	Alliance Equipment Finance	CRC Photocopier Lease – September 2015	275.84
20513	11/09/2015	Covs Parts	Parts as requested by Works Manager	3,976.12
20514	11/09/2015	Sparlon Electrical	Maintenance at Depot Workshop and Oval Caretakers House	2,239.60
20515	11/09/2015	WA Local Government Association	Annual Subscriptions – 2015/2016	31,194.28
20516	11/09/2015	Tanya Nardone	Reimbursement for Projector and Screen paid in Cash	696.00
20517	15/09/2015	Child Support Agency	Child Support PPE: 16/09/2015	1,034.56
20518	15/09/2015	LGRCEU	Union Fee PPE: 16/09/2015	20.50
20519	15/09/2015	Aon Master Trust	Superannuation PPE: 5/8/2015, 19/8/2015, 16/09/2015	544.58
20520	15/09/2015	Aon Master Trust	Superannuation PPE: 2/09/2015	165.18
20521	17/09/2015	Australian Taxation Office	BAS August, 2015	17,384.00
20522	17/09/2015	Butsons Building Service	Supply all Materials/Labour to complete works at Oval Caretakers House	30,360.00
20523	17/09/2015	Stuart Butson	Meal/Incidental Allowance 17 th & 18 th September, 2015	150.00
20524	17/09/2015	Tanya Browning	Meal/Incidental Allowance 17 th & 18 th September, 2015	150.00
20525	17/09/2015	Telstra	Phone/Internet Usage – August, 2015	3,817.82
20526	17/09/2015	Alan Lancaster	Reimbursement of Expenses towards supplies for Grader Camp	298.57
1	17/09/2015	Super Pay superannuation	Superannuation PPE: 16/9/2015	9,150.38
20527	04/09/2015	AMP	Superannuation (DD)	369.95
20528	04/09/2015	Australian Super	Superannuation (DD)	579.88
20529	04/09/2015	BT Super for Life	Superannuation (DD)	396.79
20530	04/09/2015	WA Super	Superannuation (DD)	559.34
20531	04/09/2015	WA Super	Superannuation (DD)	7,496.43
			Sub Total	\$125,766.19

Cheque	Date	Name	Item	Payment by Delegated Authority
			Balance Brought Forward	\$125,766.19
20532	23/09/2015	Department Of Transport	Licence and Third Party Insurance – P6	282.75
20533	23/09/2015	Fitz Gerald Stategies	HR and IR services 2015/2016	3,639.82
20534	23/09/2015	G J Langford	Labour hire for Earthworks	2,420.00
20535	23/09/2015	Gail Ross	Reimbursement for Purchases for Hoover House/Museum	139.29
20536	23/09/2015	Jim Epis -	Reimbursement for painting purchased for Shire	130.00
20537	23/09/2015	JT Professional Services	Preparation of quarterly risk review and update from financial management review to data base	660.00
20538	23/09/2015	Netlogic Information Technology	Set up Loan Laptop for Margot and Send to Leonora, Setup Secure SSL Certificate on SBS Server and renew for 1 year, Fix results download with Pathwest – PMP, and Free up Disk Space on Front Desc Computer	709.00
20539	23/09/2015	Primepower Engineering	Supply parts to repair Chev Truck	4,867.50
20540	23/09/2015	Skyfuel Australia Pty Ltd	40 Drums of Avgas	21,973.60
20541	23/09/2015	Sparlon Electrical	Supply four - 9 -hilips 1000 watt metal flood lights for airport apron	5,703.50
20542	23/09/2015	Telstra	Camp Requisites	35.00
20543	23/09/2015	WA Local Government Association	\$50.00 omitted from previous invoice	50.00
20544	24/09/2015	Pier Street Medical	Medical Services Provisional Fee	38,881.99
20545	30/09/2015	Child Support Agency	Child Support PPE: 30/09/2015	1,034.56
20546	30/09/2015	L.G.R.C.E.U.	Union Fee PPE: 30/09/2015	20.50
20547	30/09/2015	Caitlin Murdock	Golden Gift 2015 Lap Winners Money	250.00
20548	30/09/2015	Gavin Shaw	Purchase of box top trailer for parks and gardens equipment	3,500.00
1	30/09/2015	AMP	Superannuation PPE: 30/9/2015	379.07
1	30/09/2015	Aon Master Trust	Superannuation PPE: 30/9/2015	171.54
1	30/09/2015	Australian Super	Superannuation PPE: 30/9/2015	544.91
1	30/09/2015	BT Super for Life	Superannuation PPE: 30/9/2015	456.20
1	30/09/2015	IOOF Employer Super	Superannuation PPE: 30/9/2015	88.26
1	30/09/2015	MLC Masterkey	Superannuation PPE: 30/9/2015	503.41
1	30/09/2015	WA Super	Superannuation PPE: 30/9/2015	7,764.77
1	30/09/2015	National Australia Bank	Account Fees – September, 2015	42,277.00
1	01/10/2015	National Australia Bank	EFTPOS Fee (Gwalia) October, 2015 Bank Statement	203.31
1	02/10/2015	Office National	Lease on Shire Photocopier – October, 2015 Bank Statement	861.50
20549	02/10/2015	Department Of Transport	Forward payment of Special Licence Plates on Behalf of James and Maddison Hurst	400.00
20550	02/10/2015	G J Langford	Labour Hire for Earthworks (Direct Deposit)	3,160.00
			Sub Total	\$266,873.67

Cheque	Date	Name	Item	Payment by Delegated Authority
			Balance Brought Forward	\$266,873.67
20551	2/10/2015	Leonora Bush Missions	Leonora Community Grant to help provide School Holiday Leonora Bush Mission 2015	5,940.00
1	5/10/2015	National Australia Bank	Credit Card Charges – October, 2015 Bank Statement	3,922.88
1	5/10/2015	National Australia Bank	Fee for Super Pay Sep 2015	14.50
1	5/10/2015	Westnet	CRC Internet Charges – October 2015	11.00
20552	6/10/2015	Debra Lynn	Travel Reimbursement (Direct Deposit)	333.09
20553	6/10/2015	Westland Autos	New Mitsubishi Triton & Registration for Shire less Trade-in	38,376.45
20554	7/10/2015	Dave Hadden	Health/Building Services (Direct Deposit)	5759.60
20555	7/10/2015	Horizon Power	Power Usage	603.55
20556	7/10/2015	Sparlon Electrical	Repair Faults in lights at Works Depot, Replace Transformer Airport Runway Lights, Replace Lamp in Apron Floodlight Airport, Repair Fault at Washdown Bay in Yard, Combination 56C532 Plug Top 56P532, Replace Tubes and Starters at Works Depot Office and 2 x Fluro Units and Freight	1,419.00
20557	7/10/2015	Water Corporation	Water Usage – Various	11,184.76
20558	7/10/2015	Telstra	Phone/Internet – CRC	220.00
			GRAND TOTAL	\$334,658.50

Shire of Leonora				
Monthly Report - List of Accounts Paid by Authorisation of Council				
Submitted to Council on the 20th October, 2015				
<p>Cheques numbered from 20559 to 20627 totaling \$246,685.85 submitted to each member of the Council on 20th October, 2015 have been checked and are fully supported by remittances and duly certified invoices with checks being carried out as to prices, computations and costing.</p>				
<p>_____</p> <p>CHIEF EXECUTIVE OFFICER</p>				
Cheque	Date	Name	Item	Payment
20559	20/10/2015	ALU Glass	Reglaze windows at Patronis House	857.00
20560	20/10/2015	AMPAC Debt Recovery Pty Ltd	Debt Recovery legal costs	1,030.95
20561	20/10/2015	Anne Skinner Media	Research Identify and write labels for 200 names on WW1 Honour Board (Leonora)	1,546.05
20562	20/10/2015	Austral Mercantile Collections P/L	Legal Fees	455.00
20563	20/10/2015	BHW Consulting	Attendance by J Epis at Dinner for Richard Brookes	80.00
20564	20/10/2015	Bridgestone Earthmover Tyres Pty Ltd	Tyres for P000	9,259.80
20565	20/10/2015	Bridgestone Service Centre	Parts for Depot	723.94
20566	20/10/2015	Bunnings Building Supplies Pty Ltd	Items for Museum, Sprinklers for 1260 Fitzgerald Drive	357.98
20567	20/10/2015	Butler Settineri	Fees in relation to Audit - Year Ended June, 2015	3,932.13
20568	20/10/2015	Butson Group Pty Ltd	Accommodation - Auditor; Catering for WW1 Exhibition Opening	899.40
20569	20/10/2015	Can't Stop Baking	Assorted Cakes for Morning Tea - 7/9/2015 & 21/9/15	90.00
20570	20/10/2015	Canine Control	Tags for Animal Registrations; Ranger Services 18-20 September 2015	3,552.24
20571	20/10/2015	Comfort Inn Bay of Isles	Accommodation - S Butson; T Browning	316.00
20572	20/10/2015	Coyles Mower & Chainsaw Centre	Service/repair brushcutter	119.00
20573	20/10/2015	Department Of Transport	Application to transfer vehicle licence	16.75
20574	20/10/2015	Design Sense Graphics & Web	Changes to Logos on Leonora Golden Gift Website; Graphic Design and Printing/Production of Panels for WW1 Exhibit	1,133.00
20575	20/10/2015	Eagle Petroleum (WA) Pty Ltd	Newspapers and Milk from Roadhouse and fuel; August purchases previously not invoiced	36,925.80
20576	20/10/2015	Earth Australia Contracting Pty Ltd	Work for erection of signs at Gwalia	1,045.00
20577	20/10/2015	Elite Gym Hire	Gym Equipment Hire - October, 2015	1,072.50
20578	20/10/2015	Forman Bros	Repair Male and Female Ablutions at Youth Centre	254.65
20579	20/10/2015	Fulton Hogan Industries Pty Ltd	EZStreet 20kg Bucket	1,760.00
			Sub total	\$65,427.19

