

2018



SHIRE OF EXMOUTH

Attachments



Ordinary Council Meeting – 13 December 2018

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

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COMMUNITY VISION

To support and develop a vibrant, welcoming community that embraces its past, its present and plans for a sustainable future.

Principal place of business:
2 Truscott Crescent
Exmouth WA 6707

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the

21st

day of NOVEMBER 2018


Cameron Woods
Chief Executive Officer



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

| | NOTE | 2018 Actual \$ | 2018 Budget \$ | 2017 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Rates | 22(a) | 3,258,621 | 3,241,549 | 3,237,395 |
| Operating grants, subsidies and contributions | 2(a) | 2,195,008 | 1,351,285 | 3,318,159 |
| Fees and charges | 2(a) | 7,173,008 | 6,414,009 | 5,877,937 |
| Interest earnings | 2(a) | 184,945 | 117,140 | 238,432 |
| Other revenue | | 152,726 | 33,558 | 9,149 |
| | | <u>12,964,308</u> | <u>11,157,541</u> | <u>12,681,072</u> |
| Expenses | | | | |
| Employee costs | | (5,598,863) | (5,924,764) | (5,791,390) |
| Materials and contracts | | (2,303,971) | (2,334,495) | (2,896,755) |
| Utility charges | | (743,936) | (844,540) | (609,711) |
| Depreciation on non-current assets | 9(b) | (5,961,266) | (6,001,350) | (4,739,977) |
| Interest expenses | 2(a) | (102,231) | (101,727) | (62,399) |
| Insurance expenses | | (461,131) | (461,607) | (442,501) |
| Other expenditure | | (426,875) | (354,965) | (353,847) |
| | | <u>(15,598,273)</u> | <u>(16,023,448)</u> | <u>(14,896,580)</u> |
| | | <u>(2,633,965)</u> | <u>(4,865,907)</u> | <u>(2,215,508)</u> |
| Non-operating grants, subsidies and contributions | 2 | 2,664,794 | 5,360,417 | 8,672,185 |
| Profit on asset disposals | 9(a) | 0 | 26,312 | 157,486 |
| (Loss) on asset disposals | 9(a) | 0 | (64,871) | (23,680) |
| Net result | | <u>30,829</u> | <u>455,951</u> | <u>6,590,483</u> |
| Other comprehensive income | | | | |
| Changes on revaluation of non-current assets | 10 | 12,997,241 | 0 | 4,391,934 |
| Total other comprehensive income | | <u>12,997,241</u> | <u>0</u> | <u>4,391,934</u> |
| Total comprehensive income | | <u>13,028,070</u> | <u>455,951</u> | <u>10,982,417</u> |

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



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

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|---|------|---------------------|---------------------|---------------------|
| | | \$ | \$ | \$ |
| Revenue | 2(a) | | | |
| Governance | | 16,427 | 1,427 | 32,670 |
| General purpose funding | | 5,256,879 | 4,190,740 | 6,334,380 |
| Law, order, public safety | | 56,894 | 70,359 | 80,103 |
| Health | | 36,544 | 32,668 | 46,330 |
| Education and welfare | | 31,822 | 32,516 | 30,100 |
| Housing | | 155,095 | 103,863 | 106,228 |
| Community amenities | | 1,169,505 | 1,075,906 | 1,162,569 |
| Recreation and culture | | 556,129 | 832,458 | 365,721 |
| Transport | | 5,360,526 | 4,561,972 | 4,268,558 |
| Economic services | | 225,084 | 222,733 | 182,061 |
| Other property and services | | 99,403 | 32,899 | 72,352 |
| | | <u>12,964,308</u> | <u>11,157,541</u> | <u>12,681,072</u> |
| Expenses | 2(a) | | | |
| Governance | | (880,939) | (817,583) | (854,153) |
| General purpose funding | | (71,816) | (85,664) | (103,490) |
| Law, order, public safety | | (473,282) | (451,198) | (481,007) |
| Health | | (187,375) | (196,398) | (199,355) |
| Education and welfare | | (166,400) | (163,271) | (127,295) |
| Housing | | 0 | (24,162) | (60,561) |
| Community amenities | | (1,791,782) | (1,837,833) | (1,977,489) |
| Recreation and culture | | (4,968,376) | (5,424,998) | (3,735,734) |
| Transport | | (6,310,585) | (6,221,384) | (6,500,127) |
| Economic services | | (645,487) | (705,595) | (763,495) |
| Other property and services | | 0 | 6,365 | (31,475) |
| | | <u>(15,496,042)</u> | <u>(15,921,721)</u> | <u>(14,834,181)</u> |
| Finance Costs | 2(a) | | | |
| Housing | | (40,497) | (41,708) | (45,667) |
| Community amenities | | (10,794) | (10,553) | (297) |
| Recreation and culture | | (36,335) | (35,385) | (1,001) |
| Other property and services | | (14,605) | (14,081) | (15,434) |
| | | <u>(102,231)</u> | <u>(101,727)</u> | <u>(62,399)</u> |
| | | <u>(2,633,965)</u> | <u>(4,865,907)</u> | <u>(2,215,508)</u> |
| Non-operating grants, subsidies and contributions | 2 | 2,664,794 | 5,360,417 | 8,672,185 |
| Profit on disposal of assets | 9(a) | 0 | 26,312 | 157,486 |
| (Loss) on disposal of assets | 9(a) | 0 | (64,871) | (23,680) |
| | | <u>2,664,794</u> | <u>5,321,858</u> | <u>8,805,991</u> |
| Net result | | <u>30,829</u> | <u>455,951</u> | <u>6,590,483</u> |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 10 | 12,997,241 | 0 | 4,391,934 |
| Total other comprehensive income | | <u>12,997,241</u> | <u>0</u> | <u>4,391,934</u> |
| Total comprehensive income | | <u>13,028,070</u> | <u>455,951</u> | <u>10,982,417</u> |

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



STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

| | NOTE | 2018 | 2017 |
|---|-------|--------------------|--------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 9,126,509 | 7,293,188 |
| Trade and other receivables | 5 | 1,788,959 | 1,627,189 |
| Inventories | 6 | 28,847 | 39,398 |
| TOTAL CURRENT ASSETS | | 10,944,315 | 8,959,775 |
| NON-CURRENT ASSETS | | | |
| Other receivables | 5 | 94,018 | 165,357 |
| Inventories | 6 | 1,446,263 | 1,446,263 |
| Property, plant and equipment | 7 | 68,855,132 | 69,367,075 |
| Infrastructure | 8 | 51,492,495 | 40,549,933 |
| TOTAL NON-CURRENT ASSETS | | 121,887,908 | 111,528,628 |
| TOTAL ASSETS | | 132,832,223 | 120,488,403 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 1,554,516 | 1,914,304 |
| Current portion of long term borrowings | 12(a) | 263,832 | 253,764 |
| Provisions | 13 | 779,782 | 822,969 |
| TOTAL CURRENT LIABILITIES | | 2,598,130 | 2,991,037 |
| NON-CURRENT LIABILITIES | | | |
| Long term borrowings | 12(a) | 1,998,960 | 2,262,793 |
| Provisions | 13 | 139,822 | 167,332 |
| TOTAL NON-CURRENT LIABILITIES | | 2,138,782 | 2,430,125 |
| TOTAL LIABILITIES | | 4,736,912 | 5,421,162 |
| NET ASSETS | | 128,095,311 | 115,067,241 |
| EQUITY | | | |
| Retained surplus | | 66,418,539 | 66,796,357 |
| Reserves - cash backed | 4 | 6,437,450 | 6,028,803 |
| Revaluation surplus | 10 | 55,239,322 | 42,242,081 |
| TOTAL EQUITY | | 128,095,311 | 115,067,241 |

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



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

| | | RESERVES- | | | |
|----------------------------------|------|---------------------|----------------|------------------------|-----------------|
| | NOTE | RETAINED SURPLUS | CASH BACKED | REVALUATION SURPLUS | TOTAL EQUITY |
| | | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2016 | | 50,952,466 | 15,282,211 | 37,850,147 | 104,084,824 |
| Comprehensive income | | | | | |
| Net result | | 6,590,483 | 0 | 0 | 6,590,483 |
| Changes on revaluation of assets | 10 | 0 | 0 | 4,391,934 | 4,391,934 |
| Total comprehensive income | | 6,590,483 | 0 | 4,391,934 | 10,982,417 |
| Transfers from/(to) reserves | | 9,253,409 | (9,253,409) | 0 | 0 |
| Balance as at 30 June 2017 | | 66,796,357 | 6,028,803 | 42,242,081 | 115,067,241 |
| Comprehensive income | | | | | |
| Net result | | 30,829 | 0 | 0 | 30,829 |
| Changes on revaluation of assets | 10 | 0 | 0 | 12,997,241 | 12,997,241 |
| Total comprehensive income | | 30,829 | 0 | 12,997,241 | 13,028,070 |
| Transfers from/(to) reserves | | (408,647) | 408,647 | 0 | 0 |
| Balance as at 30 June 2018 | | 66,418,539 | 6,437,450 | 55,239,322 | 128,095,311 |

