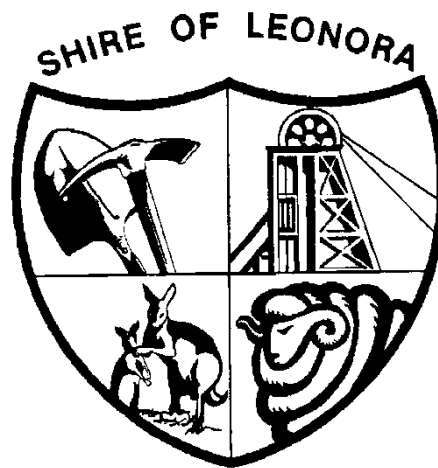


SHIRE OF LEONORA

NOTICE OF AN ORDINARY COUNCIL MEETING



DEAR COUNCIL MEMBER,
THE NEXT ORDINARY MEETING OF THE SHIRE OF LEONORA
WILL BE HELD ON TUESDAY, 20TH NOVEMBER, 2018 IN
COUNCIL CHAMBERS, LEONORA AT 9:30AM.

JG EPIS
CHIEF EXECUTIVE OFFICER

**AGENDA FOR THE MEETING IS DETAILED OVER
PAGE.**

SHIRE OF LEONORA
INFORMATION FOR PUBLIC
ATTENDING COUNCIL MEETINGS

PLEASE NOTE:-

THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICER'S RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.

THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PURSUING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.

MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING OFFICIAL WRITTEN NOTIFICATION OF COUNCIL'S DECISION.

JG EPIS
CHIEF EXECUTIVE OFFICER

SHIRE OF LEONORA
ORDER OF BUSINESS FOR MEETING TO BE HELD
TUESDAY 20TH NOVEMBER, 2018.

**COLOUR
CODING**

1. **DECLARATION OF OPENING/ ANNOUNCEMENT OF VISITORS/
FINANCIAL INTEREST DISCLOSURES**
2. **DISCLAIMER NOTICE**
3. **RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE
(PREVIOUSLY APPROVED)**
4. **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
5. **PUBLIC QUESTION TIME**
6. **APPLICATIONS FOR LEAVE OF ABSENCE**
7. **PETITIONS / DEPUTATIONS / PRESENTATIONS**
- White* 8. **CONFIRMATION OF MINUTES FROM PREVIOUS MEETING**
(Sent out previously)
Draft motion: That the Minutes of the Ordinary Meeting held on 16th October,
2018 be confirmed as a true and accurate record.
9. **ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT
DISCUSSION**
- Pink* 10. **REPORTS OF OFFICERS**
 - 10.1 **Chief Executive Officer**
 - a) Annual Report and General Electors Meeting
 - b) Monthly Financial Statements – 31st October, 2018
 - c) Accounts for Payment
 - Blue* 10.2 **Deputy Chief Executive Officer**
Nil
 - Green* 10.3 **Environmental Health Officer**
Nil
11. **NEW BUSINESS OF AN URGENT NATURE
INTRODUCED BY DECISION OF THE MEETING**
 - a) Elected Members
 - b) Officers
12. **NEXT MEETING Tuesday 18th December, 2018**
13. **CLOSURE OF MEETING**

10.0 REPORTS OF OFFICERS

10.1 CHIEF EXECUTIVE OFFICER

10.1(A) ANNUAL REPORT 2018 & GENERAL ELECTORS' MEETING

SUBMISSION TO: Meeting of Council
Meeting Date: 20th November, 2018

AGENDA REFERENCE: 10.1 (A) NOV 18

SUBJECT: Annual Report 2018 & General Electors' Meeting

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

FILE REFERENCE: 1.8

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 12th November, 2018

COMMENT:

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

The draft Annual Report for the year ended 30th June, 2018 is attached for consideration and adoption, and a date for the Annual Meeting of Electors should be set.

The Annual Report is included for your perusal.

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 18th December 2018, at 2:00pm.

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 as presented for the year ended 30th June 2018 be accepted and the General Meeting of Electors be scheduled for Tuesday 18th December 2018, at 2:00pm in the Shire of Leonora Council Chambers, Leonora.

VOTING REQUIREMENT

Simple majority required.

SIGNATURE

Chief Executive Officer



ANNUAL REPORT

For the Year ended 30th June 2018

ANNUAL REPORT 2017-2018



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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 continued advocating for the community to realise the goals set out within the Strategic Community Plan, including establishment of Aged Care Accommodation in the Leonora community. Although the change of government in the previous reporting period saw committed funds for this project withdrawn, some success has been achieved in that the merit and significant benefit that the project would deliver to the community has been recognised by the current government. Funds have been allocated that will allow the Shire of Leonora to reconsider the type of accommodation that will fit within the new funding structure, as well as investigating the feasibility of staging the project.

The Shire of Leonora has remained steadfast in its support of the Cashless Debit Card Trial, and has worked closely with a number of agencies during the 2017/18 reporting period to assist with the introduction of the trial in the local community. The Shire is committed to ensuring that the trial is fairly delivered, and that no disadvantage is experienced by community members who are participating in the trial. The administration office has implemented a 'roaming' EFTPOS machine that is available for community market days and other similar activities. This machine allows participants to use their card where other vendors may not have EFTPOS facilities, and the administration office will remit funds to the vendor the next business day. The roaming EFTPOS machine has been very well utilised to date, and staff will continue to ensure that it remains available for various community activities in the future. Efforts to continue assisting the Department of Social Services and other agencies participating in or facilitating with the CDC trial, both through the Shire administration office and the Leonora Community Resource Centre (CRC) will also continue.

In September 2017, Cr Glenn Baker resigned from the Council after a combined total of twenty eight years of service (1983-2002, and 2008-2017) including two years as President from 1997-1999. I would like to take this opportunity to thank Cr Baker for his contribution during his time representing the community as an elected member. I would also like to welcome newly elected members from the October 2017 election, Cr Lexi Moore and Cr Fifi Harris – I look forward to continuing working with you both.

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 2017-2018



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 2017/18 reporting period.

With increased focus on maintaining strict procedural and compliance oriented operations, the Shire of Leonora has partnered with the Shires of Wiluna, Menzies and Laverton for a collaborative approach to statutory compliance services, through Moore Stephens. This partnership will deliver many efficiencies, as well as relieve some administrative pressure and workload that will enable staff to shift some of their focus and time toward service delivery to the community. Although the Shire of Leonora has been maintaining an excellent financial position, as demonstrated through strong ratios, the ever increasing compliance environment in which we operate was presenting a risk of decreased focus on service delivery. We are looking forward to working with the community as we progress with reviewing our services and service delivery.

Capital works have remained strong once again, with works associated with the Gwalia Precinct upgrade nearing completion. The result of these works will be on display later this year when the precinct is officially 'relaunched' to celebrate the efforts undertaken to date. The preservation work has been through significant investment of the Council, as well as the National Stronger Regions Fund (NSRF).

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	11	100%
R A Norrie	11	11	100%
G W Baker	3	3	100%
L R Petersen	11	11	100%
R M Cotterill	11	10	91%
A E Taylor	11	11	100%
A M Moore	7	7	100%
F Harris	7	7	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 2018/19 will present to us.

Jim Epis
Chief Executive Officer

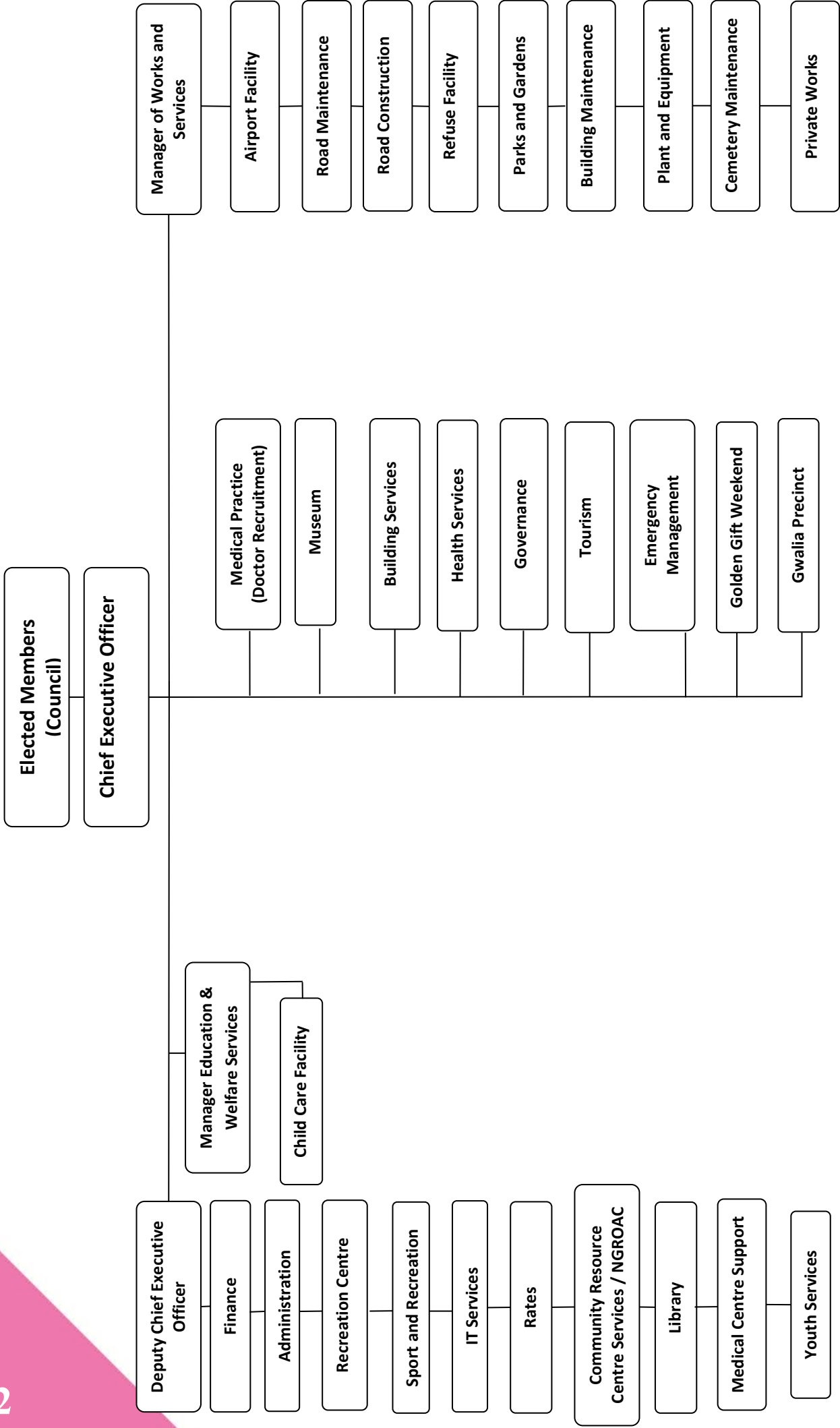
ANNUAL REPORT 2017-2018



COUNCILLOR DETAILS

POSITION	RETIREMENT YEAR	CONTACT	NUMBER
PRESIDENT Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	2019	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	2019	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 rossn@cbslaccountants.com
Ms L R PETERSEN Lot 1114 Gwalia Street (PO Box 69) LEONORA WA 6438	2021	WK HM FAX MOB EMAIL	08 9037 6400 08 9037 6404 0419 177 232 Butsonsbs@westnet.com.au
Mr GW BAKER (Resigned September 2017) "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	2021	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	2021	WK HM FAX MOB EMAIL	08 9037 6167 08 9037 6167 0409 127 506 richardcotterill@live.com.au
Ms A M Moore Lot 27 Tower Street (PO Box 197) LEONORA WA 6438	2021	WK HM FAX MOB EMAIL	08 9037 7546 0437 366 649 alexis.stein@hotmail.com
Ms F HARRIS Lot 42 Braemore Road (PO Box 129) LEONORA WA 6438	2019	WK HM FAX MOB EMAIL	0437 968 493 neilandfifi@bigpond.com

SHIRE OF LEONORA – ORGANISATIONAL CHART



SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

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COMMUNITY VISION

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

Principal place of business:
16 Tower Street
Leonora WA 6438

**SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Leonora for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Leonora at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the *TWELFTH* day of *NOVEMBER* 2018



Chief Executive Officer

Jim Epis

Name of Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	20(a)	5,627,909	5,488,040	5,319,401
Operating grants, subsidies and contributions	2(a)	1,646,402	1,212,021	2,478,997
Fees and charges	2(a)	1,701,292	1,330,951	1,335,517
Interest earnings	2(a)	15,956	17,728	32,373
Other revenue	2(a)	481,275	235,795	239,044
		9,472,834	8,284,535	9,405,332
Expenses				
Employee costs		(2,905,366)	(2,820,773)	(2,800,859)
Materials and contracts		(3,845,261)	(4,354,168)	(3,099,413)
Utility charges		(354,886)	(253,138)	(314,449)
Depreciation on non-current assets	9(b)	(2,859,420)	(1,209,703)	(2,724,508)
Insurance expenses		(228,807)	(244,275)	(262,734)
Other expenditure		(135,761)	(98,001)	(187,290)
		(10,329,501)	(8,980,058)	(9,389,253)
		(856,667)	(695,523)	16,079
Non-operating grants, subsidies and contributions	2(a)	2,712,987	4,514,131	4,068,555
Profit on asset disposals	9(a)	20,991	0	0
(Loss) on asset disposals	9(a)	(22,531)	(140,552)	(56,755)
(Loss) on impairment of land and buildings	7(b)	0	0	(158,171)
		2,711,447	4,373,579	3,853,629
		1,854,780	3,678,056	3,869,708
Net result				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	2,474,938	0	(2,875,000)
		2,474,938	0	(2,875,000)
Total other comprehensive income				
		4,329,718	3,678,056	994,708
Total comprehensive income				

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

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Governance		1,129	4,480	987
General purpose funding		6,869,300	6,164,446	7,209,620
Law, order, public safety		9,122	9,615	7,637
Health		35,444	30,718	53,094
Education and welfare		277,990	228,415	231,340
Housing		41,516	38,750	30,478
Community amenities		548,259	312,565	427,443
Recreation and culture		241,825	176,812	233,798
Transport		796,378	578,069	600,035
Economic services		408,207	606,575	446,197
Other property and services		243,664	134,090	164,703
		9,472,834	8,284,535	9,405,332
Expenses				
Governance		(483,572)	(631,755)	(492,244)
General purpose funding		(358,979)	(397,655)	(334,426)
Law, order, public safety		(177,110)	(163,766)	(151,461)
Health		(731,327)	(604,103)	(566,209)
Education and welfare		(641,112)	(643,201)	(528,774)
Community amenities		(250,918)	(429,840)	(210,318)
Recreation and culture		(1,067,806)	(1,198,405)	(1,038,375)
Transport		(4,671,399)	(3,044,039)	(4,647,118)
Economic services		(1,833,638)	(1,949,802)	(1,432,437)
Other property and services		(113,640)	82,508	12,109
		(10,329,501)	(8,980,058)	(9,389,253)
		(856,667)	(695,523)	16,079
Non-operating grants, subsidies and contributions	2(a)	2,712,987	4,514,131	4,068,555
Profit on disposal of assets	9(a)	20,991	0	0
(Loss) on disposal of assets	9(a)	(22,531)	(140,552)	(56,755)
(Loss) on impairment of land and buildings	7(b)	0	0	(158,171)
		2,711,447	4,373,579	3,853,629
		1,854,780	3,678,056	3,869,708
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	2,474,938	0	(2,875,000)
		2,474,938	0	(2,875,000)
Total other comprehensive income				
		2,474,938	0	(2,875,000)
Total comprehensive income				
		4,329,718	3,678,056	994,708

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	4,063,482	5,171,547
Trade and other receivables	5	451,168	1,111,164
Inventories	6	43,861	40,848
TOTAL CURRENT ASSETS		4,558,511	6,323,559
NON-CURRENT ASSETS			
Inventories	6	511,926	576,096
Property, plant and equipment	7	22,221,697	21,622,411
Infrastructure	8	61,837,999	56,544,083
TOTAL NON-CURRENT ASSETS		84,571,622	78,742,590
TOTAL ASSETS		89,130,133	85,066,149
CURRENT LIABILITIES			
Trade and other payables	11	505,429	806,158
Provisions	13	198,195	167,699
TOTAL CURRENT LIABILITIES		703,624	973,857
NON-CURRENT LIABILITIES			
Provisions	13	71,383	66,884
TOTAL NON-CURRENT LIABILITIES		71,383	66,884
TOTAL LIABILITIES		775,007	1,040,741
NET ASSETS		88,355,126	84,025,408
EQUITY			
Retained surplus		46,612,205	44,887,770
Reserves - cash backed	4	2,541,945	2,411,600
Revaluation surplus	10	39,200,976	36,726,038
TOTAL EQUITY		88,355,126	84,025,408