Cheque	Date	Name	Item	Payment
			Balance Brought Forward	\$65,427.19
20580	20/10/2015	Gail Ross	Reimbursement for purchases for catering at Hoover House	205.45
20581	20/10/2015	Goldfields Equipment	Standpipe and pump hire	4,833.68
20582	20/10/2015	Goldline Distributors	Food Items for Child Care Centre Activities; Items for Childcare Centre; Items for Hoover House; Bottled water for Shire	2,363.94
20583	20/10/2015	Halfway Studios	Cakes for WW1 Exhibition - Gwalia	194.00
20584	20/10/2015	Harvey Norman AV/IT Superstore Kalgoorlie	Printer and inks for Child Care Centre	196.96
20585	20/10/2015	Horizon Power	Power Usage - Decorative Streetlights (162215)	28.51
20586	20/10/2015	J.R. & A. Hersey Pty Ltd	Hygenex Slimline Towel and Spool of brushcutter cord; items for depot	1,869.12
20587	20/10/2015	Kleenheat Gas	Gas Bottle - Museum	109.86
20588	20/10/2015	Landgate	Mining Tenements Chargeable; Gross Rental Valuations Chargeable	319.00
20589	20/10/2015	Leinster Art and Craft Group	Shop Relocation Expenses - Leonora Community Grant	831.95
20590	20/10/2015	Leinster Contracting Services	Empty 3 Skip Bins - 2 at Malcolm Dam 1 at Nambi Village	1,151.92
20591	20/10/2015	Leonora Motor Inn	Accommodation - P Smith	132.00
20592	20/10/2015	Leonora Post Office	Postage costs	954.13
20593	20/10/2015	Local Government Managers Australia	LGMA Women in LG Forum - Support Partner	1,500.00
20594	20/10/2015	Local Health Authorities Analytical Comm	GST Component originally missed in payment (Cheque 20482)	50.37
20595	20/10/2015	Matt Taylor-	Refund of Nomination Deposit - Annual Council Election 2015	80.00
20596	20/10/2015	McMahon Burnett Transport	Freight	75.43
20597	20/10/2015	Moore Stephens	Accounting Fees September 2015, Progressive account in relation to Analysis of Infrastructure Asset Valuation meeting with staff	10,092.50
20598	20/10/2015	Museum of Applied Arts and Sciences	High Resolution image of 89/740 Evening Dress for Display	140.80
20599	20/10/2015	Netlogic Information Technology	PMP Startup upgrade for MD Ref, Remote Consult - PMP	280.00
20600	20/10/2015	Nigel's Service Centre	Training for Works Crew	13,634.55
20601	20/10/2015	NT Link -	Building Rental - Staff Quarters	1,782.00
20602	20/10/2015	Office National Kalgoorlie	Copy Charge - Shire Office; monthly copy charge; travel to service Shire photocopier	1,547.69
20603	20/10/2015	Penns Cartage Contractors	Freight; Amount omitted from previous invoice	184.80
20604	20/10/2015	Peter Craig.	Refund of Nomination deposit for Annual Council Election 17th October, 2015	80.00
20605	20/10/2015	Prosegur Australia Pty Ltd	ATM Upkeep - September, 2015	2,660.68
20606	20/10/2015	Puzzle Consulting	July - September portion of Payment for Ageing in Place Leonora Project	9,801.00
			Sub Total	\$120,527.53

Cheque	Date	Name	Item	Payment
			Balance brought forward	\$120,527.53
20607	20/10/2015	Reckon Limited	Annual User Licence - Reckon Accounts Premier 2015	775.00
20608	20/10/2015	Rolsh Productions	Heart of Gold Books for Museum	66.00
20609	20/10/2015	Ross Norrie -	Refund of Nomination Deposit for Annual Council Election 17th October, 2015	80.00
20610	20/10/2015	Shire Of Leonora - Rates	Rates - 5 Kurrajong Street; L524 Gwalia Street	906.00
20611	20/10/2015	Sigma Chemicals	Chlorine for Pool	1,034.00
20612	20/10/2015	Skippers Aviation Pty Ltd	Flights: J Epis, Greg Doherty, M Ndlovu, L Petersen	1,735.00
20613	20/10/2015	St John Ambulance Leonora Sub Branch	Annual Use of St John's Ambulance Hall	660.00
20614	20/10/2015	Staples Australia Pty Limited	Stationery, CEC, Office, Medical Centre, Airport, Rec Centre	564.77
20615	20/10/2015	Stephen Peacock Construction	Invoice for Repairs to Outside of Majors Boarding House	79,750.00
20616	20/10/2015	Telstra	Phone charges 22 August 2015-21 September 2015	3,926.12
20617	20/10/2015	The Sunday Times	Medium Strip Advertisement	1,826.55
20618	20/10/2015	Threat Protect	Security Monitoring - Leonora Airport, Bowling Club, Childcare Centre, Rec Centre, Shire Office, ATM & Library - October, 2015	372.61
20619	20/10/2015	Tjuma Pulka (Media) Aboriginal Corporatio	Telstra Phone Line Connection - Reimbursement	155.00
20620	20/10/2015	Toll Fast	Freight	422.83
20621	20/10/2015	Toll Ipec Pty Ltd	Freight	227.24
20622	20/10/2015	WA Country Health Service - Goldfields	Rental of Surgery and Consulting Rooms - October, 2015	417.38
20623	20/10/2015	WA Museum	110 in the waterbag books for resale - Museum	453.59
20624	20/10/2015	Wajon Publishing Company	Colour Guide to Spring Wildflowers - Museum	379.00
20625	20/10/2015	Water Corporation	Water Charges	1,745.49
20626	20/10/2015	West Australian Newspapers Ltd	Advertising	330.00
20627	20/10/2015	Westland Autos No1 Pty Ltd	Vehicle purchase - Nissan T32 X Trail and vehicle registration - Plate:KBC772K; Nissan T32 X Trail and vehicle registration - Plate: KBC771K	30,331.74
			GRAND TOTAL	\$246,685.85

10.0 REPORTS OF OFFICERS

10.3 ENVIRONMENTAL HEALTH AND BUILDING OFFICER

Nil

11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING.

A. ELECTED MEMBERS

Nil

11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING.

11.0 (B) OFFICERS

11.0 (B) (i) ANNUAL REPORT 2015 & GENERAL ELECTORS' MEETING

SUBMISSION TO: Meeting of Council
Meeting Date: 20 October, 2015

AGENDA REFERENCE: 11.0 (B)(i) OCT 15

SUBJECT: Annual Report & General Electors' Meeting

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

FILE REFERENCE: 1.8

AUTHOR: Tanya Browning

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 16th October, 2015

COMMENT:

In each financial year a local government is to prepare an Annual Report.

The draft Annual Report for the year ended 30th June, 2015 is attached for consideration and adoption, and a date for the Annual Meeting of Electors should be set.

The Annual Report is included as a separate attachment to this report.

BACKGROUND

Section 5.54 (1 & 2) of the Local Government Act states that the Annual Report for a financial year is to be accepted by the Local Government no later than 31st December in that year, or where the auditor's report is not available until after that date, no later than two (2) months after the auditor's report becomes available.

With regard to the Annual Electors Meeting, Section 5.27 of the Local Government Act states that at least fourteen (14) days public notice must be given and the meeting must be held no later than 56 days after Council accepts the Annual Report.

It is recommended that the Annual Electors Meeting be held on Tuesday 15th December 2015, at 4:00pm.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report.

STRATEGIC IMPLICATIONS

There are no strategic implications resulting from the recommendation of this report.

RECOMMENDATIONS

That the Annual Report is presented for the year ended 30th June 2015 be accepted and the General Meeting of Electors be scheduled for Tuesday 15th December 2015, at 4:00pm in the Council Chamber, Leonora.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr GW Baker, Seconded Cr RA Norrie that the Annual Report is presented for the year ended 30th June 2015 be accepted and the General Meeting of Electors be scheduled for Tuesday 15th December 2015, at 4:00pm in the Council Chamber, Leonora.

CARRIED (7 VOTES TO 0)



ANNUAL REPORT

For the Year ended 30th June 2015

ANNUAL REPORT 2014-2015



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ANNUAL REPORT 2014-2015



MESSAGE FROM THE SHIRE PRESIDENT

Under the leadership of CEO Jim Epis, and his senior officers (Deputy CEO Tanya Browning and Manager Works Dan Yates), the Shire of Leonora has been working hard to achieve the goals of the community identified within the Strategic Community Plan. Creating opportunities to realise these goals continues to be a focus of the Council, and it is positive for our community to note continued progress in this regard.

During the 2014/15 reporting period, works commenced for the creation of a new residential subdivision (to provide for future growth within the Leonora townsite), further submissions were made for funding to improve infrastructure at the Leonora Aerodrome, continued investment into the road network was made, and a tender was awarded for the construction of the Northern Goldfields Office and Administration Centre (NGROAC). The NGROAC will be a valuable asset to the community, aimed to encourage and support service provision in the Northern Goldfields region, along with small business development and greater regional community access to many services. This will be achieved through the independent office rental with stand-alone office suites, training room with video link, community conference and meeting room (with video link) and office space for permanent tenants (such as the Department for Child Protection).

As well as new development, the Shire of Leonora has remained focussed on preserving, promoting and enhancing heritage sites in its care – a responsibility that is taken seriously and met with significant investment in recent years. These various structures within the Gwalia historic precinct contribute to a greater understanding of the mining operations of 1898 to 1963 and associations with the early gold mining history of the town of Leonora and the settlement of Gwalia. Being such a young country, it is important to maintain our past to provide a link for future generations, hence the investment in heritage projects. While the council is committed to providing for the future of the community, it is also still committed to heritage projects that contribute to an understanding of where we've come from – and actively pursuing the flow on benefits (such as tourism) that can be generated from investment into heritage projects.