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

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

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|---|------|----------------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | \$ | \$ | \$ |
| Receipts | | | | |
| Rates | | 3,291,748 | 3,252,821 | 3,349,584 |
| Operating grants, subsidies and contributions | | 2,040,192 | 1,291,876 | 3,318,914 |
| Fees and charges | | 7,173,008 | 6,111,044 | 5,741,029 |
| Interest earnings | | 184,945 | 140,691 | 238,432 |
| Goods and services tax | | 104,844 | 951,355 | 3,605,666 |
| Other revenue | | 101,376 | 36,010 | 9,149 |
| | | 12,896,113 | 11,783,797 | 16,262,774 |
| Payments | | | | |
| Employee costs | | (5,492,802) | (6,184,076) | (5,927,231) |
| Materials and contracts | | (2,823,529) | (2,964,972) | (4,233,325) |
| Utility charges | | (743,936) | (955,886) | (609,711) |
| Interest expenses | | (102,945) | (101,251) | (58,010) |
| Insurance expenses | | (461,131) | (444,184) | (442,501) |
| Goods and services tax | | (147,332) | (970,382) | (3,343,785) |
| Other expenditure | | (375,525) | (368,142) | (353,847) |
| | | (10,147,200) | (11,988,893) | (14,968,410) |
| Net cash provided by (used in) operating activities | 14 | 2,748,913 | (205,096) | 1,294,364 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for development of Land held for resale | | 0 | 0 | (430,000) |
| Payments for purchase of property, plant & equipment | | (2,301,651) | (4,607,305) | (19,369,555) |
| Payments for construction of infrastructure | | (1,092,994) | (2,599,906) | (1,219,881) |
| Non-operating grants, subsidies and contributions | | 2,664,794 | 5,360,425 | 8,672,184 |
| Proceeds from sale of fixed assets | | 0 | 209,000 | 390,051 |
| Proceeds from advances | | 0 | 0 | 56,500 |
| Net cash provided by (used in) investment activities | | (729,851) | (1,637,786) | (11,900,701) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of long term borrowings | | (253,765) | (247,670) | (117,266) |
| Proceeds from self supporting loans | | 68,024 | 54,000 | 0 |
| Proceeds from new long term borrowings | | 0 | 0 | 1,410,000 |
| Net cash provided by (used in) financing activities | | (185,741) | (193,670) | 1,292,734 |
| Net increase (decrease) in cash held | | 1,833,321 | (2,036,552) | (9,313,603) |
| Cash at beginning of year | | 7,293,188 | 10,395,188 | 16,687,571 |
| Cash and cash equivalents at the end of the year | 14 | 9,126,509 | 8,358,636 | 7,373,968 |

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

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

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|--|-------|------------------|--------------------|---------------------|
| | | \$ | \$ | \$ |
| OPERATING ACTIVITIES | | | | |
| Net current assets at July 1 b/fwd - surplus/(deficit) | | 962,667 | 962,667 | 125,545 |
| | | 962,667 | 962,667 | 125,545 |
| Revenue from operating activities (excluding rates) | | | | |
| Governance | | 16,427 | 1,427 | 32,670 |
| General purpose funding | | 2,045,072 | 995,404 | 3,142,574 |
| Law, order, public safety | | 56,894 | 70,359 | 80,103 |
| Health | | 36,544 | 32,668 | 46,330 |
| Education and welfare | | 31,822 | 32,516 | 30,100 |
| Housing | | 155,095 | 103,863 | 106,228 |
| Community amenities | | 1,169,505 | 1,075,906 | 1,162,569 |
| Recreation and culture | | 556,129 | 832,458 | 365,721 |
| Transport | | 5,360,526 | 4,588,284 | 4,268,557 |
| Economic services | | 225,084 | 222,733 | 182,061 |
| Other property and services | | 99,403 | 32,899 | 229,838 |
| | | 9,752,501 | 7,988,517 | 9,646,751 |
| Expenditure from operating activities | | | | |
| Governance | | (880,939) | (817,583) | (854,334) |
| General purpose funding | | (71,816) | (85,664) | (103,490) |
| Law, order, public safety | | (473,282) | (451,198) | (481,007) |
| Health | | (187,375) | (196,398) | (199,355) |
| Education and welfare | | (166,400) | (163,271) | (127,295) |
| Housing | | (40,497) | (65,870) | (106,228) |
| Community amenities | | (1,802,576) | (1,897,482) | (1,977,786) |
| Recreation and culture | | (5,004,711) | (5,460,383) | (3,737,855) |
| Transport | | (6,310,585) | (6,228,259) | (6,520,948) |
| Economic services | | (645,487) | (711,998) | (763,495) |
| Other property and services | | (14,605) | (10,213) | (48,467) |
| | | (15,598,273) | (16,088,319) | (14,920,260) |
| Operating activities excluded | | | | |
| (Profit) on disposal of assets | 9(a) | 0 | (26,312) | (157,486) |
| Loss on disposal of assets | 9(a) | 0 | 64,871 | 23,680 |
| Movement in deferred pensioner rates (non-current) | | (1,685) | 0 | (614) |
| Movement in employee benefit provisions (non-current) | | (70,697) | 0 | (251,395) |
| Depreciation and amortisation on assets | 9(b) | 5,961,266 | 6,001,350 | 4,739,977 |
| Amount attributable to operating activities | | 1,005,779 | (1,097,226) | (793,801) |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | | 2,664,794 | 5,360,417 | 8,672,185 |
| Proceeds from disposal of assets | 9(a) | 0 | 209,000 | 390,051 |
| Purchase of land held for resale | | 0 | 0 | (430,000) |
| Purchase of property, plant and equipment | 7(b) | (2,301,651) | (4,607,305) | (19,450,335) |
| Purchase and construction of infrastructure | 8(b) | (1,092,994) | (2,599,905) | (1,219,881) |
| Amount attributable to investing activities | | (729,851) | (1,637,793) | (12,037,980) |
| FINANCING ACTIVITIES | | | | |
| Repayment of advances to community groups | | 0 | 0 | 56,500 |
| Repayment of long term borrowings | 12(a) | (253,765) | (247,670) | (117,266) |
| Proceeds from new long term borrowings | 12(b) | 0 | 0 | 1,410,000 |
| Proceeds from self supporting loans | 12(a) | 68,024 | 54,000 | 0 |
| Transfers to reserves (restricted assets) | 4 | (697,016) | (138,074) | (1,093,318) |
| Transfers from reserves (restricted assets) | 4 | 288,370 | 1,160,875 | 10,346,726 |
| Amount attributable to financing activities | | (594,387) | 829,131 | 10,602,642 |
| Surplus(deficiency) before general rates | | (318,459) | (1,905,888) | (2,229,139) |
| Total amount raised from general rates | 22 | 3,211,807 | 3,195,336 | 3,191,806 |
| Net current assets at June 30 c/fwd - surplus/(deficit) | 23 | 2,893,348 | 1,289,448 | 962,667 |

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

1. BASIS OF PREPARATION

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

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or any other sporting or recreational facility of state or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008 have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 to these financial statements.

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

2. REVENUE AND EXPENSES

| (a) Revenue | 2018 | 2018 | 2017 |
|-----------------------------|------------------|------------------|------------------|
| | Actual | Budget | Actual |
| | \$ | \$ | \$ |
| Fees and Charges | | | |
| General purpose funding | 24,045 | 23,134 | 41,564 |
| Law, order, public safety | 12,523 | 13,018 | 22,209 |
| Health | 36,544 | 32,668 | 46,330 |
| Education and welfare | 29,440 | 30,121 | 27,874 |
| Housing | 109,395 | 102,863 | 105,817 |
| Community amenities | 1,168,031 | 1,075,724 | 1,156,760 |
| Recreation and culture | 274,731 | 410,813 | 111,296 |
| Transport | 5,295,416 | 4,490,453 | 4,162,150 |
| Economic services | 220,083 | 222,733 | 180,479 |
| Other property and services | 2,800 | 12,482 | 23,458 |
| | <u>7,173,008</u> | <u>6,414,009</u> | <u>5,877,937</u> |

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

| | 2018 Actual | 2018 Budget | 2017 Actual |
|--|------------------|------------------|-------------------|
| | \$ | \$ | \$ |
| Operating grants, subsidies and contributions | | | |
| General purpose funding | 1,836,082 | 853,347 | 2,873,094 |
| Law, order, public safety | 40,371 | 53,341 | 53,679 |
| Community amenities | 0 | 0 | 3,340 |
| Recreation and culture | 231,246 | 373,266 | 195,212 |
| Transport | 65,980 | 55,980 | 95,891 |
| Economic services | 5,000 | 0 | 0 |
| Other property and services | 16,329 | 15,351 | 36,946 |
| | 2,195,008 | 1,351,285 | 3,258,162 |
| Non-operating grants, subsidies and contributions | | | |
| Community amenities | 0 | 0 | (338,701) |
| Recreation and culture | 1,976,068 | 3,394,883 | 8,153,848 |
| Transport | 688,726 | 1,965,534 | 857,039 |
| | 2,664,794 | 5,360,417 | 8,672,186 |
| Total grants, subsidies and contributions | 4,859,802 | 6,711,702 | 11,930,348 |

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 21. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

| | 2018 Actual | 2018 Budget | 2017 Actual |
|---|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Interest earnings | | | |
| - Loans receivable - clubs/institutions | | | |
| - Reserve funds | 101,037 | 47,076 | 151,366 |
| - Other funds | 19,531 | 14,560 | 20,721 |
| Other interest revenue (refer note 22(d)) | 54,632 | 66,345 | 66,345 |
| | 175,200 | 127,981 | 238,432 |

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

2. REVENUE AND EXPENSES (Continued)

| (b) Expenses | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Auditors remuneration | | |
| - Audit of the Annual Financial Report | 22,968 | 36,286 |
| Other Audit Services | 21,620 | 88,942 |
| | <u>44,588</u> | <u>125,228</u> |
| Interest expenses (finance costs) | | |
| Long term borrowings (refer Note 12(a)) | 102,231 | 62,399 |
| | <u>102,231</u> | <u>62,399</u> |

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

| | NOTE | 2018 | 2017 |
|---|------|------------------|------------------|
| | | \$ | \$ |
| 3. CASH AND CASH EQUIVALENTS | | | |
| Unrestricted | | 2,689,059 | 1,264,385 |
| Restricted | | 6,437,450 | 6,028,803 |
| | | <u>9,126,509</u> | <u>7,293,188</u> |
| The following restrictions have been imposed by regulations or other externally imposed requirements: | | | |
| Leave Reserve | 4 | 255,275 | 250,942 |
| Aviation Reserve | 4 | 1,173,441 | 1,153,526 |
| Building Infrastructure Preservation Reserve | 4 | 369,174 | 362,908 |
| Community Development Fund | 4 | 1,659,472 | 1,729,611 |
| Community Interest Free Loans Reserve | 4 | 390,299 | 383,675 |
| Insurance/Natural Disasters Reserve | 4 | 176,386 | 173,392 |
| Marina Canal Reserve | 4 | 255,079 | 33,617 |
| Marina Village Asset Replacement Reserve | 4 | 5,986 | 5,885 |
| Plant Reserve | 4 | 719,476 | 707,266 |
| Rehabilitation Reserve | 4 | 204,013 | 200,551 |
| Shire Staff Housing Reserve | 4 | 34,016 | 33,439 |
| Swimming Pool Reserve | 4 | 430,562 | 432,265 |
| Town Planning Scheme Reserve | 4 | 21,063 | 20,706 |
| Waste Management Reserve | 4 | 648,924 | 269,179 |
| Unspent Grants & Contributions Reserve | 4 | 94,284 | 271,842 |
| | | <u>6,437,450</u> | <u>6,028,803</u> |