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018**

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		41,402,301	2,027,361	39,601,038	83,030,700
Comprehensive income					
Net result		3,869,708	0	0	3,869,708
Changes on revaluation of assets	10	0	0	(2,875,000)	(2,875,000)
Total comprehensive income		3,869,708	0	(2,875,000)	994,708
Transfers from/(to) reserves		(384,239)	384,239	0	0
Balance as at 30 June 2017		44,887,770	2,411,600	36,726,038	84,025,408
Comprehensive income					
Net result		1,854,780	0	0	1,854,780
Changes on revaluation of assets	10	0	0	2,474,938	2,474,938
Total comprehensive income		1,854,780	0	2,474,938	4,329,718
Transfers from/(to) reserves		(130,345)	130,345	0	0
Balance as at 30 June 2018		46,612,205	2,541,945	39,200,976	88,355,126

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,610,570	5,488,040	5,319,875
Operating grants, subsidies and contributions		2,434,380	1,212,021	1,687,963
Fees and charges		1,701,292	1,330,951	1,335,517
Interest earnings		15,956	17,728	32,373
Goods and services tax		896,384	430,507	835,358
Other revenue		481,275	235,795	239,044
		11,139,857	8,715,042	9,450,130
Payments				
Employee costs		(2,827,660)	(2,820,773)	(2,831,495)
Materials and contracts		(4,186,962)	(3,753,604)	(2,757,670)
Utility charges		(354,886)	(253,138)	(314,449)
Interest expenses		(4,752)	0	0
Insurance expenses		(228,807)	(244,275)	(262,734)
Goods and services tax		(1,007,027)	(430,507)	(725,008)
Other expenditure		(135,761)	(98,001)	(187,290)
		(8,745,855)	(7,600,298)	(7,078,646)
Net cash provided by (used in) operating activities	14	2,394,002	1,114,744	2,371,484
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		64,170	0	0
Payments for purchase of property, plant & equipment		(1,629,349)	(2,611,582)	(5,158,202)
Payments for construction of infrastructure		(4,865,330)	(5,579,276)	(3,480,525)
Non-operating grants, subsidies and contributions		2,712,987	4,514,131	4,068,555
Proceeds from sale of fixed assets		215,455	198,181	110,911
Net cash provided by (used in) investment activities		(3,502,067)	(3,478,546)	(4,459,261)
Net increase (decrease) in cash held		(1,108,065)	(2,363,802)	(2,087,777)
Cash at beginning of year		5,171,547	5,065,130	7,259,324
Cash and cash equivalents at the end of the year	14	4,063,482	2,701,328	5,171,547

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		3,200,635	3,254,094	5,279,629
		3,200,635	3,254,094	5,279,629
Revenue from operating activities (excluding rates)				
Governance		1,129	4,480	987
General purpose funding		1,241,391	676,406	1,890,219
Law, order, public safety		9,122	9,615	7,637
Health		35,444	30,718	53,094
Education and welfare		277,990	228,415	231,340
Housing		41,516	38,750	30,478
Community amenities		548,259	312,565	427,443
Recreation and culture		241,825	176,812	233,798
Transport		796,378	578,069	600,035
Economic services		408,207	606,575	446,197
Other property and services		264,655	134,090	164,703
		3,865,916	2,796,495	4,085,931
Expenditure from operating activities				
Governance		(483,572)	(631,755)	(492,244)
General purpose funding		(358,979)	(397,655)	(334,426)
Law, order, public safety		(177,110)	(163,766)	(151,461)
Health		(742,316)	(631,547)	(573,889)
Education and welfare		(641,112)	(643,201)	(528,774)
Community amenities		(250,918)	(429,840)	(210,318)
Recreation and culture		(1,067,806)	(1,198,405)	(1,038,375)
Transport		(4,671,399)	(3,044,039)	(4,669,717)
Economic services		(1,833,638)	(1,949,802)	(1,432,437)
Other property and services		(125,182)	(30,600)	(172,538)
		(10,352,032)	(9,120,610)	(9,604,179)
Operating activities excluded				
(Profit) on disposal of assets	9(a)	(20,991)	0	0
Loss on disposal of assets	9(a)	22,531	140,552	56,755
Movement in accrued salaries and wages		(12,708)	0	43,083
Movement in employee benefit provisions (non-current)		34,994	0	(19,164)
Depreciation and amortisation on assets	9(b)	2,859,420	1,209,703	2,724,508
Amount attributable to operating activities		(402,235)	(1,719,766)	2,724,734
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,712,987	4,514,131	4,068,555
Proceeds from disposal of assets	9(a)	215,455	198,181	110,911
Proceeds from disposal of land held for resale		64,170	0	0
Purchase of property, plant and equipment	7(b)	(1,629,348)	(2,611,582)	(5,158,202)
Purchase and construction of infrastructure	8(b)	(4,865,330)	(5,579,276)	(3,480,525)
Amount attributable to investing activities		(3,502,066)	(3,478,546)	(4,459,261)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(738,921)	(739,728)	(484,239)
Transfers from reserves (restricted assets)	4	608,576	450,000	100,000
Amount attributable to financing activities		(130,345)	(289,728)	(384,239)
Surplus(deficiency) before general rates		(4,034,646)	(5,488,040)	(2,118,766)
Total amount raised from general rates	20	5,627,909	5,488,040	5,319,401
Net current assets at June 30 c/fwd - surplus/(deficit)	21	1,593,263	0	3,200,635

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

1. BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
Other revenue		
Reimbursements and recoveries	131,471	128,451
Other	349,804	110,593
	481,275	239,044
Fees and Charges		
Governance	751	204
General purpose funding	14,675	12,237
Law, order, public safety	3,687	3,636
Health	8,486	53,095
Education and welfare	150,255	108,689
Housing	33,729	26,714
Community amenities	542,072	427,443
Recreation and culture	41,110	40,345
Transport	648,397	455,906
Economic services	191,996	161,513
Other property and services	66,134	45,735
	1,701,292	1,335,517

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	1,210,759	1,846,230
Law, order, public safety	2,180	2,817
Education and welfare	126,339	122,650
Recreation and culture	119,037	182,700
Transport	147,698	144,129
Economic services	34,763	180,471
Other property and services	5,626	0
	1,646,402	2,478,997
Non-operating grants, subsidies and contributions		
Law, order, public safety	0	100,000
Education and welfare	0	195,000
Transport	1,995,987	1,844,101
Economic services	717,000	1,929,454
	2,712,987	4,068,555
Total grants, subsidies and contributions	4,359,389	6,547,552

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 19. 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 period.

Interest earnings

- Reserve funds
- Other funds

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Reserve funds	11,991	12,728	17,300
- Other funds	3,965	5,000	15,073
	15,956	17,728	32,373

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services
- Disbursements

- Audit of the Annual Financial Report	8,900	11,000
- Other services	4,000	3,800
- Disbursements	5,963	8,855
	18,863	23,655

Rental charges

- Operating leases

- Operating leases	17,066	14,339
	17,066	14,339

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018	2017
		\$	\$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,495,736	2,534,469
Restricted		2,567,746	2,637,078
		4,063,482	5,171,547
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Annual Leave Reserve	4	161,974	161,138
Long Service Leave Reserve	4	132,366	131,683
Building Reserve	4	963,453	600,339
Fire Disaster Reserve	4	34,993	30,833
Plant Purchase Reserve	4	624,013	511,360
Gwalia Precinct Reserve	4	183,234	373,271
Waste Management Reserve	4	176,912	502,976
Aerodrome Reserve	4	250,000	100,000
IT Reserve	4	15,000	0
Unspent grants	19	25,801	225,478
		2,567,746	2,637,078

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018		2018		2018		2018		2018		2017		2017	
	Actual	Actual	Actual	Transfer	Budget	Budget	Opening	Budget	Budget	Actual	Actual	Actual	Transfer	Actual
	Opening	Transfer	Actual	(from)	Opening	Transfer	Balance	Transfer	Closing	Opening	Transfer	Balance	(from)	Closing
	Balance	to			Balance	to		(from)	Balance	to		Balance	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Annual Leave Reserve	161,138	836	0	0	161,138	806	0	0	161,944	1,074	0	161,138	0	161,138
Long Service Leave Reserve	131,683	683	0	0	131,683	658	0	0	132,341	878	0	131,683	0	131,683
Building Reserve	600,339	363,114	0	0	600,339	364,802	0	0	965,141	252,348	0	600,339	0	600,339
Fire Disaster Reserve	30,833	4,160	0	0	30,833	4,174	0	0	35,007	4,179	0	30,833	0	30,833
Plant Purchase Reserve	511,360	112,653	0	0	511,360	112,732	0	0	624,092	119,634	0	511,360	0	511,360
Gwalia Precinct Reserve	373,271	89,936	(279,973)	0	373,271	89,966	0	0	463,237	3,150	(100,000)	373,271	0	373,271
Waste Management Reserve	502,976	2,539	(328,603)	0	502,976	265	0	(450,000)	53,241	2,976	0	502,976	0	502,976
Aerodrome Reserve	100,000	150,000	0	0	100,000	151,250	0	0	251,250	100,000	0	100,000	0	100,000
IT Reserve	0	15,000	0	0	0	15,075	0	0	15,075	0	0	0	0	0
	2,411,600	738,921	(608,576)	0	2,411,600	739,728	(450,000)	0	2,701,328	484,239	(100,000)	2,411,600	0	2,411,600

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Annual Leave Reserve	Ongoing	This reserve is to be offset against the Shire's leave liability to its employees
Long Service Leave Reserve	Ongoing	This reserve is to offset Council's long service leave liabilities to its employees
Building Reserve	Ongoing	To be used for the construction and preservation of Shire buildings and urgent repairs and maintenance
Fire Disaster Reserve	Ongoing	This reserve will assist in the provision of emergency contingencies in the case of a fire disaster
Plant Purchase Reserve	Ongoing	To be used for the purchase of major plant
Gwalia Precinct Reserve	Ongoing	To be used for restoration and historical projects in Swalia precinct
Waste Management Reserve	Ongoing	To be used for management and compliance works associated with the rubbish tip and liquid waste disposal site
Aerodrome Reserve	Ongoing	To be used for the maintenance, renewal and upgrade works at Leonora Airport
IT Reserve	Ongoing	To be used for the maintenance, renewal and upgrade of IT requirements / projects

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

6. INVENTORIES

Current

Fuels and Materials

Non-current

Land held for resale - cost

Cost of acquisition

Development costs

	2018	2017
	\$	\$
	43,861	40,848
	<u>43,861</u>	<u>40,848</u>
	1,719	1,719
	510,207	574,377
	<u>511,926</u>	<u>576,096</u>

SIGNIFICANT ACCOUNTING POLICIES

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.

Land held for sale (Continued)

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	854,000	854,000
Total land	854,000	854,000
Total land	854,000	854,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	19,436,746	18,450,300
Buildings - non-specialised - Less: accumulated depreciation	(368,466)	0
Total buildings	19,068,280	18,450,300
Total buildings	19,068,280	18,450,300
Total land and buildings	19,922,280	19,304,300
Furniture and equipment at:		
- Independent valuation 2016 - level 3 (refer Note 7(b))	0	18,502
Furniture and equipment - Less: accumulated depreciation	0	(3,700)
	0	14,802
Plant and equipment at:		
- Independent valuation 2016 - level 2	2,939,044	2,674,117
Plant and equipment - Less: accumulated depreciation	(639,627)	(402,983)
	2,299,417	2,271,134
Playground at:		
- Management valuation 2015 - level 3 (refer Note 7(b))	0	33,000
Playground - Less: accumulated depreciation	0	(825)
	0	32,175
Total property, plant and equipment	22,221,697	21,622,411

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

7. 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.

	Land - freehold land	Total land	Buildings - non- specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Playground	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	957,000	957,000	13,859,233	13,859,233	14,816,233	18,502	2,588,100	33,000	17,455,835
Additions	0	0	4,904,519	4,904,519	4,904,519	0	253,683	0	5,158,202
(Disposals)	0	0	0	0	0	0	(167,666)	0	(167,666)
Impairment (losses)/reversals	(103,000)	(103,000)	(55,171)	(55,171)	(158,171)	0	0	0	(158,171)
Depreciation (expense)	0	0	(286,281)	(286,281)	(286,281)	(3,700)	(402,983)	(825)	(693,789)
Transfers	0	0	28,000	28,000	28,000	0	0	0	28,000
Carrying amount at 30 June 2017	854,000	854,000	18,450,300	18,450,300	19,304,300	14,802	2,271,134	32,175	21,622,411
Additions	0	0	1,013,446	1,013,446	1,013,446	0	615,902	0	1,629,348
(Disposals)	0	0	0	0	0	0	(216,994)	0	(216,994)
Depreciation (expense)	0	0	(368,466)	(368,466)	(368,466)	0	(370,625)	0	(739,091)
Transfers (refer Note 8(b))	0	0	(27,000)	(27,000)	(27,000)	(14,802)	(32,175)	(32,175)	(73,977)
Carrying amount at 30 June 2018	854,000	854,000	19,068,280	19,068,280	19,922,280	0	2,299,417	0	22,221,697

The Shire has reclassified playground equipment and furniture and fittings as infrastructure other. The dog pound structure, previously included as land and buildings was reclassified and revalued as infrastructure other.

7. 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					
Land - freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology.	Independent registered valuer	June 2017	Price per hectare / market borrowing rate
Buildings - non-specialised	2	Improvements to land, using cost approach method using depreciated replacement cost.	Independent registered valuer	June 2017	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments
Furniture and equipment	3	Cost approach method using depreciated replacement cost.	Independent valuation	June 2016	Construction costs and current condition, residual values and remaining useful life assessments
Plant and equipment	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2016	Market price per item
Playground	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Purchase costs and current condition, residual values and remaining useful life assessments

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8 (a). INFRASTRUCTURE

Roads

- Management valuation 2018 - level 3
 - Management valuation 2016 - level 3
- Roads - Less: accumulated depreciation

	2018	2017
	\$	\$
	53,028,700	0
	0	49,803,224
	0	(1,781,047)
	53,028,700	48,022,177
	8,809,299	0
	0	8,778,387
	0	(256,481)
	8,809,299	8,521,906
Total infrastructure	61,837,999	56,544,083

Total infrastructure

8. 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.

	Roads	Improvements and infrastructure	Total Infrastructure
	\$	\$	\$
Balance at 1 July 2016	51,143,197	6,854,080	57,997,277
Additions	1,535,027	1,945,498	3,480,525
Revaluation increments/ (decrements) transferred to revaluation surplus	(2,875,000)	0	(2,875,000)
Depreciation (expense)	(1,781,047)	(249,672)	(2,030,719)
Transfers	0	(28,000)	(28,000)
Carrying amount at 30 June 2017	48,022,177	8,521,906	56,544,083
Additions	3,593,837	1,271,493	4,865,330
Revaluation increments/ (decrements) transferred to revaluation surplus	3,216,985	(742,047)	2,474,938
Depreciation (expense)	(1,804,299)	(316,030)	(2,120,329)
Transfers (refer Note 7(b))	0	73,977	73,977
Carrying amount at 30 June 2018	53,028,700	8,809,299	61,837,999

8. 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 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Improvements and infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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

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

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

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

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

Land under control

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

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

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Health								
2015 Ford Territory TX (Doc 3L)	26,593	20,455	0	(6,138)	37,534	19,545	0	(17,989)
2016 Mitsubishi Paj. Sport EHO	33,942	29,091	0	(4,851)	38,546	29,091	0	(9,455)
Community Amenities								
Other property and services								
DCEO Ford Territory Titanium	41,420	30,909	0	(10,511)	46,995	30,909	0	(16,086)
MCS Nissan X Trail KBC772K	9,512	15,454	5,942	0	25,749	15,454	0	(10,295)
Mits. 2014 Triton (P646)	17,147	20,000	2,853	0	36,415	20,000	0	(16,415)
Mits. 2014 Triton (P968)	14,257	18,182	3,925	0	36,650	18,182	0	(18,468)
MEHS Nissan X Trail KBC771K	8,093	16,364	8,271	0	25,749	16,364	0	(9,385)
CEO 2014 Ford FPV GTF Sedan	50,202	50,000	0	(202)	76,095	43,636	0	(32,459)
P850 1984 Water Tanker	15,829	15,000	0	(829)	15,000	5,000	0	(10,000)
	216,995	215,455	20,991	(22,531)	338,733	198,181	0	(140,552)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	368,466	286,281
Furniture and equipment	0	3,700
Plant and equipment	370,625	402,983
Playground	0	825
Roads	1,804,299	1,781,047
Improvements and infrastructure	316,030	249,672
	2,859,420	2,724,508

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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 60 years

Depreciation (Continued)

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.

