



**2016 / 2017
ANNUAL
REPORT**

SHIRE OF KOORDA

Contents

Notice of Meeting	2
Agenda	3
Local Information	4
Presidents Report	5
Chief Executive Officers Report	8
Overview of plan for the Future	15
Prescribed Payments to Employees	19
Disability Access & Inclusion Plan	20
Register of Complaints	20
Sewerage Scheme Report	21
Councillors & Delegates	22
National Competition Policy	25
Structural Reform	27
Record Keeping Plan	28
Information	29
ATTACHMENTS	
Financial Report	2-55
Auditors Report	56-59
Supplementary Ratio Information	60

Notice of Meeting

SHIRE OF KOORDA NOTICE OF GENERAL MEETING OF ELECTORS

Notice is hereby given that the General Meeting of Electors of the Shire of Koorda will be held on Wednesday 6th December 2017 commencing at 7.00pm in the Koorda Shire Council Chambers, Allenby Street, Koorda.

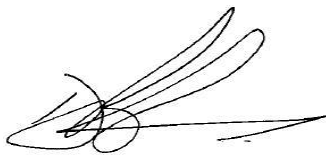
The purpose of the meeting and order of business is;

1. Presentation of the Annual Report for the 2016/2017 Financial Year.

General Business (i) As the Meeting decides

Each elector is entitled to one vote but does not have to vote.

Copies of the 2016/2017 Annual Report are available from the Shire Office during Office hours – 9.00am to 4.30pm



David Burton
CHIEF EXECUTIVE OFFICER

Agenda

**SHIRE OF KOORDA
ANNUAL GENERAL ELECTORS MEETING
6th DECEMBER 2017
COMMENCING AT 7.00PM
KOORDA SHIRE COUNCIL CHAMBERS
CRN ALLENBY AND HAIG STREETS**

AGENDA

Declaration of Opening

Apologies

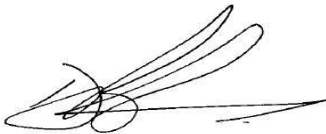
1. Business

Shire of Koorda Annual Report 2016/2017 received, and any discussions
Presidents Report
Chief Executive Officers Report
Financial Report (Statements)
Auditors Report
Other Information

2. General Business

(i) As the Meeting decides

Closure



David Burton
CHIEF EXECUTIVE OFFICER

Local Information

The Koorda Shire Council consists of 7 elected members, who represent the interests of the electors and make policy decisions, with staff that provide the resources and carry out the work that is required to implement the decisions and direction of Council and ensure statutory compliance of Acts and Regulations Administered by Council. The Shire no longer has wards. Normally, each Councillor is elected for a term of 4 years, with vacancies occurring every second year.

Council Meetings

Ordinary Council Meetings are normally held on the third Wednesday in each month, by Policy resolution, Council does not normally hold a meeting in January.

Public Question Time

Is allocated for 15 minutes from the commencement time of each Council meeting.

Elections

Council Elections are now to be held every second year on the third Saturday in October.

Number of Electors	315
Rates Levied	\$987,670
Council Employees	21 full time equivalent employees

Tourist Attractions

Heritage Trail, Sheep Dips, Museum, Corn Dolly Displays, Picnic Sites, Koorda Agricultural Show

Local Industries

Wheat, Lupins, Canola, Barley, Oats, Triticale, Chick Peas, Wool and Meat production

COUNCIL MEETING DATES

TIME	DATE
6.00pm	15 November 2017
6.00pm	20 December 2017
4.30pm	21 February 2018
4.30pm	21 March 2018
4.30pm	18 April 2018
4.30pm	16 May 2018
4.30pm	20 June 2018
4.30pm	18 July 2018
4.30pm	22 August 2018
4.30pm	19 September 2018
4.30pm	17 October 2018
6.00pm	21 November 2018
6.00pm	19 December 2018

I am pleased to present my President's Report for the year ended 30 June 2017.

In my opinion this has been a very progressive year for the Shire of Koorda. As President for the past 6 years, I am proud to highlight the many areas that have been identified as priorities for our community that have been addressed.

LOCAL GOVERNMENT ELECTIONS

The next elections are scheduled for October 2017.

LOCAL GOVERNMENT REFORM

Local Government reform remains on the agenda and encourages Local Governments to aim to improve their efficiencies. Through NEWROC, the Council continues to work collaboratively with our neighbouring Shires to resource share where ever possible and build a regional approach to issues that impact our region.

LAW, ORDER AND PUBLIC SAFETY

Members of the KVBFB have become members of the Wyalkatchem Fire & Rescue with main objective to be trained in road crash rescue. Local Emergency Management Risk Assessments need to be formulated and documented by local governments; this will be completed prior to June 30, 2018. As some of our members have left the district we will be recruiting for new volunteers.

HEALTH AND WELFARE SERVICES

The provision of health services continues to be a high priority for Council. Dr Emmanuel Awogun has continued practicing at the Wyalkatchem and Koorda Surgeries and has proved to be popular with the residents. We have been working closely with Wyalkatchem in formulating an Aged Care Plan, which will assist the elderly to remain in their own communities for longer. We have also been in regular communication with the HACC coordinator to ensure that the residents receive improved assistance. Koorda is a member of the Central Eastern Aged Care Alliance, which is a group of 11 Shires with the aim of providing independent living accommodation to allow local residents to remain in their own community longer.

FEDERAL ASSISTANCE GRANTS

The Federal government has reinstated the indexing on the Federal Assistant Grant Scheme (FAGs), which will assist in the financial management of the shire. FAG's received in 2016/2017 were \$1,795,498 and approximately \$1,871,268 is allocated for 2017/2018. Total revenue for 2016/2017 was \$4,769,538 and the FAG's contributes nearly 38% of the total.

As such these funds are vital to the operation and service provision for rural local governments and it was resolved to support WALGA in their campaign to lobby the Federal Government to reconsider placing a freeze on the assistance grants.

ROYALTIES FOR REGIONS

Future funding will be dependent on complying with Wheatbelt Development Commission strategies to further development the wheatbelt. Main criteria will be economic and population growth.

DIGITAL TELEVISION RETRANSMISSION

The digital retransmission equipment is now functioning adequately.

FINANCES

Council finalised the year with a \$6,609,978 credit balance as at 30 June 2017. Council's current policy is to endeavour to fund capital asset expenditure from Municipal and Reserve Funds rather than the use of borrowings, and continue their policy of transferring funds to various reserves.

RECREATION

As a part of our forward planning, Council is currently reviewing the sporting facilities in the town. So we can cater for all sporting and community groups into the future a study will be undertaken to assess any additions and improvements that may be required. Concept plans have been presented to Council and the strategy for future upgrades is a major consideration.

TRANSPORT

CBH bin to bin transfers may continue to cause damage to our roads (in particular Koorda Mollerin Road). We will continue our seal widening on our priority roads and also the resealing of others, determined by finance and traffic numbers. Clearing and widening of our unsealed roads will continue as a part of our long term forward plan. Changes to clearing of Vegetation Legislation affecting this type of work will impact on Council. Staff has completed a large portion of the annual maintenance grading.

The program to reseal the town streets, construct kerbing and concrete footpaths is continuing, so too is the

replacement of old dull street lights with brighter lights in strategic positions for greater safety for our residents. Roads to Recovery Program is Federal Government funding allocated to local governments to assist with all aspects of road works and has provided much needed funding to endeavour to maintain the roads at a level that ensures as safe as conditions as resources will allow.

Council has continued their forward planned policy of replacing/purchasing plant and equipment items to ensure the flexibility needed to enable Councils workforce to carry out the expanded program, and to ensure reasonable asset management.

There have been several changes to the administration staffing. I would like to congratulate Lana Foote on being appointed to the Manager of Finance and Administration, Tracey McMiles to the position Finance and Administration Officer, and welcome Debbie West as Payroll Officer and Kristyn Harrap as Executive Assistant.

I would like to thank and congratulate my Deputy and fellow Councillors for their support and input that has enabled Council to deliver services and meet the requirements of our community. I would take this opportunity to congratulate all those who nominate to serve their community as a Councillor in the upcoming Local Government Elections in October.

We continue to review our forward plans, which are in reality part of our strategic objectives.

I urge all community members to provide feedback to Council to assist us in our decision making process and encourage you to contact Councillors or the Shire Office with any concerns or issues that you consider needs addressing. Your contributions ensure that we are working together to achieve the desired outcomes that benefit the community as a whole.

Also my gratitude and praise for each and every staff member for their contributions to the year's outcomes in a professional and competent manner.

Cr Ricky Storer

PRESIDENT

The primary role of the Chief Executive Officer is to implement Council Policy with the aid of other staff. This means acting as the overall manager of Council's day-to-day operations. The Chief Executive Officer also has a number of specific statutory obligations.

The functions of the Chief Executive Officer are specified in the Act:

- Advise Council on the functions of the local government under the Act and other laws;
- Ensure advice and information is available to enable the Council to make informed decisions;
- Cause Council decisions to be implemented;
- Manage the day to day operations of the local government;
- Liaise with the Mayor or President on the local government's affairs and the performance of its functions;
- Speak on behalf of the local government if the Mayor or President agrees;
- Responsible for employment, management, supervision, direction and dismissal of other employees (subject to the provisions relating to senior employees);
- Ensure records and documents are properly kept; and
- Perform other functions of the Act and other laws.