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

| | 2018 Actual Opening Balance | 2018 Actual Transfer to | 2018 Actual Transfer (from) | 2018 Actual | 2018 Budget Opening Balance | 2018 Budget Transfer to | 2018 Budget Transfer (from) | 2018 Budget Closing Balance | 2017 Actual Opening Balance | 2017 Actual Transfer to | 2017 Actual Transfer (from) | 2017 Actual Closing Balance |
|--|--------------------------------------|----------------------------------|--------------------------------------|----------------|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Leave Reserve | 250,942 | 4,332 | 0 | 255,274 | 250,942 | 3,764 | 0 | 254,706 | 450,122 | 6,028 | (205,208) | 250,942 |
| Aviation Reserve | 1,153,526 | 19,915 | 0 | 1,173,441 | 1,153,526 | 17,153 | (10,000) | 1,160,679 | 1,204,251 | 16,750 | (67,475) | 1,153,526 |
| Building Infrastructure Preservation Reserve | 362,908 | 6,265 | 0 | 369,173 | 362,909 | 5,444 | 0 | 368,353 | 299,072 | 63,836 | 0 | 362,908 |
| Community Development Fund | 1,729,611 | 29,861 | (100,000) | 1,659,472 | 1,729,611 | 24,444 | (100,000) | 1,654,055 | 2,717,187 | 37,537 | (1,025,113) | 1,729,611 |
| Community Interest Free Loans Reserve | 383,675 | 6,824 | 0 | 390,299 | 383,675 | 59,937 | 0 | 443,612 | 322,238 | 61,437 | 0 | 383,675 |
| Insurance/Natural Disasters Reserve | 173,392 | 2,993 | 0 | 176,385 | 173,392 | 2,601 | 0 | 175,993 | 0 | 173,392 | 0 | 173,392 |
| Marina Canal Reserve | 33,617 | 221,462 | 0 | 255,079 | 33,617 | 504 | 0 | 34,121 | 0 | 33,617 | 0 | 33,617 |
| Marina Village Asset Replacement Reserve | 5,885 | 102 | 0 | 5,987 | 5,885 | 88 | 0 | 5,973 | 5,797 | 88 | 0 | 5,885 |
| Plant Reserve | 707,266 | 12,211 | 0 | 719,477 | 707,266 | 6,768 | (666,074) | 47,960 | 292,827 | 414,439 | 0 | 707,266 |
| Rehabilitation Reserve | 200,550 | 3,462 | 0 | 204,012 | 200,550 | 7,977 | (2,088) | 206,439 | 189,645 | 16,585 | (5,679) | 200,551 |
| Shire Staff Housing Reserve | 33,439 | 577 | 0 | 34,016 | 33,439 | 502 | 0 | 33,941 | 8,225 | 25,214 | 0 | 33,439 |
| Swimming Pool Reserve | 432,265 | 7,463 | (9,166) | 430,562 | 432,265 | 6,346 | (9,166) | 429,445 | 425,811 | 6,454 | 0 | 432,265 |
| Town Planning Scheme Reserve | 20,705 | 358 | 0 | 21,064 | 20,706 | 311 | 0 | 21,017 | 20,396 | 310 | 0 | 20,705 |
| Waste Management Reserve | 269,179 | 379,745 | 0 | 648,924 | 269,179 | 1,323 | (181,000) | 89,502 | 265,499 | 3,679 | 0 | 269,178 |
| Unspent Grants & Contributions Reserve | 271,842 | 1,646 | (179,204) | 84,284 | 271,842 | 912 | (192,547) | 80,207 | 9,081,142 | 233,951 | (9,043,251) | 271,842 |
| | 6,028,803 | 697,016 | (288,370) | 6,437,449 | 6,028,804 | 138,074 | (1,160,875) | 5,006,003 | 15,282,212 | 1,093,317 | (10,346,726) | 6,028,803 |

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

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

| Name of Reserve | Anticipated date of use | Purpose of the reserve |
|--|-------------------------|---|
| Leave Reserve | Ongoing | To be used for annual and long service leave requirements |
| Aviation Reserve | Ongoing | To be used to fund aviation requirements |
| Building Infrastructure Preservation Reserve | Ongoing | To be used for the development, preservation and management of building infrastructure within the Shire |
| Community Development Fund | Ongoing | To be used to fund major community development initiatives |
| Community Interest Free Loans Reserve | Ongoing | To be used to fund major community development projects |
| Insurance/Natural Disasters Reserve | Ongoing | To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDARRA claims |
| Marina Canal Reserve | Ongoing | To be used for the purpose of funding future dredging costs as well as environmental water control and maintenance of the canals. These funds were derived from levying a Specified Area Rate titled Marina Specified Area Rate |
| Marina Village Asset Replacement Reserve | Ongoing | To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village |
| Plant Reserve | Ongoing | To be used for the purchase of major plant and equipment |
| Rehabilitation Reserve | Ongoing | To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth |
| Shire Staff Housing Reserve | Ongoing | To be used to fund housing for Shire Staff |
| Swimming Pool Reserve | Ongoing | To be used to fund Swimming Pool Upgrades |
| Town Planning Scheme Reserve | Ongoing | To be used for the purpose of funding a review of the Town Planning Scheme |
| Waste Management Reserve | Ongoing | To be used to fund operational costs of Refuse Site including implementation of post closure plan |
| Unspent Grants & Contributions Reserve | Ongoing | To be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties |

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

5. TRADE AND OTHER RECEIVABLES

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Rates outstanding | 302,096 | 336,908 |
| Sundry debtors | 1,261,982 | 1,120,290 |
| GST receivable | 104,844 | 62,357 |
| Loans receivable - clubs/institutions | 59,000 | 54,000 |
| Accrued Revenue | 61,037 | 47,913 |
| Prepaid Expenditure | 0 | 5,721 |
| | <u>1,788,959</u> | <u>1,627,189</u> |
| Non-current | | |
| Rates outstanding - pensioners | 40,018 | 38,333 |
| Loans receivable - clubs/institutions | 54,000 | 127,024 |
| | <u>94,018</u> | <u>165,357</u> |
| Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows: | | |
| Rates outstanding | | |
| Includes: | | |
| - 1 to 5 years | 196,237 | 208,586 |
| - more than 5 years | 105,859 | 128,322 |
| | <u>302,096</u> | <u>336,908</u> |
| Sundry debtors | | |
| Includes: | | |
| Past due and not impaired | | |
| - up to one month | 0 | 0 |
| - 1 to 3 months | 40,016 | 6,918 |
| - 3 months to one year | 57,889 | 111,433 |
| - 1 to 5 years | 15,703 | 0 |
| - more than 5 years | 0 | 26,126 |
| | <u>113,608</u> | <u>144,477</u> |

SIGNIFICANT ACCOUNTING POLICIES

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.

Classification and subsequent measurement

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.

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

6. INVENTORIES

| | 2018 | 2017 |
|-------------------------------|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Fuel, Oil & Materials On Hand | 28,847 | 39,398 |
| | <u>28,847</u> | <u>39,398</u> |
| Non-current | | |
| Land held for resale - cost | 1,446,263 | 1,446,263 |
| | <u>1,446,263</u> | <u>1,446,263</u> |

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Finance costs and holding charges incurred after development is completed are expensed.

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

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

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

7 (a). PROPERTY, PLANT AND EQUIPMENT

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Land and buildings | | |
| Land - freehold land at: | | |
| - Independent valuation 2017 - level 2 | 7,703,000 | 7,703,000 |
| | <u>7,703,000</u> | <u>7,703,000</u> |
| Total land | 7,703,000 | 7,703,000 |
| Buildings - non-specialised at: | | |
| - Independent valuation 2017 - level 2 | 6,832,000 | 6,832,000 |
| - Additions after Valuations - Cost | 40,870 | 0 |
| Buildings - non-specialised - Less: accumulated depreciation | (1,573,105) | (1,422,000) |
| | <u>5,299,765</u> | <u>5,410,000</u> |
| Buildings - specialised at: | | |
| - Independent valuation 2017 - level 3 | 70,941,000 | 41,841,000 |
| - Management valuation 2017 - level 3 | 3,207,832 | 32,307,832 |
| - Additions after Valuations - Cost | 2,109,642 | 0 |
| Buildings - specialised - Less: accumulated depreciation | (24,576,117) | (22,728,000) |
| | <u>51,682,357</u> | <u>51,420,832</u> |
| Total buildings | 56,982,122 | 56,830,832 |
| Total land and buildings | <u>64,685,122</u> | <u>64,533,832</u> |
| Furniture and equipment at: | | |
| - Independent valuation 2016 - level 2 | 3,647,640 | 3,069,902 |
| - Additions after valuation - Cost | 0 | 300,251 |
| Furniture and equipment - Less: accumulated depreciation | (2,026,942) | (1,701,589) |
| | <u>1,620,698</u> | <u>1,668,564</u> |
| Plant and equipment at: | | |
| - Independent valuation 2016 - level 2 | 6,443,707 | 6,329,146 |
| - Additions after valuation - Cost | 0 | 65,177 |
| Plant and equipment - Less: accumulated depreciation | (3,894,395) | (3,229,644) |
| | <u>2,549,312</u> | <u>3,164,679</u> |
| Total property, plant and equipment | <u>68,855,132</u> | <u>69,367,075</u> |