10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Plant and equipment	341,434	0	0	0	341,434	341,434	0	0	341,434
Revaluation surplus - Playground	33,000	0	0	0	33,000	33,000	0	0	33,000
Revaluation surplus - Roads	30,077,254	3,216,985	0	3,216,985	33,294,239	32,952,254	(2,875,000)	(2,875,000)	30,077,254
Revaluation surplus - Improvements and infrastructure	6,274,350	0	(742,047)	(742,047)	5,532,303	6,274,350	0	0	6,274,350
	36,726,038	3,216,985	(742,047)	2,474,938	39,200,976	39,601,038	(2,875,000)	(2,875,000)	36,726,038

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Credit Cards
Accrued salaries and wages
ATO liabilities

	2018	2017
	\$	\$
	357,982	696,670
	9,902	14,654
	82,126	94,834
	55,419	0
	505,429	806,158

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

12. INFORMATION ON BORROWINGS

(a) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	
Bank overdraft at balance date	
Credit card limit	
Credit card balance at balance date	
Total amount of credit unused	

2018	2017
\$	\$
0	0
0	0
35,000	35,000
(9,902)	(14,654)
25,098	20,346
NIL	NIL

Unused loan facilities at balance date

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

13. PROVISIONS

Opening balance at 1 July 2017

Current provisions
Non-current provisions

Additional provision

Balance at 30 June 2018

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	114,345	53,354	167,699
Non-current provisions	0	66,884	66,884
	114,345	120,238	234,583
Additional provision	4,064	30,931	34,995
	118,409	151,169	269,578
Current	118,409	79,786	198,195
Non-current	0	71,383	71,383
	118,409	151,169	269,578

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	4,063,482	2,701,328	5,171,547
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,854,780	3,678,056	3,869,708
Non-cash flows in Net result:			
Depreciation	2,859,420	1,209,703	2,724,508
(Profit)/loss on sale of asset	1,540	140,552	214,926
Changes in assets and liabilities:			
(Increase)/decrease in receivables	659,996	0	(680,210)
(Increase)/decrease in inventories	(3,013)	0	6,352
Increase/(decrease) in payables	(300,729)	600,564	323,919
Increase/(decrease) in provisions	34,995	0	(19,164)
Grants contributions for the development of assets	(2,712,987)	(4,514,131)	(4,068,555)
Net cash from operating activities	2,394,002	1,114,744	2,371,484

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
General purpose funding	133,780	116,411
Law, order, public safety	116,973	57,833
Health	237,226	208,468
Education and welfare	20,500	21,692
Housing	1,487,520	1,452,000
Community amenities	3,250,135	2,295,444
Recreation and culture	7,079,913	8,435,256
Transport	61,585,487	57,418,169
Economic services	10,670,956	8,986,748
Other property and services	2,910,362	2,720,037
Unallocated	1,637,281	3,354,091
	89,130,133	85,066,149

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

16. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

	2018	2017
	\$	\$
- capital expenditure projects	456,490	742,182
- not later than one year	456,490	742,182

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the liquid waste facility at Leonora.

(The prior year commitment was for the deconstruction and reconstruction of the Gwalia Headframe).

(b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

- not later than one year	16,648	17,066
- later than one year but not later than five years	7,515	24,163

SIGNIFICANT ACCOUNTING POLICIES

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 of 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.

Leases (Continued)

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 on a straight line basis over the lease term.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

17. JOINT ARRANGEMENTS

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Menzies, Ngaanyatjaraku, 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 Shire's one-tenth share are as follows :

	2018	2017
	\$	\$
Non-current assets		
Land and buildings	75,500	75,500
Less: accumulated depreciation	0	(5,662)
	75,500	69,838
Plant and equipment	4,182	4,182
Less: accumulated depreciation	0	(504)
	4,182	3,678
Furniture and equipment	8,204	8,204
Less: accumulated depreciation	0	(902)
	8,204	7,302
Light vehicles	3,200	3,200
Less: accumulated depreciation	0	(480)
	3,200	2,720

SIGNIFICANT ACCOUNTING POLICIES

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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Equity method of accounting

Interest in joint arrangements are accounted for 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.

Interests in joint arrangements (Continued)

Joint 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.

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting Fees	36,546	45,516	33,531
President's allowance	16,713	16,713	16,713
Deputy President's allowance	4,178	4,178	7,678
Travelling expenses	12,384	13,455	10,089
Telecommunications allowance	22,197	24,500	19,993
	92,018	104,362	88,004

Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	839,362	1,488,610
Post-employment benefits	91,265	151,026
Other long-term benefits	79,795	18,950
	1,010,422	1,658,586

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

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

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

	2018	2017
	\$	\$
The following transactions occurred with related parties:		
Purchase of goods and services	252,747	380,237
Amounts outstanding from related parties:		
Trade and other receivables	3,329	3,611
Amounts payable to related parties:		
Trade and other payables	2,236	1,725

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

iii. Joint venture entities accounted for under the proportionate consolidation method

The Shire has a one-tenth interest in a joint venture arrangement with the provision of a Regional Records Service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 18.

19. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾		Received ⁽²⁾		Expended ⁽³⁾		Closing Balance ⁽¹⁾		Received ⁽²⁾		Expended ⁽³⁾		Closing Balance	
	1/07/16	2016/17	2016/17	2016/17	2016/17	2016/17	30/06/17	30/06/17	2017/18	2017/18	2017/18	2017/18	30/06/18	30/06/18
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General purpose funding														
Government Grant	5,213	0	0	0	0	5,213	0	5,213	0	0	0	0	5,213	0
CLGF	997	0	0	(997)	0	0	0	0	0	0	0	0	0	0
Workforce Planning Grant	16,210	0	0	(16,210)	0	0	0	0	0	0	0	0	0	0
Education and welfare														
SIHI Aged Care Grant	0	195,000	0	0	0	195,000	0	195,000	0	0	(195,000)	0	0	0
Recreation and culture														
Suicide Prevention Program	265	0	0	0	0	265	0	265	0	0	0	0	265	0
Shade Sails Town Park	0	25,000	0	0	0	25,000	0	25,000	0	0	(25,000)	0	0	0
FRRR Sharing is Caring Grant	0	0	0	0	0	0	0	0	5,000	0	(4,940)	0	60	0
Economic services														
Northern Goldfields Regional Office	2,477,125	0	0	(2,477,125)	0	0	0	0	0	0	0	0	0	0
Minara Comm. Foundation Grant	0	0	0	0	0	0	0	0	18,013	0	0	0	18,013	0
Other property and services														
Youth Development Grant	0	0	0	0	0	0	0	0	5,626	0	(3,376)	0	2,250	0
Total	2,499,810	220,000	(2,494,332)	225,478	28,639	(228,316)	25,801	225,478	28,639	(228,316)	25,801	25,801	25,801	25,801

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

20. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate		Interim Rates	Total Revenue	Budget		Budget Interim Rate	Budget Total Revenue
				Revenue	Rate			Revenue	Rate		
Differential general rate / general rate											
Gross rental valuations											
GRV General	0.0677	589	15,257,174	1,034,889		(206)	1,034,683	1,035,199		1,508	1,036,707
Unimproved valuations											
UV General	0.1485	1,251	29,378,271	4,250,915	114,887		4,365,802	4,264,730		(38,658)	4,226,072
Sub-Total		1,840	44,635,445	5,285,804	114,681		5,400,485	5,299,929		(37,150)	5,262,779
Minimum payment											
	\$										
Gross rental valuations											
GRV General	309	85	116,759	26,265	0		26,265	25,956		0	25,956
Unimproved valuations											
UV General	309	651	775,068	201,159	0		201,159	199,305			199,305
Sub-Total		736	891,827	227,424	0		227,424	225,261		0	225,261
Total amount raised from general rate		2,576	45,527,272	5,513,228	114,681		5,627,909	5,525,190		(37,150)	5,488,040
Totals							5,627,909				5,488,040
							5,627,909				5,488,040

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

20. RATING INFORMATION (Continued)

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or

Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
Landing Fees	Waiver	100.00%	0	1,820	3,000
Housing Rental	Waiver	100.00%	0	5,200	5,200
Gwalia Gift Shop Sales	Waiver	10.00%	0	200	200
				7,220	8,400

Rate or Fee and Charge to which the Waiver or Concession is Granted and to whom it was available

Circumstances in which the Waiver or Concession is Granted and to whom it was available

Objects of the Waiver or Concession

Reasons for the Waiver or Concession

Landing fees Royal Flying Doctor Service (RFDS) has been granted a continuous waiver on landing fees at Leonora. Recognition of valuable community service the RFDS provides to the district.

Housing rental Doctor servicing Lenora has a house provided at no extra charge. To support the retention of a doctor to provide medical services to the Shire of Leonora. Rent is waived as per agreement with Council.

Gwalai gift shop sales Discount is offered to "Friends of Gwalia" subscribers. "Friends of Gwalia" plays an important role in maintaining the Gwalia Historical Precinct and supports the efforts to conserve, explore and share the cultural heritage of Gwalia. Members and visitors to subscribe to "Friends of Gwalia".

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

20. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan		Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
		Admin Charge \$	Interest Rate %		
Option One					
Single full payment	9/01/2017	0	0.00%	0.00%	0.00%
Option Two					
Option Three					
First instalment	9/01/2017	0	0.00%	0.00%	0.00%
Second instalment	11/03/2017	24	0.00%	0.00%	0.00%
Third instalment	1/08/2018	24	0.00%	0.00%	0.00%
Fourth instalment	3/06/2018	24	0.00%	0.00%	0.00%
2018					
		2018		Budget	
		\$		\$	
		13,645		12,000	
		13,645		12,000	
Charges on instalment plan					

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

21. NET CURRENT ASSETS

Composition of net current assets for
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward)	2018 (1 July 2017 Brought Forward)	2017 (30 June 2017 Carried Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 17 brought forward	1,593,263	3,200,635	3,200,635
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,495,736	2,534,469	2,534,469
Restricted	2,567,746	2,637,078	2,637,078
Receivables			
Rates outstanding	133,780	116,441	116,441
Sundry debtors	201,671	988,104	988,104
GST receivable	115,717	5,074	5,074
Deposits and prepayments	0	1,545	1,545
Inventories			
Fuels and Materials	43,861	40,848	40,848
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(357,982)	(696,670)	(696,670)
Credit Cards	(9,902)	(14,654)	(14,654)
Accrued salaries and wages	(82,126)	(94,834)	(94,834)
ATO liabilities	(55,419)	0	0
Provisions			
Provision for annual leave	(118,409)	(114,345)	(114,345)
Provision for long service leave	(79,786)	(53,354)	(53,354)
Unadjusted net current assets	3,854,887	5,349,702	5,349,702
Adjustments			
Less: Reserves - restricted cash	(2,541,945)	(2,411,600)	(2,411,600)
Add: Accrued salaries and wages	82,126	94,834	94,834
Add: Provision for annual leave	118,409	114,345	114,345
Add: Provision for long service leave	79,786	53,354	53,354
Adjusted net current assets - surplus/(deficit)	1,593,263	3,200,635	3,200,635

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

22. 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	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,063,482	5,171,547	4,063,482	5,171,547
Receivables	335,451	1,106,090	335,451	1,106,090
	4,398,933	6,277,637	4,398,933	6,277,637
Financial liabilities				
Payables	450,010	806,158	450,010	806,158
	450,010	806,158	450,010	806,158

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

22. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	60,143	77,948
- Statement of Comprehensive Income	60,143	77,948

Notes:

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

22. 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:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	3.78%	0.10%
- Overdue	96.22%	99.90%
Percentage of other receivables		
- Current	52.97%	17.87%
- Overdue	47.03%	82.13%

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	450,010	0	0	450,010	450,010
	450,010	0	0	450,010	450,010
2017					
Payables	806,158	0	0	806,158	806,158
	806,158	0	0	806,158	806,158

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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 15 Revenue from Contracts with Customers	December 2014	1 January 2018	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 on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.

Currently, operating lease payments are expensed as incurred.

This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

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

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.

Notes:

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

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.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- (i) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
1 January 2017
- (ii) AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities
1 January 2017

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

25. ACTIVITIES/PROGRAMS

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

GOVERNANCE

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

To provide an operational framework for environmental and community health.

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 allowances, 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.

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 prospecting licenses, exploration licenses 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 unimproved 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 the collection of Federal Government grants including provision and updating of data used in grants commission formula.

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

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.

25. ACTIVITIES/PROGRAMS (Continued)

EDUCATION AND WELFARE

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

HOUSING

To provide and maintain staff housing.

COMMUNITY AMENITIES

To provide service required by the community.

RECREATION AND CULTURE

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

TRANSPORT

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

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

OTHER PROPERTY AND SERVICES

To monitor and control the Shire's overheads operating accounts.

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

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for the use of those buildings. Costs that can be accurately attributed to other programs are allocated. Accommodation included 9 houses, 2 duplexes and a single persons quarters.

Costs of collection and disposal of domestic and commercial refuse for the town site of Leonora and Gwalia and maintenance of the landfill refuse site. Revenue collection by way of an annual fee for this service is included on rate assessment notices. Costs associated with review and administration of Council's Town Planning Scheme. Provisions of Christmas decorations in Leonora townsite. Operation of the Leonora Cemetery.

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 courts, two squash courts, kitchen, gymnasium and associated facilities and revenues collected from the public for use of these facilities.

Maintenance and improvements of 1,300 kilometres of Council controlled unsealed roads, townsite footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for street lights in the Leonora/Gwalia townsites 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.

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

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

26. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	3.68	4.57	6.50
Asset consumption ratio	0.78	0.97	0.99
Asset renewal funding ratio	0.80	0.84	1.07
Asset sustainability ratio	1.84	1.33	0.82
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(0.11)	(0.03)	0.05
Own source revenue coverage ratio	0.72	0.72	0.82

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	309,136	645,993	0
Amount of Financial Assistance Grant received in prior year relating to current year.	645,993	0	620,436
Amount of reimbursement for flood damage received			
Expenditure on flood damage re-instatement			

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	3.05	3.77	5.86
Operating surplus ratio	(0.07)	(0.12)	0.14
Own source revenue coverage ratio	0.72	0.72	0.82

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF LEONORA

Report on the Financial Report

Opinion

We have audited the financial report of the Shire of Leonora, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

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

- a) giving a true and fair view of the Shire's financial position as at 30 June 2018 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).

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

Other Information

Management is responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2018 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Shire 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 Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

Without modifying our opinion, we draw attention to page 48 of the financial report “Financial Ratios”, which describes certain ratio information relating to the financial report. Management’s calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

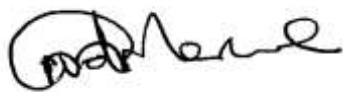
Reporting on Other Legal and Regulatory Requirements

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) Apart from the operating surplus ratio that does not meet the minimum benchmark, 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) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director
Perth
Date: 12 November 2018



7.0 NATIONAL COMPETITION POLICY STATEMENT

The Competition Principals 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 2017/2018.

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.