On behalf of the Council and staff, I would like to thank the community for its participation in various events and activities, as we look forward to the coming year of projects and events that will see continued improvement and progress for the Shire of Leonora.

Cr Peter Craig
President

ANNUAL REPORT 2014-2015



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Once again, the Shire has achieved a 'clean' audit report with no points of statutory non-compliance noted during the 2014/15 reporting period.

Compliance requirements continue to evolve and these responsibilities are viewed with priority by the Council and the administration. A great deal of work was undertaken during the 2014/15 reporting period following the introduction of new Audit Regulation 17 in February 2013. This new regulation requires the CEO to review the appropriateness and effectiveness of systems and procedures in relation risk management, internal controls and legislative compliance. As a result, a full assessment of undertaken utilising the services of an independent consultant to identify potential risks within the organisation, at both a strategic and operational level, and controls associated with those risks documented into a framework. Where high level risks exist, further reporting and action is undertaken and reported to the audit committee on a quarterly basis. This process has created a greater level of transparency, and better documents the necessary action and resources required to achieve high levels of compliance and to minimise risk to the local government.

A new position within the organisation was created during 2014/15, 'Manager Community Services'. This position is responsible for overseeing the operation of the child care facility, the youth service, recreation and aquatic facilities, as well as becoming more familiar with regulatory and management requirements within the administration office. This addition to our structure has been an asset to the organisation which also mirrors targets within the Strategic Community Plan to provide opportunities for internal promotion, offer professional/career development and consider succession planning to fill key roles within the organisation.

Dedication of the membership ensures the Shire of Leonora operates as one complete team. Council's support has remained steadfast and progressive throughout the year and is demonstrated by meeting attendances as highlighted below:

COUNCILLOR	MEETING CONVENED	ATTENDED	% ATTENDANCE
P J Craig	11	10	91%
R A Norrie	11	10	91%
M W V Taylor	11	10	91%
G W Baker	11	11	100%
L R Petersen	11	10	91%
R M Cotterill	11	10	91%
A E Taylor	11	11	100%

I would like to thank all the staff and Councillors for their perseverance and loyalty over the year in review. I look forward to the challenges and rewards that 2015/16 will present to us.

Jim Epis
Chief Executive Officer

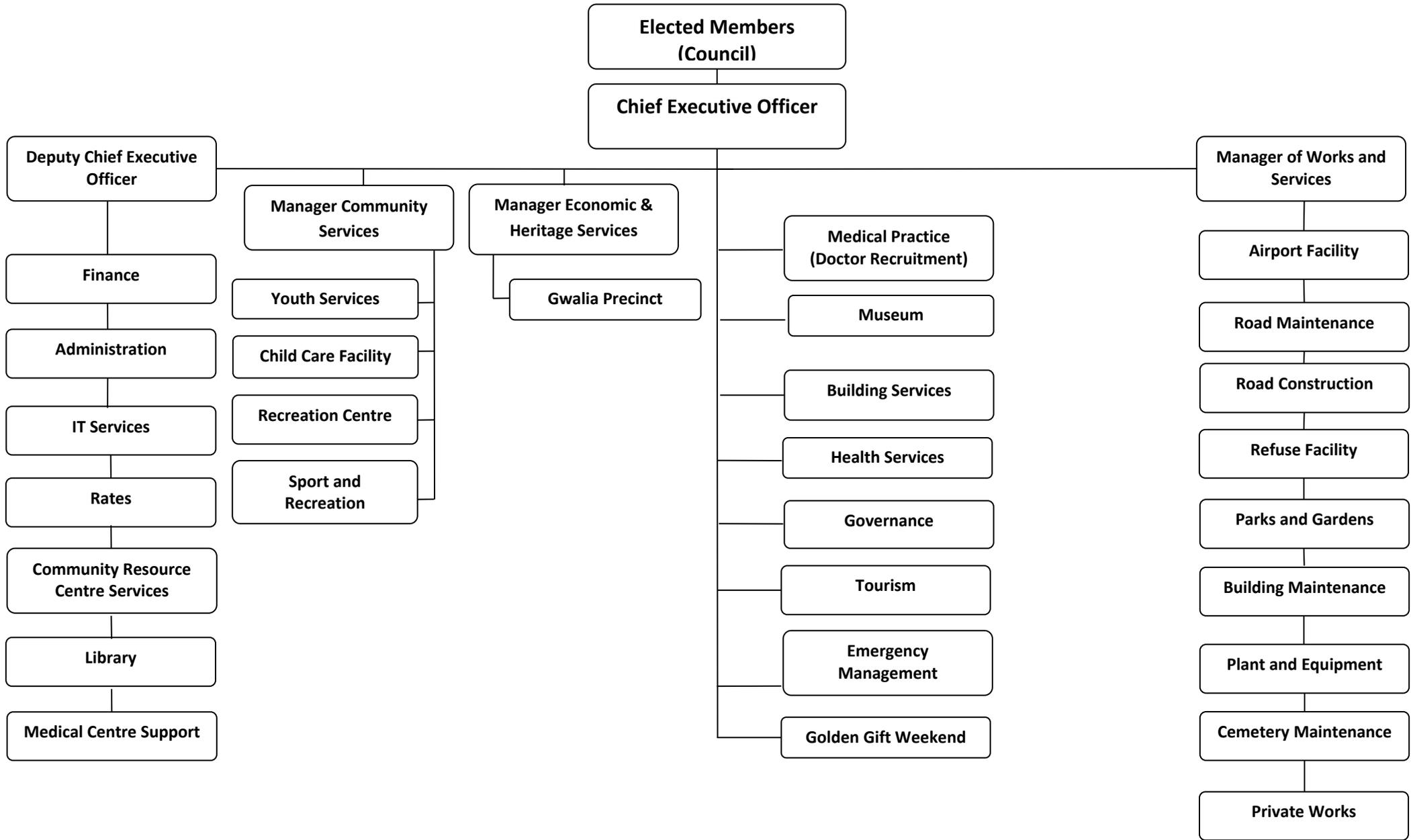
ANNUAL REPORT 2014-2015



COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
PRESIDENT Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	2015	WK HM FAX MOB EMAIL	08 9037 9191 08 9037 9054 08 9037 9192 0418 950 572 peter.craig@bagden.com.au
DEPUTY PRESIDENT Mr R A NORRIE Lot 260 Queen Victoria (PO Box 397) LEONORA WA 6438	2015	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 rosscpa@bigpond.net.au
Mr M W V Taylor 10 Forrest Street (PO Box 226) LEONORA WA 6438	2015	WK HM FAX MOB EMAIL	08 6314 4712 0417 976 169 matt@pmcc.com.au
Ms L R PETERSEN Lot 1114 Gwalia Street (PO Box 69) LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6400 08 9037 6404 0419 177 232 Butsonsbs@westnet.com.au
Mr GW BAKER "Waarnba" LOC 51 Laverton Road (PO Box 90) LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6090 08 9037 6090 08 9037 6090 sixmile6@bigpond.com
Mr AE Taylor 1 Pinnacle Place LEINSTER WA 6437	2017	WK HM FAX MOB EMAIL	08 9037 4050 08 9037 3125 08 9238 1387 0417 174 374 alex@northfields.com.au
Mr RM Cotterill PO Box 8 LEONORA WA 6438	2017	WK HM FAX MOB EMAIL	08 9037 6167 08 9037 6167 0409 127 506 richardcotterill@live.com.au

SHIRE OF LEONORA – ORGANISATIONAL CHART



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

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Principal place of business: 16 Tower Street, Leonora WA 6438	

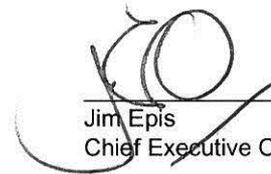
**SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 13TH day of OCTOBER 2015