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

| | Land - freehold land | Total land | Buildings - non- specialised | Buildings - specialised | Total buildings | Total land and buildings | Furniture and equipment | Plant and equipment | Total property, plant and equipment |
|--|-------------------------|------------|---------------------------------|----------------------------|--------------------|--------------------------------|----------------------------|------------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2016 | 7,010,250 | 7,010,250 | 5,668,668 | 29,430,144 | 35,098,812 | 42,109,062 | 1,693,270 | 3,756,930 | 47,559,262 |
| Additions | 0 | 0 | 70,100 | 18,750,575 | 18,820,675 | 18,820,675 | 397,073 | 151,807 | 19,369,555 |
| (Disposals) | 0 | 0 | 0 | 0 | 0 | 0 | (28,793) | (66,756) | (95,549) |
| Revaluation increments/ (decrements) transferred to revaluation surplus | 692,750 | 692,750 | (16,955) | 3,716,138 | 3,699,183 | 4,391,933 | 0 | 0 | 4,391,933 |
| Depreciation (expense) | 0 | 0 | (311,813) | (476,025) | (787,838) | (787,838) | (392,986) | (677,302) | (1,858,126) |
| Carrying amount at 30 June 2017 | 7,703,000 | 7,703,000 | 5,410,000 | 51,420,832 | 56,830,832 | 64,533,832 | 1,668,564 | 3,164,679 | 69,367,075 |
| Additions | 0 | 0 | 40,870 | 2,109,642 | 2,150,512 | 2,150,512 | 119,938 | 31,201 | 2,301,651 |
| Depreciation (expense) | 0 | 0 | (151,106) | (1,848,116) | (1,999,222) | (1,999,222) | (321,073) | (660,742) | (2,981,037) |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 153,270 | 14,173 | 167,443 |
| Carrying amount at 30 June 2018 | 7,703,000 | 7,703,000 | 5,299,764 | 51,682,358 | 56,982,122 | 64,685,122 | 1,620,699 | 2,549,311 | 68,855,132 |

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|-----------------------------|----------------------|--|-----------------------|------------------------|---|
| Land - freehold land | 2 | Market approach using recent observable market data for properties | Independent valuation | June 2017 | Price per hectare |
| Buildings - non-specialised | 2 | Market approach using recent observable market data for similar properties | Independent valuation | June 2017 | Price per square metre |
| Buildings - specialised | 3 | Cost approach using depreciated replacement costs | Independent valuation | June 2017 | Construction costs and current condition residual values and remaining useful life inputs |
| Furniture and equipment | 2 | Market approach using recent observable market data for similar assets | Independent valuation | June 2016 | Provide an indication of value by comparing the subject asset with identical or similar assets or using economic principle approach |
| Plant and equipment | 2 | Market approach using recent observable market data for similar assets | Independent valuation | June 2016 | Provides an indication of value by comparing the subject asset with identical assets or using an economic principle approach |

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

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

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

8 (a). INFRASTRUCTURE

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Infrastructure - Roads | | |
| - Management valuation 2015 - level 3 | 0 | 24,079,375 |
| - Additions after valuations - Cost | 0 | 3,739,359 |
| - Management valuation 2018 - level 3 | 44,160,645 | 0 |
| Infrastructure - Roads - Less: accumulated depreciation | (7,697,179) | (11,110,837) |
| | <u>36,463,466</u> | <u>16,707,897</u> |
| Infrastructure - Other | | |
| - Independant valuation 2014 - level 2 | 0 | 19,160,500 |
| - Independant valuation 2014 - level 2 | 0 | 13,026,859 |
| - Additions after valuations - Cost | 0 | 7,398,791 |
| - Management valuation 2018 - level 3 | 21,292,234 | 0 |
| Infrastructure - Other - Less: accumulated depreciation | (6,263,205) | (15,744,114) |
| | <u>15,029,029</u> | <u>23,842,036</u> |
| | | |
| Total infrastructure | <u>51,492,495</u> | <u>40,549,933</u> |

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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

| | Infrastructure - Roads | Infrastructure - Other | Total Infrastructure |
|--|---------------------------|---------------------------|-------------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | 17,004,431 | 25,126,692 | 42,131,123 |
| Additions | 1,043,249 | 257,411 | 1,300,660 |
| Depreciation (expense) | (1,339,783) | (1,542,067) | (2,881,850) |
| Carrying amount at 30 June 2017 | 16,707,897 | 23,842,036 | 40,549,933 |
| Additions | 849,398 | 243,596 | 1,092,994 |
| Revaluation increments/ (decrements) transferred to revaluation surplus | 12,838,184 | 159,058 | 12,997,242 |
| Depreciation (expense) | (1,394,413) | (1,585,816) | (2,980,229) |
| Transfers | 7,462,400 | (7,629,845) | (167,445) |
| Carrying amount at 30 June 2018 | 36,463,466 | 15,029,029 | 51,492,495 |

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

8. 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 | Independent valuation | June 2018 | Assessment of remaining useful life, replacement costs and considered the following, construction date, visual condition, evidence of recent repairs or capital works and surrounding environment factors. |
| Infrastructure - Other | 3 | Cost approach using depreciated replacement cost | Independent valuation | June 2018 | Assessment of remaining useful life considered the following, construction date, visual condition, evidence of recent repairs or capital works and surrounding environment factors. |

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

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

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

Land under control

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

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

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.

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

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

| | Actual Net Book Value | Actual Sale Proceeds | Actual Profit | Actual Loss | Budget Net Book Value | Budget Sale Proceeds | Budget Profit | Budget Loss |
|--|-----------------------------|----------------------------|------------------|----------------|-----------------------------|----------------------------|------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Plant and Equipment | | | | | | | | |
| Community amenities | | | | | | | | |
| PE00048 - 2010 Rubbish Truck EX4574 | 0 | 0 | 0 | 0 | 46,337 | 10,000 | 0 | (36,337) |
| PE00042 - 2008 Loader EX7710 | 0 | 0 | 0 | 0 | 46,884 | 41,000 | 0 | (5,884) |
| PE00251 - 2015 Holden Colorado 3006EX | 0 | 0 | 0 | 0 | 33,875 | 27,000 | 0 | (6,875) |
| Transport | | | | | | | | |
| PE00096 - 2006 Hitachi Excavator | 0 | 0 | 0 | 0 | 23,688 | 50,000 | 26,312 | 0 |
| PE00250 - 2015 Holden Colorado 1GEX694 | 0 | 0 | 0 | 0 | 33,875 | 27,000 | 0 | (6,875) |
| Economic services | | | | | | | | |
| PE00238 - 2015 Holden Colorado 3005EX | 0 | 0 | 0 | 0 | 33,403 | 27,000 | 0 | (6,403) |
| Other property and services | | | | | | | | |
| PE00239 - 2014 Holden Colorado 3EX | 0 | 0 | 0 | 0 | 29,497 | 27,000 | 0 | (2,497) |
| | 0 | 0 | 0 | 0 | 247,559 | 209,000 | 26,312 | (64,871) |

(b) Depreciation

| | 2018 | 2017 |
|-----------------------------|-----------|-----------|
| | \$ | \$ |
| Buildings - non-specialised | 151,106 | 311,813 |
| Buildings - specialised | 1,848,116 | 476,025 |
| Furniture and equipment | 321,073 | 392,986 |
| Plant and equipment | 660,742 | 677,302 |
| Infrastructure - Roads | 1,394,413 | 1,339,783 |
| Infrastructure - Other | 1,585,816 | 1,542,067 |
| | 5,961,266 | 4,739,977 |

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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

| | |
|----------------------------|------------|
| Buildings | 40 Years |
| Furniture & Equipment | |
| Electronic | 3-5 Years |
| All Other Items | 5-10 Years |
| Infrastructure Roads | |
| Construction | 40 Years |
| Aggregate | 12 Years |
| Asphalt | 20 Years |
| Road (unsealed) - Gravel | 8 Years |
| Road (Unsealed) - Unformed | 6 Years |
| Road Kerb | 50 Years |
| Bridges | 50 Years |
| Drain/Sewers | 75 Years |
| Airfields Runways | 100 Years |
| Plant & Equipment | |
| Heavy Plant & Equipment | 3-10 Years |
| Light to Medium Vehicles | 2-5 Years |
| Light Mobile Equipment | 2 Years |

Depreciation (Continued)

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

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

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

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

10. REVALUATION SURPLUS

| | 2018 | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 | 2017 |
|---|------------|-------------|-------------|------------|------------|-------------|--------------|-------------|------------|
| | Opening | Revaluation | Movement on | 2018 | Opening | Revaluation | Revaluation | Total | 2017 |
| | Balance | Increment | Revaluation | Closing | Balance | Increment | (Decrement) | Revaluation | Closing |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land - freehold land | 3,170,303 | 0 | 0 | 3,170,303 | 2,477,553 | 1,152,750 | (460,000) | 692,750 | 3,170,303 |
| Revaluation surplus - Buildings - non-specialised | (51,616) | 0 | 0 | (51,616) | 1,740,045 | 677,787 | (2,469,448) | (1,791,681) | (51,616) |
| Revaluation surplus - Buildings - specialised | 22,029,577 | 0 | 0 | 22,029,577 | 16,538,733 | 21,929,639 | (16,438,795) | 5,490,844 | 22,029,577 |
| Revaluation surplus - Furniture and equipment | 1,211,296 | 0 | 0 | 1,211,296 | 1,211,296 | 0 | 0 | 0 | 1,211,296 |
| Revaluation surplus - Plant and equipment | 1,094,483 | 0 | 0 | 1,094,483 | 1,094,483 | 0 | 0 | 0 | 1,094,483 |
| Revaluation surplus - Infrastructure - Roads | 8,471,756 | 12,838,184 | 12,838,184 | 21,309,940 | 8,471,756 | 0 | 0 | 0 | 8,471,756 |
| Revaluation surplus - Infrastructure - Other | 6,316,282 | 159,058 | 159,058 | 6,475,340 | 6,316,282 | 0 | 0 | 0 | 6,316,282 |
| | 42,242,081 | 12,997,242 | 12,997,242 | 55,239,323 | 37,850,148 | 23,760,176 | (19,368,243) | 4,391,933 | 42,242,081 |

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

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

11. TRADE AND OTHER PAYABLES

| | 2018 | 2017 |
|--|-----------|-----------|
| | \$ | \$ |
| Current | | |
| Sundry creditors | 489,636 | 1,691,202 |
| Accrued interest on long term borrowings | 3,762 | 4,476 |
| Accrued salaries and wages | 126,290 | 115,553 |
| ATO liabilities | 166,021 | 0 |
| Prepaid Revenue | 605,290 | 22,080 |
| Accrued Expenses | 163,517 | 80,993 |
| | 1,554,516 | 1,914,304 |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