ADMINISTRATION	
Team Effort/ Staff Support	Council's continuing support of staff is appreciated as it is a public indication that elected members and staff are co-operating to achieve team outcomes that enhance and benefit the Shire and residents. Regrettably two long serving and valued members of our administration staff resigned during the financial year.
Councillor Training	Councillor training is being encouraged by the State Government to ensure elected members are more aware of their roles and responsibilities within the constantly changing Local Government environment. Council as Policy; supports the need for ongoing Councillor training. The current Councillor training curriculum consists of seventeen (17) modules. Councillors take advantage of this training (this may become compulsory).
Administration Functions	Council continues to endeavor to adapt it's operational planning for the Shire, as further administrative burdens and financial constraints including cost shifting, and the need to accept structural reform and sustainability are placed upon our community and community resources, in our overall function as the local service provider. The necessity for Council to be more accountable requires ongoing monitoring and review of Council functions to ensure work practices and cost efficiencies are in place.
Forward Planning	Short and medium term planning includes; Annual Budget Strategic Community Plan Corporate Business Plan Long Term Financial Plan

	<p>Workforce Plan Asset Management Plan Five year housing and building upgrading program (incorporated in the Strategic Plans) Ten year plant replacement plan (incorporated in the Strategic Plans) Five year major road construction, clearing & widening plan (incorporated in the Strategic Plans) Five year bushfire equipment plan (incorporated in the Strategic Plans) Five - Ten year Strategic Plans that forms the basis of forward planning objectives (currently under review).</p>
Communication	<p>Council continues to promote its activities and decisions to the community and utilises the Narkal Notes, Website, Facebook & Twitter on a regular basis, and it is intended that this practice will continue. <i>Continued community feedback on communications is always welcomed to ensure that messages are being received.</i></p>
Model Code of Conduct	<p>Council again reviewed its model Code of Conduct during the year, to ensure compliance with changed legislative requirements. The Code of Conduct broadly covers the following eight principles: Act with reasonable care and diligence; and Act with honesty and integrity; and Act lawfully; and Avoid damage to the reputation of the local government; and Be open and accountable to the public; and Base decisions on relevant and factually correct information; and Treat others with respect and fairness; and Not be impaired by mind affecting substances. There are now provisions for breaches of the 'Code' to be legally addressed and penalties applied.</p>
North Eastern Wheatbelt Regional Organisation of Councils	<p>Council continues to support the concept of resource sharing and co-operation with member Councils as this is acknowledged as one area that may allow cost efficiencies to be achieved, as well as regional co-operation to achieve common objectives, and sustainability is a real requirement to allow retention of our local identity. The future of this grouping of Councils is an unknown due to the likely structural reform facing local government. Funding has recently been received to improve telecommunications and provide a better internet services to NEWROC.</p>

FINANCE	
<p>Council's Annual Financial Statements for the year ended 30 June 2017, were audited in August 2017, with the final reports going to Council in November 2017. Copies of these are available at the Council Office, during office hours. A copy of the Operating Statement, Statements of Financial Position and Statements of Change in Equity are included in this report.</p> <p>Due to the format in which the statements must be presented, a general knowledge of accounting principles is advantageous to gain an understanding of the reports. It should be noted they are income and expenditure based, ie closing 'net credit' balance, is not a cash amount.</p> <p>Asset Management is becoming a more crucial issue as there is the very real need to maintain assets as well as the need to either improve or replace aging assets. As grant funding is becoming more difficult to receive, this asset maintenance is becoming more of an issue. There is therefore a need, when considering major expenditure, to take into account not only the initial capital outlay but the whole of life cost. Usually the initial capital cost is the lowest number. This consideration can make projects difficult to justify.</p> <p>To assist in these objectives Council endeavours to set aside funds in specific reserve accounts for future asset requirements. We have strived over previous years to achieve a level of Reserve Funds that will enable us to maintain our infrastructure to a satisfactory level, or replace or refurbish with some assistance. However, our Reserve Funds will need to be maintained and even raised further in the future. All tiers of Government now recognise the need for sustainability which includes management of all assets, at all levels of government.</p> <p>Council cannot realistically on an annual financial basis, set aside sufficient funds required to maintain all their assets as their own funding base is too low. The only real funding alternative available is an increased rate burden, by way of sufficient annual increments, to assist in meeting the shortfall. This and careful consideration of the long term financial planning of the Shire can enable us to maintain infrastructure to an acceptable level.</p> <p>Council's rate increases previously, have been less than inflation, with the impact now clearly evident i.e. this Shires 'own contribution' to annual operating cost is in the order of 38%. The Long Term Financial Plan for the Shire maintains an annual increase of 5% for land rates to ensure sufficient funds for the operations of the Shire and maintenance of facilities.</p>	
Reserve Funds	Are cashed backed as shown, restricted to their designated purpose and not intended for general use. Council's current practice is to endeavour to set aside funds each year into reserve funds, with the objective of reducing the requirement to raise loans. These Reserves are further commented on in the annual financial statements.
Loans	No loans were raised during the year under review.
LAW ORDER & PUBLIC SAFETY	
Local Emergency Services	The few volunteers who man and operate these essential services are the unsung heroes who receive little or no recognition. Whilst, it goes without saying that they don't look for recognition,

	it doesn't hurt for them to be publicly acknowledged, particularly as numbers diminish annually. Council and community appreciation is once again expressed for a job extremely well done, by the dedicated few. The local SES has been disbanded and the vehicle and equipment removed by FESA.
HEALTH SERVICES	Council continues to maintain a reserve account to assist with either the current Doctor or possible future recruitment and retention of a Medical Practitioner, this will be ongoing. We continue to assist with the retention of the current doctor, in conjunction with the Wyalkatchem Shire.
Community Health	To ensure the provision of some associated health services to the Koorda community as Council needs to ensure all user needs can be reasonably met.
WELFARE & EDUCATION	
Wheatbelt Ag Care	Council continues to support the objectives, as it is considered this service is vital to community members.
Central Eastern Aged Care Alliance	The Shire is gifting the land for the housing units to be built through this project, Koorda has been allocated 10 units over the next five years. Initial funding for this project was received during the 2015/2016 financial year and tenders have been called for the construction of the units allocated for other surrounding Shires. Construction should begin late 2017 early 2018.
HOUSING	Council is the largest landlord in town and provides housing for staff, aged, professional officers and general public if available. This takes up a large amount of staff resources, managing, cleaning and maintaining to keep these building in the best possible condition.
COMMUNITY AMENITIES	
Koorda Cemetery	Council and the community thanks are extended to the team of volunteers who assist in its maintenance and upgrading ensuring the cemetery has a serene atmosphere. A toilet has been constructed for use by the community.
Rubbish Tip Site	The Koorda Rubbish Disposal has erected signage to encourage the correct disposal of various waste types. If these areas are not correctly utilised; the only real alternative available to Council is the provision of a 'manned' tip, which would generally inconvenience the community, and this is a very real probability. The provision of trenches for putrescibles and general waste, to endeavour to extend the life of the site. Council has begun the process of establishing a new site (at the former golf course) which was approved during the 2017/2018 financial year. Fencing has commenced for the new site.

RECREATION & CULTURE	
<i>Recreation Facilities</i>	
Swimming Pool	The junior pool surfaces were repainted for the 2016/2017 season and the shade areas on the eastern side of the pool were renewed.
Recreation Facilities	<p>As part of the long term strategies of the Shire, it was recognized that the Recreation facilities was in need of upgrading to service the community into the future.</p> <p>Several local meetings were organised and public information sought for the design of the upgrade to the facility. This was then pieced together and drafted into a possible solution.</p> <p>Grant funding was sought through the Building Better Regions Funding program to assist with the upgrade as this gave the best source of assistance with \$3 for every \$1 of the Shire's. We were unsuccessful in this funding, but are considering further applications.</p>
Drive In	The Drive In kiosk was upgraded and given a 1950's diner theme. An overall electrical refreshment is necessary as currently the power may fail when too greater load is drawn by appliances in the kitchen and the toilets also need upgrading, this work is planned for the 2017/2018 year. This is part of a long term strategy to upgrade the Drive-In at minimal. We are also looking at reconnecting the 'old speakers'.
TRANSPORT	
Road Works	<p>The Shire's outside work force undertook another major road works program. This involved priority road bitumen reconstruction/sealing, upgrading of rural roads, general preservation/construction work as well as continuing bitumen resealing, ongoing maintenance and clearing and widening program on rural unsealed roads.</p> <p>Seasonal conditions were not generally conducive to good road maintenance practices and a wetter than normal winter for 2016 created a lot of extra work and delayed the program, but the main funded program was completed. The summer rains in early 2017 also caused a spike in the need for grading unsealed roads, however from April to June very little rain was received which resulted in the reduction of the annual grading program.</p> <p>The Shire's major expenditure item continues to be road works. Generally whilst federal road grant funding has been increased the state road funding decreased by \$60,000, there are still insufficient funds being allocated to road upgrading, preservation and particularly maintenance to ensure adequate asset management practices are in place. This issue is Australia wide.</p>

	<p>Council has limited 'own resources' to make up the shortfall but must maintain their obligation to match specific funding criteria imposed at State and Federal level.</p> <p>Increasing demands are being made by the use of larger road freight units, and farming machinery on the Shire road network, only highlights the lack of adequate funding, and the need to improve overall management practices with regard our road network and ensure heavy vehicle permit use policies, reflects good management practices</p> <p>The Shire of Koorda is also working with other Wheatbelt Shires to create a Regional Strategic Freight Route network in conjunction with Main Roads WA to deliver a network for the future.</p>	
Road Works		
Construction	Widen Seal, widen shoulders, reseal	1,372,964
Preservation	Gravel sheet & clear & widen	413,628
Town Streets	Reseal/Footpaths/Kerbing/street trees, lights	175,784
Road Maintenance & Storm Damage	Maintenance works	175,475
	TOTAL	2,137,851
<p>Council has in place forward planning, prioritising road needs, particularly with regard routes utilised by larger road freight transport units. This is reviewed at least annually and on an ongoing needs basis.</p> <p>It should be noted that the strategy of Cooperative Bulk Handling Limited to move to strategic receival points will obviously have an impact on local roads and this may become apparent in future harvest periods. Koorda is a primary site, and if the Burakin/Wialki and Koorda/Mukinbudin railway lines are closed the use of heavy freight units will impact on roads not constructed for that type of freight vehicle or tonnages. A road identified for upgrade is the Koorda/Mollerin route as grain freight traffic on this route has substantially increased.</p> <p>There is a need for liaison between farm operators and the Shire administration with regard use of many of Council's roads as they are not of a standard that Council can approve for Permit Vehicle use, on an ongoing basis to allow farm produce and supplies to be transported. The fact that producers purchase/contract large freight units/equipment does not mean Council has to/or should allow their use on roads and in fact may not be allowed to approve such use</p>		
	Plant Replacement	<p>The major expenditure items being the community bus, 2 x Prime movers, 3 tonne truck, skid steer loader replaced similar existing plant items and street sweeper, free roller were purchased as new items.</p>
	Staff – Resignations/Appointments	<p>COMMENCED: Lynne Hendry, Sandra Eykel, Peter Toboss. RESIGNED: Linda Longmuir, Lois Green, Bill Hardy, Lynne Hendry, Sandra Eykel.</p>