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 2017-2027 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 2017/18 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 STRATEGIC PERFORMANCE INDICATORS	2017/18 ACHIEVED / CONTINUING 2018/19	PLANNED / COMMENCING 2018/19
Social media activity (<i>increase posts and engagement rates</i>)	More initiatives employed through social media platform to engage the community, such as games/ 'fun facts'. Engagement has increased, as well as page 'likes', making the platform more meaningful as an engagement tool.	Activity reports to better measure social media engagement statistics
Community participation levels in recreation activities and events (<i>increase number of participants / attendees</i>)	Some new initiatives introduced during 2017/18 that have been well received. Attendances have reflected positive reception etc	Activity reports to better measure participation levels
Recreation facilities usage rates (<i>increase in usage of centres</i>)	Facilities continue to be utilised. Some new community initiated activities have seen more regular ongoing use of facilities also	Activity reports to better measure utilisation rates
Population statistics (<i>stable / increasing population base</i>)	N/A (updated census data not yet available)	N/A
No. of development approvals (<i>increase</i>)	Two development approvals were processed during the 16/17 reporting period and three development approvals were processed in the 17/18 period	N/A
Assessed vacancy rates (business and residential) (<i>decrease</i>)	No official mechanisms in place to capture data, however anecdotal evidence suggests that vacancy rates (particularly residential) are low.	Consideration to how these rates can be measured and reported

ANNUAL REPORT 2017-2018



PLAN FOR THE FUTURE STRATEGIC PERFORMANCE INDICATORS (cont'd)	2017/18 ACHIEVED / CONTINUING 2018/19	PLANNED / COMMENCING 2018/19
No. of building approvals (<i>increase</i>)	Two building approvals were processed during the 16/17 reporting period and eleven building approvals were processed in the 17/18 period	N/A
Visitor statistics (<i>increase</i>)	Visitor statistics are captured by the Information Centre, and Gwalia Precinct. More work required to present information analytically to be used as a measurement tool.	Consideration to consolidating capture of visitor statistics at the Gwalia Historic Precinct and Information Centre.
Statutory asset management ratios (<i>maintain healthy ratios</i>)	Healthy ratios maintained, all above the benchmarks utilised to calculate Financial Health Indicator	N/A
Compliance with statutory reviews required by the Local Planning Framework (<i>maintain compliance</i>)	No instances of non compliance noted	N/A
Statutory financial ratios (<i>maintain healthy ratios</i>)	Healthy ratios maintained, with the exception of Operating Surplus Ratio (attributed to outstanding WANDRRA claim)	N/A
Employee retention rates (<i>maintain / increase</i>)	Adoption of revised Workforce Plan, to assist with initiatives and strategies to maintain good retention rates	Continuation of implementation of initiatives within revised Workforce Plan
Volunteer levels (<i>increase</i>)	New community activities have been initiated by community members, by volunteers (e.g. kindy gym)	Consideration to how these rates can be measured and reported

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

Review of the plan will be undertaken during the 2018/19 reporting period.



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.
- (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
130,000 – 139,999	1
140,000 – 149,999	2
270,000 – 279,000	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 2018, no complaints were recorded, therefore no action was required to deal with complaints.

10.0 REPORTS OF OFFICERS
10.1 CHIEF EXECUTIVE OFFICER
10.1(B) MONTHLY FINANCIAL STATEMENTS

SUBMISSION TO: Meeting of Council
Meeting Date: 20th November, 2018

AGENDA REFERENCE: 10.1 (B) NOV 18

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: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 13th November, 2018

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 for the month ended 31st October, 2018 consisting of:

- (a) Compilation Report
- (b) Statement of Financial Activity –31st October, 2018
- (c) Material Variances – 31st October, 2018

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 31st October, 2018 consisting of:

- (a) **Compilation Report**
- (b) **Statement of Financial Activity – 31st October, 2018**
- (c) **Material Variances – 31st October, 2018**

be accepted.

VOTING REQUIREMENT

Simple Majority

SIGNATURE

Chief Executive Officer

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Mr Jim Epis
The Chief Executive Officer
Shire of Leonora
PO Box 56
LEONORA WA 6438

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 31 October 2018. 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

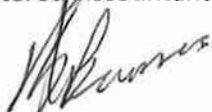
On the basis of information provided by the Shire of Leonora we have compiled the accompanying special purpose financial statements in accordance with the requirements of the *Local Government Act 1995*, associated Regulations and APES 315 *Compilation of Financial Information*.

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



RUSSELL BARNES
DIRECTOR

6 November 2018

SHIRE OF LEONORA
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 31 October 2018

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

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PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 04 November 2018

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996, Regulation 34*. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

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 and to the extent they are not inconsistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

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

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.

SIGNIFICANT ACCOUNTING POLICES

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.

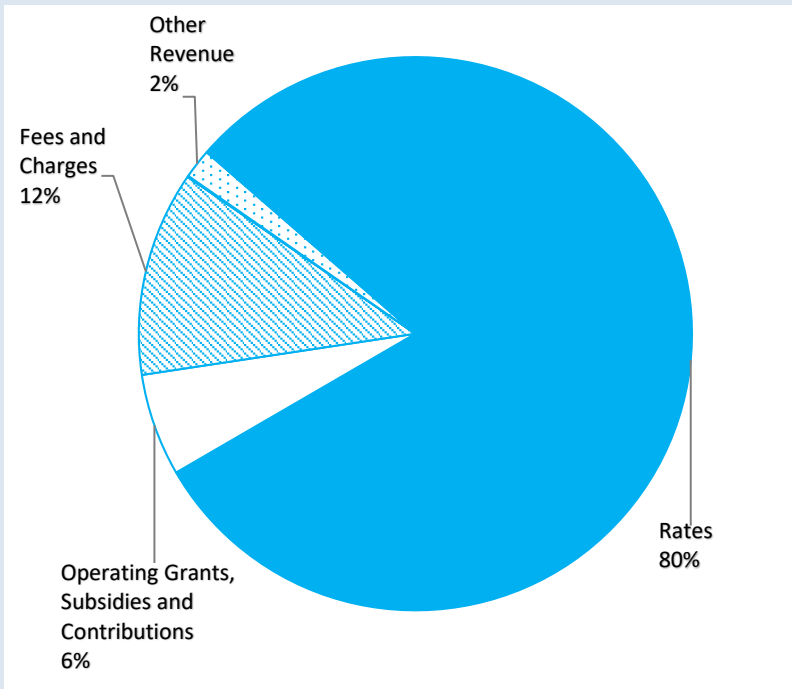
CRITICAL ACCOUNTING ESTIMATES

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.

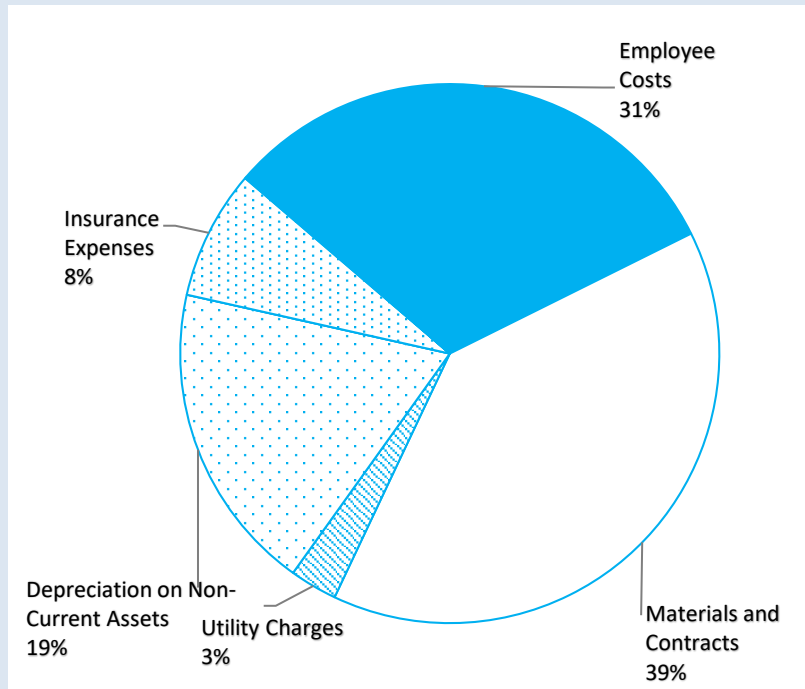
ROUNDING OFF FIGURES

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

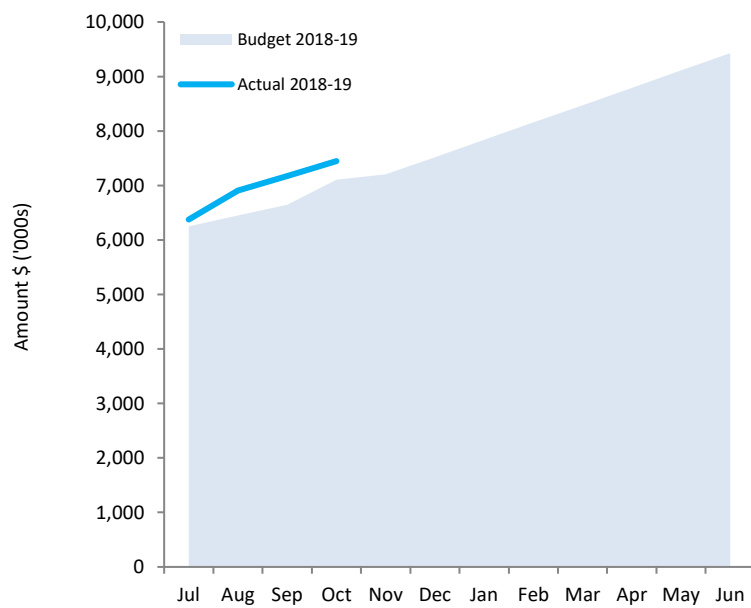
OPERATING REVENUE



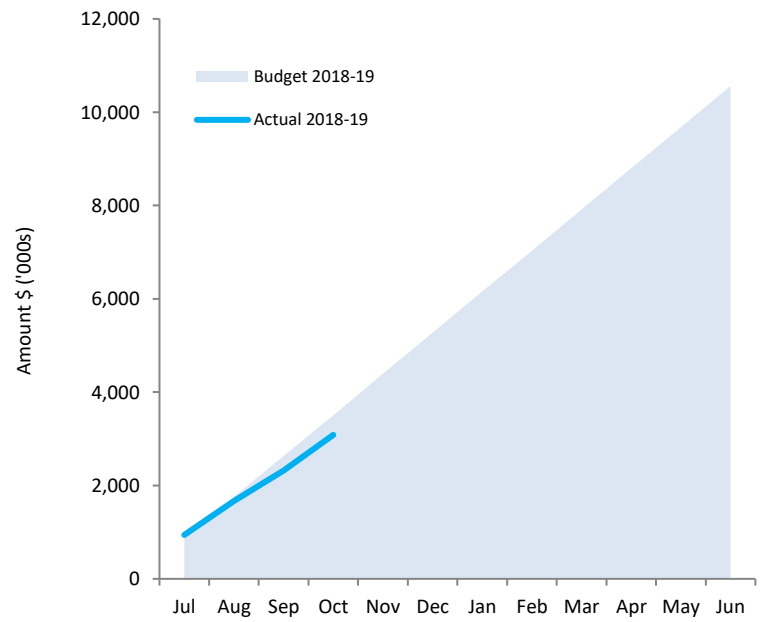
OPERATING EXPENSES



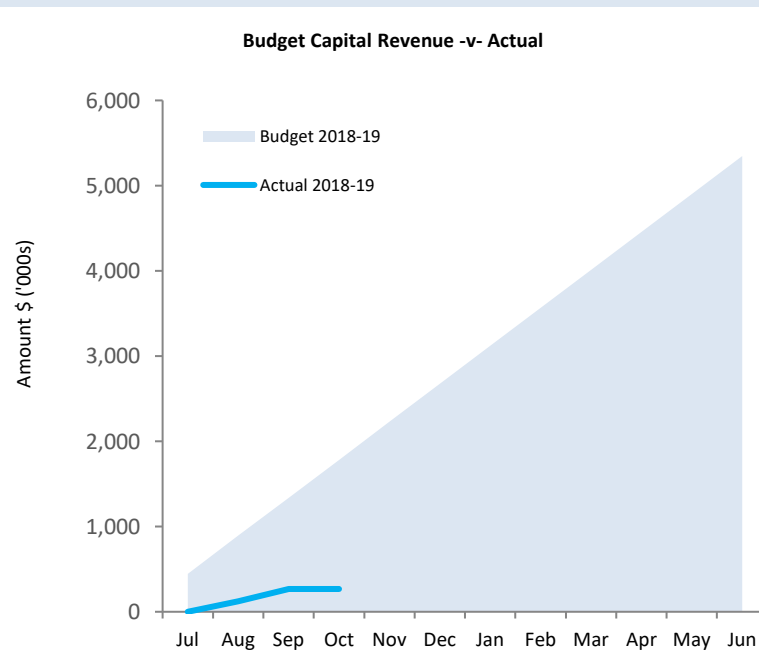
Budget Operating Revenues -v- Actual



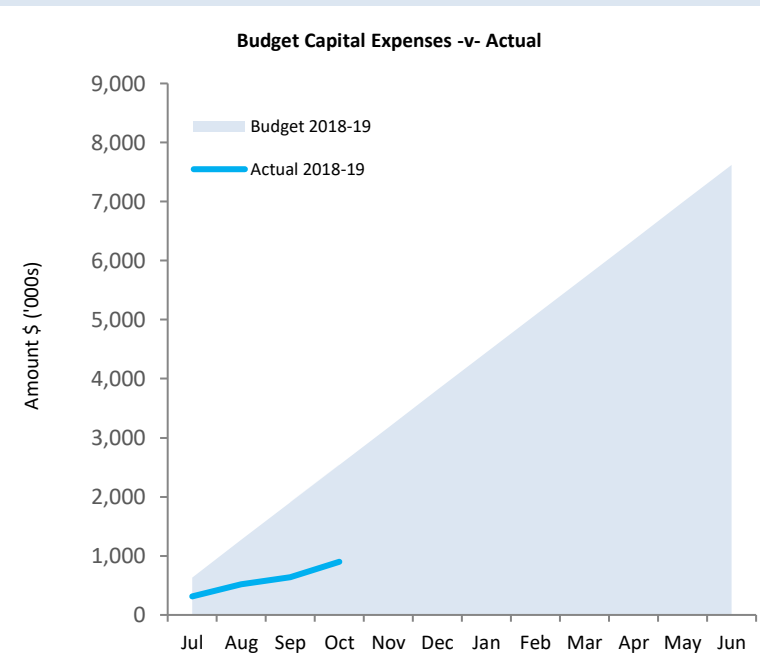
Budget Operating Expenses -v- YTD Actual



CAPITAL REVENUE



CAPITAL EXPENSES



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

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

GOVERNANCE	ACTIVITIES
<p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>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 included under this heading.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.</p>	<p>1 Rates (a) GRV (gross rental value) refers to the valuation methodology used for Lenora, Gwalia, Leinster and town sites and operational mines and associated infrastructure. (b) UV (unimproved value) valuation methodology for 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) Interim rates and rates written back refer mainly to mining rates where tenements are granted or surrendered following the adoption of the budget. (d) Administration charges 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. 3 Interest from Investments Includes interest received on surplus funds invested throughout the year from both operating and reserve accounts.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help a safer and environmentally conscious community.</p>	<p>Costs and revenues associated with animal control within the Shire and also includes fire insurance, dog control and registration.</p>
<p>HEALTH To provide an operational framework for environmental and community health.</p>	<p>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.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Provision of support for education and aged and disabled facilities within the district for the betterment of the residents.</p>
<p>HOUSING To provide and maintain elderly residents housing.</p>	<p>Costs of maintaining Council owned accomodation units and collection of rentals paid by staff for the 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 the Shire are also included. Accomodation units include 9 houses, 2 duplexes and a single person quarters.</p>

COMMUNITY AMENITIES

To provide services required by the community.

Costs of collection and disposal of domestic and commercial refuse for town site of Leonora and Gwalila and maintenance of the landfill refuse site. Revenue collection is 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.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and which will help the social wellbeing of the community.

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 the use of these facilities. Costs of maintenance of Council owned and provided television and radio re-transmission service which includes digital television and radio.

Costs and revenue associated with the operation and maintenance of library facilities at Leonora in conjunction with the Library Board of Western Australia. Costs of maintenance of street trees. Costs of providing electricity for street 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.

TRANSPORT

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

Maintenance and improvements of 1,300 kilometres of Council controlled unsealed roads, townsite footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for street lights in the Leonora/Gwalia townsites 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

To help promote the shire and its economic wellbeing.

Costs associated with tourism promotion throughout the Shire including employment of staff at the Gwalia Museum and historic precinct & Leonora Information Centre. Contribution to employment of a Goldfields / Esperance Development Officer operating from Shire Offices - Leonora. Cost and revenues associated with the annual Leonora Golden Gift'. Costs and revenues associated with building control under building regulations, including inspections and issuing building permits.