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

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

| Particulars | Interest Rate | Principal 1 July 2017 | New Loans | Principal Repayments | | Principal 30 June 2018 | | Interest Repayments | |
|------------------------------------|---------------|--------------------------|--------------|-------------------------|---------|---------------------------|-----------|------------------------|---------|
| | | | | Actual | Budget | Actual | Budget | Actual | Budget |
| | % | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Housing | | | | | | | | | |
| Loan 77 - Snapper Loop - Land | 5.65% | 93,311 | 0 | 45,356 | 42,898 | 47,955 | 50,413 | 4,640 | 7,579 |
| Loan 80 - Snapper Loop - Dwellings | 4.73% | 736,726 | 0 | 59,651 | 56,901 | 677,075 | 679,825 | 35,857 | 34,129 |
| Community amenities | | | | | | | | | |
| Loan 81 - Rubbish Truck | 2.41% | 410,000 | 0 | 78,119 | 78,119 | 331,881 | 331,881 | 10,794 | 10,553 |
| Recreation and culture | | | | | | | | | |
| Loan 82 - Ningaloo Centre | 3.33% | 1,000,000 | 0 | 52,372 | 52,372 | 947,628 | 947,628 | 36,335 | 35,385 |
| Other property and services | | | | | | | | | |
| Loan 76 - 1 Bennell Street - Land | 5.04% | 276,520 | 0 | 18,267 | 17,380 | 258,253 | 259,140 | 14,605 | 14,081 |
| | | 2,516,557 | 0 | 253,765 | 247,670 | 2,262,792 | 2,268,887 | 102,231 | 101,727 |

All borrowings are sourced from Western Australian Treasury Corporation.
All loan repayments were financed by general purpose revenue.

Borrowings

| | 2018 | 2017 |
|-------------|-----------|-----------|
| | \$ | \$ |
| Current | 263,832 | 253,764 |
| Non-current | 1,998,960 | 2,262,793 |
| | 2,262,792 | 2,516,557 |

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

12. INFORMATION ON BORROWINGS (Continued)

| | 2018 | 2017 |
|---|-----------|-----------|
| | \$ | \$ |
| (b) Undrawn Borrowing Facilities | | |
| Credit Standby Arrangements | | |
| Bank overdraft limit | 400,000 | 400,000 |
| Bank overdraft at balance date | 0 | 0 |
| Credit card limit | 24,000 | 40,000 |
| Credit card balance at balance date | (999) | 0 |
| Total amount of credit unused | 423,001 | 440,000 |
| Loan facilities | | |
| Loan facilities - current | 263,832 | 253,764 |
| Loan facilities - non-current | 1,998,960 | 2,262,793 |
| Total facilities in use at balance date | 2,262,792 | 2,516,557 |
| Unused loan facilities at balance date | 410,000 | 410,000 |

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

13. PROVISIONS

| | Provision for Annual Leave | Provision for Long Service Leave | Provision for Gratuity | Total |
|--------------------------------|----------------------------------|--|---------------------------|---------|
| | \$ | \$ | \$ | \$ |
| Opening balance at 1 July 2017 | | | | |
| Current provisions | 488,998 | 259,531 | 74,440 | 822,969 |
| Non-current provisions | 0 | 167,332 | | 167,332 |
| | 488,998 | 426,863 | 74,440 | 990,301 |
| Additional provision | 61,940 | (58,197) | 0 | 3,743 |
| Balance at 30 June 2018 | 550,938 | 368,666 | 74,440 | 994,044 |
| Comprises | | | | |
| Current | 476,498 | 228,844 | 74,440 | 779,782 |
| Non-current | 0 | 139,822 | 0 | 139,822 |
| | 476,498 | 368,666 | 74,440 | 919,604 |

Annual leave and current long service leave liabilities have been classified as current as there are no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities are expected to occur as detailed below.

| | Annual Leave | Long Service Leave | Gratuity | Total |
|---|-----------------|-----------------------|----------|---------|
| | \$ | \$ | \$ | \$ |
| Current Provisions | | | | |
| Within 12 months of the end of the reporting period | 476,498 | 228,844 | 74,440 | 779,782 |
| | 476,498 | 228,844 | 74,440 | 779,782 |

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

| | 2018 Actual | 2018 Budget | 2017 Actual |
|--|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Cash and cash equivalents | 9,126,509 | 8,358,636 | 7,293,188 |
| Reconciliation of Net Cash Provided By Operating Activities to Net Result | | | |
| Net result | 30,829 | (16,073) | 6,590,483 |
| Non-cash flows in Net result: | | | |
| Depreciation | 5,961,266 | 5,188,968 | 4,739,977 |
| (Profit)/loss on sale of asset | 0 | 38,559 | (133,806) |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | (158,455) | (23,335) | 738,791 |
| (Increase)/decrease in inventories | 10,551 | (1,497) | 5,005 |
| Increase/(decrease) in payables | (359,788) | 29,934 | (1,722,507) |
| Increase/(decrease) in provisions | (70,697) | (61,228) | (251,395) |
| Non-operating grants and contributions for the development of assets | (2,664,794) | (5,360,425) | (8,672,184) |
| Net cash from operating activities | 2,748,913 | (205,097) | 1,294,364 |

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

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2018 | 2017 |
|-----------------------------|--------------------|--------------------|
| | \$ | \$ |
| Governance | 252,470 | 278,600 |
| General purpose funding | 463,001 | 439,707 |
| Law, order, public safety | 1,112,259 | 1,218,886 |
| Health | 2,276 | 23 |
| Education and welfare | 1,697,616 | 1,790,418 |
| Housing | 6,717,314 | 6,882,335 |
| Community amenities | 2,375,322 | 7,688,460 |
| Recreation and culture | 47,478,113 | 45,996,285 |
| Transport | 51,247,423 | 35,669,284 |
| Economic services | 2,025,551 | 2,261,241 |
| Other property and services | 19,460,878 | 18,263,164 |
| | <u>132,832,223</u> | <u>120,488,403</u> |

16. CONTINGENT LIABILITIES

There is no known contingent liabilities as at 30 June 2018.

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

17. CAPITAL AND LEASING COMMITMENTS

| | 2018 | 2017 |
|-------------------------------------|---------|-----------|
| | \$ | \$ |
| (a) Capital Expenditure Commitments | | |
| Contracted for: | | |
| - capital expenditure projects | 189,325 | 1,923,458 |

The capital expenditure project outstanding at the end of the current reporting period represents the completion of the Aquarium at the Ningaloo Centre (the prior year commitment was for the construction of the new recreation centre and a new truck).

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

| | | |
|---|---------|---------|
| - not later than one year | 187,164 | 187,164 |
| - later than one year but not later than five years | 337,665 | 524,829 |
| - later than five years | 0 | 0 |
| | 524,829 | 711,993 |

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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

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

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

| | 2018 Actual | 2018 Budget | 2017 Actual |
|--|----------------|----------------|----------------|
| The following fees, expenses and allowances were paid to council members and/or the President. | \$ | \$ | \$ |
| Meeting Fees | 75,806 | 92,880 | 95,578 |
| President's allowance | 8,876 | 12,153 | 6,415 |
| Deputy President's allowance | 2,186 | 3,038 | 1,604 |
| Telecommunications allowance | 3,151 | 4,590 | 4,128 |
| Travelling expenses | 13,995 | 14,951 | 31,550 |
| | 104,014 | 127,612 | 139,275 |

Key Management Personnel (KMP) Compensation Disclosure

| | 2018 | 2017 |
|--|---------|-----------|
| The total of remuneration paid to KMP of the Shire during the year are as follows: | \$ | \$ |
| Short-term employee benefits | 500,645 | 928,446 |
| Post-employment benefits | 86,923 | 133,778 |
| Other long-term benefits | 16,317 | 16,566 |
| Termination benefits | 87,022 | 317,415 |
| | 690,907 | 1,396,205 |

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP

Transactions with related parties

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

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

| | 2018 | 2017 |
|---|--------|--------|
| The following transactions occurred with related parties: | \$ | \$ |
| Purchase of goods and services | 0 | 12,396 |
| Amounts payable to related parties: | | |
| Payables - Key management personnel | 19,499 | 44,628 |

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.

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

19. MAJOR LAND TRANSACTIONS

(a) Expected Future Cash Flows

| | 2019 | 2020 | 2021 | 2022 | Total |
|---------------------|---------|---------|-----------|------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Cash outflows | | | | | |
| - Development costs | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 |
| Cash inflows | | | | | |
| - Sale proceeds | 590,909 | 590,909 | 1,477,273 | 0 | 2,659,091 |
| | 590,909 | 590,909 | 1,477,273 | 0 | 2,659,091 |
| Net cash flows | 590,909 | 590,909 | 1,477,273 | 0 | 2,659,091 |

(b) Assets and liabilities

| | 2018 | 2017 |
|----------------------------------|-----------|-----------|
| | \$ | \$ |
| Land held for resale per Note 6 | | |
| Non-current | | |
| Land held for resale - Heron Way | 1,446,263 | 1,446,263 |
| | 1,446,263 | 1,446,263 |

20. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular passenger transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth.