<u>ECONOMIC SERVICES</u>	
<i>Natural Resource Management</i>	The Shire of Koorda is involved with the Shires of Trayning and Nungarin with a NRM Officer, to continue the work assisting farmers with NRM projects.
<i>Rural Towns Salinity Management Project</i>	Council had previously recognised salinity/land degradation problems within the shire and has continued addressing the issues raised in the strategy report.
<i>Caravan Park</i>	General maintenance was ongoing, with use needs, a balance against expenditure required.
<i>NEWTravel</i>	Council continued to support the NEWTravel organisations' endeavors to promote this sub region and continued to encourage 'off the main route' tourism and the use of Koorda as a through route.
<i>Industrial Units</i>	Council is proceeding towards getting the area of land on Sayer Street for industrial units to encourage new business or business expansion in Koorda, however it will be funded through Landcorp which is a State Government initiative and funding may take a while.
<u>FUTURE</u>	Whilst Council continues to be proactive and adopt a forward planning mentality to provide to provide facilities for the future, the current government 'push' to restructure local government has possible unknown outcomes and impacts.
<u>SUMMARY</u>	<p>The increase demand of statutory compliance, local government reform, as well as the core function of meeting community needs, continues to put pressure on the Shire's resources, both human & financial.</p> <p>Staff particularly have responded to unforeseen pressure caused by changes in staff, need to meet deadlines and additional work load due to need to consider options for local government reform in conjunction with Council, adjoining Councils and NEWROC.</p> <p>My thanks go the Shire President, (who has attended many unforeseen meetings) Deputy President, Councillors and staff for their co-operation, assistance and efforts during the year, that again enabled planned objectives to be reasonably achieved and it is pleasing to note that Council and staff continue their efforts as a team and compliment each and other to allow desired outcomes to be successfully achieved, in the community's interests.</p> <p>Council continues to achieve most of their forward planning objectives, and meet community service obligations.</p> <p style="text-align: right;">DAVID BURTON CHIEF EXECUTIVE OFFICER</p>

Overview of the Plan Activities for the Future

Proposed to commence or continue next Financial year 2017 2018

<p>OVERVIEW OF THE PLAN FOR THE FUTURE ACTIVITIES PROPOSED TO COMMENCE OR CONTINUE NEXT FINANCIAL YEAR</p> <p>(Section 5.53)(2)(e) of the Local Government Act</p>	
<p><u>GENERAL PURPOSE FUNDING</u></p>	<p>Council increased rate revenue in 2016/17 year by approximately 5.0% above the level raised in the previous year. However rates represented approximately 20.7% of cash received.</p> <p>Whilst grant revenue from the Federal Government continues to be uncertain in the longer term due to the review taking place, an increase in both general purpose and road funding untied grants was again received.</p>
<p><u>ADMINISTRATION & GOVERNANCE</u></p>	<p>There is a good working relationship between Council and the staff, even though work loads are increasing all the time, the existing structure was maintained; however, it will be necessary to continue to review this structure in 2017/18 due to increased demand on Councillors, and staff time, as well as resources, financial and other</p>
<p><i>NEWROC</i></p>	<p>Of which Council is a member, will continue as a voluntary body to the 30 June 2018. Investigation is currently underway with the view to NEWROC becoming an incorporated body</p>
<p><u>HEALTH</u></p>	<p>The community/allied health building has proved to be an asset to the Koorda Community.</p> <p>Dr Emmanuel Awagon is currently the GP for the Koorda, and Wyalkatchem community. The Shires of Koorda and Wyalkatchem currently subsidise the practise.</p>

Overview of the Plan Activities for the Future

Proposed to commence or continue next Financial year 2017 2018

<p><u>HOUSING</u></p>	<p>Council will continue their adopted ongoing general ten year forward projection of anticipated upgrading/maintenance work, this is reviewed annually.</p> <p>Koorda is a member of the Central Eastern Aged Care Alliance Inc which comprises of 11 Shires in the region. Funding has been received by CEACA for the construction of 75 units in the 11 Shires, of which 5 will be built in Greenham Street Koorda, on land purchased by Council for this purpose. Construction should begin late 2017 early 2018.</p>
<p><u>COMMUNITY AMENITIES</u></p>	<p>The Shire continues to manage the land-fill disposal site at Koorda as well as the Koorda town sewerage scheme.</p> <p>With regard the Koorda refuse site, rehabilitation will be ongoing during 2017/2018 and better site management practices will be implemented to avoid environmental issues, and extend the life of the facility.</p> <p>Approval is currently being sought for the development of a new refuse site on the area that was previously the Koorda Golf Course. (Cadoux – Koorda Road)</p>
<p><u>RECREATION & CULTURE</u></p> <p style="text-align: right;"><i>Swimming Pool</i></p> <p style="text-align: right;"><i>Volunteer Park</i></p> <p style="text-align: right;"><i>Recreation Centre</i></p>	<p>Council will continue the commitment of supporting the community in achieving and maintaining a good standard of leisure facilities, to assist in the local lifestyle to ensure the provision of recreation and cultural activities within the Shire. (the oval is scheduled to be renovated in September/October of each year).</p> <p>Improvements are continually being made and planned to enhance the facility.</p> <p>Continue to enhance the area.</p> <p>Funding opportunities are currently being sought for upgrading the aging recreation facility (previous funding applications have been unsuccessful).</p> <p>Council has commenced a review of their forward/strategic planning for recreation facilities for the Shire of Koorda for the next five year period.</p>

Overview of the Plan Activities for the Future

Proposed to commence or continue next Financial year 2017 2018

<p><u>TRANSPORT</u></p>	<p>Total 'Roads to Recovery' grant funding was \$665,413 in 2016/2017.</p> <p>Council has developed programs to complement their proactive forward planned activities with regard construction, preservation and maintenance of the road network within the Shire, over a rolling ten (10) year programme.</p> <p>Whilst past priority was given to widening existing bitumen sealed roads, and clearing and widening of unsealed rural roads, as prioritised; the necessity to reseal existing bitumen roads will assume greater future priority, within Council's available financial resources. With regard this requirement; there will be a need to balance human, contractual and other resources, against service needs. A total of \$1.921 million was expended on construction, preservation and maintenance in 2016/2017 and expenditure of \$2.052 million is scheduled for 2017/2018.</p>
<p><i>Plant, Equipment and Machinery</i></p>	<p>Council has a comprehensive, ten year forward projected, 'plant replacement program' which is reviewed and updated at least annually. This is to ensure plant is replaced at the optimum time and Council will continue to replace major items of plant as planned, unless circumstances warrant review. The major item scheduled for purchase in 2017/2018 is a vibrating steel roller.</p> <p>The Shire fleet key plant items continue to be replaced as assets age, to minimise associated costs of maintenance and repairs. To ensure the added flexibility necessary to complete expanded works programs, Council adopted a policy of purchasing additional second hand items of equipment. This activity has continued and is effectively managed through Works Committee who monitor and recommend items to be replaced, these would be generally be replaced by second hand items. Surplus items will be disposed of.</p> <p>Again, some plant items were purchased as forecast; others deferred, and unplanned purchases made, where considered expedient.</p>
<p><i>Infrastructure assets</i></p>	<p>Council will continue their program of significant road bitumen resealing, general road construction and road widening in the coming years, recognising the requirement for the network to be maintained with the objective of providing reasonable quality service to the</p>

Overview of the Plan Activities for the Future

Proposed to commence or continue next Financial year 2017 2018

	<p>community and meet the need use requirements of larger machinery items and freight units. However, the balance between funding and needs requirement as well as good asset management practices, is widening as is Council's ability to meet road user demands.</p> <p>The use of heavy road units to move grain is and will continue to have a detrimental impact on Councils road network.</p> <p>The need to change future priorities to resealing of bitumen roads has been recognised.</p>
<u>ECONOMIC SERVICES</u>	<p>Council continues to support the concept of dryland salinity management strategies and natural resource management.</p> <p>An issue that is still "current" is deep drainage and the issues associated with such programs. Council will endeavour to assist in the addressing the complex issues now involved with regard natural resource management.</p>
<i>Caravan Park</i>	Consider an open covered area for groups using the caravan park. Investing in high quality units at Caravan Park.
<i>Industrial Units</i>	Undertake business and feasibility study to construct business units in Koorda. Landcorp are currently preparing a subdivision of land for industrial use.
<i>DrumMuster</i>	Council continues its participation in the DrumMuster program and offers the service for used chemicals drums to be delivery to our storage facility to be collected by DrumMuster for the recycling of these used containers. Collection of the drums has now passed to the Koorda Men's Shed in conjunction with the local chemical outlets.
<u>OTHER PROPERTY & SERVICES</u>	Ongoing service provision as community directs.

Prescribed Payments were made during 2016/2017.

One employee, the Chief Executive Officer received a salary of more than \$100,000.

Disability Access & Inclusion Plan

For Year Ended 30 June 2017

Council's future disability service plan was implemented to improve access to buildings and services by those members of our community suffering disabilities of varying natures and degree.

One of the main objectives of the plan is to ensure in the future that all new constructions will have disability access incorporated into the design.

Council will continue to utilise the plan to improve disabled access to existing buildings, public areas, car parks etc and fully support the ongoing training of staff to ensure awareness of the needs for the disabled.

Council continues to monitor their current plan and are considering any additional requirements seen as desirable by Council or the community and ensured it met the key changes between Disability Service Plans and the now legislated, disability access and inclusion plans (DAIP's) has been prepared and adopted by Council.

Council has continued a program of upgrading access to sealed footpaths and some local amenities to ensure that community members utilising "wheel chairs or gophers" are not disadvantaged.

Other facilities not accessible by the disabled have been considered in developing the new plan.

Register of Complaints

For Year Ended 30 June 2017

No complaints were received under Section 5.121 of the Local Government Act 1995 (as amended) for the 2016/2017 financial year.

In accordance with the operating license issued to the Shire of Koorda by the Office of Water Regulation, this Local Government has prepared a report on the operation of the sewerage scheme.

The scheme operated for the period 01/07/2016 to 30/06/2017 with an operating expenditure of \$98,702 and revenue of \$108,886 with the costs being ongoing operational maintenance, and asset management plan.

Council will continue to budget for ongoing operating maintenance, annual sewer cleaning, with the balance of income received being set aside in a Reserve Fund for future requirements.

For the 12 month period to the 30 June 2017 five (5) defect reports were received.