OTHER PROPERTY AND SERVICES

To monitor and control council's overheads operating accounts.

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

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2018**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	1(b)	1,596,099	1,596,099	1,511,136	(84,963)	(5.32%)	
Revenue from operating activities							
Governance		2,000	667	416	(251)	(37.63%)	
General Purpose Funding - Rates	5	5,921,241	5,949,241	5,975,557	26,316	0.44%	
General Purpose Funding - Other		589,470	196,490	162,356	(34,134)	(17.37%)	▼
Law, Order and Public Safety		8,600	2,867	655	(2,212)	(77.15%)	
Health		55,445	18,482	51,584	33,102	179.10%	▲
Education and Welfare		306,129	102,044	141,583	39,539	38.75%	▲
Housing		45,340	15,114	10,068	(5,046)	(33.39%)	
Community Amenities		376,381	125,461	292,696	167,235	133.30%	▲
Recreation and Culture		172,225	57,409	168,328	110,919	193.21%	▲
Transport		578,990	192,997	401,051	208,054	107.80%	▲
Economic Services		1,214,935	404,979	146,090	(258,889)	(63.93%)	▼
Other Property and Services		114,220	38,073	96,297	58,224	152.93%	▲
		9,384,976	7,103,824	7,446,681			
Expenditure from operating activities							
Governance		(722,513)	(240,838)	(170,185)	70,653	29.34%	▲
General Purpose Funding		(382,015)	(127,338)	(138,063)	(10,725)	(8.42%)	
Law, Order and Public Safety		(171,346)	(57,116)	(54,875)	2,241	3.92%	
Health		(592,757)	(197,585)	(237,524)	(39,939)	(20.21%)	▼
Education and Welfare		(724,604)	(241,536)	(250,475)	(8,939)	(3.70%)	
Community Amenities		(279,762)	(93,255)	(87,352)	5,903	6.33%	
Recreation and Culture		(1,364,800)	(454,936)	(423,559)	31,377	6.90%	
Transport		(3,493,676)	(1,164,559)	(1,008,844)	155,715	13.37%	▲
Economic Services		(2,755,598)	(918,535)	(587,582)	330,953	36.03%	▲
Other Property and Services		(34,864)	(11,621)	(126,773)	(115,152)	(990.90%)	▼
		(10,521,935)	(3,507,319)	(3,085,232)			
Operating activities excluded from Actual							
Add Back Depreciation		1,431,691	477,230	574,772	97,542	20.44%	▲
Adjust (Profit)/Loss on Asset Disposal	6	261,906	87,302	0	(87,302)	(100.00%)	▼
Amount attributable to operating activities		556,638	4,161,037	4,936,221			
Investing Activities							
Non-operating Grants, Subsidies and Contributions	9	5,033,375	1,677,792	267,000	(1,410,792)	(84.09%)	▼
Proceeds from Disposal of Assets	6	314,000	0	0	0		
Capital Acquisitions	7	(7,619,557)	(2,539,852)	(900,304)	1,639,548	64.55%	▲
Amount attributable to investing activities		(2,272,182)	(862,060)	(633,304)			
Financing Activities							
Transfer from Reserves	8	235,000	0	0	0		
Transfer to Reserves	8	(115,555)	(3,352)	(3,352)	0	0.00%	
Amount attributable to financing activities		119,445	(3,352)	(3,352)			
Closing Funding Surplus(Deficit)	1(b)	0	4,891,723	5,810,701			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to Note 10 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2018-19 year is \$15,000 or 10.00% whichever is the greater.

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 OCTOBER 2018

REVENUE

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 non-current 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.

FEES AND CHARGEES

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 these as 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.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

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 State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2018**

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
		\$	\$	\$	\$	%
Opening Funding Surplus (Deficit)	1(b)	1,596,099	1,596,099	1,511,136	(84,963)	(5.32%)
Revenue from operating activities						
Rates	5	5,921,241	5,949,241	5,975,557	26,316	0.44%
Operating Grants, Subsidies and Contributions	9	1,760,969	400,854	445,551	44,697	11.15%
Fees and Charges		1,489,553	496,521	892,583	396,062	79.77%
Interest Earnings		16,555	191,653	4,702	(186,951)	(97.55%)
Other Revenue		196,658	65,555	128,288	62,733	95.70%
		9,384,976	7,103,824	7,446,681		
Expenditure from operating activities						
Employee Costs		(1,986,520)	(662,173)	(964,685)	(302,512)	(45.68%)
Materials and Contracts		(6,197,978)	(2,065,999)	(1,214,760)	851,239	41.20%
Utility Charges		(269,484)	(89,828)	(87,843)	1,985	2.21%
Depreciation on Non-Current Assets		(1,431,691)	(477,230)	(574,772)	(97,542)	(20.44%)
Insurance Expenses		(260,522)	(86,841)	(239,809)	(152,968)	(176.15%)
Other Expenditure		(113,834)	(37,946)	(3,363)	34,583	91.14%
Loss on Disposal of Assets	6	(261,906)	(87,302)	0	87,302	100.00%
		(10,521,935)	(3,507,319)	(3,085,232)		
Operating activities excluded from Actual						
Add back Depreciation		1,431,691	477,230	574,772	97,542	20.44%
Adjust (Profit)/Loss on Asset Disposal	6	261,906	87,302	0	(87,302)	(100.00%)
Amount attributable to operating activities		556,638	4,161,037	4,936,221		
Investing activities						
Non-operating grants, subsidies and contributions	9	5,033,375	1,677,792	267,000	(1,410,792)	(84.09%)
Proceeds from Disposal of Assets	6	314,000	0	0	0	
Capital acquisitions	7	(7,619,557)	(2,539,852)	(900,304)	1,639,548	64.55%
Amount attributable to investing activities		(2,272,182)	(862,060)	(633,304)		
Financing Activities						
Transfer from Reserves	8	235,000	0	0	0	
Transfer to Reserves	8	(115,555)	(3,352)	(3,352)	0	0.00%
Amount attributable to financing activities		119,445	(3,352)	(3,352)		
Closing Funding Surplus (Deficit)	1(b)	0	4,891,723	5,810,701		

KEY INFORMATION

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

Refer to Note 10 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

SIGNIFICANT ACCOUNTING POLICIES

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.

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 calculation of net current assets.

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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.

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.

INVENTORIES

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.

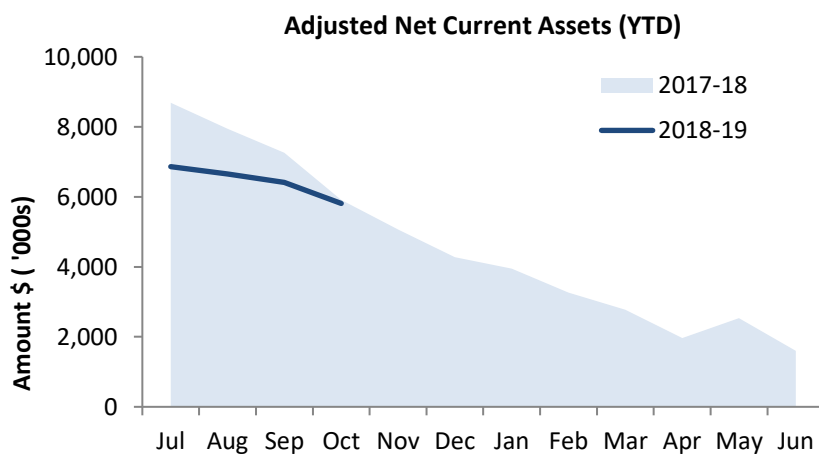
	Ref Note	Last Years Closing 30 Jun 2018	This Time Last Year 31 Oct 2017	Year to Date Actual 31 Oct 2018
Adjusted Net Current Assets		\$	\$	\$
Current Assets				
Cash Unrestricted	2	1,521,537	5,290,907	4,697,611
Cash Restricted	2	2,541,944	2,415,864	2,545,296
Rates outstanding	3	133,780	886,269	1,049,948
Sundry debtors	3	201,671	220,472	570,485
GST receivable	3	115,717	0	34,649
Inventories		43,861	10,995	61,725
		4,558,510	8,824,507	8,959,714
Less: Current Liabilities				
Payables	4	(505,430)	(499,528)	(603,717)
Provisions - employee		(198,195)	(167,699)	(198,195)
		(703,625)	(667,227)	(801,912)
Unadjusted Net Current Assets		3,854,885	8,157,280	8,157,802
Adjustments and exclusions permitted by FM Reg 32				
Less: Cash reserves	2	(2,541,944)	(2,415,864)	(2,545,296)
Add: Provisions - employee		198,195	167,699	198,195
Adjusted Net Current Assets		1,511,136	5,909,115	5,810,701

SIGNIFICANT ACCOUNTING POLICIES

Please see Note 1(a) for information on significant accounting policies relating to Net Current Assets.

KEY INFORMATION

The amount of the adjusted net current assets at the end of the period represents the actual surplus (or deficit if the figure is a negative) compared to the budgeted surplus(deficit) represented on the budget.



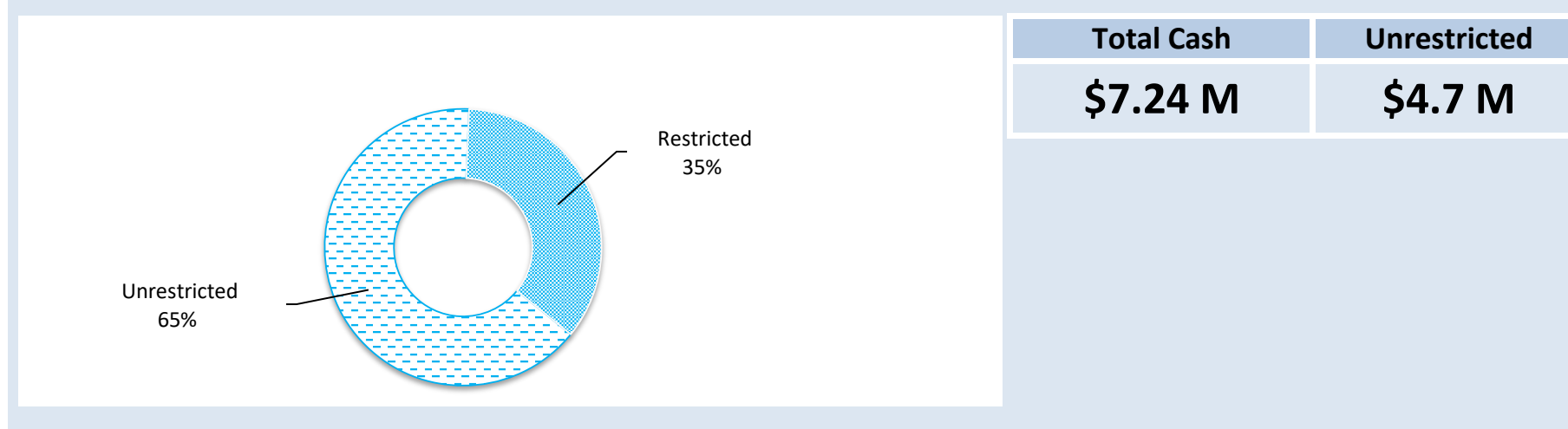
**This Year YTD
Surplus(Deficit)
\$5.81 M**

**Last Year YTD
Surplus(Deficit)
\$5.91 M**

Description	Type	Unrestricted	Restricted	Total	Institution	Interest Rate	Maturity Date
		\$	\$	YTD Actual			
Municipal Account		4,686,974		4,686,974	NAB	Variable	Cheque Acc
LSL Maximiser			132,560	132,560	NAB	Variable	Cheque Acc
Fire Maximiser			35,045	35,045	NAB	Variable	Cheque Acc
Plant Maximiser			624,931	624,931	NAB	Variable	Cheque Acc
Annual Leave Maximiser			162,213	162,213	NAB	Variable	Cheque Acc
Gwalia Precinct Maximiser			183,504	183,504	NAB	Variable	Cheque Acc
Building Maintenance Maximiser			964,871	964,871	NAB	Variable	Cheque Acc
Waste Management Maximiser			177,172	177,172	NAB	Variable	Cheque Acc
Aerodrome Maximiser			250,000	250,000	NAB	Variable	Cheque Acc
IT Maximiser			15,000	15,000	NAB	Variable	Cheque Acc
Cash on Hand	Petty cash	10,637		10,637	NAB	NIL	On hand
Total		4,697,611	2,545,296	7,242,907			

KEY INFORMATION

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.



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2018

OPERATING ACTIVITIES
NOTE 3
RECEIVABLES

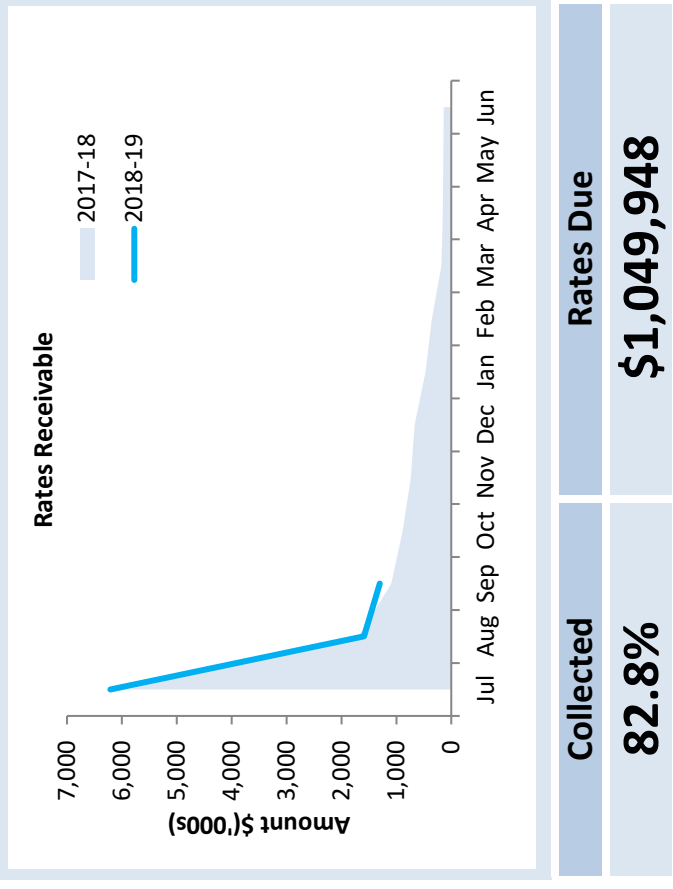
Rates Receivable	30 Jun 2018	31 Oct 18
Opening Arrears Previous Years	\$ 116,441	\$ 133,780
Levied this year	0	5,975,557
Less Collections to date	17,339	(5,059,389)
Equals Current Outstanding	133,780	1,049,948
Net Rates Collectable	133,780	1,049,948
% Collected	-14.9%	82.8%

Receivables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
Receivables - General	\$ (4,622)	\$ 60,885	\$ 286,598	\$ 62,897	\$ 164,727	\$ 570,485
Percentage	-0.8%	10.7%	50.2%	11%	28.9%	
Balance per Trial Balance						
Sundry debtors						570,485
GST receivable						34,649
Total Receivables General Outstanding						605,134

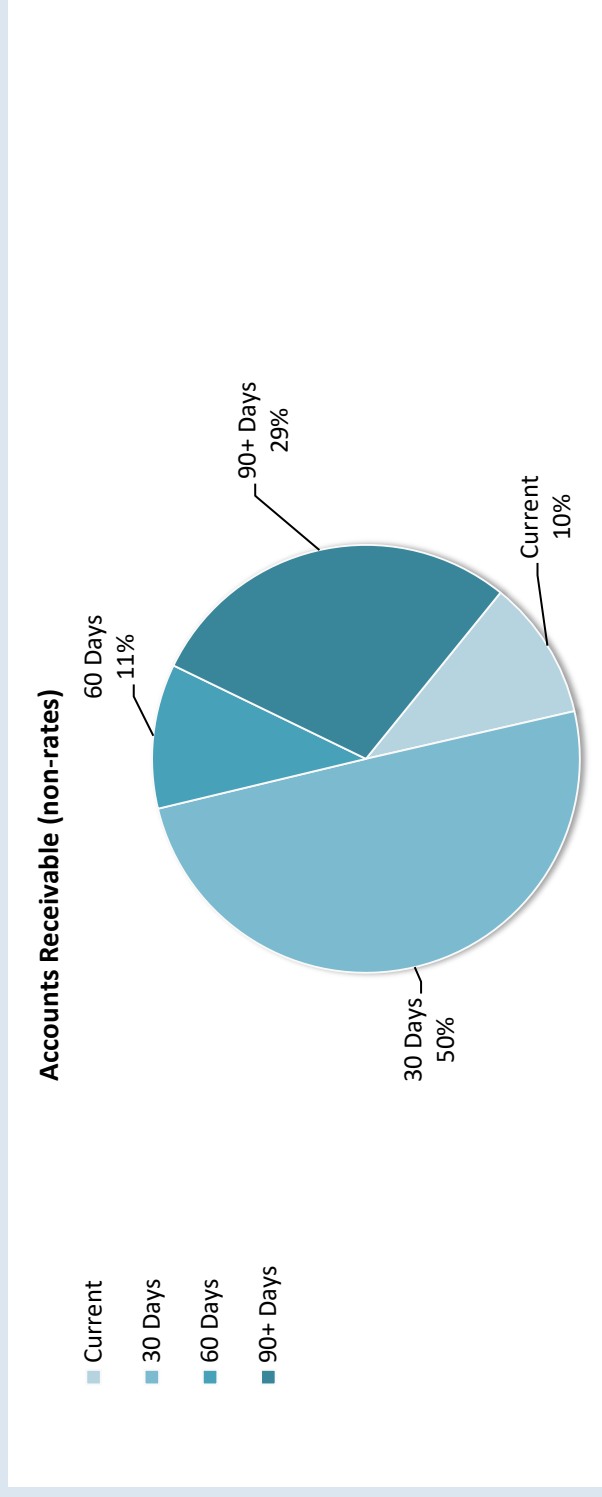
Amounts shown above include GST (where applicable)

KEY INFORMATION

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.