Jim Epis
Chief Executive Officer

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	5,151,795	5,107,553	5,114,627
Operating grants, subsidies and contributions	28	999,257	3,534,926	1,966,977
Fees and charges	27	1,111,787	1,258,263	1,114,319
Interest earnings	2(a)	133,509	37,781	28,439
Other revenue		230,510	96,777	8,689
		<u>7,626,858</u>	<u>10,035,300</u>	<u>8,233,051</u>
Expenses				
Employee costs		(2,549,245)	(2,404,210)	(2,504,421)
Materials and contracts		(4,479,670)	(6,051,460)	(3,259,218)
Utility charges		(345,915)	(237,815)	(271,826)
Depreciation on non-current assets	2(a)	(1,947,662)	(2,097,158)	(2,015,633)
Interest expenses	2(a)	0	0	(499)
Insurance expenses		(285,547)	(293,111)	(301,237)
Other expenditure		(149,689)	(175,116)	(166,142)
		<u>(9,757,728)</u>	<u>(11,258,870)</u>	<u>(8,518,976)</u>
		(2,130,870)	(1,223,570)	(285,925)
Non-operating grants, subsidies and contributions	28	3,626,754	2,954,255	4,941,493
Loss on revaluation of fixed assets	2(a)	0	0	(1,428,085)
Profit on asset disposals	20	152,273	0	27,407
Loss on asset disposals	20	(7,485)	(254,655)	(163,311)
Net result		1,640,672	1,476,030	3,091,579
Other comprehensive income				
Changes on revaluation of non-current assets	12	46,652,211	0	(2,431,062)
Total other comprehensive income		<u>46,652,211</u>	<u>0</u>	<u>(2,431,062)</u>
Total comprehensive income		<u><u>48,292,883</u></u>	<u><u>1,476,030</u></u>	<u><u>660,517</u></u>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		807	3,027	2,148
General purpose funding		5,294,635	6,351,525	5,962,422
Law, order, public safety		8,312	13,636	17,773
Health		27,513	73,335	48,090
Education and welfare		99,317	191,602	205,758
Housing		42,496	48,748	43,894
Community amenities		207,297	206,435	195,147
Recreation and culture		82,812	197,900	181,384
Transport		1,029,852	2,274,958	955,127
Economic services		721,791	544,707	540,003
Other property and services		112,026	129,427	81,305
		<u>7,626,858</u>	<u>10,035,300</u>	<u>8,233,051</u>
Expenses	2(a)			
Governance		(444,569)	(518,232)	(396,910)
General purpose funding		(341,842)	(400,166)	(293,384)
Law, order, public safety		(115,166)	(122,052)	(97,774)
Health		(500,031)	(690,131)	(530,477)
Education and welfare		(465,987)	(578,231)	(433,901)
Community amenities		(156,302)	(242,032)	(170,179)
Recreation and culture		(992,672)	(1,304,981)	(987,911)
Transport		(5,426,390)	(5,711,330)	(4,342,185)
Economic services		(1,299,996)	(1,622,261)	(1,354,081)
Other property and services		(14,773)	(69,454)	88,325
		<u>(9,757,728)</u>	<u>(11,258,870)</u>	<u>(8,518,477)</u>
Finance costs	2(a)			
Other property and services		0	0	(499)
		<u>0</u>	<u>0</u>	<u>(499)</u>
Loss on Revaluation of Fixed Assets				
Other property and services		0	0	(1,428,085)
		<u>0</u>	<u>0</u>	<u>(1,428,085)</u>
Non-operating grants, subsidies and contributions				
General purpose funding		1,820,387	0	0
Law, order, public safety		4,870	0	0
Education and welfare		130,021	0	0
Recreation and culture		179,977	0	0
Transport		1,375,126	504,576	323,244
Economic services		116,373	2,449,679	4,618,249
	28	<u>3,626,754</u>	<u>2,954,255</u>	<u>4,941,493</u>
Profit/(Loss) on disposal of assets				
Health		(3,145)	(12,610)	(1,525)
Transport		144,213	(197,869)	22,132
Other property and services		3,720	(44,176)	(156,511)
	20	<u>144,788</u>	<u>(254,655)</u>	<u>(135,904)</u>
Net result		<u>1,640,672</u>	<u>1,476,030</u>	<u>3,091,579</u>
Other comprehensive income				
Changes on revaluation of non-current assets	12	46,652,211	0	(2,431,062)
Total other comprehensive income		<u>46,652,211</u>	<u>0</u>	<u>(2,431,062)</u>
Total comprehensive income		<u>48,292,883</u>	<u>1,476,030</u>	<u>660,517</u>

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

**SHIRE OF LEONORA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,822,388	6,869,113
Trade and other receivables	4	1,455,115	535,455
Inventories	5	<u>30,145</u>	<u>73,955</u>
TOTAL CURRENT ASSETS		<u>8,307,648</u>	<u>7,478,523</u>
NON-CURRENT ASSETS			
Inventories	5	631,535	631,535
Property, plant and equipment	6	14,839,067	14,316,747
Infrastructure	7	<u>74,945,645</u>	<u>28,314,324</u>
TOTAL NON-CURRENT ASSETS		<u>90,416,247</u>	<u>43,262,606</u>
TOTAL ASSETS		<u>98,723,895</u>	<u>50,741,129</u>
CURRENT LIABILITIES			
Trade and other payables	8	321,119	578,100
Provisions	10	<u>183,822</u>	<u>217,785</u>
TOTAL CURRENT LIABILITIES		<u>504,941</u>	<u>795,885</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>45,307</u>	<u>64,480</u>
TOTAL NON-CURRENT LIABILITIES		<u>45,307</u>	<u>64,480</u>
TOTAL LIABILITIES		<u>550,248</u>	<u>860,365</u>
NET ASSETS		<u>98,173,647</u>	<u>49,880,764</u>
EQUITY			
Retained surplus		40,945,690	39,604,457
Reserves - cash backed	11	1,029,296	729,857
Revaluation surplus	12	<u>56,198,661</u>	<u>9,546,450</u>
TOTAL EQUITY		<u>98,173,647</u>	<u>49,880,764</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		36,772,268	470,467	11,977,512	49,220,247
Comprehensive income					
Net result		3,091,579	0	0	3,091,579
Changes on revaluation of non-current assets	12	<u>0</u>	<u>0</u>	<u>(2,431,062)</u>	<u>(2,431,062)</u>
Total comprehensive income		3,091,579	0	(2,431,062)	660,517
Transfers from/(to) reserves		(259,390)	259,390	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2014		39,604,457	729,857	9,546,450	49,880,764
Comprehensive income					
Net result		1,640,672	0	0	1,640,672
Changes on revaluation of non-current assets	12	<u>0</u>	<u>0</u>	<u>46,652,211</u>	<u>46,652,211</u>
Total comprehensive income		1,640,672	0	46,652,211	48,292,883
Transfers from/(to) reserves		(299,439)	299,439	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2015		<u>40,945,690</u>	<u>1,029,296</u>	<u>56,198,661</u>	<u>98,173,647</u>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,231,451	5,207,553	5,009,969
Operating grants, subsidies and contributions		10,261	4,075,671	1,816,163
Fees and charges		1,111,787	1,258,263	1,114,319
Interest earnings		133,509	37,781	28,439
Goods and services tax		671,701	458,905	476,301
Other revenue		230,510	96,777	8,689
		<u>7,389,219</u>	<u>11,134,950</u>	<u>8,453,880</u>
Payments				
Employee costs		(2,543,494)	(2,881,634)	(2,518,360)
Materials and contracts		(4,751,728)	(5,883,452)	(3,126,100)
Utility charges		(345,915)	(237,815)	(271,826)
Interest expenses		0	0	(499)
Insurance expenses		(285,547)	(293,111)	(301,237)
Goods and services tax		(682,021)	(698,733)	(474,497)
Other expenditure		(149,689)	(175,116)	(166,142)
		<u>(8,758,394)</u>	<u>(10,169,861)</u>	<u>(6,858,661)</u>
Net cash provided by (used in) operating activities	13(b)	<u>(1,369,175)</u>	<u>965,089</u>	<u>1,595,219</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,707,164)	(9,149,151)	(1,042,746)
Payments for construction of infrastructure		(998,913)	(1,086,928)	(516,274)
Non-operating grants, Subsidies and contributions		3,626,754	2,954,255	4,941,493
Proceeds from sale of fixed assets		401,773	397,000	225,136
Net cash provided by (used in) investment activities		<u>1,322,450</u>	<u>(6,884,824)</u>	<u>3,607,609</u>
Net increase (decrease) in cash held		(46,725)	(5,919,735)	5,202,828
Cash at beginning of year		6,869,113	6,869,112	1,666,285
Cash and cash equivalents at the end of the year	13(a)	<u><u>6,822,388</u></u>	<u><u>949,377</u></u>	<u><u>6,869,113</u></u>

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

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

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		807	3,027	2,148
General purpose funding		1,963,227	1,243,972	847,795
Law, order, public safety		13,182	13,636	17,773
Health		27,513	73,335	48,090
Education and welfare		229,338	191,602	205,758
Housing		42,496	48,748	43,894
Community amenities		207,297	206,435	195,147
Recreation and culture		262,789	197,900	181,384
Transport		2,553,348	2,779,534	1,305,778
Economic services		838,164	2,994,386	5,158,252
Other property and services		115,929	129,427	81,305
		<u>6,254,090</u>	<u>7,882,002</u>	<u>8,087,324</u>
Expenses				
Governance		(444,569)	(518,232)	(396,910)
General purpose funding		(341,842)	(400,166)	(293,384)
Law, order, public safety		(115,166)	(122,052)	(97,774)
Health		(503,176)	(702,741)	(532,002)
Education and welfare		(465,987)	(578,231)	(433,901)
Community amenities		(156,302)	(242,032)	(170,179)
Recreation and culture		(992,672)	(1,304,981)	(987,911)
Transport		(5,430,547)	(5,909,199)	(4,347,460)
Economic services		(1,299,996)	(1,622,261)	(1,354,081)
Other property and services		(14,956)	(113,630)	(1,496,770)
		<u>(9,765,213)</u>	<u>(11,513,525)</u>	<u>(10,110,372)</u>
Net result excluding rates		(3,511,123)	(3,631,523)	(2,023,048)
Adjustments for cash budget requirements:				
Loss on Revaluation of Fixed Assets		0	0	1,428,085
(Profit)/Loss on asset disposals	20	(144,788)	254,655	135,904
Movement in employee benefit provisions (non-current)		(53,136)	0	(23,947)
Movement in Accrued Salary and Wages		5,935	0	10,008
Depreciation and amortisation on assets	2(a)	1,947,662	2,097,158	2,015,633
Capital Expenditure and Revenue				
Purchase of land and buildings	6(b)	(688,310)	(8,077,151)	(281,236)
Purchase of furniture and equipment		0	0	(35,375)
Purchase of plant and equipment	6(b)	(1,018,854)	(1,072,000)	(726,135)
Purchase of roads	7(b)	(924,364)	(690,243)	(322,421)
Purchase of improvements and infrastructure	7(b)	(74,549)	(396,685)	(193,853)
Proceeds from disposal of fixed assets	20	401,773	397,000	225,136
Transfers to reserves (restricted assets)	11	(299,439)	(301,781)	(332,273)
Transfers from reserves (restricted assets)	11	0	82,260	72,883
ADD Surplus/(deficit) July 1 b/fwd	22(b)	6,198,972	6,230,757	1,134,984
LESS Surplus/(deficit) June 30 c/fwd	22(b)	6,991,574	0	6,198,972
Total amount raised from general rate	22(a)	<u>(5,151,795)</u>	<u>(5,107,553)</u>	<u>(5,114,627)</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

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

(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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

and

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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
Furniture and equipment	2 to 15 years
Plant and equipment	5 to 15 years
Infrastructure	10 to 40 years

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

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

(q) Rates, Grants, Donations and Other Contributions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