The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislation and regulations.

| | 2017/18 Actual | 2017/18 Budget | 2016/17 Actual |
|-----------------------------------|-------------------|-------------------|-------------------|
| Operating Revenue | | | |
| Fees & Charges | 5,143,912 | 3,982,615 | 4,016,319 |
| Grants, Subsidies & Contributions | 0 | 0 | 38,577 |
| Other Revenue | 0 | 0 | 0 |
| | 5,143,912 | 3,982,615 | 4,054,896 |
| Operating Expenditure | | | |
| Employee Costs | (1,717,397) | (1,922,433) | (1,700,443) |
| Materials & Contracts | (447,138) | (364,846) | (658,023) |
| Utilities | (87,415) | (143,016) | (110,629) |
| Insurance | (56,662) | (56,820) | (89,809) |
| Other Expenditure | (250,604) | (201,296) | (254,296) |
| Loss on Asset Disposal | 0 | (6,875) | (17,229) |
| Depreciation | (630,339) | (504,671) | (539,934) |
| | (3,189,555) | (3,199,957) | (3,370,363) |
| Operating Surplus/(Deficit) | 1,954,357 | 782,658 | 684,533 |
| Capital Expenditure | | | |
| Land & Buildings | 0 | (10,000) | (20,834) |
| Furniture & Equipment | (13,500) | 0 | (12,364) |
| Infrastructure Other | 0 | 0 | 0 |
| Plant & Equipment | 0 | 0 | (5,237) |
| Transfer to & from Reserve | 19,915 | (7,153) | (378) |
| | 6,415 | (17,153) | (38,813) |
| Total Net Result | 1,960,772 | 765,505 | 645,720 |

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

21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

| Grant/Contribution | Opening | Received ⁽²⁾ | Expended ⁽³⁾ | Closing | Received ⁽²⁾ | Expended ⁽³⁾ | Closing |
|---------------------------------------|------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|---------------|
| | Balance ⁽¹⁾ | | | Balance ⁽¹⁾ | | | Balance |
| | 1/07/16 | 2016/17 | 2016/17 | 30/06/17 | 2017/18 | 2017/18 | 30/06/18 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| General purpose funding | | | | | | | |
| Financial Assistance Grant | | | | 0 | 1,836,082 | (1,836,082) | 0 |
| Law, order, public safety | | | | | | | |
| DEC - Bushfire Mitigation Fund | 29,763 | 0 | (29,763) | 0 | 28,875 | (28,875) | 0 |
| FESA Bushfire & SES | 14,947 | 0 | (5,322) | 9,625 | 11,496 | (21,121) | 0 |
| Community amenities | | | | | | | |
| Dept of Planning | 102,502 | 0 | (80,741) | 21,761 | 0 | (21,761) | 0 |
| GLGF Waste & Recycling | 399,570 | 0 | (399,570) | 0 | 0 | 0 | 0 |
| Recreation and culture | | | | | | | |
| RFR Ningaloo Centre | 8,202,538 | 0 | (8,202,538) | 0 | 1,820,000 | (1,820,000) | 0 |
| Dept of Infrastructure - Hard Shade | 18,182 | 0 | (18,182) | 0 | 0 | 0 | 0 |
| GDC Public Art Strategy | 18,387 | 0 | 0 | 18,387 | 0 | (18,387) | 0 |
| Marina Breakwater NavAid | 25,464 | 386 | 0 | 25,850 | 0 | (25,850) | 0 |
| Youth Leadership Program | 10,846 | 164 | 0 | 11,010 | 0 | (11,010) | 0 |
| Youth Program (YAE) | 1,096 | 16 | 0 | 1,112 | 0 | (1,112) | 0 |
| BHP Youth Program | 1,885 | 0 | 0 | 1,885 | 0 | (1,885) | 0 |
| DSR - Community Pool Grant | 0 | 32,195 | 0 | 32,195 | 0 | (32,195) | 0 |
| BHP - 50th Anniversary Event | 0 | 50,000 | 0 | 50,000 | 0 | (50,000) | 0 |
| Quadrant - 50th Anniversary Event | 0 | 50,000 | 0 | 50,000 | 0 | (50,000) | 0 |
| Festival Australia - 50th Anniversary | 0 | 36,800 | 0 | 36,800 | 0 | (36,800) | 0 |
| Festival Australia - 50th Anniversary | 0 | 0 | 0 | 0 | 50,000 | (50,000) | 0 |
| GDC Master Trails Project | 0 | 0 | 0 | 0 | 24,170 | (13,100) | 11,070 |
| DLGC - Club Development Scheme | 0 | 0 | 0 | 0 | 20,000 | (20,000) | 0 |
| GDC 50th Anniversay | 0 | 0 | 0 | 0 | 135,000 | (135,000) | 0 |
| CSRFF - Swimming Pool Grant | 0 | 0 | 0 | 0 | 32,000 | (32,000) | 0 |
| Exmouth Amateur Swimming Club | 0 | 0 | 0 | 0 | 18,182 | (18,182) | 0 |
| GDC - Swimming Pool Grant | 0 | 0 | 0 | 0 | 105,886 | (105,886) | 0 |
| Event contributions | 0 | 0 | 0 | 0 | 2,075 | (2,075) | 0 |
| Transport | | | | | | | |
| MRWA Murat Road | 36,364 | 0 | (36,364) | 0 | 0 | 0 | 0 |
| MRWA - Direct Grant | 0 | 0 | 0 | 0 | 55,980 | (55,980) | 0 |
| Yardie Homestead | 0 | 0 | 0 | 0 | 10,000 | (10,000) | 0 |
| Commonwealth - RTR Grant | 0 | 0 | 0 | 0 | 387,354 | (387,354) | 0 |
| MRWA Murat Road - RRG | 0 | 0 | 0 | 0 | 66,700 | (66,700) | 0 |
| MRWA - Yardie Creek | 0 | 0 | 0 | 0 | 180,000 | (180,000) | 0 |
| MRWA - Ningaloo Access Road | 0 | 0 | 0 | 0 | 12,600 | 0 | 12,600 |
| MRWA - Murat Road - SIF | 0 | 0 | 0 | 0 | 42,072 | (42,072) | 0 |
| Economic services | | | | | | | |
| Landscape Services | 13,020 | 197 | 0 | 13,217 | 0 | (13,217) | 0 |
| Tourism WA Cruise Destination | 0 | 0 | 0 | 0 | 5,000 | (500) | 4,500 |
| Other property and services | | | | | | | |
| WANDARRA | 206,578 | 0 | (206,578) | 0 | 0 | 0 | 0 |
| Diesel Fuel Subsidy | 0 | 0 | 0 | 0 | 16,330 | (16,329) | 1 |
| Total | 9,081,142 | 169,758 | (8,979,058) | 271,842 | 4,859,802 | (5,103,473) | 28,171 |

Notes:

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

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

22. RATING INFORMATION

(a) Rates

| RATE TYPE | Rate In \$ | Number of Properties | Rateable Value \$ | Rate Revenue \$ | Interim Rates \$ | Back Rates \$ | 2018 Total Revenue \$ | Budget Rate Revenue \$ | Budget Interim Rate \$ | 2018 Budget Total Revenue \$ | 2017 Actual Revenue \$ |
|--|---------------|----------------------------|-------------------------|-----------------------|------------------------|---------------------|--------------------------------|---------------------------------|---------------------------------|--|---------------------------------|
| Differential general rate / general rate | | | | | | | | | | | |
| Gross rental valuations | | | | | | | | | | | |
| General | 0.0715 | 1,165 | 29,482,651 | 2,106,824 | 12,943 | 745 | 2,120,512 | 2,081,761 | 5,000 | 2,086,761 | 2,053,237 |
| Marina Developed | 0.0983 | 92 | 3,215,900 | 316,533 | 4,126 | 1,848 | 322,507 | 314,177 | 0 | 314,177 | 295,756 |
| Holiday Homes | 0.1011 | 64 | 1,604,920 | 164,882 | 1,707 | 287 | 166,876 | 148,812 | 0 | 148,812 | 149,660 |
| Vacant Land | 0.1205 | 228 | 3,227,450 | 389,754 | 0 | 0 | 389,754 | 360,676 | 0 | 360,676 | 367,241 |
| Unimproved valuations | | | | | | | | | | | |
| Mining | 0.1552 | 16 | 307,610 | 47,741 | (826) | (23) | 46,892 | 46,138 | 1,000 | 47,138 | 45,524 |
| Rural | 0.0776 | 9 | 487,060 | 37,796 | 4,592 | 0 | 42,388 | 37,796 | 0 | 37,796 | 35,112 |
| Sub-Total | | 1,574 | 38,325,591 | 3,063,530 | 22,542 | 2,857 | 3,088,929 | 2,989,360 | 6,000 | 2,995,360 | 2,947,530 |
| Minimum payment | | | Minimum \$ | | | | | | | | |
| Gross rental valuations | | | | | | | | | | | |
| General | 900 | 68 | 0 | 61,200 | 0 | 0 | 61,200 | 58,500 | 0 | 58,500 | 44,100 |
| Marina Developed | 900 | 2 | 0 | 1,800 | 0 | 0 | 1,800 | 900 | 0 | 900 | 900 |
| Holiday Homes | 900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vacant Land | 900 | 177 | 0 | 159,300 | 0 | 0 | 159,300 | 162,900 | 0 | 162,900 | 194,400 |
| Unimproved valuations | | | | | | | | | | | |
| Mining | 284 | 13 | 99,620 | 3,692 | 0 | 0 | 3,692 | 3,976 | 0 | 3,976 | 3,976 |
| Rural | 900 | 1 | 7,794 | 900 | 0 | 0 | 900 | 900 | 0 | 900 | 900 |
| Sub-Total | | 261 | 107,414 | 226,892 | 0 | 0 | 226,892 | 227,176 | 0 | 227,176 | 244,276 |
| | | 1,835 | 38,433,005 | 3,290,422 | 22,542 | 2,857 | 3,315,821 | 3,216,536 | 6,000 | 3,222,536 | 3,191,606 |
| Discounts/concessions (refer note 22(c)) | | | | | | | (104,014) | | | (27,200) | |
| Total amount raised from general rate | | | | | | | 3,211,807 | | | 3,195,336 | 3,191,606 |
| Specified Area Rate (refer note 22(b)) | | | | | | | 46,814 | | | 46,213 | 45,589 |
| Totals | | | | | | | 3,258,621 | | | 3,241,549 | 3,237,395 |