<p>3.2 Role of the Councillor Councillors are elected members of a Local Government working for the community</p>	<p><i>The role of a Councillor is specified in the Act as -</i></p> <ul style="list-style-type: none"> ** <i>To represent the interests of electors, ratepayers and residents of the district;</i> ** <i>To provide leadership and guidance to the community;</i> ** <i>To facilitate communication between the community and the Council; and vice versa</i> ** <i>To participate in the decision-making processes at Council and Committee meetings; and</i> ** <i>To perform functions given to a Councillor by the Act or other laws.</i>
<p>Role of the Council Is the decision maker responsible for :</p>	<ul style="list-style-type: none"> ** <i>Governs the Local Government's affairs of the local government;</i> ** <i>Is responsible for the performance of the Local Government's Functions;</i> ** <i>Oversee the allocation of the Local Government's Finances and Resources;</i> ** <i>Determine the Local Government's policies.</i>

<p>Councillor FJ Storer</p> <p>President 2011 Councillor 2005 Retirement 2017</p> <p>Mob 0429 844 088 Email: storerf@koorda.wa.gov.au PO Box 161 KOORDA 6475</p> <p>Works Committee – Delegate Management Review Committee – Chair Audit Committee – Chair NEWROC – Delegate Regional Road Sub Group – Delegate GECZWALGA – Delegate LEMC – Chair Bush Fire Advisory – Delegate</p>	<p>Councillor GW Greaves</p> <p>Deputy President 2013 Councillor 2011 Retirement 2019</p> <p>Phone 9684 3015 Fax 9684 3015 Email: greavesg@koorda.wa.gov.au PO Box 74 KOORDA 6475</p> <p>Works Committee – Delegate Management Review Committee – Deputy Pres Audit Committee – Deputy NEWROC – Deputy Regional Road Sub Group – Deputy GEZWALGA – Delegate Rural Water Council – Delegate LEMC – Deputy Bush Fire Advisory – Deputy</p>
<p>PORTFOLIO:- Transport & Communication</p>	

Councillors and Delegates

For the Year Ending 30 June 2017

<p>Councillor BG Cooper</p> <p>Councillor 2015 Retirement 2019</p> <p>Phone 9684 1229 Email: cooperb@koorda.wa.gov.au PO Box 171 KOORDA 6475</p> <p>Works Committee – Deputy NEWHealth – Deputy NEWTravel – Deputy</p>	<p>Councillor LC Smith</p> <p>Councillor 2015 Retirement 2019</p> <p>Phone 9684 1392 Email: smithl@koorda.wa.gov.au PO Box 196 KOORDA 6475</p> <p>Building/Recreation/Town Planning Committee – Deputy Audit Committee – Delegate</p>
<p>PORTFOLIO:- Governance, Administration and Finance</p>	<p>PORTFOLIO:- Education, Welfare and Housing</p>
<p>Councillor PL McWha</p> <p>Councillor 2011 Retirement 2019</p> <p>Phone 9684 1196 Fax 9684 1224 Email:mchap@koorda.wa.gov.au PO Box 225 KOORDA 6475</p> <p>Building/Recreation/Town Planning Committee – Delegate Management Review Committee – Deputy</p>	<p>Councillor SE Boyd</p> <p>Councillor 2013 Retirement 2017</p> <p>Phone 9684 1235 Fax 9684 1235 Email:boyds@koorda.wa.gov.au PO Box 2 KOORDA 6475</p> <p>Building/Recreation/Town Planning Committee – President Management Review Committee – Delegate Audit Committee – Delegate GECZWALGA – Deputy NEWHealth – Delegate Local Recreation Liaison – Deputy</p>
<p>PORTFOLIO:- Community Amenities, Environment, Recreation, Culture and Youth</p>	<p>PORTFOLIO:- Law, Order, Public Safety and Health</p>

Councillor AD Clarke

Councillor 2011
Retirement 2017

Mob 0429 080 258
Fax 9684 1787
Email: clarkea@koorda.wa.gov.au
PO Box 40
KOORDA 6475

Building/Recreation/Town Planning Committee – Delegate
Works Committee – Delegate
NEWTravel – Delegate

PORTFOLIO:- Economic, Other Property & Service and Reserves

National Competition Policy

Competition Reform	<p>National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies, and lead to more efficient use of all economic resources. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.</p> <p>Each local government is required to report its progression achieving NCP reforms in its annual report.</p>
Competitive Neutrality	<p>The objective of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.</p> <p>Competitive neutrality should apply to all business activities which generate a user-pays income of over \$200,000 unless it can be shown it is not in the public interest.</p> <p>A public benefit test is used to determine if competitive neutrality is in the public interest.</p> <p>This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.</p> <p>Annual reports must show that a public benefit test has been conducted for all significant business activities. They should also provide information on how a decision was reached to implement or not implement competitive neutrality in each case.</p> <p>If competitive neutrality has been found to be in the public interest, the Annual Report must show the schedule for implementing it over the coming year.</p> <p>As the Shire of Koorda does not have any "Significant Business Activities: with an annual user pays income exceeding \$200,000 PA, this negates further action or reporting obligation.</p>

National Competition Policy

Legislation Review

All local governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

There are specific reporting requirements which must be included in the Annual Report, including;

A statement of which local laws have been reviewed, the conclusions of those reviews, and an implementation schedule for any resultant recommendations; Council has commenced the review of its Local Laws.

Reviewing the Operating procedures and Local Laws for the Shire of Koorda confirms legislative requirements are being complied with, as required.

Structural Reform

The State Government has taken structural reform off the agenda for the immediate future, however it is an issue that local governments need to be mindful of, and as such Shire of Koorda takes a pro active approach finding ways to improve efficiency while maintaining the current level of service to the community.

The Shire of Koorda has resolved to continue working in a collaborative relationship with the Shires of the North Eastern Wheatbelt Organisation of Councils. It is believed that there will be benefits for these local governments by way of resource sharing.

Compliance with the State Records Act

<p>The State Records Commission Standard 2</p>	<p>Created under the State Records Act 2000, required a Government Organisation to include comment on the following;</p>
<p><i>Whether the efficiency and effectiveness of your record keeping systems has been evaluated or alternatively when such evaluation is proposed?</i></p>	<p>An evaluation of our Record Keeping Plan (RKP) was undertaken by a consultant. The review assessed that our current policies and procedures are in accordance with industry standards and best practice. The current Record Keeping Plan has been reviewed and approved until 2017. A review will be undertaken prior to June 30 2017.</p>
<p><i>The nature and extent of record keeping training program conducted.</i></p>	<p>The consultant conducted appropriate training courses designed to equip users with the knowledge and skills necessary to complete their duties confidently.</p>
<p><i>Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively, how this is planned to be done?</i></p>	<p>The consultant will continue future reviews of our record keeping plan and training programs and make the appropriate recommendations; as or when necessary.</p>
<p><i>Assurance that the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.</i></p>	<p>The Shire has an induction package for new employees. The presentation and booklet covers records management responsibilities, guidelines, statutory compliance and other related matters.</p>

Information

Address:

The Administration Building, Library and Chambers are located on the corner of Allenby and Haig Streets, Koorda

Postal Address:

The Chief Executive Officer
Shire of Koorda
PO Box 20,
KOORDA WA 6475

Office Hours:

9.00am - 4.30pm

Telephone Number:

(08) 9684 1219

Facsimile Number:

(08) 9684 1379

E-mail Address:

David Burton - ceo@koorda.wa.gov.au
Lana Foote - dceo@koorda.wa.gov.au
Tracey McMiles - admin1@koorda.wa.gov.au
Kristyn Harrap - admin2@koorda.wa.gov.au
Debbie West - admin3@koorda.wa.gov.au
Darren West - works@koorda.wa.gov.au
Generic - shire@koorda.wa.gov.au

Website:

www.koorda.wa.gov.au

Revenue:

\$4,769,538

Social Media

Find us on FaceBook and Twitter for updated messages and information.

Townships and Localities in Shire:

Koorda, Kulja, Dukin, Mollerin, Badgerin

Area:

2662 km²

Distance from Perth:

238kms

Length of Roads:

Sealed - 245kms
Unsealed - 840kms

Number of Ratable Assessments:

482

Number of Dwellings:

307

Population:

431

Electricity supply - Western Power:

Grid system

Sewerage System

Shire owned and maintained

Information

Water Supply:

WAWA

Schools:

Primary, Pre Primary and Play Group.
Bus to Wyalkatchem High School daily

Machinery in Use:

1 x Bobcat and attachments; 1 x Champion Grader; 2 x Volvo Grader; 1 x Ford Tandem Tip Truck; 1 x Isuzu 3t Truck; 1 x Volvo L90 Front End Loader, 1 x Volvo Loader; 2 x Isuzu Prime Mover, 1 UD Prime Mover, 3 x 25t Tri Axle Side Tipper; 26T Low Loader; 2 x SPMTR Rollers; 1 x McDonald SP Steel Roller; 1 x Case CX 70 Tractor; 1 x Case Tractor; 1 x Water Truck; 1 x Nissan single cab Tip Utility; 1 x Ford 1t ute, 1 x 20t Side tipper, 1 x Holden Trailblazer Wagon; 2 x Ford 4x4 Crew Cab Utility, 2 x (4 x 2) Ford Crew Cab Utility; 2 x Toyota single cab tip utility; 1 x Isuzu D-Max single cab utility, 2 x Ford single cab utilities, 1 x Vibrating Roller; 1 x 36,000lt tri axle water tanker, 1 x Cherry Picker, 1 x Holden Captiva wagon, other various minor items and equipment

Sporting Facilities:

Football, Cricket, Tennis, Basketball, Hockey, Pistol Shooting
Swimming, Darts, Golf, Bowls, Netball

Local Organisations:

P & C Association, St John Ambulance, Koorda and Kulja Volunteer Bushfire Brigades, Land Conservation District Committee (in recess), Country Women's Association, Music and Dramatic Club, Red Cross, Learning Centre, Koorda and District Agricultural Society, Museum and Historical Society and Community Resource Centre.

Rubbish and Recycling Removal:

All rubbish removal occurs on Monday commencing at 10.30am. All bins must be out early for collection by 10.30am. Recycling is every second Tuesday morning of the month.

Fire Breaks

All owners and/or occupiers of land are required to carry out fire prevention work in accordance with this notice on land owned or occupied by you each year on or before the 31 day of October or within fourteen days of the date of you becoming the owner or occupier should this be after the 31 day of October. Fire breaks shall be reasonably maintained until the 15th day of March the following year.

Dog Registrations:

Due on the 1st November, each year.

Unsterilised Dog or Bitch 1 year, three years and lifetime - Sterilised Dog or Bitch 1 year, three years and lifetime. All dogs being registered for the first time must be micro-chipped prior to registration and all other dogs to be micro-chipped prior to 1st November 2015.

Dogs used for tendering stock 1/4 of ordinary fee and pensioners 1/2 of ordinary fee.

Dog owners have an obligation to keep their dogs under control at all times. Dogs wandering at large present a nuisance and a danger to the public.

The Shire contracts ranger services to WA Contract Ranger Services, who carry out dog patrols and respond to complaints.

Information

Dog Impoundments:

The Dog Act provides heavy penalties for owners whose dogs are impounded.

Cat Registrations:

During the year under review the Cat Act 2011 which requires identification, registration and sterilisation of domestic cats. As from the 1st November 2013 all cats that reach the age of 6 months to be microchipped, sterilised and registered with the relevant Local Government.

Local Emergency Management Committee

Police, Shire together with the community manage the training and operation of the Koorda Local Emergency Plan.

Tourist Information:

A well stocked information stand is located in the Shire Office and the Community Resource Centre, local information brochures and maps are also available.

Transport:

Licensing staff are able to assist with all driver and vehicle queries and are able to assist with transfers as well as change of name and address.

Health & Building Information:

Council participates in a group health scheme and the Principal Environmental Health Officer/Building Surveyor can be contacted at the Shire Office for any matters concerning health and building.