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

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

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

2. REVENUE AND EXPENSES	2015	2014
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Significant expense		
General Purpose Funding	0	155,000
This significant expense in 2014 years relates to the write off of unidentifiable fixed assets.		
Other Properties and Services	0	1,428,085
	<u>0</u>	<u>1,583,085</u>
Auditors remuneration		
- Audit of the annual financial report	8,850	11,561
- Financial Management Review	5,031	0
- Other services	765	840
Depreciation		
Specialised buildings	221,603	265,675
Furniture and equipment	12,675	10,916
Plant and equipment	726,581	755,790
Roads	901,304	900,121
Improvements and Infrastructure	34,916	31,718
Roads Other	50,583	51,413
	<u>1,947,662</u>	<u>2,015,633</u>
Interest expenses (finance costs)		
Other	0	499
	<u>0</u>	<u>499</u>
Rental charges		
- Operating leases	16,094	0
	<u>16,094</u>	<u>0</u>
(ii) Crediting as revenue:		
Significant revenue		
General Purpose Funding	620,436	0
This significant revenue in 2015 relates to the early early payment of half the WA Grants Commissions instalment.		
Economic Services	0	4,618,249
This significant revenue in 2014 year relates to		
- R4R NGROAC	<u>620,436</u>	<u>4,618,249</u>
Other revenue		
Reimbursements and recoveries	88,122	8,689
Other	142,388	0
	<u>230,510</u>	<u>8,689</u>
	2015 Actual	2015 Budget
	\$	\$
Interest earnings		2014 Actual
- Reserve funds	15,439	13,273
- Other funds	118,070	15,166
	<u>133,509</u>	<u>28,439</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

The Shire of Leonora will be a progressive Shire supporting its residents in an environment of development while maintaining quality of life, values and retaining ownership of its future. Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

Shire 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 costs and revenues associated with the President and Councillors in the exercise of their obligations as a governing body. Items of expenditure include conference, travel, meeting attendance fees, presidential allowance, receptions, donations, subscriptions and phone rentals. Costs of advertising and conducting elections are also included. Revenues include election nomination fees and reimbursements by members for private expenses.

An administration cost is also allocated which enables staff to process Council Meeting procedures, implement all government decisions and conduct Council meetings. Cost of conducting audit of Council books of accounts and procedures is also include under this heading.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

1 Rates

- (a) GRV (gross rental value) refers to property rates for Leonora, Gwalia, Leinster and Agnew town sites and operational mines and associated infrastructure.
- (b) UV (unimproved value) refers to mining properties and tenements (other than mines and other associated infrastructure) and includes prospecting licences, exploration licences and mining leases. It also refers to broad acre rural pastoral properties.
- (c) Additional rates and rates written back refer mainly to mining rates where tenements are granted or surrendered following the adoption of the budget.
- (d) Administration charge refers to the charge levied on ratepayers electing to make payment of rates on the offered instalment plan and is based on the actual cost involved in administering this process
- (e) Administration costs allocated are the costs of maintaining records, levying and collecting all rates.

2 Grants

- (a) Grants Commission - a general purpose grant allocated annually by the Federal Government to all local governments. The amount is determined by various formulae devised by the Grants Commission, with a significant component being based on population.
- (b) Roads Grant - An untied road grant allocated by the Federal Government and again distributed by the Grants Commission utilising a pre-determined formula.
- (c) Administration costs allocated to grants refers to the costs associated in collection of Federal Government grants including provision and updating of data used in grants commission formula.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

3 Interest from Investments

Includes interest received on surplus funds invested throughout the year from both operating and reserve accounts.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

Costs and revenues associated with animal control within the Shire and also includes fire insurance, dog control and registration.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Costs and revenues associated with compliance with the Health Act including inspections and approvals, food quality control, mosquito control, septic tank inspection/control, food hygiene inspection/control, contribution to doctors expenses, Royal Flying Doctor donation and notification of disease.

EDUCATION AND WELFARE

Objective:

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

Activities:

Provision of support for education and aged and disabled facilities within the district for the betterment of the residents.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for use of those buildings. Costs that can be accurately attributed to other programs are allocated. Revenue associated with a State Government owned house by way of loan repayments to Council are also included.

Accommodation units include 3 houses, 2 duplexes and a single persons quarters.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Costs of collection and disposal of domestic and commercial refuse for town site of Leonora and Gwalia and maintenance of the landfill refuse site. Revenue collection by way of an annual fee for this service which is included on rate assessment notices.

Costs associated with review and administration of Council's Town Planning Scheme.

Provision of Christmas decorations in Leonora Town site.

Operation of the Leonora Cemetery.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

RECREATION AND CULTURE

Objective:

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

Activities:

Provision and maintenance of Council owned parks, gardens and grassed oval/recreation ground at Leonora and a contribution to similar facilities within Leinster townsite.

Costs of operation and maintenance of a purpose built recreation centre which includes indoor basketball court, two squash courts, kitchen, gymnasium and associated facilities and revenues collected from the public for use of these facilities.

Costs of maintenance of Council owned and provided television and radio re-transmission service which includes GWN, WIN and SBS television and WAFM and ABC fine music radio.

Costs and revenues associated with the operation and maintenance of library facilities at Leonora in conjunction with the Library Board of Western Australia.

TRANSPORT

Objective:

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

Activities:

Maintenance and improvements of 1,300 kilometres of Council controlled unsealed roads, town site footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for steel lights in the Leonora/Gwalia town sites and maintenance of Council's works depot and associated infrastructure.

Operation, maintenance and management of Leonora Aerodrome including runways, runway lighting, tarmac and terminal building and gardens. Purchase of aviation fuel for resale to aircraft operators.

Revenues by way of landing fees and Head Tax charges charged to all aircraft with the exception of the Royal Flying Doctors Service, lease/renting of building to all users of facilities and charges for fuel supplied to aircraft.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Costs associated with tourism promotion throughout the Shire including employment of a Curator/Promotion Officer at the Gwalia Museum and historic precinct.

Contribution to employment of a Goldfields/Esperance Development Officer operating from Shire Offices - Leonora.

Contribution to costs of North Eastern Goldfields Land care Organisation.

Costs and revenues associated with building control under building regulations, including inspections and issuing building permits.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

Costs and revenues for private hire of Council machinery and operators for completion of private works for ratepayers and others.

Costing allocation pools including administration, overheads, plant operation costs and salaries and wages which are all individually detailed and then allocated throughout all previously mentioned operating activities, works and services.

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

<u>Grant/Contribution</u>	<u>Function/ Activity</u>	<u>Opening Balance ⁽¹⁾ 1/07/13 \$</u>	<u>Received ⁽²⁾ 2013/14 \$</u>	<u>Expended ⁽³⁾ 2013/14 \$</u>	<u>Closing Balance ⁽¹⁾ 30/06/14 \$</u>	<u>Received ⁽²⁾ 2014/15 \$</u>	<u>Expended ⁽³⁾ 2014/15 \$</u>	<u>Closing Balance 30/06/15 \$</u>
Northern Goldfields Tourism Group	Recreation and Culture	25,373	0	(24,452)	921	0	(921)	0
Government Grant	General Purpose Funding	5,213	0	0	5,213	0		5,213
CLGF	General Purpose Funding	60,000	337,610	(252,045)	145,565	0	(144,568)	997
Workforce Planning Grant	General Purpose Funding	25,000	0	(8,790)	16,210	0	0	16,210
Northern Goldfields Regional Office and Administration Centre	Economic Services	0	4,618,249	0	4,618,249	461,567	(427,450)	4,652,366
Animal Sterilisation Program	Law, Order, Public Service	0	2,500	0	2,500	0	(2,500)	0
Total		<u><u>115,586</u></u>	<u><u>4,958,359</u></u>	<u><u>(285,287)</u></u>	<u><u>4,788,658</u></u>	<u><u>461,567</u></u>	<u><u>(575,439)</u></u>	<u><u>4,674,786</u></u>

Notes:

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

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,118,306	1,350,598
Restricted		<u>5,704,082</u>	<u>5,518,515</u>
		<u><u>6,822,388</u></u>	<u><u>6,869,113</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Annual Leave Reserve	11	157,964	154,692
Long Service Leave Reserve	11	129,089	126,415
Building Reserve	11	244,660	141,663
Fire Disaster Reserve	11	22,354	17,974
Plant Purchase Reserve	11	307,574	203,274
Gwalia Precinct Reserve	11	167,655	85,839
Unspent grants	2(c)	<u>4,674,786</u>	<u>4,788,658</u>
		<u><u>5,704,082</u></u>	<u><u>5,518,515</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		83,146	162,802
Sundry debtors		1,352,318	369,647
GST receivable		12,086	1,766
Interest Accrued		7,565	1,240
		<u>1,455,115</u>	<u>535,455</u>
Non-current			
		<u>0</u>	<u>0</u>
5. INVENTORIES			
Current			
Fuel and materials		<u>30,145</u>	<u>73,955</u>
		<u><u>30,145</u></u>	<u><u>73,955</u></u>
Non-current			
Land held for resale - cost			
Cost of acquisition		1,875	1,875
Development costs		<u>629,660</u>	<u>629,660</u>
		<u><u>631,535</u></u>	<u><u>631,535</u></u>

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

	2015	2014
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2 & 3	<u>957,000</u>	<u>957,000</u>
	<u>957,000</u>	<u>957,000</u>
Non-specialised buildings at:		
- Independent valuation 2014 - level 2 & 3	10,971,302	10,971,302
- Additions after valuation - cost	688,310	0
Less: accumulated depreciation	<u>(221,603)</u>	<u>0</u>
	<u>11,438,009</u>	<u>10,971,302</u>
Total land and buildings	<u>12,395,009</u>	<u>11,928,302</u>
Furniture and equipment at:		
- Management valuation 2013 - level 3	28,000	28,000
- Additions after valuation - cost	35,375	35,375
Less accumulated depreciation	<u>(23,591)</u>	<u>(10,916)</u>
	<u>39,784</u>	<u>52,459</u>
Plant and equipment at:		
- Management valuation 2013 - level 3	1,737,046	2,260,981
- Additions after valuation - cost	1,711,989	726,134
Less accumulated depreciation	<u>(1,077,761)</u>	<u>(651,129)</u>
	<u>2,371,274</u>	<u>2,335,986</u>
Playground equipment at:		
- Management valuation 2015 - level 3	33,000	0
Less accumulated depreciation	<u>0</u>	<u>0</u>
	<u>33,000</u>	<u>0</u>
	<u>14,839,067</u>	<u>14,316,747</u>