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

22. RATING INFORMATION (Continued)

(b) Specified Area Rate

| Specified Area Rate | Rate In \$ | Rateable Value | Revenue | Interim Rate Revenue | Back Rate Revenue | Total 2018 Rate Revenue | Budget Rate Revenue | Budget Back Rate Revenue | Budget Interim Rate Revenue | 2018 Total Budget Revenue | 2017 Actual Rate Revenue |
|----------------------------|------------------|-------------------|-----------|----------------------------|-------------------------|----------------------------------|---------------------------|--------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Marina Specified Area Rate | 0.0130 | 243,620 | \$ 46,213 | \$ 601 | \$ | \$ 46,814 | \$ 46,213 | \$ | \$ | \$ 46,213 | \$ 45,589 |
| | | | 46,213 | 601 | 0 | 46,814 | 46,213 | 0 | 0 | 46,213 | 45,589 |

| Specified Area Rate | Purpose of the rate | Area/properties Rate Imposed | Rate Applied to Costs | Rate Set Aside to Reserve | Reserve Applied to Costs | Budget Rate Applied to Costs | Budget Rate Set Aside to Reserve | Budget Reserve Applied to Costs |
|----------------------------|---|---------------------------------|-----------------------------|---------------------------------|--------------------------------|---------------------------------------|---|--|
| Marina Specified Area Rate | The proceeds of the rate on the environmental monitoring of the canal waterway including preservation works in accordance with the Exmouth Marina Village for Transport, Lancorp and the Shire of Exmouth | Properties zoned Marina Canals | \$ 46,814 | \$ 46,814 | \$ 46,814 | \$ 46,213 | \$ 46,213 | \$ 46,213 |
| | | | 46,814 | 46,814 | 46,814 | 46,213 | 46,213 | 46,213 |

22. RATING INFORMATION (Continued)

(c) Waivers or Concessions

| Rate or Fee and Charge to which the Waiver or Concession Is Granted | Type | Discount % | Discount \$ | Actual \$ | Budget \$ |
|--|-------|------------|-------------|-----------|-----------|
| GRV General - Residential | Rates | | 0.0016 | 27,200 | 27,200 |
| GRV General - Special Rural | Rates | | 0.0147 | 12,356 | 12,356 |
| GRV General - Residential Development | Rates | | 0.0101 | 0 | 197 |
| GRV Vacant Land - Properties zoned Industrial, light Industrial, mixed use, tourist, town centre | Rates | | 0.0096 | 9,670 | 9,670 |
| GRV Vacant Land - Special Rural | Rates | | 0.0490 | 17,117 | 17,118 |
| GRV Vacant Land - Residential development and are vacant land | Rates | | 470 | 3,290 | 3,290 |
| GRV Vacant - residential and are vacant | Rates | | 0.0472 | 1,855 | 1,855 |
| GRV Vacant - Marina and vacant land | Rates | | 0.0015 | 2,608 | 2,606 |
| GRV Holiday Homes | Rates | | 0.0312 | 19,526 | 19,526 |
| GRV Holiday Homes - Marina homes zoned as holiday homes | Rates | | 0.0009 | 944 | 944 |
| UV Rural - operate under a pastoral lease | Rates | | 0.0194 | 9,449 | 6,445 |

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

22. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan | Instalment Plan | Unpaid Rates |
|-----------------------------|----------|-----------------|-----------------|---------------|
| | | Admin Charge | Interest Rate | Interest Rate |
| | | \$ | % | % |
| Option One | | | | |
| Single full payment | 29/09/17 | 0 | 0.00% | 11.00% |
| Option Two | | | | |
| First instalment | 29/09/17 | 0 | 0.00% | 11.00% |
| Second instalment | 29/11/17 | 15 | 5.50% | 11.00% |
| Option Three | | | | |
| First instalment | 29/09/17 | 0 | 0.00% | 11.00% |
| Second instalment | 29/11/17 | 15 | 5.50% | 11.00% |
| Third instalment | 29/01/18 | 15 | 5.50% | 11.00% |
| Fourth instalment | 29/03/18 | 15 | 5.50% | 11.00% |
| | | 2,018 Actual | 2018 Budget | 2,017 Actual |
| | | \$ | \$ | \$ |
| Interest on unpaid rates | | 51,907 | 42,050 | 53,311 |
| Interest on instalment plan | | 12,470 | 12,582 | 13,034 |
| Charges on instalment plan | | 15,092 | 15,260 | 15,638 |
| Interest on deferred rates | | 703 | 872 | 0 |
| | | 80,172 | 70,764 | 81,983 |

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

23. NET CURRENT ASSETS

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

| | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash and cash equivalents | | |
| Unrestricted | 2,689,059 | 1,264,385 |
| Restricted | 6,437,450 | 6,028,803 |
| Receivables | | |
| Rates outstanding | 302,096 | 336,908 |
| Sundry debtors | 1,261,982 | 1,120,290 |
| GST receivable | 104,844 | 62,357 |
| Loans receivable - clubs/institutions | 59,000 | 54,000 |
| Accrued Revenue | 61,037 | 47,913 |
| Prepaid Expenditure | 0 | 5,721 |
| Inventories | | |
| Fuel, Oil & Materials On Hand | 28,847 | 39,398 |
| LESS: CURRENT LIABILITIES | | |
| Trade and other payables | | |
| Sundry creditors | (489,636) | (1,691,202) |
| Accrued interest on long term borrowings | (3,762) | (4,476) |
| Accrued salaries and wages | (126,290) | (115,553) |
| ATO liabilities | (166,021) | 0 |
| Prepaid Revenue | (605,290) | (22,080) |
| Accrued Expenses | (163,517) | (80,993) |
| Current portion of long term borrowings | (263,832) | (253,764) |
| Provisions | | |
| Provision for annual leave | (550,938) | (563,438) |
| Provision for long service leave | (228,844) | (259,531) |
| Unadjusted net current assets | 8,346,185 | 5,968,738 |
| Adjustments | | |
| Less: Reserves - restricted cash | (6,437,450) | (6,028,803) |
| Less: Loans receivable - clubs/institutions | (59,000) | (54,000) |
| Add: Current portion of long term borrowings | 263,832 | 253,764 |
| Add: Provision for Current Leave liabilities | 779,782 | 822,969 |
| Surplus/(Deficit) | 2,893,348 | 962,667 |

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

24. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

| | Carrying Value | | Fair Value | |
|------------------------------|-------------------|------------------|-------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 9,126,509 | 7,293,188 | 9,126,509 | 7,293,188 |
| Receivables | 1,882,977 | 1,792,546 | 1,277,779 | 1,792,546 |
| | <u>11,009,486</u> | <u>9,085,734</u> | <u>10,404,288</u> | <u>9,085,734</u> |
| Financial liabilities | | | | |
| Payables | 1,554,516 | 1,914,304 | 925,193 | 1,914,304 |
| Borrowings | 2,262,792 | 2,516,557 | 2,262,792 | 2,516,557 |
| | <u>3,817,308</u> | <u>4,430,861</u> | <u>3,187,985</u> | <u>4,430,861</u> |

Fair value is determined as follows:

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

Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

24. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio.

The Shire has an Investment Policy and the Policy is subject to review by Council.

An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

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

| | 2018 | 2017 |
|--|--------|---------|
| Impact of a 1% ⁽¹⁾ movement in interest rates on cash | \$ | \$ |
| - Equity | 91,265 | 103,952 |
| - Statement of Comprehensive Income | 91,265 | 72,932 |

Notes:

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

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

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

| | 2018 | 2017 |
|--|---------|---------|
| | % | % |
| Percentage of rates and annual charges | | |
| - Current | 0.00% | 0.00% |
| - Overdue | 100.00% | 100.00% |
| Percentage of other receivables | | |
| - Current | 77.78% | 69.10% |
| - Overdue | 22.22% | 30.90% |

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

24. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

| | Due within 1 year | Due between 1 & 5 years | Due after 5 years | Total contractual cash flows | Carrying values |
|-------------|-------------------|-------------------------|-------------------|------------------------------|-----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2018 | | | | | |
| Payables | 1,554,517 | 0 | 0 | 1,554,517 | 1,554,517 |
| Borrowings | 347,960 | 1,104,323 | 977,486 | 2,429,769 | 2,262,792 |
| | 1,902,477 | 1,104,323 | 977,486 | 3,984,286 | 3,817,309 |
| 2017 | | | | | |
| Payables | 5,016,304 | 0 | 0 | 5,016,304 | 5,016,304 |
| Borrowings | 347,960 | 1,241,852 | 1,518,552 | 3,108,364 | 2,516,557 |
| | 5,364,264 | 1,241,852 | 1,518,552 | 8,124,668 | 7,532,861 |

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

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

| Year ended 30 June 2018 | <1 year | >1<2 years | >2<3 years | >3<4 years | >4<5 years | >5 years | Total | Weighted Average Effective Interest Rate |
|--|---------|------------|------------|------------|------------|-----------|-----------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Long term borrowings | 47,955 | 0 | 0 | 0 | 331,881 | 1,882,956 | 2,262,792 | 3.86% |
| Weighted average Effective interest rate | 5.65% | 0.00% | 0.00% | 0.00% | 2.41% | 4.07% | | |
| Year ended 30 June 2017 | | | | | | | | |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Long term borrowings | 0 | 93,311 | 0 | 0 | 0 | 2,423,246 | 2,516,557 | 3.86% |
| Weighted average Effective interest rate | 0.00% | 5.65% | 0.00% | 0.00% | 0.00% | 4.81% | | |

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

25. 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 2017 | Amounts Received | Amounts Paid | 30 June 2018 |
|-------------------------------------|-------------|------------------|--------------|--------------|
| | \$ | \$ | \$ | \$ |
| Hall & Rec Centre Bonds | 4,750 | 8,850 | (8,650) | 4,950 |
| Olma Funding | 2,423 | 0 | 0 | 2,423 |
| Forum Travel Fund | 2,990 | 0 | 0 | 2,990 |
| NADC | 11,335 | 0 | 0 | 11,335 |
| Cyclone Baptist Needy Fund | 2,800 | 0 | 0 | 2,800 |
| Council Nomination Fees | 0 | 960 | (880) | 80 |
| Sundries | 7,894 | 800 | (150) | 8,544 |
| Building/Planning Bonds | 73,400 | 0 | 0 | 73,400 |
| Youth Affairs | 1,401 | 0 | 0 | 1,401 |
| Exmouth Volunteer Fire & Rescue | 50,000 | 0 | 0 | 50,000 |
| Jurabi Coastal Park | 59,400 | 0 | 0 | 59,400 |
| Unclaimed Monies | 7,637 | 0 | 0 | 7,637 |
| Staff Housing Bonds | 0 | 200 | (200) | 0 |
| Key Bonds | 850 | 1,000 | (1,050) | 800 |
| Bond Deed Exmouth Marina Holdings | 18,186 | 0 | 0 | 18,186 |
| Cash In Lieu POS | 169,420 | 0 | 0 | 169,420 |
| Ingleton St Reserve 29086 (20A/152) | 205,249 | 0 | 0 | 205,249 |
| Donations to Other Organisations | 135 | 74 | (74) | 135 |
| BCITF Levy | 0 | 22,663 | (22,351) | 312 |
| BSL Levy | 0 | 17,969 | (17,693) | 276 |
| | 617,870 | | | 619,338 |

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

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

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

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

Notes:

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

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

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

Adoption of New and Revised Accounting Standards

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

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

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

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the revised budget apart from the cashflow statement. The detailed revised budget was adopted by council on 22 March 2018.