Medical Practitioner

The doctor is based in Wyalkatchem and appointments can be made at the Wyalkatchem Medical Centre to see the doctor on Wednesdays at the Koorda Health Centre.

Library:

Council has a fully stocked library open from 9.00am to 4.30pm Monday to Friday. New library exchanges are received every month.



SHIRE OF KOORDA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Independent Audit Report	56
Supplementary Ratio Information	60

Principal place of business:
Address
Corner Allenby and Haig Streets
KOORDA WA 6475

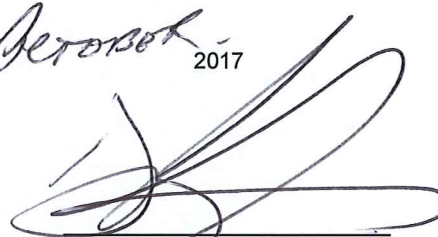
**SHIRE OF KOORDA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the *26th* day of *October* 2017



David Burton
Chief Executive Officer

SHIRE OF KOORDA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	22	987,670	993,510	933,370
Operating grants, subsidies and contributions	29	3,026,772	2,033,587	1,105,197
Fees and charges	28	591,844	528,615	599,721
Service charges	25	3,159	3,025	3,000
Interest earnings	2(a)	142,564	154,465	152,446
Other revenue	2(a)	17,529	14,742	33,164
		<u>4,769,538</u>	<u>3,727,944</u>	<u>2,826,898</u>
Expenses				
Employee costs		(1,669,395)	(1,974,405)	(1,178,576)
Materials and contracts		(370,208)	(445,734)	(855,917)
Utility charges		(29,646)	(35,845)	(33,286)
Depreciation on non-current assets	2(a)	(2,196,265)	(2,293,645)	(2,262,777)
Insurance expenses		(96,966)	(149,760)	(99,681)
Other expenditure		(78,363)	(129,365)	(76,995)
		<u>(4,440,843)</u>	<u>(5,028,754)</u>	<u>(4,507,232)</u>
		328,695	(1,300,810)	(1,680,334)
Non-operating grants, subsidies and contributions	29	1,032,991	4,432,935	1,341,032
Profit on asset disposals	20	8,029	63,555	20,403
(Loss) on asset disposals	20	(102,022)	(4,515)	(47,808)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(3,052)
Net result		1,267,693	3,191,165	(369,759)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	429,204	0	35,351
Total other comprehensive income		429,204	0	35,351
Total comprehensive income		1,696,897	3,191,165	(334,408)

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

SHIRE OF KOORDA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
	2(a)			
Governance		0	1,855	4,629
General purpose funding		3,882,530	2,942,968	1,958,920
Law, order, public safety		24,548	20,401	28,252
Health		132,303	129,450	163,869
Housing		199,547	165,935	156,038
Community amenities		185,754	164,850	163,372
Recreation and culture		59,070	51,070	55,900
Transport		142,534	142,000	132,200
Economic services		78,959	72,845	93,056
Other property and services		64,293	36,570	70,662
		<u>4,769,538</u>	<u>3,727,944</u>	<u>2,826,898</u>
Expenses				
	2(a)			
Governance		(349,585)	(401,546)	(303,681)
General purpose funding		(109,785)	(106,572)	(89,125)
Law, order, public safety		(85,545)	(113,229)	(85,964)
Health		(249,931)	(326,342)	(307,309)
Education and welfare		(158,975)	(157,764)	(24,379)
Housing		(282,634)	(316,457)	(241,037)
Community amenities		(271,559)	(297,716)	(246,165)
Recreation and culture		(987,126)	(1,028,714)	(941,604)
Transport		(1,689,870)	(1,939,848)	(1,977,523)
Economic services		(299,437)	(332,279)	(280,588)
Other property and services		43,604	(8,287)	(9,857)
		<u>(4,440,843)</u>	<u>(5,028,754)</u>	<u>(4,507,232)</u>
		328,695	(1,300,810)	(1,680,334)
Non-operating grants, subsidies and contributions	29	1,032,991	4,432,935	1,341,032
Profit on disposal of assets	20	8,029	63,555	20,403
(Loss) on disposal of assets	20	(102,022)	(4,515)	(47,808)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(3,052)
Net result		<u>1,267,693</u>	<u>3,191,165</u>	<u>(369,759)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	429,204	0	35,351
Total other comprehensive income		<u>429,204</u>	<u>0</u>	<u>35,351</u>
Total comprehensive income		<u>1,696,897</u>	<u>3,191,165</u>	<u>(334,408)</u>

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

The positive balance of \$43,603 in Other property and services expenses is a result of loss on disposal of assets of \$51,829 in the program being allocated to works and services, and extracted to be disclosed separately.

SHIRE OF KOORDA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,357,516	5,250,427
Trade and other receivables	4	245,042	267,310
Inventories	5	7,420	8,969
TOTAL CURRENT ASSETS		<u>6,609,978</u>	<u>5,526,706</u>
NON-CURRENT ASSETS			
Other receivables	4	12,685	10,482
Property, plant and equipment	6	13,365,379	13,393,878
Infrastructure	7	90,538,868	90,032,835
TOTAL NON-CURRENT ASSETS		<u>103,916,932</u>	<u>103,437,195</u>
TOTAL ASSETS		<u>110,526,910</u>	<u>108,963,901</u>
CURRENT LIABILITIES			
Trade and other payables	8	189,722	266,158
Provisions	10	189,495	241,207
TOTAL CURRENT LIABILITIES		<u>379,217</u>	<u>507,365</u>
NON-CURRENT LIABILITIES			
Provisions	10	24,826	30,566
TOTAL NON-CURRENT LIABILITIES		<u>24,826</u>	<u>30,566</u>
TOTAL LIABILITIES		<u>404,043</u>	<u>537,931</u>
NET ASSETS		<u>110,122,867</u>	<u>108,425,970</u>
EQUITY			
Retained surplus		50,021,621	48,494,167
Reserves - cash backed	11	4,824,949	5,084,710
Revaluation surplus	12	55,276,297	54,847,093
TOTAL EQUITY		<u>110,122,867</u>	<u>108,425,970</u>

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

**SHIRE OF KOORDA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		49,440,511	4,508,125	54,811,742	108,760,378
Comprehensive income					
Net result		(369,759)	0	0	(369,759)
Changes on revaluation of assets	12	0	0	35,351	35,351
Total comprehensive income		(369,759)	0	35,351	(334,408)
Transfers from/(to) reserves		(576,585)	576,585	0	0
Balance as at 30 June 2016		48,494,167	5,084,710	54,847,093	108,425,970
Comprehensive income					
Net result		1,267,693	0	0	1,267,693
Changes on revaluation of assets	12	0	0	429,204	429,204
Total comprehensive income		1,267,693	0	429,204	1,696,897
Transfers from/(to) reserves		259,761	(259,761)	0	0
Balance as at 30 June 2017		50,021,621	4,824,949	55,276,297	110,122,867

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

SHIRE OF KOORDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		946,527	1,050,731	924,094
Operating grants, subsidies and contributions		3,143,203	2,243,705	962,123
Fees and charges		591,844	528,615	599,721
Service charges		3,159	3,025	3,000
Interest earnings		142,564	154,465	152,446
Goods and services tax		210,628	87,605	258,947
Other revenue		17,529	19,800	33,164
		<u>5,055,454</u>	<u>4,087,946</u>	<u>2,933,495</u>
Payments				
Employee costs		(1,748,001)	(1,999,794)	(1,246,052)
Materials and contracts		(423,941)	(614,932)	(706,759)
Utility charges		(29,646)	(35,845)	(33,286)
Interest expenses		0	(50,753)	0
Insurance expenses		(96,966)	(149,760)	(99,681)
Goods and services tax		(265,851)	(80,000)	(249,750)
Other expenditure		(78,363)	(129,365)	(69,754)
		<u>(2,642,768)</u>	<u>(3,060,449)</u>	<u>(2,405,282)</u>
Net cash provided by (used in) operating activities	13(b)	<u>2,412,686</u>	<u>1,027,497</u>	<u>528,213</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(959,721)	(5,710,195)	(1,086,275)
Payments for construction of infrastructure		(1,750,946)	(1,694,000)	(1,504,321)
Non-operating grants, subsidies and contributions		1,032,991	4,432,935	1,341,032
Proceeds from sale of fixed assets		372,079	458,000	340,866
Net cash provided by (used in) investment activities		<u>(1,305,597)</u>	<u>(2,513,260)</u>	<u>(908,698)</u>
Net increase (decrease) in cash held		1,107,089	(1,485,763)	(380,485)
Cash at beginning of year		5,250,427	5,250,427	5,630,912
Cash and cash equivalents at the end of the year	13(a)	<u><u>6,357,516</u></u>	<u><u>3,764,664</u></u>	<u><u>5,250,427</u></u>

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

**SHIRE OF KOORDA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus/(deficit)		175,838	200,379	1,107,355
		<u>175,838</u>	<u>200,379</u>	<u>1,107,355</u>
Revenue from operating activities (excluding rates)				
Governance		0	1,855	4,629
General purpose funding		2,899,458	1,954,516	1,025,550
Law, order, public safety		24,548	20,401	28,252
Health		132,303	130,450	167,430
Housing		199,547	165,935	156,038
Community amenities		185,754	222,205	163,372
Recreation and culture		59,070	51,070	55,900
Transport		149,496	145,500	148,341
Economic services		78,959	72,845	93,056
Other property and services		65,360	38,270	71,363
		<u>3,794,495</u>	<u>2,803,047</u>	<u>1,913,931</u>
Expenditure from operating activities				
Governance		(349,585)	(401,546)	(303,681)
General purpose funding		(109,785)	(106,572)	(89,125)
Law, order, public safety		(85,545)	(113,229)	(85,964)
Health		(253,351)	(326,342)	(307,309)
Education and welfare		(158,975)	(157,764)	(24,379)
Housing		(282,634)	(316,457)	(241,037)
Community amenities		(304,793)	(297,716)	(246,165)
Recreation and culture		(987,126)	(1,028,714)	(941,604)
Transport		(1,703,409)	(1,943,663)	(2,022,076)
Economic services		(299,437)	(332,979)	(280,588)
Other property and services		(8,225)	(8,287)	(13,112)
		<u>(4,542,865)</u>	<u>(5,033,269)</u>	<u>(4,555,040)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	20	(8,029)	(63,555)	(20,403)
Loss on disposal of assets	20	102,022	4,515	47,808
Movement in deferred pensioner rates (non-current)		(2,203)	0	(5,090)
Movement in employee benefit provisions		(57,452)	0	(23,587)
Depreciation and amortisation on assets	2(a)	2,196,265	2,293,645	2,262,777
Amount attributable to operating activities		<u>1,658,071</u>	<u>204,762</u>	<u>727,751</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,032,991	4,432,935	1,341,032
Proceeds from disposal of assets	20	372,079	458,000	340,866
Purchase of property, plant and equipment	6(b)	(959,721)	(5,710,195)	(1,086,275)
Purchase and construction of infrastructure	7(b)	(1,750,946)	(1,694,000)	(1,504,321)
Amount attributable to investing activities		<u>(1,305,597)</u>	<u>(2,513,260)</u>	<u>(908,698)</u>
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	11	(256,239)	(659,535)	(836,585)
Transfers from reserves (restricted assets)	11	516,000	1,979,581	260,000
Amount attributable to financing activities		<u>259,761</u>	<u>1,320,046</u>	<u>(576,585)</u>
Surplus(deficiency) before general rates		<u>612,235</u>	<u>(988,452)</u>	<u>(757,532)</u>
Total amount raised from general rates	22	<u>983,072</u>	<u>988,452</u>	<u>933,370</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	23	<u><u>1,595,307</u></u>	<u><u>0</u></u>	<u><u>175,838</u></u>

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

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

Except for cash flow and rate setting information, the report has 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.