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

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	957,000	0	0	0	0	0	0	957,000
Total land	957,000	0	0	0	0	0	0	957,000
Non-specialised buildings	10,971,302	688,310	0	0	0	(221,603)	0	11,438,009
Total buildings	10,971,302	688,310	0	0	0	(221,603)	0	11,438,009
Total land and buildings	11,928,302	688,310	0	0	0	(221,603)	0	12,395,009
Furniture and equipment	52,459	0	0	0	0	(12,675)	0	39,784
Plant and equipment	2,335,986	1,018,854	(256,985)	0	0	(726,581)	0	2,371,274
Playground equipment	0	0	0	33,000	0	0	0	33,000
Total property, plant and equipment	14,316,747	1,707,164	(256,985)	33,000	0	(960,859)	0	14,839,067

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2014	Price per hectare / market borrowing rate
Non-specialised buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2014	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Playground equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

	2015	2014
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Management valuation 2015 - level 3	68,259,645	0
- Management valuation 2014 - level 3	0	42,788,226
Less accumulated depreciation	<u>0</u>	<u>(17,881,647)</u>
	<u>68,259,645</u>	<u>24,906,579</u>
Improvements and Infrastructure		
- Management valuation 2015 - level 3	6,686,000	0
- Management valuation 2010 - level 3	0	1,551,935
- Additions after valuation - cost	0	193,854
Less accumulated depreciation	<u>0</u>	<u>(130,671)</u>
	<u>6,686,000</u>	<u>1,615,118</u>
Infrastructure Road Other		
- Cost	0	2,518,195
Less accumulated depreciation	<u>0</u>	<u>(725,568)</u>
	<u>0</u>	<u>1,792,627</u>
	<u><u>74,945,645</u></u>	<u><u>28,314,324</u></u>

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

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

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

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads	24,906,579	924,364	0	41,587,962	0	(901,304)	1,742,044	68,259,645
Improvements and Infrastructure	1,615,118	74,549	0	5,031,249		(34,916)		6,686,000
Infrastructure Road Other	1,792,627	0	0	0	0	(50,583)	(1,742,044)	0
Total infrastructure	<u>28,314,324</u>	<u>998,913</u>	<u>0</u>	<u>46,619,211</u>	<u>0</u>	<u>(986,803)</u>	<u>0</u>	<u>74,945,645</u>

The revaluation of infrastructure assets resulted in an increase of \$46,619,211 in the net value of infrastructure.

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

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

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

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

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

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

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

	2015	2014
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	226,420	549,694
Accrued salaries and wages	34,341	28,406
ATO liabilities	52,952	0
Credit Cards	7,406	0
	<u>321,119</u>	<u>578,100</u>

9. LONG-TERM BORROWINGS

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

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014			
Current	128,629	89,156	217,785
Non-current provisions	0	64,480	64,480
	<u>128,629</u>	<u>153,636</u>	<u>282,265</u>
Additional provision	178,955	50,504	229,459
Amounts used	(192,516)	(77,918)	(270,434)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	(1,001)	(11,160)	(12,161)
Balance at 30 June 2015	<u>114,067</u>	<u>115,062</u>	<u>229,129</u>
Comprises			
Current	114,067	69,755	183,822
Non-current	0	45,307	45,307
	<u>114,067</u>	<u>115,062</u>	<u>229,129</u>

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

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Annual Leave Reserve			
Opening balance	154,692	154,692	151,037
Amount set aside / transfer to reserve	3,272	3,861	3,655
Amount used / transfer from reserve	0	0	0
	<u>157,964</u>	<u>158,553</u>	<u>154,692</u>
(b) Long Service Leave Reserve			
Opening balance	126,415	126,415	123,427
Amount set aside / transfer to reserve	2,674	3,155	2,988
Amount used / transfer from reserve	0	0	0
	<u>129,089</u>	<u>129,570</u>	<u>126,415</u>
(c) Building Reserve			
Opening balance	141,663	141,663	40,106
Amount set aside / transfer to reserve	102,997	103,553	101,557
Amount used / transfer from reserve	0	0	0
	<u>244,660</u>	<u>245,216</u>	<u>141,663</u>
(d) Fire Disaster Reserve			
Opening balance	17,974	17,974	13,621
Amount set aside / transfer to reserve	4,380	4,450	4,353
Amount used / transfer from reserve	0	0	0
	<u>22,354</u>	<u>22,424</u>	<u>17,974</u>
(e) Plant Purchase Reserve			
Opening balance	203,274	203,274	51,126
Amount set aside / transfer to reserve	104,300	105,085	152,148
Amount used / transfer from reserve	0	0	0
	<u>307,574</u>	<u>308,359</u>	<u>203,274</u>
(f) Gwalia Precinct Reserve			
Opening balance	85,839	85,839	91,150
Amount set aside / transfer to reserve	81,816	81,677	67,572
Amount used / transfer from reserve	0	(82,260)	(72,883)
	<u>167,655</u>	<u>85,256</u>	<u>85,839</u>
TOTAL RESERVES	<u>1,029,296</u>	<u>949,378</u>	<u>729,857</u>
Total Opening balance	729,857	729,857	470,467
Total Amount set aside / transfer to reserve	299,439	301,781	332,273
Total Amount used / transfer from reserve	0	(82,260)	(72,883)
TOTAL RESERVES	<u>1,029,296</u>	<u>949,378</u>	<u>729,857</u>

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

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

11. RESERVES - CASH BACKED (CONTINUED)

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

- (a)** Annual Leave Reserve
 - to be used to to offset Council's leave liability to its employees.

- (b)** Long Service Leave Reserve
 - to be used to offset Council's long service leave liabilities to it's employees

- (c)** Building Reserve
 - to be used for the construction and preservation of Council buildings and urgent repairs and maintenance.

- (d)** Fire Disaster Reserve
 - to be used to assist in the provision of emergency contingencies in the case of a fire disaster.

- (e)** Plant Purchase Reserve
 - to be used for the purchase of major plant.

- (f)** Gwalia Precinct Reserve
 - to be used for restoration and historical projects in the Gwalia precinct.

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

The building reserve is expected to be utilised in 2015/16.

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

12. REVALUATION SURPLUS	2015	2014
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Plant and equipment		
Opening balance	44,891	44,891
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>44,891</u>	<u>44,891</u>
(b) Playground		
Opening balance	0	0
Revaluation increment	33,000	0
Revaluation decrement	0	0
	<u>33,000</u>	<u>0</u>
(c) Roads		
Opening balance	8,258,459	10,689,520
Revaluation increment	41,587,961	0
Revaluation decrement	0	(2,431,061)
	<u>49,846,420</u>	<u>8,258,459</u>
(d) Improvements and Infrastructure		
Opening balance	1,243,100	1,243,100
Revaluation increment	5,031,250	0
Revaluation decrement	0	0
	<u>6,274,350</u>	<u>1,243,100</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>56,198,661</u></u>	<u><u>9,546,450</u></u>

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>6,822,388</u>	<u>949,377</u>	<u>6,869,113</u>

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

Net result	1,640,672	1,476,030	3,091,579
Non-cash flows in Net result:			
Depreciation	1,947,662	2,097,158	2,015,633
(Profit)/Loss on sale of asset	(144,788)	254,655	135,904
Loss on revaluation of fixed assets	0	0	1,428,085
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(919,660)	400,917	(253,668)
(Increase)/Decrease in inventories	43,810	55,249	(25,037)
Increase/(Decrease) in payables	(256,981)	(364,665)	168,163
Increase/(Decrease) in provisions	(53,136)	0	(23,947)
Grants contributions for the development of assets	<u>(3,626,754)</u>	<u>(2,954,255)</u>	<u>(4,941,493)</u>
Net cash from operating activities	<u>(1,369,175)</u>	<u>965,089</u>	<u>1,595,219</u>

	2015 \$	2014 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	25,000	20,000
Credit card balance at balance date	<u>(7,406)</u>	<u>(7,689)</u>
Total amount of credit unused	<u>17,594</u>	<u>12,311</u>
Loan facilities		
Loan facilities - current	0	0
Loan facilities - non-current	<u>0</u>	<u>0</u>
Total facilities in use at balance date	<u>0</u>	<u>0</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

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

14. CONTINGENT LIABILITIES

There were no known contingent liabilities at the reporting date.

15. CAPITAL AND LEASING COMMITMENTS	2015	2014
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but		
Payable:		
- not later than one year	23,648	13,749
- later than one year but not later than five years	41,915	13,503
- later than five years	<u>0</u>	<u>0</u>
	<u><u>65,563</u></u>	<u><u>27,252</u></u>

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	0	151,323

The capital expenditure project outstanding at the end of the previous reporting period represented the construction of a building to house vintage vehicles at the Gwalia Museum.