Collected	82.8%
Rates Due	\$1,049,948



Debtors Due	\$605,134
Over 30 Days	90%
Over 90 Days	28.9%

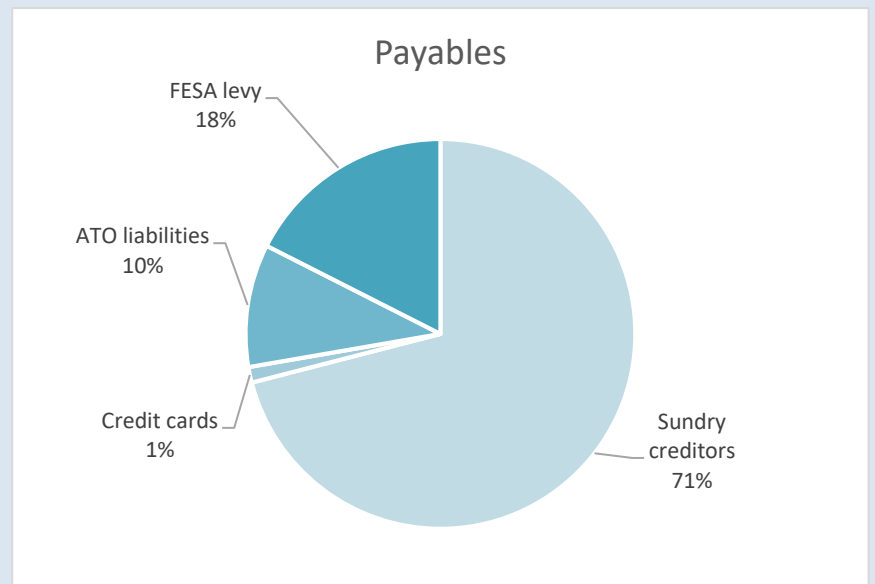
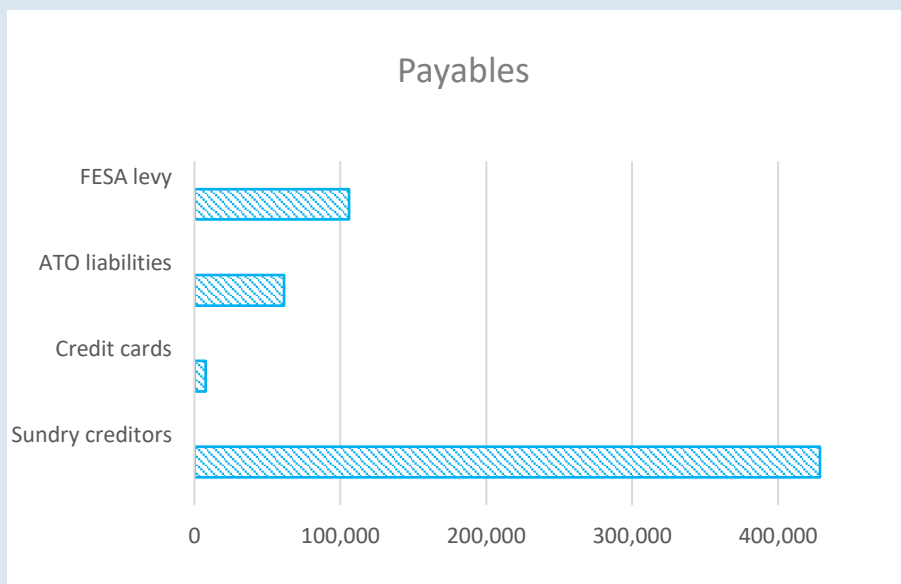
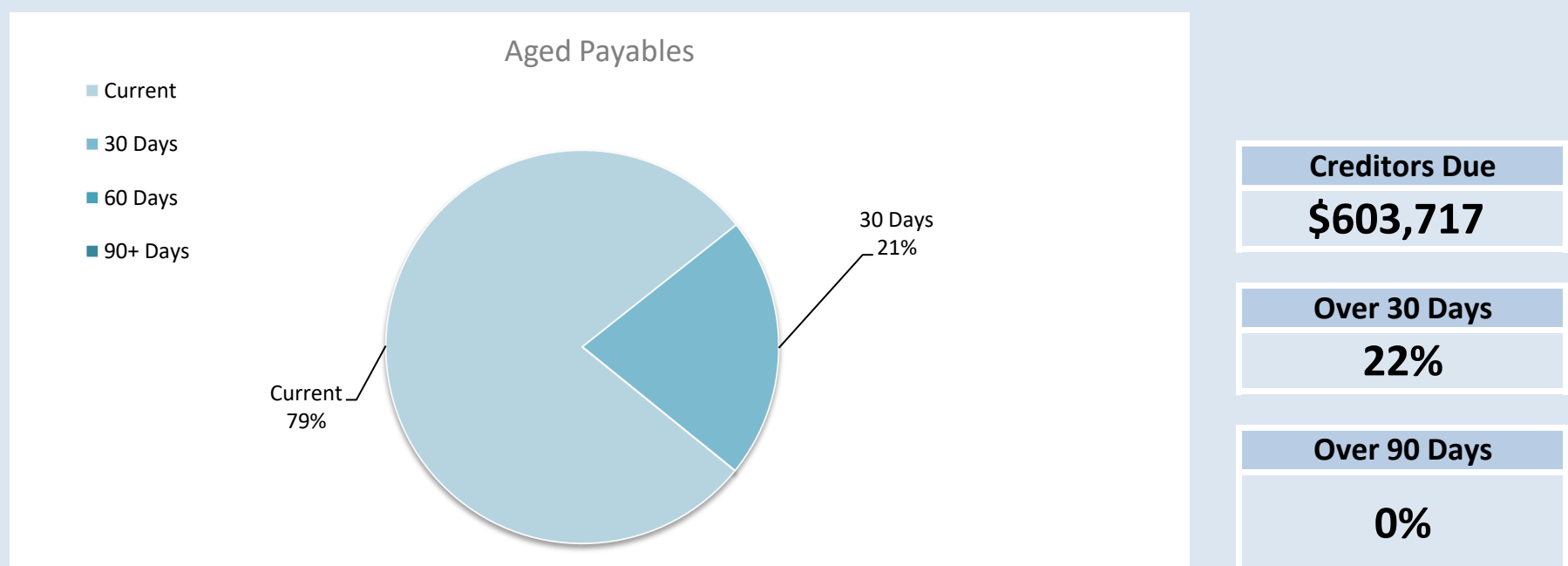
Please refer to the compilation report

Payables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	(997)	337,178	92,341	0	0	428,522
Percentage	0%	78.7%	21.5%	0%	0%	
Balance per Trial Balance						
Sundry creditors						428,522
Credit cards						7,798
ATO liabilities						61,569
FESA levy						105,828
Total Payables General Outstanding						603,717

Amounts shown above include GST (where applicable)

KEY INFORMATION

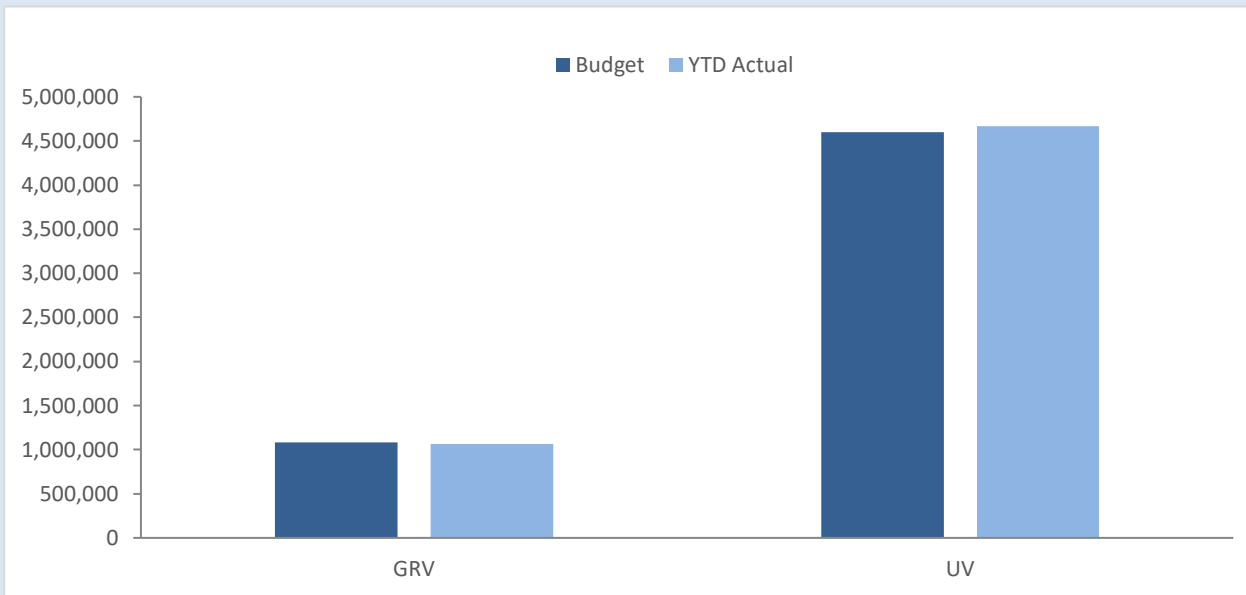
Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are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



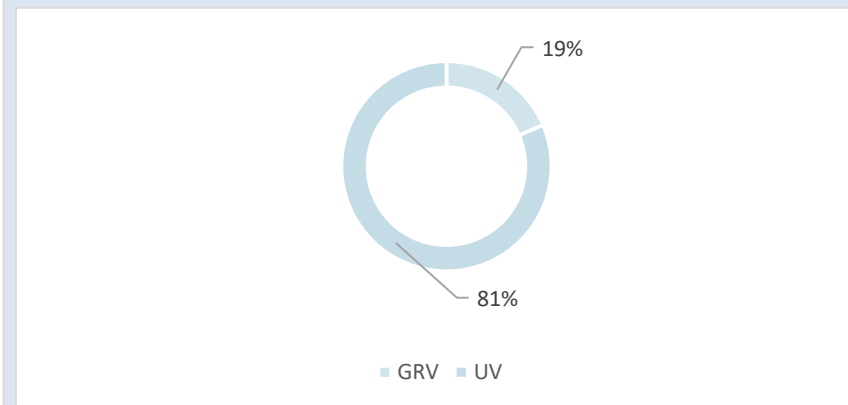
General Rate Revenue	Rate in	Number of Properties	Rateable Value	Budget			YTD Actual			Total Revenue	
				Rate Revenue	Interim Rate	Back Rate	Rate Revenue	Interim Rates	Back Rates		
RATE TYPE	\$			\$	\$	\$	\$	\$	\$	\$	
Differential General Rate											
GRV	0.067700	590	15,267,730	1,082,634	0	(2,000)	1,080,634	1,062,634	2,904	0	1,065,538
UV	0.148500	1,286	30,363,281	4,637,973	0	(40,000)	4,597,973	4,636,472	30,913	0	4,667,385
Sub-Total		1,876	45,631,011	5,720,607	0	(42,000)	5,678,607	5,699,106	33,817	0	5,732,923
Minimum Payment	Minimum \$										
Gross Rental Value											
GRV	318	84	120,809	27,984			27,984	27,984	0	0	27,984
Unimproved Value											
UV	318	645	760,547	214,650			214,650	214,650	0	0	214,650
Sub-Total		729	881,356	242,634	0	0	242,634	242,634	0	0	242,634
Amount from General Rates							5,921,241				5,975,557
Total General Rates							5,921,241				5,975,557

KEY INFORMATION

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.

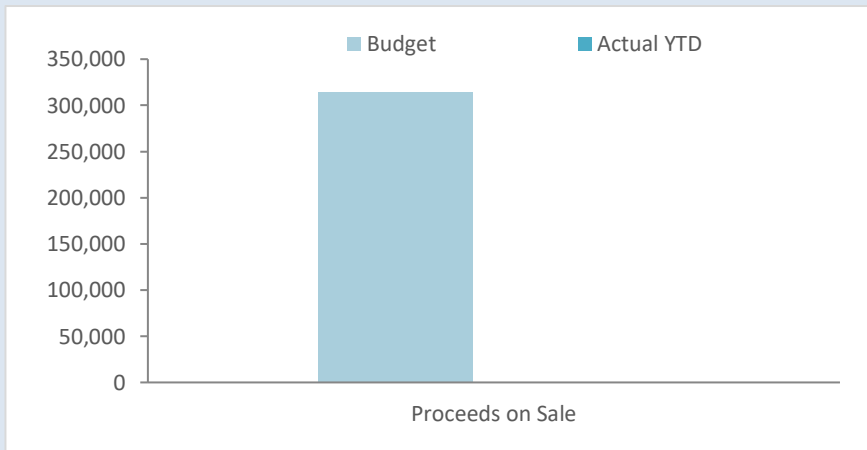


General Rates		
Budget	YTD Actual	%
\$5.92 M	\$5.98 M	1.0092



Asset Ref.	Asset Description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
PE7	2016 Ford Ranger (P108)	42,198	22,000	0	(20,198)	0	0	0	0
PE11	2016 Ford Ranger (P2416)	42,198	22,000	0	(20,198)	0	0	0	0
PE10	2016 Ford Ranger Wildtrack (P6)	56,049	25,000	0	(31,049)	0	0	0	0
44	International Eagle Prime Mover	124,554	75,000	0	(49,554)	0	0	0	0
555	2013 John Deere Motor Grader	188,935	100,000	0	(88,935)	0	0	0	0
45	International Eagle Prime Mover	121,972	70,000	0	(51,972)	0	0	0	0
		575,906	314,000	0	(261,906)	0	0	0	0

KEY INFORMATION



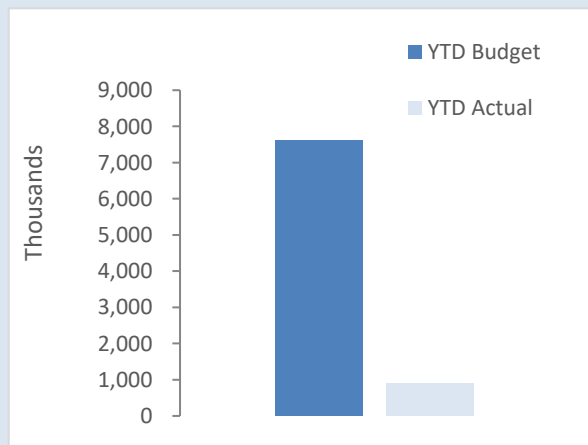
Proceeds on Sale		
Annual Budget	YTD Actual	%
\$314,000	\$0	0%

Capital Acquisitions	Adopted			YTD Actual Variance
	Budget	YTD Budget	YTD Actual	
	\$	\$	\$	\$
Building and Improvements	4,971,534	1,657,178	190,784	(1,466,394)
Plant & Equipment	1,213,000	404,333	157,757	(246,576)
Roads	853,326	284,442	16,354	(268,088)
Improvements & Infrastructure	581,697	193,899	535,409	341,510
Capital Expenditure Totals	7,619,557	2,539,852	900,304	(1,639,548)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	5,033,375	1,677,792	267,000	(1,410,792)
Borrowings	0	0	0	0
Other (Disposals & C/Fwd)	314,000	0	0	0
Cash Backed Reserves				
Plant reserve	100,000	0	0	0
Waste management reserve	135,000	0	0	0
Contribution - operations	2,037,182	862,060	633,304	(228,756)
Capital Funding Total	7,619,557	2,539,852	900,304	(1,639,548)

SIGNIFICANT ACCOUNTING POLICIES

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.