All figures in the financial report are presented in Australian dollars.

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

(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) Cash and Cash Equivalents

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

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

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

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

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

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

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.

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	2%
Furniture and equipment	10-25%
Plant and equipment	15-25%
Motor Vehicles	25%
Roads - Aggregate	25 years
Roads - Unsealed - Gravel	35 years
Drains and Sewers	75 years
Airfield - Runways	12 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) 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.

(l) 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.

(m) Leases

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

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

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

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

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

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

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

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

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

(o) Interests in Joint Arrangements

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the proportionate consolidation method. Refer below for a description of the proportionate consolidation method of accounting.

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

(p) Rates, Grants, Donations and Other Contributions

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

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

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

(q) Superannuation

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

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

(u) Budget Comparative Figures

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 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 upon 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 onto their 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 once 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.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	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. <p>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.</p>

Notes:

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

(w) 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:

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 & 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
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SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES

(a) Net Result

The Net result includes:	2017	2016	
	\$	\$	
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the Annual Financial Report	10,637	7,646	
- Final Management Review	0	2,135	
- Other Services	0	774	
Depreciation			
Buildings	630,002	682,939	
Furniture and equipment	23,500	40,241	
Plant and equipment	297,850	328,571	
Infrastructure - Roads	1,211,238	1,180,938	
Infrastructure - Other	33,675	30,088	
	<u>2,196,265</u>	<u>2,262,777</u>	
Rental charges			
- Operating leases	3,152	0	
	<u>3,152</u>	<u>0</u>	
(ii) Crediting as revenue:			
Significant revenue			
WA Local Government Grants Commission made an early payment of \$956,268. This amount was recognised as revenue in 2016-17.	<u>956,268</u>	<u>0</u>	
Other revenue			
Reimbursements and recoveries	15,549	22,806	
Other	1,980	10,358	
	<u>17,529</u>	<u>33,164</u>	
	2017	2017	2016
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	122,553	104,000	136,285
- Other funds	12,062	44,100	10,126
Other interest revenue (refer note 27)	7,949	6,365	6,035
	<u>142,564</u>	<u>154,465</u>	<u>152,446</u>

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Education and welfare							
CLGF Youth Development Scholarship	0	0	0	0	5,181	0	5,181
Recreation and culture							
Kidsport	0	2,000	(50)	1,950	0	0	1,950
Transport							
Roads to Recovery	0	823,160	(676,078)	147,082	665,413	(812,495)	0
Economic services							
State NRM Grant	0	21,300	(17,850)	3,450	32,900	(35,169)	1,181
Total	<u><u>0</u></u>	<u><u>846,460</u></u>	<u><u>(693,978)</u></u>	<u><u>152,482</u></u>	<u><u>703,494</u></u>	<u><u>(847,664)</u></u>	<u><u>8,312</u></u>

Notes:

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

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

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,524,255	13,235
Restricted		<u>4,833,261</u>	<u>5,237,192</u>
		<u><u>6,357,516</u></u>	<u><u>5,250,427</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	11	186,306	212,116
Reserves cash backed - Road Reserve	11	288,121	370,611
Reserves cash backed - Plant Reserve	11	475,091	608,970
Reserves cash backed - Council Building Reserve	11	1,065,212	1,038,436
Reserves cash backed - TV Reserve	11	29,629	28,884
Reserves cash backed - Recreation Reserve	11	1,270,279	1,238,348
Reserves cash backed - Medical Practitioners Reserve	11	277,032	270,068
Reserves cash backed - IT & Administration Reserve	11	120,310	117,287
Reserves cash backed - Sewerage Reserve	11	747,916	777,859
Reserves cash backed - Community Housing Reserve	11	83,026	86,691
Reserves cash backed - JVC Units Reserve	11	42,489	32,842
Reserves cash backed - Community Bus Reserve	11	58,298	121,819
Reserves cash backed - NRM Reserve	11	20,479	19,964
Reserves cash backed - Waste Management Reserve	11	142,850	139,260
Reserves cash backed - JV Johnson Reserve	11	17,911	21,555
Unspent grants	2(c)	<u>8,312</u>	<u>152,482</u>
		<u><u>4,833,261</u></u>	<u><u>5,237,192</u></u>

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	95,629	56,689
Sundry debtors	69,508	210,621
GST receivable	55,223	0
Vehicle rego fees refundable	14,282	0
Fuel tax credits	10,400	0
	<u>245,042</u>	<u>267,310</u>
Non-current		
Rates outstanding - pensioners	<u>12,685</u>	<u>10,482</u>
	<u>12,685</u>	<u>10,482</u>
5. INVENTORIES		
Current		
Fuel and materials	<u>7,420</u>	<u>8,969</u>
	<u>7,420</u>	<u>8,969</u>

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6 (a). PROPERTY, PLANT AND EQUIPMENT	2017 \$	2016 \$
Land - freehold land		
- Independent valuation 2014 - level 2	0	382,000
- Independent valuation 2017 - level 2	430,812	0
- Additions after valuation - cost	<u>0</u>	<u>38,861</u>
	<u>430,812</u>	<u>420,861</u>
	<u>430,812</u>	<u>420,861</u>
 Buildings at:		
- Independent valuation 2014 - level 2	0	10,451,000
- Management valuation 2014 - level 3	0	754,090
- Independent valuation 2017 - level 2	8,468,500	0
- Management valuation 2017 - level 3	2,155,184	0
- Additions after valuation - cost	0	903,600
Buildings - non-specialised - Less: accumulated depreciation	<u>0</u>	<u>(1,345,023)</u>
	<u>10,623,684</u>	<u>10,763,667</u>
	<u>10,623,684</u>	<u>10,763,667</u>
 Total land and buildings	<u>11,054,496</u>	<u>11,184,528</u>
 Furniture and equipment at:		
- Management valuation 2016 - level 3	119,000	119,000
Furniture and equipment - Less: accumulated depreciation	<u>(23,500)</u>	<u>0</u>
	95,500	119,000
 Plant and equipment at:		
- Independent valuation 2016 - level 2	1,565,900	1,841,400
- Management valuation 2016 - level 3	24,495	248,950
- Additions after valuation - cost	864,856	0
Plant and equipment - Less: accumulated depreciation	<u>(239,868)</u>	<u>0</u>
	<u>2,215,383</u>	<u>2,090,350</u>
	<u>13,365,379</u>	<u>13,393,878</u>

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	420,861	0	0	9,952	0	0	0	0	430,812
Total land	420,861	0	0	9,952	0	0	0	0	430,812
Buildings	10,763,667	70,767	0	419,252	0	0	(630,002)	0	10,623,684
Total buildings	10,763,667	70,767	0	419,252	0	0	(630,002)	0	10,623,684
Total land and buildings	11,184,528	70,767	0	429,204	0	0	(630,002)	0	11,054,496
Furniture and equipment	119,000	0	0	0	0	0	(23,500)	0	95,500
Plant and equipment	2,090,350	888,954	(466,073)	0	0	0	(297,850)	0	2,215,383
Total property, plant and equipment	13,393,878	959,721	(466,073)	429,204	0	0	(951,352)	0	13,365,379

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
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
Land - freehold land	3	Cost approach	Management valuation	June 2017	Purchase price
Buildings	2	Cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Construction costs and current condition (Level 2)
Buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent valuation 2016	2	Market approach using recent observable market data for similar assets	Independent valuer	June 2016	Market price per item
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management valuation 2015 - level 3	89,137,746	89,137,746
- Additions after valuation - cost	3,180,920	1,432,610
Infrastructure - Roads - Less: accumulated depreciation	<u>(2,392,176)</u>	<u>(1,180,938)</u>
	89,926,490	89,389,418
Infrastructure - Other		
- Management valuation 2015 - level 3	601,794	601,794
- Additions after valuation - cost	74,349	71,713
Infrastructure - User defined 2 - Less: accumulated depreciation	<u>(63,765)</u>	<u>(30,090)</u>
	612,378	643,417
	<u><u>90,538,868</u></u>	<u><u>90,032,835</u></u>

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	89,389,418	1,748,310	0	0	0	0	(1,211,238)	0	89,926,490
Infrastructure - Other	643,417	2,636	0	0	0	0	(33,675)	0	612,378
Total infrastructure	<u>90,032,835</u>	<u>1,750,946</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,244,913)</u>	<u>0</u>	<u>90,538,868</u>

**SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

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

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

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	93,035	142,811
Payroll liabilities	28,965	29,680
Accrued salaries and wages	13,895	11,269
ATO liabilities	0	23,065
Bonds and Deposits	7,412	8,580
Collections	46,415	50,753
	<u>189,722</u>	<u>266,158</u>

9. LONG-TERM BORROWINGS

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

10. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2016			
Current provisions	153,872	87,335	241,207
Non-current provisions	0	30,566	30,566
	<u>153,872</u>	<u>117,901</u>	<u>271,773</u>
Additional provision	<u>(22,454)</u>	<u>(34,998)</u>	<u>(57,452)</u>
Balance at 30 June 2017	<u>131,418</u>	<u>82,903</u>	<u>214,321</u>
Comprises			
Current	131,418	58,077	189,495
Non-current	0	24,826	24,826
	<u>131,418</u>	<u>82,903</u>	<u>214,321</u>