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

16. JOINT VENTURE ARRANGEMENTS

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Menzies, Ngaanyatjarraku, Ravensthorpe and Wiluna have a joint venture arrangement with regards to the provision of a Regional Records Service. The assets included in the joint venture recorded in the Council's one-tenth share are as follows :

	2015 \$	2014 \$
Non-current assets		
Land and buildings	75,500	74,688
Less: accumulated depreciation	<u>(1,887)</u>	<u>(3,740)</u>
	<u>73,613</u>	<u>70,948</u>
Plant and machinery	12,109	8,247
Less: accumulated depreciation	<u>(2,778)</u>	<u>(1,649)</u>
	<u>9,331</u>	<u>6,598</u>
Furniture and Equipment	8,247	12,109
Less: accumulated depreciation	<u>(3,492)</u>	<u>(1,332)</u>
	<u>4,755</u>	<u>10,777</u>
Light vehicles	3,549	3,549
Less: accumulated depreciation	<u>(1,129)</u>	<u>(591)</u>
	<u>2,420</u>	<u>2,958</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015 \$	2014 \$
Governance	13	0
General purpose funding	83,146	164,043
Law, order, public safety	50,354	51,391
Health	235,839	244,179
Education and welfare	14,357	16,195
Housing	1,777,978	1,809,457
Community amenities	1,841,799	1,851,141
Recreation and culture	7,646,620	6,499,433
Transport	76,558,456	30,618,031
Economic services	6,711,692	5,685,571
Other property and services	2,086,969	2,280,194
Unallocated	<u>1,716,672</u>	<u>1,521,494</u>
	<u>98,723,895</u>	<u>50,741,129</u>

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

18. FINANCIAL RATIOS	2015	2014	2013
Current ratio	8.11	3.39	3.42
Asset sustainability ratio	0.34	0.51	1.22
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	(0.30)	(0.29)	0.10
Own source revenue coverage ratio	0.68	0.62	0.74

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	$\frac{\text{annual operating surplus before interest and depreciation principal and interest}}{\text{principal and interest}}$
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.

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

19. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid \$	Balance 30 June 2015 \$
Sale of Impounded Cattle	16,112	0	0	16,112
	<u>16,112</u>			<u>16,112</u>

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Health						
EHO Vehicle - 4L	25,872	35,610	22,727	23,000	(3,145)	(12,610)
Transport						
Loader - 1CVT011	102,985	177,982	160,000	85,000	57,015	(92,982)
Works Utility - P448D	12,028	41,348	15,455	22,000	3,427	(19,348)
Grader - L2221	0	145,722	73,000	130,000	73,000	(15,722)
Dual Cab Utility - P534	12,728	33,679	19,091	19,000	6,363	(14,679)
Works Utility	14,617	36,328	23,182	11,000	8,565	(25,328)
MWS Vehicle - 6L	33,248	59,810	29,091	30,000	(4,157)	(29,810)
Other property and services						
CEO Vehicle - 1L	25,324	48,596	29,227	31,000	3,903	(17,596)
DCEO Vehicle - 2L	30,183	46,207	30,000	30,000	(183)	(16,207)
MEHS Vehicle	0	26,373	0	16,000	0	(10,373)
	<u>256,985</u>	<u>651,655</u>	<u>401,773</u>	<u>397,000</u>	<u>144,788</u>	<u>(254,655)</u>

Profit	152,273	0
Loss	(7,485)	(254,655)
	<u>144,788</u>	<u>(254,655)</u>

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

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

The Shire of Leonora had no borrowings.

(b) New Debentures - 2014/15

The Shire did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

The Shire does not have an overdraft facility.

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

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General rate											
Gross rental value valuations											
GRV - Residential	0.0630	486	6,498,180	409,385	582	0	409,967	409,385	0	0	409,385
GRV - Commercial	0.0630	30	3,541,182	223,094	0	0	223,094	223,094	0	0	223,094
GRV - Industrial	0.0630	48	3,545,980	223,397	0	0	223,397	223,397	0	0	223,397
GRV - Mining Tenement	0.0630	6	2,399,248	151,153	(23,356)	0	127,797	151,153	1,541	0	152,694
GRV - Town Centre	0.0630	5	252,770	15,925	(8,505)	0	7,420	15,925	0	0	15,925
GRV - Miscellaneous	0.0630	12	356,524	22,461	0	0	22,461	22,461	0	0	22,461
Unimproved value valuations											
UV - Mining Tenement	0.1380	1,069	26,846,741	3,704,850	(6,840)	0	3,698,010	3,699,206	15,405	(104,595)	3,610,016
UV - Pastoral	0.1380	30	1,264,312	174,475	(1,764)	0	172,711	174,475	0	0	174,475
UV - Rural	0.1380	2	50,000	6,900	0	0	6,900	6,900	0	0	6,900
Sub-Totals		1,688	44,754,937	4,931,640	(39,883)	0	4,891,757	4,925,996	16,946	(104,595)	4,838,347
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV - Residential	287	19	50,521	5,453	0	0	5,453	5,453	0	0	5,453
GRV - Commercial	287	4	10,140	1,148	0	0	1,148	1,148	0	0	1,148
GRV - Industrial	287	13	32,270	3,731	0	0	3,731	3,731	0	0	3,731
GRV - Town Centre	287	2	875	574	0	0	574	574	0	0	574
GRV - Miscellaneous	287	4	2,910	1,148	8,505	0	9,653	1,148	0	0	1,148
GRV - Vacant	287	63	60,731	18,081	(2,308)	0	15,773	18,081	0	0	18,081
UV - Mining Tenement	287	825	944,662	236,775	3,218	0	239,993	238,210	0	0	238,210
UV - Rural	287	3	3,501	861	0	0	861	861	0	0	861
Sub-Totals		933	1,105,610	267,771	9,415	0	277,186	269,206	0	0	269,206
Discounts/concessions (refer note 25)							5,168,943				5,107,553
Total amount raised from general rate							(17,148)				0
Specified Area Rate (refer note 23)							5,151,795				5,107,553
Totals							0				0
							5,151,795				5,107,553

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

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

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>6,991,574</u>	<u>6,198,972</u>	<u>6,198,972</u>
<u>Comprises:</u>			
Cash and cash equivalents			
Unrestricted	1,118,306	1,350,598	1,350,599
Restricted	5,704,082	5,518,515	5,518,514
Receivables			
Rates outstanding	83,146	162,802	162,802
Sundry debtors	1,352,318	369,647	370,887
GST receivable	12,086	1,766	1,766
Interest Accrued	7,565	1,240	0
Inventories			
Fuel and materials	30,145	73,955	73,955
<u>Less:</u>			
Trade and other payables			
Sundry creditors	(226,420)	(549,694)	(549,694)
Accrued salaries and wages	(34,341)	(28,406)	(28,406)
ATO liabilities	(52,952)	0	0
Credit Cards	(7,406)	0	0
Provisions			
Provision for annual leave	(114,067)	(128,629)	(128,629)
Provision for long service leave	(69,755)	(89,156)	(89,156)
Net current assets	<u>7,802,707</u>	<u>6,682,638</u>	<u>6,682,638</u>
<u>Less:</u>			
Reserves - restricted cash	(1,029,296)	(729,857)	(729,857)
<u>Add:</u>			
Accrued Salaries and Wages	34,341	28,406	28,406
Provision for Annual Leave	114,067	128,629	128,629
Provision for Long Service Leave	69,755	89,156	89,156
Surplus/(deficit)	<u>6,991,574</u>	<u>6,198,972</u>	<u>6,198,972</u>

Difference

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

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

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges.

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

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Landing Fees	Discount	100%	1,350	3,000
Concession	Discount	54%	17,148	90,000
Housing Rental	Discount	100%	5,200	5,200
			23,698	98,200
Rate assessment	Write-Off	N/A	17,032	105,545

No discount on rates was available.

A concession of 54% was applied to pastoral properties (with no property paying less than the \$287 minimum payment), in lieu of previous differential rate categories. The concession considered the impact of high property valuations on pastoralists, and the effort to achieve an equal rate burden within the district, giving consideration to capacity to pay and other factors.

Landing Fees

The Royal Flying Doctor Service (RFDS) has been granted a continuous waiver on landing fees at the airport. The waiver is in recognition of the valuable community service provided by the RFDS to the district.

Housing Rental

The Shire of Leonora provides housing to the local Doctor who resides in Leonora and all rent is waived as per a contract between Council and the Doctor.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Charges on instalment plan		24	9,024	13,135
			9,024	13,135

No interest was charged on overdue rates.

Ratepayers had the option of paying rates in four equal instalments, due on 27 August 2014, 27 October 2014, 27 December 2014 and 27 February 2015. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES

	2015 \$	2014 \$
General purpose funding	9,330	14,071
Law, order, public safety	8,662	8,053
Health	27,513	24,965
Education and welfare	99,317	72,774
Housing	30,310	27,870
Community amenities	205,235	187,898
Recreation and culture	80,512	69,416
Transport	434,975	476,385
Economic services	178,564	182,426
Other property and services	37,369	50,461
	<u>1,111,787</u>	<u>1,114,319</u>

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

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

28. GRANT REVENUE

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

	2015	2014
By Nature or Type:	\$	\$
Operating grants, subsidies and contributions	999,257	1,966,977
Non-operating grants, subsidies and contributions	3,626,754	4,941,493
	<u>4,626,011</u>	<u>6,908,470</u>
By Program:		
General purpose funding	1,820,387	908,235
Law, order, public safety	4,870	9,720
Health	0	23,125
Education and welfare	130,021	132,144
Community amenities	179,977	0
Recreation and culture	0	100,000
Transport	1,965,833	801,942
Economic services	524,923	4,933,304
	<u>4,626,011</u>	<u>6,908,470</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>28</u>	<u>27</u>
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30. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	30,900	43,216	28,752
President's allowance	17,200	17,200	15,767
Deputy President's allowance	4,300	4,300	4,300
Travelling expenses	9,552	8,455	9,493
Telecommunications allowance	24,500	24,500	27,515
	<u>86,452</u>	<u>97,671</u>	<u>85,827</u>

31. MAJOR LAND TRANSACTIONS

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

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Shire did participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

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

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	6,822,388	6,869,113	6,822,388	6,869,113
Receivables	1,455,115	535,455	1,455,115	535,455
	<u>8,277,503</u>	<u>7,404,568</u>	<u>8,277,503</u>	<u>7,404,568</u>
Financial liabilities				
Payables	321,119	578,100	321,119	578,100
	<u>321,119</u>	<u>578,100</u>	<u>321,119</u>	<u>578,100</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 LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

33. FINANCIAL RISK MANAGEMENT (Continued)
(a) Cash and Cash Equivalents

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

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

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

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

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

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	81,970	42,603
- Statement of Comprehensive Income	81,970 ⁽¹⁾	42,603 ⁽¹⁾

Notes:

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

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

33. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	4%	0%
- Overdue	96%	100%
Percentage of other receivables		
- Current	7%	27%
- Overdue	92%	73%

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015</u>					
Payables	321,119	0	0	321,119	321,119
	<u>321,119</u>	<u>0</u>	<u>0</u>	<u>321,119</u>	<u>321,119</u>
<u>2014</u>					
Payables	578,100	0	0	578,100	578,100
	<u>578,100</u>	<u>0</u>	<u>0</u>	<u>578,100</u>	<u>578,100</u>

INDEPENDENT AUDITOR'S REPORT TO THE SHIRE OF LEONORA

Report on the Financial Report

We have audited the accompanying financial report of Shire of Leonora, which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Council 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 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 which 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 the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of Shire of Leonora is in accordance with the underlying records of the Council, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Emphasis of Matter

Without modifying our opinion, we draw attention to page 58 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. The underlying information on which the calculation of the asset consumption ratio and asset renewal funding ratio is based does not form part of the audited financial report. As a result, we do not express an opinion on these ratios.