KEY INFORMATION



Acquisitions	Annual Budget	YTD Actual	% Spent
	\$7.62 M	\$0.9 M	12%
Capital Grant	Annual Budget	YTD Actual	% Received
	\$5.03 M	\$0.27 M	5%

	Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Capital Acquisitions				
Building and Improvements				
✍✍ E920011 Aged Care Accommodation	\$ 4,000,000	\$ 1,333,333	\$ 0	\$ (1,333,333)
✍✍ E940001 Land Trans Aged Care	205,000	68,333	0	(68,333)
✍✍ E920002 Lot 250 Queen Vic St	21,097	7,032	0	(7,032)
✍✍ E920003 35 Hoover Street Renewal	5,000	1,667	0	(1,667)
✍✍ E920004 13 Fitzgerald Renewal	11,600	3,867	0	(3,867)
✍✍ E920005 40 Hoover Renewal	3,000	1,000	0	(1,000)
✍✍ E920006 29 Hoover Renewal	21,532	7,177	0	(7,177)
✍✍ E920007 11B Walton Renewal	24,000	8,000	0	(8,000)
✍✍ E920008 Lot 294 Queen Vic Renewal	12,000	4,000	18,480	14,480
✍✍ E920009 Relocate / Renew Gym	20,000	6,667	0	(6,667)
✍✍ E920021 Works Depot Workshop Upgrade	22,305	7,435	0	(7,435)
E920012 Edna Wilcox's NSRF Renewal	104,000	34,667	91,107	56,440
E920013 Mazza's Store NSRF Renewal	254,000	84,667	1,107	(83,560)
E920014 Sly Grog Shop NSRF Renewal	54,000	18,000	1,107	(16,893)
E920015 Matrinzollie's NSRF Renewal	34,000	11,333	45,727	34,394
E920016 Williams NSRF Renewal	34,000	11,333	33,256	21,923
E920017 Lawlers Polic Restoration	100,000	33,333	0	(33,333)
E920010 Admin Office Painting (internal)	46,000	15,333	0	(15,333)
✍✍ TOTAL - Building and Improvements	4,971,534	1,657,178	190,784	(1,466,394)
Plant & Equipment				
✍✍ E930007 Ride on Lawn Mower	18,000	6,000	16,221	10,221
✍✍ E930001 Prime Mover	290,000	96,667	0	(96,667)
✍✍ E930002 Prime Mover / Tipper	365,000	121,667	0	(121,667)
✍✍ E930003 Motor Grader	380,000	126,667	0	(126,667)
✍✍ E930004 MSW Vehicle	62,000	20,667	0	(20,667)
✍✍ E930005 Grader Utility	49,000	16,333	49,015	32,682
E930006 Airport Workshop Utility	49,000	16,333	49,015	32,682
✍✍ E930008 Skid Steer Loader & Attachments	0	0	30,000	30,000
E930009 Grader Camps x 2	0	0	13,506	13,506
✍✍ TOTAL - Plant & Equipment	1,213,000	404,333	157,757	(246,576)
TOTAL PROPERTY PLANT AND EQUIPMENT	6,184,534	2,061,511	348,541	(5,835,993)
Roads				
E900001 Footpath Renewals	100,000	33,333	2,354	(30,979)
E900002 RRG Glenorn Yundamindra	450,000	150,000	0	(150,000)
E900003 Grid Renewals (various)	50,000	16,667	14,000	(2,667)
E910001 Depot Standpipe	20,000	6,667	0	(6,667)
E900004 Wandrra Leonora Nambi	233,326	77,775	0	(77,775)
TOTAL - Roads	853,326	284,442	16,354	(268,088)
Improvements & Infrastructure				
E910002 Liquid Waste Upgrade Completion	421,397	140,466	478,794	338,328
E910003 Oval Retic Upgrade	80,000	26,667	39,015	12,348
E910004 Fitness Playground Equipment	24,000	8,000	0	(8,000)
E910006 Renew Playground Softfall	15,000	5,000	0	(5,000)
E910005 Rushton Engine Reloc.	10,000	3,333	0	(3,333)
E910007 Agnew Steel Milling Machine	17,600	5,867	17,600	11,733
E910008 Renew Gwalia O/Head Pully	13,700	4,567	0	(4,567)
TOTAL - Other Infrastructure	581,697	193,899	535,409	341,510
TOTAL INFRASTRUCTURE	1,435,023	478,341	551,763	73,422
Total Capital Expenditure	7,619,557	2,539,852	900,304	(1,639,548)

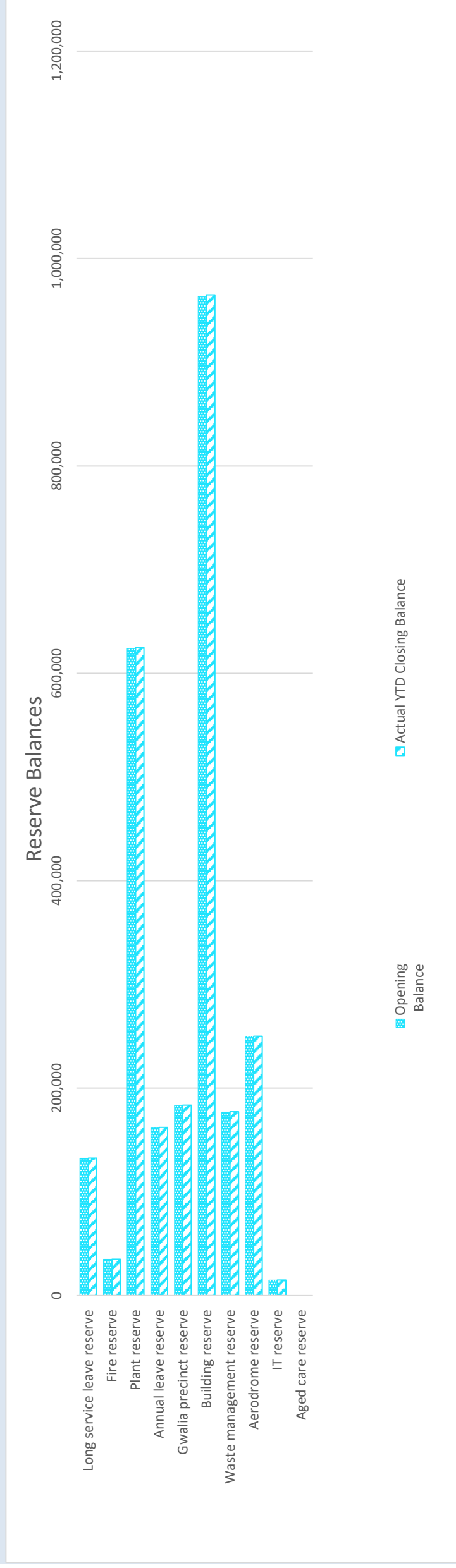
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2018

OPERATING ACTIVITIES
NOTE 8
CASH AND INVESTMENTS

Cash Backed Reserve

Reserve Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
Long service leave reserve	\$ 132,366	\$ 662	\$ 194	\$ 0	\$ 0	\$ 0	\$ 0	\$ 133,028	\$ 132,560
Fire reserve	34,993	195	53	4,000	0	0	0	39,188	35,046
Plant reserve	624,013	2,620	919	0	0	(100,000)	0	526,633	624,932
Annual leave reserve	161,974	810	238	0	0	0	0	162,784	162,212
Gwalia precinct reserve	183,234	916	270	0	0	0	0	184,150	183,504
Building reserve	963,453	4,817	1,418	0	0	0	0	968,270	964,871
Waste management reserve	176,912	210	260	0	0	(135,000)	0	42,122	177,172
Aerodrome reserve	250,000	1,250	0	0	0	0	0	251,250	250,000
IT reserve	15,000	75	0	0	0	0	0	15,075	15,000
Aged care reserve	0	0	0	100,000	0	0	0	100,000	0
	2,541,945	11,555	3,352	104,000	0	(235,000)	0	2,422,500	2,545,297

KEY INFORMATION



Please refer to the compilation report

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2018

NOTE 9
GRANTS AND CONTRIBUTIONS

Grants and Contributions

Grant Provider	Adopted Budget		YTD Budget	Annual Budget (d)	Budget Variations (e)	Expected (d)+(e)	YTD Actual Revenue (b)
	Operating	Capital					
	\$	\$	\$				\$
General purpose funding							
WA Local Government Grants Commission	272,641	0	90,880	272,641	0	272,641	74,198
WA Local Government Grants Commission	285,764	0	95,255	285,764	0	285,764	73,554
Health							
Health - Aged Care Feasibility Study	20,000	0	6,667	20,000	0	20,000	20,000
Health - Aged Care SIHI	0	3,500,000	1,166,667	3,500,000	0	3,500,000	0
Education and welfare							
Youth Support DCP Grant	70,309	0	23,436	70,309	0	70,309	35,446
Child Care Grants	0	0	0	0	42,910	42,910	42,910
Sustainability Child care	85,820	0	0	85,820	0	85,820	0
Recreation and culture							
Other Grant Funding	114,635	0	38,212	114,635	0	114,635	56,394
Transport							
Main Roads WA Direct Grant	88,015	0	29,338	88,015	0	88,015	143,049
Main Roads WA Contribution Street Lights	3,700	0	1,233	3,700	0	3,700	0
Main Roads WA Natural Disaster Reinstatement	0	1,233,375	411,125	1,233,375	0	1,233,375	0
Main Roads RRG Funding	0	300,000	100,000	300,000	0	300,000	120,000
Other contributors - Crossovers	1,500	0	500	1,500	0	1,500	0
Economic services							
Grants	48,000	0	16,000	48,000	0	48,000	0
Sponsorship	115,000	0	38,333	115,000	0	115,000	0
Gwalia Precinct renewal	0	0	0	0	147,000	147,000	147,000
Lotterywest Interpretation grant	655,585	0	218,528	655,585	0	655,585	0
TOTALS	1,760,969	5,033,375	2,236,175	6,794,344	189,910	6,984,254	712,551
SUMMARY							
Operating grants, subsidies and contributions	1,760,969	0	558,383	1,760,969	42,910	1,803,879	445,551
Tied - Operating Grants, Subsidies and Contributions	0	0	0	0	0	0	0
Non-operating grants, subsidies and contributions	0	5,033,375	1,677,792	5,033,375	147,000	5,180,375	267,000
TOTALS	1,760,969	5,033,375	2,236,175	6,794,344	189,910	6,984,254	712,551

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2018**

**NOTE 10
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2018-19 year is \$15,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
	\$	%			
Revenue from operating activities					
General Purpose Funding - Other	(34,134)	(17.37%)	▼	Timing	
Health	33,102	179.10%	▲	Timing	
Education and Welfare	39,539	38.75%	▲	Timing	
Community Amenities	167,235	133.30%	▲	Timing	
Recreation and Culture	110,919	193.21%	▲	Timing	
Transport	208,054	107.80%	▲	Timing	
Economic Services	(258,889)	(63.93%)	▼	Timing	
Other Property and Services	58,224	152.93%	▲	Timing	
Expenditure from operating activities					
Governance	70,653	29.34%	▲	Timing	
Health	(39,939)	(20.21%)	▼	Timing	
Transport	155,715	13.37%	▲	Timing	
Economic Services	330,953	36.03%	▲	Timing	
Other Property and Services	(115,152)	(990.90%)	▼	Timing	
Investing Activities					
Non-operating Grants, Subsidies and Contribu	(1,410,792)	(84.09%)	▼	Timing	
Capital Acquisitions	1,639,548	64.55%	▲	Timing	

KEY INFORMATION

10.0 REPORTS OF OFFICERS

10.1 CHIEF EXECUTIVE OFFICER

10.1(C) ACCOUNTS FOR PAYMENT

SUBMISSION TO: Meeting of Council
Meeting Date: 20th November, 2018

AGENDA REFERENCE: 10.1 (C) NOV 18

SUBJECT: Accounts for Payment

LOCATION / ADDRESS: Nil

NAME OF APPLICANT: Nil

FILE REFERENCE: Nil

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 14th November, 2018

BACKGROUND

Attached statement consists of accounts paid by Delegated Authority and Direct Bank Transactions represented by cheques numbered from **24577** to **24613** and totalling **\$689,375.58** and accounts paid by Council Authorisation represented by cheques numbered from **24614** to **24699** totalling **\$374,134.42**.

STATUTORY ENVIRONMENT

Local Government Act 1995 S6.10 & Financial Management (1996) Regulation 12 & 13 apply to how the information is to be presented within this report for authorisation by Council.

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 **24577** to **24613** and totalling **\$689,375.58** and accounts paid by Council Authorisation represented by cheques numbered from **24614** to **24699** totalling **\$374,134.42** be accepted.

VOTING REQUIREMENT

Simple Majority

SIGNATURE

Chief Executive Office

Shire of Leonora				
Monthly Report – List of Accounts Paid by Delegated Authority				
Submitted to Council on the 20th November, 2018				
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 are numbered from 24577 to 24613 and totalling \$689,375.58 .				
CHIEF EXECUTIVE OFFICER				
Cheque	Date	Name	Item	Payment by Delegated Authority
769	08/10/2018	Alliance Equipment Finance	Charges for office copier lease - September, 2018	797.78
1	09/10/2018	Shire of Leonora	Salaries & Wages PPE: 8/10/2018	84,932.92
24577	10/10/2018	Jim Epis	Reimbursement CEO Recreation Allowance	5,983.45
24578	11/10/2018	LGRCEU	Union Fee PPE: 8/10/2018	20.50
24579	12/10/2018	Randstad	Relief staff for Childcare Centre	5,280.72
24580	12/10/2018	Visage Productions	Re-issue of lost cheque - WALGA video for LG week	3,025.00
770	10/10/2018	Alliance Equipment Finance	Copier lease for CRC September 2018	536.45
24581	15/10/2018	Jeans for Genes	Donations and Merchandise Sales for Jeans for Genes Day 2018 - Via CRC	153.90
771	15/10/2018	Australian Super	Superannuation PPE: 8/10/2018	301.93
772	15/10/2018	Christian Super	Superannuation PPE: 8/10/2018	67.60
773	15/10/2018	CBUS	Superannuation PPE: 8/10/2018	888.59
774	15/10/2018	Host Plus	Superannuation PPE: 8/10/2018	154.81
775	15/10/2018	MLC Super Fund	Superannuation PPE: 8/10/2018	466.32
776	15/10/2018	MTAA Super	Superannuation PPE: 8/10/2018	282.70
777	15/10/2018	WA Super	Superannuation PPE: 8/10/2018	9,130.16
24582	16/10/2018	Dave Hadden	Payment of Invoice 122 for health/building services and reimbursement of fuel costs for P4	8,774.58
24583	16/10/2018	Talitha Sprigg	Reimbursement for accommodation whilst attending training in Kalgoorlie	548.00
24584	22/10/2018	Australian Taxation Office	BAS Payment September 2018	34,215.00
24585	23/10/2018	Dave Hadden	Health/Building Services 15/10/18 - 19/10/18	5,808.00
24586	23/10/2018	Snap Osborne Park	Printing of Rates Notices X 5000	947.72
24587	23/10/2018	Landvision	Supply of Explorer Maps and Mounts	600.00
1	23/10/2018	Shire of Leonora	Salaries & Wages PPE: 22/10/2018	67,761.04
24588	24/10/2018	LGRCEU	Union Fee PPE: 22/10/2018	20.50
24589	24/10/2018	Shire of Leonora	Payroll rates payment deduction	219.27
24590	25/10/2018	Department of Transport	Renewal of licences 4L, L2440 and 1TAC699	775.30
24591	25/10/2018	Goldfield Services	Callout to Daycare Centre - Internal window cleaning	429.00
24592	25/10/2018	Horizon Power	Power usage for Shire buildings Aug-Oct 2018	23,322.78
24593	25/10/2018	Randstad	Relief staff for Childcare Centre	8,076.81
			Sub Total	\$263,520.83