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

11. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Reserves cash backed - Leave Reserve	212,116	44,190	(70,000)	186,306	212,116	10,000	(50,000)	172,116	254,811	7,305	(50,000)	212,116
Reserves cash backed - Road Reserve	370,611	17,510	(100,000)	288,121	370,611	10,000	(80,000)	300,611	360,283	10,328	0	370,611
Reserves cash backed - Plant Reserve	608,970	18,121	(152,000)	475,091	608,970	250,000	(261,000)	597,970	554,617	264,353	(210,000)	608,970
Reserves cash backed - Council Building Reserve	1,038,436	26,776	0	1,065,212	1,038,436	21,000	(287,000)	772,436	944,650	93,786	0	1,038,436
Reserves cash backed - TV Reserve	28,884	745	0	29,629	28,884	500	0	29,384	18,221	10,663	0	28,884
Reserves cash backed - Recreation Reserve	1,238,348	31,931	0	1,270,279	1,238,348	136,035	(1,058,581)	315,802	976,658	261,690	0	1,238,348
Reserves cash backed - Medical Practitioners Reserve	270,068	6,964	0	277,032	270,068	3,000	0	273,068	262,542	7,526	0	270,068
Reserves cash backed - IT & Administration Reserve	117,287	3,023	0	120,310	117,287	1,000	0	118,287	114,018	3,269	0	117,287
Reserves cash backed - Sewerage Reserve	777,859	70,057	(100,000)	747,916	777,859	50,000	0	827,859	687,721	90,138	0	777,859
Reserves cash backed - Community Housing Reserve	86,691	8,135	(11,800)	83,026	86,691	2,000	(6,000)	82,691	75,137	11,554	0	86,691
Reserves cash backed - JVC Units Reserve	32,842	18,447	(8,800)	42,489	32,842	5,500	(5,000)	33,342	31,538	1,304	0	32,842
Reserves cash backed - Community Bus Reserve	121,819	1,479	(65,000)	58,298	121,819	1,000	(65,000)	57,819	93,915	27,904	0	121,819
Reserves cash backed - NRM Reserve	19,964	515	0	20,479	19,964	1,000	0	20,964	19,408	556	0	19,964
Reserves cash backed - Waste Management Reserve	139,260	3,590	0	142,850	139,260	19,000	(30,000)	128,260	96,082	43,178	0	139,260
Reserves cash backed - JV Johnson Reserve	21,555	4,756	(8,400)	17,911	21,555	12,000	0	33,555	18,524	3,031	0	21,555
Reserves cash backed - CEACA Reserve	0	0	0	0	0	137,500	(137,000)	500	0	0	0	0
	<u>5,084,710</u>	<u>256,239</u>	<u>(516,000)</u>	<u>4,824,949</u>	<u>5,084,710</u>	<u>659,535</u>	<u>(1,979,581)</u>	<u>3,764,664</u>	<u>4,508,125</u>	<u>836,585</u>	<u>(260,000)</u>	<u>5,084,710</u>

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

11. RESERVES - CASH BACKED

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
Reserves cash backed - Leave Reserve	Perpetual	to be used to fund annual, long service, accrued holiday and sick leave requirements.
Reserves cash backed - Road Reserve	Perpetual	to be used to assist future road works difficult to fund on an annual basis acts of nature.
Reserves cash backed - Plant Reserve	Perpetual	to be used to ensure purchases are basically funded from funds set aside and the use of those funds determined by a ten year Forward Plan, which is reviewed annually. The intent is that at least the annual plant depreciation component is set aside.
Reserves cash backed - Council Building Reserve	Perpetual	to be used to fund the major asset category the Shire owns, and allow some management of the various building requirements.
Reserves cash backed - TV Reserve	Perpetual	to be used to fund future upgrading or extension of receiver/transmission facility.
Reserves cash backed - Recreation Reserve	Perpetual	to be used to fund future upgrading, renovations and general requirements.
Reserves cash backed - Medical Practitioners Reserve	Perpetual	to be used to fund future costs of attracting and retaining a qualified medical practitioner within the District/Region.
Reserves cash backed - IT & Administration Reserve	Perpetual	to be used to fund technology that will require future updating.
Reserves cash backed - Sewerage Reserve	Perpetual	to be used to fund future upgrading and replacement of the town sewerage treatment plant.
Reserves cash backed - Community Housing Reserve	Perpetual	to be used to fund future maintenance and construction.
Reserves cash backed - JVC Units Reserve	Perpetual	to be Restricted (Not Council controlled) funds that must be used for future maintenance, upgrading or replacement of JV Units or returned to the Department of Housing and Works.
Reserves cash backed - Community Bus Reserve	Perpetual	to be used to fund the change over of costs of the community bus.
Reserves cash backed - NRM Reserve	Perpetual	to be used to fund the future retention of the NRM Officer.
Reserves cash backed - Waste Management Reserve	Perpetual	to be used to fund future refuse development.
Reserves cash backed - JV Johnson Reserve	Perpetual	this reserve is created by the reserve of income over expenditure on this project - for future maintenance and development needs.
Reserves cash backed - CEACA Reserve	Perpetual	to make a contribution to the regional project, providing suitable independent living accommodation for the residents in the Shire of Koorda by the Central Eastern Aged Care Alliance.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. REVALUATION SURPLUS

	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Balance	Increment	(Decrement)	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	386,516	429,204	0	429,204	815,720	386,516	0	0	0	386,516
Revaluation surplus - Buildings	6,002,423	0	0	0	6,002,423	6,002,423	0	0	0	6,002,423
Revaluation surplus - Plant and equipment	603,573	0	0	0	603,573	568,222	35,351	0	35,351	603,573
Revaluation surplus - Infrastructure - Roads	47,614,788	0	0	0	47,614,788	47,614,788	0	0	0	47,614,788
Revaluation surplus - Infrastructure - Other	239,793	0	0	0	239,793	239,793	0	0	0	239,793
	<u>54,847,093</u>	<u>429,204</u>	<u>0</u>	<u>429,204</u>	<u>55,276,297</u>	<u>54,811,742</u>	<u>35,351</u>	<u>0</u>	<u>35,351</u>	<u>54,847,093</u>

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.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017	2017	2016
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>6,357,516</u>	<u>3,764,664</u>	<u>5,250,427</u>

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

Net result	1,267,693	3,191,165	(369,759)
Non-cash flows in Net result:			
Depreciation	2,196,265	2,293,645	2,262,777
(Profit)/Loss on sale of asset	93,993	(59,040)	27,405
Loss on revaluation of fixed assets	0		3,052
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	20,065	280,002	(135,911)
(Increase)/Decrease in inventories	1,549	21,290	12,321
Increase/(Decrease) in payables	(76,436)	(266,630)	136,618
Increase/(Decrease) in provisions	(57,452)	0	(67,258)
Grants contributions for the development of assets	<u>(1,032,991)</u>	<u>(4,432,935)</u>	<u>(1,341,032)</u>
Net cash from operating activities	<u>2,412,686</u>	<u>1,027,497</u>	<u>528,213</u>

	2017	2016
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	<u>0</u>	<u>0</u>
Total amount of credit unused	<u>5,000</u>	<u>5,000</u>
Loan facilities		
Loan facilities - current	0	0
Loan facilities - non-current	<u>0</u>	<u>0</u>
Total facilities in use at balance date	<u>0</u>	<u>0</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

**SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

14. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities at 30 June 2017.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

(b) Capital Expenditure Commitments

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

16. JOINT VENTURE ARRANGEMENTS

The Shire together with the Shires of Wyalkatchem, Mt Marshall, Mukinbudin, Trayning and Nungarin have a joint venture arrangement with regard to the provision of a building survey service. The only assets are a motor vehicle and miscellaneous equipment. The Shire holds the value of this vehicle in its asset register at 30th June 2017. At 1 July the vehicle will be disposed and administration of the scheme passes to the Shire of Mount Marshall.

The Shire together with the Shire of Wyalkatchem support a medical practitioner. The asset involved in this joint venture is a motor vehicle. The Shire's one-half share in change over of the vehicle has been expensed.

	2017	2016
	\$	\$
Non-current assets		
Light Vehicle - Building surveying service	36,195	31,000
Less: accumulated depreciation	(223)	(573)
	<u>35,972</u>	<u>30,427</u>
Light Vehicle - Medical Practitioner	0	56,349
Less: accumulated depreciation	0	(9,299)
	<u>0</u>	<u>47,050</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	482,150	0
General purpose funding	95,629	67,171
Law, order, public safety	573,966	484,517
Health	63,974	480,864
Education and welfare	115,927	71,907
Housing	3,453,788	4,085,369
Community amenities	492,836	445,193
Recreation and culture	5,228,303	5,058,853
Transport	90,910,440	90,432,081
Economic services	453,014	457,667
Other property and services	2,243,749	2,129,852
Unallocated	6,413,134	5,250,427
	<u>110,526,910</u>	<u>108,963,901</u>

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016	2015
18. FINANCIAL RATIOS			
Current ratio	9.21	0.98	2.01
Asset sustainability ratio	0.31	0.50	1.20
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	0.13	(0.99)	0.23
Own source revenue coverage ratio	0.39	0.38	0.39

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

Two of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$956,268.

Two of the 2016 and 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$923,017.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	4.25	2.39	(3.32)
Operating surplus ratio	(0.41)	(0.49)	(0.32)

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

19. TRUST FUNDS

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

	1 July 2016 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2017 \$
Housing bonds	10,584	2,176	(2,044)	10,716
Drive In	9,533	8,927	0	18,460
Swimming pool committee	301	0	0	301
Koordas SES	4,394	0	0	4,394
RRG Chairman's Travel	3,232	0	(2,322)	910
Councillors Donation	50	1,685	(1,735)	0
CLGF Youth Development Scholarship	0	5,181	(651)	4,530
Avon Link Bus Service	0	181	(181)	0
Koordas Community Garden Fund	0	797	(331)	466
	<u>28,094</u>			<u>39,777</u>

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

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								
EHO 1	0	0	0	0	28,000	28,333	333	0
EHO 2	0	0	0	0	28,000	28,333	333	0
EHO 3	23,420	20,000	0	(3,420)	28,000	28,334	334	0
Community amenities								
Bus	56,870	23,636	0	(33,234)	2,645	60,000	57,355	0
Transport								
WS Ute 1	33,244	28,409	0	(4,835)	30,470	30,000	0	(470)
WS Ute 2	38,695	34,945	0	(3,750)	30,470	30,000	0	(470)
Ute P64	26,057	25,955	0	(102)	0	0	0	0
Ute P66	14,856	21,818	6,962	0	18,700	18,000	0	(700)
Truck P6	24,020	23,636	0	(384)	32,175	30,000	0	(2,175)
Prime Mover P65 (Sept)	88,031	60,000	0	(28,031)	0	0	0	0
Prime Mover P65 (Sept)	59,529	40,909	0	(18,620)	61,500	65,000	3,500	0
Skidsteer Loader (P59)	18,740	14,272	0	(4,468)	0	0	0	0
Economic services								
NRM Vehicle	0	0	0	0	18,700	18,000	0	(700)
Other property and services								
CEO 1	32,083	33,150	1,067	0	34,500	35,000	500	0
CEO 2	33,704	33,531	0	(173)	34,500	35,000	500	0
CEO 3	0	0	0	0	34,500	35,000	500	0
DCEO 1	16,823	11,818	0	(5,005)	16,800	17,000	200	0
	<u>466,072</u>	<u>372,079</u>	<u>8,029</u>	<u>(102,022)</u>	<u>398,960</u>	<u>458,000</u>	<u>63,555</u>	<u>(4,515)</u>

**SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

The Shire of Koorda has no borrowings.