Other matters

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) In relation to the Supplementary Ratio Information presented on page 58 of this report we have reviewed the calculations as presented and nothing has come to our attention to suggest that they are not reasonably calculated and based on verifiable information.
- d) All information and explanations required were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA

Director

Perth

Date: 13 October 2015

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

RATIO INFORMATION

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

	2015	2014	2013
Asset consumption ratio	0.67	0.49	0.49
Asset renewal funding ratio	0.39	0.57	0.52

The above ratios are calculated as follows:

Asset consumption ratio	<u>depreciated replacement costs of assets</u> current replacement cost of depreciable assets
Asset renewal funding ratio	<u>NPV of planning capital renewal over 10 years</u> NPV of required capital expenditure over 10 years

7.0 NATIONAL COMPETITION POLICY STATEMENT

The Competition Principles Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principle to public sector organisations within their jurisdiction.

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement which forms part of the Competition Principles Agreement. The clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government. The provisions of Clause 7 of the Competition Principles Agreement require local government to report annually as to the implementation, application and effects of the Competition Policy.

The Competition Principles Agreement, under Clause 7, specifies three broad areas of reporting, they are:

- Competitive Neutrality
- Structural Review of Public Monopolies; and
- Legislative Review

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 2014/2015.

7.1 COMPETITIVE NEUTRALITY

The objective of competitive neutrality is the elimination of resource allocation distortions arising out of local government ownership of significant business activities.

The Shire of Leonora has assessed its operations and considers that it does not have a business activity that would be classed as significant under the current guidelines. Also the Shire of Leonora does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

The number of activities to which competitive neutrality principles have been applied in the reporting period is: NIL.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: NIL.

Under the implementation timetable required by the National Competition Policy Statement the Shire of Leonora was required to undertake a cost benefit analysis to determine which significant business activities would be subject to competitive neutrality principles by June 1, 1997. This analysis was not undertaken by the Shire as no significant activities have been identified as part of its operations.

During the reporting period the Shire of Leonora did not become aware of any allegations of non compliance with the competitive neutrality principles made by a private entity against the Shire.

7.2 STRUCTURAL REVIEW OF PUBLIC MONOPOLIES

In relation to Structural Review of Public Monopolies the Shire of Leonora discloses the following:

Structural reform principles have been applied to the following number of activities in the reporting period: NIL.

ANNUAL REPORT 2014-2015



Structural reform principles have been considered but not applied to the following number of activities in the reporting period: NIL.

As no structural reform has been applied to any activities the review requirements of principle SR.3 of Clause 7 of the Competition Policy Statement have not been undertaken.

8.0 OVERVIEW OF THE PLAN FOR THE FUTURE

The Strategic Community Plan 2012-2022 was prepared through engagement and consultation with the local community, and sets out the vision, aspirations and objectives of the community in the district.

The table below sets out to provide an overview of achievements to date made during the 2014/15 reporting period, as well as initiatives that are proposed to commence and/or continue into the next financial year.

Further detail relating to the Strategic Community Plan can be inspected by viewing the document on the Shire of Leonora's website.

PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2014/15 ACHIEVED / CONTINUING 2015/16	PLANNED / COMMENCING 2015/16
Exhibit the community spirit and showcase sights of the Shire by facilitating events attracting community members and other visitors	Enhance, develop and promote Golden Gift	N/A
Promote less tolerance for lawlessness by facilitating the coordination of relevant Government agencies to tackle crime	Utilise the Leonora Interagency committee to communicate with the relevant Government authorities	N/A
Support community run sporting, recreational and volunteering initiatives through direct financial assistance; the utilisation of Shire facilities	Maintain Community grant scheme annually	N/A
Ensure that there is appropriate infrastructure and facilities to service the health and social needs of the Shire's senior residents	Investigate the feasibility of accommodation for the elderly	N/A
Become the further education and vocational hub for the Northern Goldfields region	N/A	Open communications with Universities and TAFE organisations
Develop Leonora as a transportation hub for the Northern Goldfields and alternate route to the Pilbara	N/A	Attract industrial training business to town
Reduction in the adverse effects of mining activity around and near the town	Sealing works roads just outside the town site to minimise dust	N/A

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PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2014/15 ACHIEVED / CONTINUING 2015/16	PLANNED / COMMENCING 2015/16
Facilitate more effective delivery of services by Federal and State Government agencies by providing a shared work space for visiting agencies and broking informal coordination of services	Support and promote the Leonora Inter-Agency ("LIA") initiative	Provide facilities for Federal and State government agencies to work from a shared office space provided by the Shire at no/low costs.
Expand the asset management plan and document the asset management policies and procedures that are currently undertaken	Develop and implement asset management planning Document current asset management policies and procedures	N/A
Ensure the Shire's historic GWALIA buildings remain viable for future generations of the community by developing specific asset management plans	Seek heritage funding for the maintenance of historic assets Organise valuations of the buildings in the Gwalia area	Engage architects specialising in heritage buildings to identify the future needs of the buildings Utilise the services provided by the Gwalia reference volunteer group to organise building maintenance busy bees
Create an environment that promotes the finest work from staff by adopting and implementing best management practices, with an emphasis on safety	Develop a workforce plan to ensure the efficient allocation of staff and to identify the future staff requirements of the Shire Develop occupational safety and health manuals	Adhere to DLG guidelines and other good management practices, by developing for staff handbooks identifying legislative requirements
Ensure the Shire receives the maximum grant assistance available to ensure the greatest benefit to the community	Attract grant funding through lobbying the government for assistance when Shire undertakes non-traditional services Investigate grants available that the Shire is eligible to receive	N/A
Plan for adequate supply of residential and commercial land to meet the requirements of the community	Identify and release residential and commercial land blocks	N/A

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PLAN FOR THE FUTURE STRATEGY / INITIATIVE	2014/15 ACHIEVED / CONTINUING 2015/16	PLANNED / COMMENCING 2015/16
Identify the future leadership requirements of the Shire and develop and equip staff to fulfil these positions	Develop and implement trainee scheme Provide opportunities and budget for professional development, career development and training for staff Prioritise and support internal promotion Identify and backfill key roles	N/A
Support and develop Councillors to represent their community effectively	Ensure Councillors receive appropriate training to continuously improve their skills and knowledge	N/A

9.0 DISABILITY ACCESS INCLUSION PLAN (DAIP)

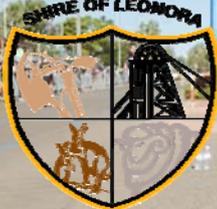
- (A) The Shire of Leonora is required to comply with the State Government imposed Disability Services Act (1993).
- (B) A Disability Access Inclusion Plan 2013-2018 has been approved with the following principal intent.
 - (i) Existing services are adapted to ensure they meet the needs of people with disabilities.
 - (ii) Access to buildings and facilities are improved.
- (C) The following delivery of services was implemented in the reporting year.
NIL

10.0 RECORD KEEPING PLAN

STATE RECORDS ACT 2000

- (A) The Shire of Leonora is required to comply with the abovementioned State Government imposed Legislation.
- (B) A Record Keeping Plan has been produced and approved by the State Records Commission for a period of 5 years to the 30th June, 2017. This plan resulted from a review of Council's previous plan prior to 8th October, 2012.

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(C) In accordance with minimum compliance requirements of Principle 6 of the State Records Commission – Standard 2, the following has been implemented:

1. The efficiency and effectiveness of Councils Record Keeping Systems is evaluated not less than once every three years.
2. The Council conducts a Record Keeping Training program.
3. The efficiency and effectiveness of the Record Keeping Training program is reviewed from time to time.
4. The Council's induction program addresses employee roles and responsibilities in regard to their compliance with Council's Record Keeping Plan.

11.0 EMPLOYEES'S REMUNERATION

Pursuant to Section 5.53 (2)(g) of the Local Government Act 1995, and Administration Regulation 19B, set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range (\$)	No. of Employees
100,000 – 109,999	1
110,000 – 119,999	3
130,000 – 139,999	2
230,000 – 239,999	1

12.0 OFFICIAL CONDUCT – COMPLAINTS REGISTER

Pursuant to S.5.121 of the Local Government Act 1995, a complaints register has been maintained. As at the 30th June 2015, no complaints were recorded, therefore no action was required to deal with complaints.

12.0 NEXT MEETING

Tuesday 17th November, 2015 at 9:30am in the Shire of Leonora Council Chambers.

13.0 CLOSURE OF MEETING

There being no further business, presiding member Cr PJ Craig declared the meeting closed at 12:26pm.