Cheque	Date	Name	Item	Payment by Delegated Authority
			Balance Brought Forward	\$263,520.83
24594	25/10/2018	Telstra	Phone and internet usage - Sat phones, NGROAC and CRC	4,594.10
778	19/10/2018	Click Super	Facility and transaction fee Sep 2018	27.72
24595	26/10/2018	Dianne Vincent	Refund of bond for hall hire - Caralie Adams	150.00
24596	26/10/2018	VOID	PO printed on cheque voucher by mistake	0.00
779	26/10/2018	Australian Super	Superannuation PPE: 22/10/2018	570.70
780	26/10/2018	BT Super for Life	Superannuation PPE: 22/10/2018	75.46
781	26/10/2018	Christian Super	Superannuation PPE: 22/10/2018	84.51
782	26/10/2018	CBUS	Superannuation PPE: 22/10/2018	610.49
783	26/10/2018	Host Plus	Superannuation PPE: 22/10/2018	310.25
784	26/10/2018	MLC Super Fund	Superannuation PPE: 22/10/2018	465.11
785	26/10/2018	MTAA Super	Superannuation PPE: 22/10/2018	282.70
786	26/10/2018	WA Super	Superannuation PPE: 22/10/2018	8,421.10
24597	26/10/2018	Pop Rivet	Leonora Tourist Maps	1,224.30
24598	29/10/2018	GHD Pty Ltd	Part payment of costs relating to preparation of local planning strategy and scheme	1,793.46
24599	29/10/2018	Stephen Peacock	Works carried out at Edna Wilcocks Place - Gwalia	49,500.00
24600	29/10/2018	Talitha Sprigg	Reimbursement for course in Kalgoorlie and payment for 2 Hoover's Gold cakes for resale at Gwalia Museum	520.00
787	26/10/2018	Alliance Equipment Finance	Hire costs October 2018 Depot copier	230.20
24601	30/10/2018	Landgate	RE-issue of lost cheque 24215	398.40
24602	30/10/2018	Janine Rowe	Costs for travel to assist with Pool	410.34
24603	30/10/2018	Majstrovich Building Company	Rebuild amalgam structure at Agnew and carport and roof at White House Gwalia	45,925.00
788	31/10/2018	National Australia Bank	Account Fees - October, 2018	110.00
789	01/11/2018	National Australia Bank	Merchant fees Shire of Leonora EFTPOS machines various - September, 2018	1,413.03
790	01/11/2018	Westnet Pty Ltd	CRC internet charges, October, 2018	11.00
24604	02/11/2018	Lyn Duncan	Refund overpayment of rates A7023	341.40
24605	05/11/2018	Avago Running	2019 GG Event management, field management and event marketing - Part payment	35,750.00
24606	05/11/2018	Westland Autos	Purchase of 2 new 2018 Ford Rangers for Airport and Workshop	108,638.22
24607	05/11/2018	Horizon Power	Power usage for Shire Office 27/09/2018-24/10/2018	501.84
24608	05/11/2018	PWT Electrical	Electrical works - Depot and Info Centre	11,009.26
24609	06/11/2018	Prosegur	ATM maintenance fees - September, 2018	235.49
24610	06/11/2018	Jim Epis	Reimbursement - Recreational Allowance	5,311.42
			Sub Total	\$542,436.33

Cheque	Date	Name	Item	Payment by Delegated Authority
			Balance Brought Forward	\$542,436.33
791	05/11/2018	National Australia Bank	Credit Card Charges - October, 2018	7,608.57
1	06/11/2018	Shire of Leonora	Salaries & Wages PPE: 5/11/2018	68,439.73
24611	06/11/2018	Stephen Peacock Construction	Restoration Works at Sly Grog Shop Gwalia	66,000.00
24612	07/11/2018	Allied Pickfords	Relocate L Gray Redmond to Leonora	4,334.00
24613	12/11/2018	LGRCEU	Union Fee PPE: 5/11/2018	20.50
792	12/11/2018	3E Advantage Pty Ltd	CRC Photocopier Lease October 2018	536.45
			GRAND TOTAL	\$689,375.58

Shire of Leonora				
Monthly Report - List of Accounts Paid by Authorisation of Council				
Submitted to Council on the 20th November, 2018				
Cheques numbered from 24614 to 24699 totaling \$374,134.42 submitted to each member of the Council on 20th November, 2018 have been checked and are fully supported by remittances and duly certified invoices with checks being carried out as to prices, computations and costing.				
CHIEF EXECUTIVE OFFICER				
Cheque	Date	Name	Item	Payment
24614	20/11/2018	Air BP	Jet A1 fuel - supplied to AV West Pty Ltd - Paid	2,121.01
24615	20/11/2018	Air Liquide W.A. Ltd	Cylinder fee - October, 2018	26.06
24616	20/11/2018	Amalgamated Prospector & Leaseholder Asso	Bond refund for hall hire 15/09/2018	150.00
24617	20/11/2018	ATOM Supply	Items for depot maintenance	205.13
24618	20/11/2018	Austral Mercantile Collections P/L	Debt collection costs	189.70
24619	20/11/2018	Australian Communications Authority	Licence renewal notice Broadcast Tower, 29 Hoover Street - 1156130/1	49.00
24620	20/11/2018	Australias Golden Outback	Advertising in the 2019 AGO holiday planner	3,570.25
24621	20/11/2018	AYA Group Pty Ltd	Supermarket Purchases for October - November, 2018 for Shire, Childcare Centre and Museum	926.74
24622	20/11/2018	Big Boots Media	Leonora Golden Gift 2018 - Videography x 2 days.	1,400.00
24623	20/11/2018	BOC Limited	Container Service Fee, Consumables for Depot, liquid Nitrogen Refil for hospital and Helium Gas for Gwalia's Gold Launch Weekend	427.94
24624	20/11/2018	Bunnings Building Supplies Pty Ltd	Paint for Depot, supplies for parks and gardens maintenance, bathmats for museum, maintenance items for Hoover House & Ratchet Straps, Star Picket Caps and Stainless / Galv. Eyelets	1,457.56
24625	20/11/2018	Butson Group Pty Ltd	Melbourne Cup Luncheon for 9 Elderly Residents Including Refreshments	543.40
24626	20/11/2018	Butsons Building Service	Labour and Materials for renewal of Martinzolli's & Williams	84,447.00
24627	20/11/2018	Canine Control	Ranger services 5-7 October, 2018	4,079.64
24628	20/11/2018	City Of Kalgoorlie/Boulder	Contribution towards designated Arca Migration Agreement	10,000.00
24629	20/11/2018	Click Super	Transaction and Dacility Fees for October, 2018	28.05
24630	20/11/2018	Coastline Mowers	Canopy and mounting kit for mower	504.00
24631	20/11/2018	Corowal Pty Ltd TA Wristband Factory	Wristbands for Pool	280.00
24632	20/11/2018	Creative Spaces	Gwalia Interpretation Style Guide and Exhibition Guide, Revised costs for additional works regarding the reprint of Gwalia Looking Back and New Gwalia Gold panels and Banners & DL Launch Invitation	30,684.28
24633	20/11/2018	CyberSecure Pty Limited	Backup subscription November, 2018	250.80
			Sub Total	\$141,340.56

Cheque	Date	Name	Item	Payment
			Balance Brought Forward	\$141,340.56
24634	20/11/2018	Department Of Transport	Vehicle Renewals - P03 & P410	1,395.05
24635	20/11/2018	Dianne Demasson	Catering and delivery of catering to Hoover House for Villa Carlotta Tours 26/09/2018	396.00
24636	20/11/2018	Downer EDI Engineering Electrical P/L	2nd visit - CCTV maintenance	4,895.00
24637	20/11/2018	Dunning's	Avgas Drums for resale at Airport - (107 drums - October, 2018)	108,142.71
24638	20/11/2018	E. Fire and Safety	Check and service fire safety equipment around Shire (Annual Service)	2,381.50
24639	20/11/2018	Eagle Petroleum (WA) Pty Ltd	Motorpass charges for September - October, 2018	2,306.05
24640	20/11/2018	Economic Transitions	Tourism consulting services and postage and invitations for Gwalia launch weekend	6,067.01
24641	20/11/2018	Educational Experience	Supplies for Leinster Playgroup - community grant	2,153.63
24642	20/11/2018	Elite Gym Hire	Gym Equipment Hire Costs, November 2018 to January 2019	2,251.48
24643	20/11/2018	Executive Media Pty Ltd	Advertisement in Editorial in Publication "Travel and Beyond" 2019 Edition	1,495.00
24644	20/11/2018	ExpandaBrand	OPEN teardrop banner for Leonora Swimming Pool	797.50
24645	20/11/2018	Flex Industries Pty Ltd	Parts for maintenance on P008 - Dolly	658.12
109676	09/10/2018	Plant Item:P008 - Dolly (1TNF008) 2012 RWT SEMTRL	Parts for maintenance on P008 - Dolly	598.29
24646	20/11/2018	Galaxy Embroidery and Printing	Merchandise for resale at Hoover House/Gwalia Museum & Stubby Holders	4,541.46
24647	20/11/2018	Giovanni Coffee	Coffee and tea supplies for Hoover House and Gwalia Museum	243.79
24648	20/11/2018	Goldfield Services -	Cleanings Services for Shire Office, Airport, Rec Centre, Library, NGROAC and Depot - October 2018	13,180.94
24649	20/11/2018	Goldfields Locksmiths	Cut key for CRC co-ordinators desk	10.00
24650	20/11/2018	Goldfields Records Storage	User Charges for the Month of September 2018	78.43
24651	20/11/2018	Goldline Distributors	Cleaning Products for Shire and Rec Centre & Supplies for Hoover House/Museum	181.16
24652	20/11/2018	Horizon Power	Power Usage - Streetlights	3,879.91
24653	20/11/2018	J.R. & A. Hersey Pty Ltd	Supplies for depot maintenance	2,552.00
24654	20/11/2018	Janine Rowe	Reimbursement for Pool Items and Meal	111.05
24655	20/11/2018	Josway Hospitality Pty Ltd	Supply refreshments for GEDC dinner 23rd August 2018	88.60
24656	20/11/2018	Kalgoorlie Case & Drill Pty Ltd	Tools and consumables for Depot	1,537.00
24657	20/11/2018	Kathy Beaton.	Reimbursement for Goods Purchased for Great Gatsby Event	232.75
24658	20/11/2018	Kerion Pty. Ltd.	Flights for consultants & Support Staff throughout October & November, 2018	4,875.00
24659	20/11/2018	Kleenheat Gas	Facility Fees and Gas Bottles for Shire properties	417.87
24660	20/11/2018	Landgate	Mining tenements 06/09/2018-10/10/2018	62.40
			Sub Total	\$306,870.26

Cheque	Date	Name	Item	Payment
			Balance Brought Forward	\$306,870.26
24661	20/11/2018	Lastminute Multimedia	Advertising launch of Gwalia Gold Weekend 17th/18th November, 2018.Airing 05/11/2018-09/11/2018	1,089.00
24662	20/11/2018	Leinster Contracting Services	Empty Skip Bins at Malcom Dam	1,163.80
24663	20/11/2018	Leonora Drive Connectors	Supply of Hoses and Fittings for P2296	2,109.58
24664	20/11/2018	Leonora Motor Inn		1,425.00
24665	20/11/2018	Leonora Painting Services	High Pressure wash all timber seating & flooring at NGROAC and Paint surrounds of ATM after new installation	5,236.00
24666	20/11/2018	Leonora Post Office	Post office charges for October, 2018	563.07
24667	20/11/2018	Leonora RSL Sub Branch	Community Grant 2018 - funding for RSL functions	2,000.00
24668	20/11/2018	Leonora Supplies WA	Supplies for Shire Office - Period- 17/09/2018-23/09/2018	58.24
24669	20/11/2018	Marketforce	Advertising in West Australian	526.00
24670	20/11/2018	McMahon Burnett Transport	Freight for Office, Pool and Museum	774.30
24671	20/11/2018	Moore Stephens	Assist with annual financial statement audit queries, compilation of the statement of financial ...	6,003.25
24672	20/11/2018	Mr Rollerdoor	Supply and Instalaltion of Rollerdoor and Shutter in Workshop	13,123.00
24673	20/11/2018	Netlogic Information Technology	Remote Consultation as per requests from Office	750.00
24674	20/11/2018	Office National Kalgoorlie	New Printers, standard Service Fees and Copy Charges for Depot, CRC & Shire & ink and stationery supplies for Shire facilities	4,992.69
24675	20/11/2018	Penns Cartage Contractors	Freight Costs as per Depot Requests	441.10
24676	20/11/2018	Pier Street Medical	Pre employment medical - Ebony Howard	196.00
24677	20/11/2018	Pipeline Mining & Civil Contracting	Grave digging - David Taylor	910.00
24678	20/11/2018	Prime Media Group Ltd	Advertising Gwalia Ghost Town and Museum - October, 2018	173.80
24679	20/11/2018	Public Libraries Western Australia	PLWA membership 2018/2019	170.00
24680	20/11/2018	Randstad	Relief Staff for Childcare Centre	5,102.74
24681	20/11/2018	Receptive Security	Supply and Installation of Upgraded Alarm System	1,782.00
24682	20/11/2018	Recycled Mats	Mats for Childcare Centre	494.85
24683	20/11/2018	Ross Norrie -	Reimbursement - Car hire whilst attending GTNA meeting in Kalgoorlie	179.00
24684	20/11/2018	Royal Life Saving Society WA	Watch around water registration and 2 x Rope Rescue throw bags	272.50
24685	20/11/2018	Sheffield Metal Fabrication	Cat traps	550.00
24686	20/11/2018	Shire Of Leonora - General	Hire of Bus for Leinster Gold Club - Community Grant	283.72
24687	20/11/2018	Squire Patton Boggs	RFDS/Goldfields Children Charity Partnership 7/09/2018-30/10/2018	4,737.70
24688	20/11/2018	Sweet Talk	Custom cookies for CRC	55.00
24689	20/11/2018	Telstra	Phone and internet usage October, 2018	3,088.92
24690	20/11/2018	Tjuma Pulka (Media) Aboriginal Corporatio	Telstra phone line connection reimbursement 16/06/2018-15/07/2018, live streaming radio 16/07/20...	775.00
			Sub Total	\$365,896.52

Cheque	Date	Name	Item	Payment
			Balance Brought Forward	\$365,896.52
24691	20/11/2018	Toll Customised Solutions	Storage of Tourism Brochures	1,085.66
24692	20/11/2018	Toll Ipec Pty Ltd	Freight as per requests by Shire Facilities	354.00
24693	20/11/2018	Water Corporation	Water Usage for Vacant Land at 524L Gwalia St Leonora Lot 524 (90 07525 92 7)	43.10
24694	20/11/2018	Westland Autos No1 Pty Ltd	Service for 6L	539.20
24695	20/11/2018	WINC Australia Pty Ltd	Stationery as per staff requirements	1,740.27
24696	20/11/2018	Wurth Australia Pty Ltd	Tools and expendables for Depot Maintenance	1,662.25
24697	20/11/2018	Xstra Group Pty Ltd	Line rental period 01/10/2018-31/10/2018 - CRC NGROAC	550.02
24698	20/11/2018	Yeti's Records Management Consultancy	Record Management October & November 2018	2,156.00
24699	20/11/2018	Zandra Comstive.	Reimbursement for Goods Purchased for Seniors Week	107.40
			GRAND TOTAL	\$374,134.42

- 10.0 REPORTS OF OFFICERS**
 - 10.2 DEPUTY CHIEF EXECUTIVE OFFICER**
Nil

- 10.0 REPORTS OF OFFICERS**
 - 10.3 ENVIRONMENTAL HEALTH OFFICER/BUILDING SURVEYOR**
Nil

- 11.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING.**
 - A. ELECTED MEMBERS**
Nil

 - B. OFFICERS**
Nil

- 12.0 NEXT MEETING**
Tuesday 18th December, 2018

- 13.0 CLOSURE OF MEETING**