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

No overdraft facility is maintained.

The balance of the bank was not in overdraft at 1 July 2016 or 30 June 2017

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General rate											
Gross rental value valuations											
Commercial	0.1063	12	207,324	22,039	0	0	22,039	22,039	0	0	22,039
Industrial	0.1063	1	5,460	580	0	0	580	580	0	0	580
Residential	0.1063	119	763,412	81,151	0	0	81,151	81,151	0	0	81,151
Special Rural	0.1063	6	40,664	4,323	0	0	4,323	4,322	0	0	4,322
Unimproved value valuations											
Rural	0.0232	220	40,651,500	943,115	0	0	943,115	943,115	0	0	943,115
Sub-Total		358	41,668,360	1,051,208	0	0	1,051,208	1,051,207	0	0	1,051,207
Minimum payment	Minimum \$										
Gross rental value valuations											
Commercial	300	9	15,470	2,700	0	0	2,700	2,700	0	0	2,700
Industrial	300	1	162	300	0	0	300	300	0	0	300
Residential	300	7	4,010	2,100	(12)	0	2,088	2,100	0	0	2,100
Special Rural	300	3	2,205	900	0	0	900	900	0	0	900
Vacant	300	5	906	1,500	0	0	1,500	1,500	0	0	1,500
Unimproved value valuations											
Mining Tenement	300	7	16,634	1,800	323	0	2,123	2,100	0	0	2,100
Rural	300	9	61,832	2,700	0	0	2,700	2,700	0	0	2,700
Sub-Total		41	101,219	12,000	311	0	12,311	12,300	0	0	12,300
		399	41,769,579	1,063,208	311	0	1,063,519	1,063,507	0	0	1,063,507
Discounts/concessions (refer note 26)							(80,447)				(75,055)
Total amount raised from general rate							983,072				988,452
Ex-gratia rates							4,598				5,058
Totals							987,670				993,510

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
Surplus/(Deficit) 1 July 16 brought forward	<u>1,595,307</u>	<u>175,838</u>	<u>175,838</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,524,255	13,235	13,235
Restricted	4,833,261	5,237,192	5,237,192
Receivables			
Rates outstanding	95,629	56,689	56,689
Sundry debtors	69,508	210,621	210,621
GST receivable	55,223	0	0
Vehicle rego fees refundable	14,282	0	0
Fuel tax credits	10,400	0	0
Inventories			
Fuel and materials	7,420	8,969	8,969
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(93,035)	(142,811)	(142,811)
Payroll liabilities	(28,965)	(29,680)	(29,680)
Accrued salaries and wages	(13,895)	(11,269)	(11,269)
ATO liabilities	0	(23,065)	(23,065)
Bonds and Deposits	(7,412)	(8,580)	(8,580)
Collections	(46,415)	(50,753)	(50,753)
Provisions			
Provision for annual leave	(131,418)	(153,872)	(153,872)
Provision for long service leave	(58,077)	(87,335)	(87,335)
Unadjusted net current assets	<u>6,230,761</u>	<u>5,019,341</u>	<u>5,019,341</u>
Adjustments			
Less: Reserves - restricted cash	(4,824,949)	(5,084,710)	(5,084,710)
Add: Provision for annual leave	131,418	153,872	153,872
Add: Provision for long service leave	58,077	87,335	87,335
Adjusted net current assets - surplus/(deficit)	<u>1,595,307</u>	<u>175,838</u>	<u>175,838</u>

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Charges Applied to Costs \$	Charges Set Aside to Reserve \$	Reserve Applied to Costs \$	Budget Charges Applied to Costs \$	Budget Charges Set Aside to Reserve \$	Budget Reserve Applied to Costs \$
Service Charges									
TV & Satellite Transmission Levy	25	3,159	3,025	3,159	0	0	0	3,025	0
		3,159	3,025	3,159	0	0	0	3,025	0

Nature of the Service Charge
TV & Satellite Transmission Levy

Objects of the Charge
To provide equipment to a quality retransmission.

Reasons for the Charge
To fund additional channels and upgrades to retransmission.

Area/Properties Charge Imposed
Koorda Townsite

No interest will be charged on the late payment of service charges.

**SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR**

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
General Rates	10.00%		80,447	75,055	Current rates paid by Thursday 25th August 2016. Full payments must be received at the office prior to the cut off date. Arrears must also be paid by the due date.
			<u>80,447</u>	<u>75,055</u>	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
Refuse charge	Waiver		106	30,694	1,612
Recycling charge	Waiver		76	22,774	1,612
				<u>53,468</u>	<u>3,224</u>

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Refuse charge	Eligible aged pensioners	Encourage elderly residents to remain in their own home.	To give recognition for service to the community.
Recycling charge	Eligible aged pensioners	Encourage elderly residents to remain in their own home.	To give recognition for service to the community.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	9/09/2016	0	0.00%	11.00%
Option Three				
First Instalment	9/09/2016	0	0.00%	11.00%
Second Instalment	16/11/2016	0	0.00%	11.00%
Third Instalment	18/01/2017	0	0.00%	11.00%
Fourth Instalment	22/03/2017	0	0.00%	11.00%
			Revenue	Budgeted Revenue
			\$	\$
Interest on unpaid rates			7,949	6,365
Interest on instalment plan			0	0
Charges on instalment plan			0	0
			<u>7,949</u>	<u>6,365</u>

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

28. FEES & CHARGES	2017	2016
	\$	\$
General purpose funding	529	0
Law, order, public safety	6,354	7,937
Health	132,303	162,869
Housing	198,933	156,038
Community amenities	185,754	163,372
Recreation and culture	18,860	15,309
Economic services	41,892	69,256
Other property and services	7,219	24,940
	<u>591,844</u>	<u>599,721</u>

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

29. GRANT REVENUE

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

By Nature or Type:	2017	2016
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	2,751,766	868,047
Law, order, public safety	18,194	20,314
Health	0	1,000
Recreation and culture	32,000	32,291
Transport	142,534	132,200
Economic services	37,067	21,300
Other property and services	45,211	30,045
	<u>3,026,772</u>	<u>1,105,197</u>
Non-operating grants, subsidies and contributions		
Recreation and culture	32,934	25,800
Transport	1,000,057	1,315,232
	<u>1,032,991</u>	<u>1,341,032</u>
	<u>4,059,763</u>	<u>2,446,229</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>20</u>	<u>25</u>
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31. ELECTED MEMBERS REMUNERATION

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

	2017	2017	2016
	\$	Budget	\$
Meeting Fees	9,635	13,410	9,104
President's allowance	7,000	7,350	7,000
Deputy President's allowance	1,625	1,575	1,500
Travelling expenses	3,862	7,670	4,624
	<u>22,122</u>	<u>30,005</u>	<u>22,228</u>

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

32. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	446,604
Post-employment benefits	82,675
Other long-term benefits	0
Termination benefits	0
	529,279
	529,279

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 at Note 31.

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.

Termination benefits

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

For details of KMP compensation to elected members, please refer to Note 32.

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-fifth interest in a building surveying service, and a one half interest in the support of a medical practitioner. The interest in these joint venture entities are accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint vent refer to Note 16.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

32. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:

	2017 \$
Associated companies/individuals:	
Sale of goods and services	0
Purchase of goods and services	87,849
Joint venture entities:	
Distributions received from joint venture entities	0
Amounts outstanding from related parties:	
Trade and other receivables	0
Loans to associated entities	0
Loans to key management personnel	0
Amounts payable to related parties:	
Trade and other payables	0
Loans from associated entities	0

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

33. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/17 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Shire did participate in any trading undertakings or major trading undertakings during the 2016/17 financial year.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	6,357,516	5,250,427	6,357,516	5,250,427
Receivables	<u>257,727</u>	<u>277,792</u>	<u>257,727</u>	<u>277,792</u>
	<u><u>6,615,243</u></u>	<u><u>5,528,219</u></u>	<u><u>6,615,243</u></u>	<u><u>5,528,219</u></u>
Financial liabilities				
Payables	<u>189,722</u>	<u>266,158</u>	<u>189,722</u>	<u>266,158</u>
	<u><u>189,722</u></u>	<u><u>266,158</u></u>	<u><u>189,722</u></u>	<u><u>266,158</u></u>

Fair value is determined as follows:

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

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

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

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

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

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

	2017	2016
	\$	\$
Impact of a 10% ⁽¹⁾ movement in price of investments		
- Equity	635,751	525,043
- Statement of Comprehensive Income	635,751	525,043
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	63,571	52,504
- Statement of Comprehensive Income	63,571	52,504

Notes:

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

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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:

	2017	2016
Percentage of rates and annual charges		
- Current	3.83%	22.88%
- Overdue	96.17%	77.12%
Percentage of other receivables		
- Current	71.41%	99.62%
- Overdue	28.59%	3.80%

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Payables are 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 Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	189,722	0	0	189,722	189,722
	<u>189,722</u>	<u>0</u>	<u>0</u>	<u>189,722</u>	<u>189,722</u>
<u>2016</u>					
Payables	266,158	0	0	266,158	266,158
	<u>266,158</u>	<u>0</u>	<u>0</u>	<u>266,158</u>	<u>266,158</u>

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

Report on the Financial Report

Opinion

We have audited the financial report of Shire of Koorda, which comprises the statement of financial position as at 30 June 2017, 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 Shire of Koorda 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 2017 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Emphasis of Matter

Without modifying our opinion, we draw attention to page 59 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of the asset consumption ratio and asset renewal funding ratio does not form part of the audited financial report. As a result, we do not express an opinion on management's calculation of these ratios.

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 are responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2017 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 Shire.
- Conclude on the appropriateness of Shire'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 Regional 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 the Shire 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 the Shire 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 60 of the financial report "Supplementary Ratio Information", 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 asset sustainability, own source revenue and operating surplus ratio, 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

A handwritten signature in black ink, appearing to read 'Marius van der Merwe', written in a cursive style.

MARIUS VAN DER MERWE
Director

Perth
Date: 26 October 2017

**SHIRE OF KOORDA
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

RATIO INFORMATION

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

	2017	2016	2015
Asset consumption ratio	0.97	0.98	0.99
Asset renewal funding ratio	1.08	1.07	1.14

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$