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

28. ACTIVITIES/PROGRAMS

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

| PROGRAM NAME | OBJECTIVE | ACTIVITIES |
|-----------------------------|--|--|
| GOVERNANCE | To provide a decision making process for efficient allocation of resources | Includes the activities of members of council and the administrative support available to the council for provision of governance of the shire. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services |
| GENERAL PURPOSE FUNDING | To collect revenue to allow for the provision to services | The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General government grant and interest revenue |
| LAW, ORDER, PUBLIC SAFETY | To provide services to help ensure a safer and environmentally concious community | The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws |
| HEALTH | To provide an operational framework for environmental and community health | Maternal and Infant health, preventative service and environmental health |
| EDUCATION AND WELFARE | To provide services to disadvantaged persons, the elderly children and youth | Maintenance on playgroup and senior citezens buildings |
| HOUSING | To provide housing to staff members | Administration and operation of residential housing for council staff |
| COMMUNITY AMENITIES | To provide services required by the community | Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemtries and othe community amenities |
| RECREATION AND CULTURE | To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community | Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facillitues. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio broadcasting facilities |
| TRANSPORT | To provide safe, effective and efficient transport services to the community | Construction and maintenance of roads, street footpaths, depot, cycleways, parking facilities and traffic control. Cleanninbg of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome |
| ECONOMIC SERVICES | The promotion of the district to increase economic activities and the provision of building control within the shire | Tourism area promotion and building control |
| OTHER PROPERTY AND SERVICES | To monitor and control Council's overheads operating accounts | The provision of private works to the public and the maintenance of cost pools for plant operating, public works overheads and administration costs. |

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

| 29. FINANCIAL RATIOS | 2018 | 2017 | 2016 |
|-----------------------------------|---------|---------|---------|
| Current ratio | 1.924 | 1.070 | 0.876 |
| Asset consumption ratio | 0.710 | 0.646 | 0.727 |
| Asset renewal funding ratio | 0.770 | 1.050 | 0.940 |
| Asset sustainability ratio | 0.193 | 0.129 | 0.625 |
| Debt service cover ratio | 9.778 | 15.143 | 7.866 |
| Operating surplus ratio | (0.240) | (0.217) | (0.249) |
| Own source revenue coverage ratio | 0.690 | 0.641 | 0.722 |

The above ratios are calculated as follows:

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

Notes

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

| | 2017/18 | 2016/17 | 2015/16 |
|--|------------|------------|------------|
| Amount of Financial Assistance Grant received during the year relating to the subsequent year. | \$ 982,735 | \$ 993,202 | \$ 0 |
| Amount of Financial Assistance Grant received in prior year relating to current year. | \$ 993,202 | \$ 0 | \$ 962,389 |

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

| | 2018 | 2017 | 2016 |
|--------------------------|---------|---------|-----------|
| Current ratio | 1.504 | 1.432 | No Change |
| Debt service cover ratio | 9.663 | 9.615 | 13.096 |
| Operating surplus ratio | (0.244) | (0.321) | (0.238) |



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Exmouth

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Exmouth which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Exmouth:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter- Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

Identify and assess the 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 my 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 CEO.

Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.

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.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past 3 years
 - b. The Operating Surplus Ratio has been below the DLGSCI standard for the past 3 years.

The financial ratios are reported in Note 29 of the financial report.

- (ii) The following material matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. Accounting journal entries were posted by one employee, without being reviewed by a senior staff member independent of preparation. Accounting journals can represent significant adjustments to previously approved accounting transactions , and should therefore be appropriately reviewed and approved.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed .
- (v) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 29 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Exmouth for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website , they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia

4 December 2018

MONTHLY LIST OF PAYMENTS - November 2018

The following schedule of accounts have been paid under delegation by the CEO since the previous Council meeting. Checks have been carried out to verify prices, computations and costing.

Municipal Account:

| | | |
|---|------------|---------------------|
| Cheque numbers 13577 - 13597 | -\$ | 24,982.09 |
| Direct Debits and EFT Payments EFT14075- EFT14275 | -\$ | 1,312,845.93 |
| Credit Card Purchases | -\$ | 4,588.53 |
| Total Municipal Account | -\$ | 1,342,416.55 |

Trust Account:

| | | |
|---------------------------------------|------------|---------------------|
| Cheque numbers 400869- | \$ | - |
| Direct Debits and EFT Payments | -\$ | 1,550.00 |
| Total Trust Account | -\$ | 1,550.00 |
| TOTAL PAYMENTS - November 2018 | -\$ | 1,343,966.55 |

| Reference | Date | Name | Description | Municipal Account | Trust Account |
|-----------|------------|---|--|----------------------|---------------|
| 13577 | 02/11/2018 | PIVOTEL SATELLITE PTY LTD | TRAK SPOT SATELLITE - SEPTEMBER 2018 | -\$ 31.00 | |
| 13581 | 16/11/2018 | CUSTOMER | RATES REFUND FOR ASSESSMENT A960 35 HERON WY EXMOUTH WA 6707 | -\$ 65.31 | |
| 13582 | 16/11/2018 | PIVOTEL SATELLITE PTY LTD | TRAK SPOT SATELLITE - OCTOBER 2018 | -\$ 31.00 | |
| 13583 | 30/11/2018 | CUSTOMER | REFUND APPLICATION PA124/18 NOT PERMITTED | -\$ 295.00 | |
| 13584 | 30/11/2018 | TELSTRA | UTILITIES | -\$ 329.99 | |
| 13595 | 16/11/2018 | TELSTRA CORPORATION | IPAD DATA PACK - 0488 585 706 | -\$ 14,130.21 | |
| 13596 | 16/11/2018 | CUSTOMER | RATES REFUND ASSESSMENT A112 7/78 MAIDSTONE CR EXMOUTH WA 6707 | -\$ 547.85 | |
| 13597 | 16/11/2018 | WATER CORPORATION | PATERSON BORE - WATER | -\$ 9,551.73 | |
| | | | TOTAL CHEQUES | -\$ 24,982.09 | \$ - |
| DD4723.1 | 01/11/2018 | WESTNET PTY LTD | UTILITIES | -\$ 404.78 | |
| DD4723.2 | 01/11/2018 | WESTPAC BANKING CORPORATION | BANK FEES | -\$ 808.15 | |
| DD4723.3 | 01/11/2018 | AVDATA | LEARMONTH LANDING FEES FOR OCTOBER 2018 | -\$ 4,053.75 | |
| DD4734.1 | 07/11/2018 | SUPERANNUATION | SUPERANNUATION | -\$ 34,419.34 | |
| DD4747.1 | 21/11/2018 | WA LOCAL GOVERNMENT SUPERANNUATION | SUPERANNUATION | -\$ 37,015.13 | |
| DD4751.1 | 23/11/2018 | TELSTRA CORPORATION | UTILITIES | -\$ 69.95 | |
| DD4753.1 | 26/11/2018 | WESTNET PTY LTD | UTILITIES | -\$ 49.99 | |
| | | | TOTAL DIRECT DEBIT PAYMENTS | -\$ 76,821.09 | \$ - |
| EFT14075 | 01/11/2018 | WESTERN AUSTRALIAN TREASURY CORP. | SNAPPER LOOP LOAN INTEREST PAYMENT | -\$ 24,998.24 | |
| EFT14076 | 02/11/2018 | ABCO PRODUCTS PTY LTD | CLEANING SUPPLIES | -\$ 4,181.83 | |
| EFT14077 | 02/11/2018 | AERODROME MANAGEMENT SERVICES PTY LTD (AMS) | PROVISIONS OF ASIC CARD FOR STAFF | -\$ 220.00 | |
| EFT14078 | 02/11/2018 | BCS INFRASTRUCTURE SUPPORT PTY LTD | QUARTERLY MAINTENANCE CHARGES FOR BAGGAGE SYSTEMS AUGUST TO OCTOBER 2018 | -\$ 4,011.88 | |
| EFT14079 | 02/11/2018 | BUNNINGS GROUP LIMITED | GUTTERGUARDS | -\$ 219.30 | |
| EFT14080 | 02/11/2018 | STAFF | STAFF REMUNERATION AS PER CONTRACT REMOTE TRAVEL & PHONE & INTERNET | -\$ 5,848.00 | |
| EFT14081 | 02/11/2018 | CENTAMAN SYSTEMS PTY LTD T/A JONAS LEISURE | 1000 GENERIC TICKETS FOR MUSEUM ENTRY | -\$ 126.50 | |
| EFT14082 | 02/11/2018 | CJ LORD BUILDING AND RENOVATION WA PTY LTD | VARIATIONS TO CONTRACT FIRE SHED | -\$ 2,655.05 | |
| EFT14083 | 02/11/2018 | COPYRIGHT AGENCY | LOCAL GOVERNMENT PACKAGE COPYRIGHT LICENCE FOR COUNCIL ICR29916 | -\$ 1,624.17 | |
| EFT14084 | 02/11/2018 | COVS AUTOMOTIVE, MINING & INDUSTRIAL SUPPLIES | MOTORVEHICLE PARTS | -\$ 35.19 | |
| EFT14085 | 02/11/2018 | DAIMLER TRUCKS PERTH | MOTORVEHICLE PARTS | -\$ 10,114.77 | |
| EFT14086 | 02/11/2018 | DARLENE & TERRY ALLSTON T/a NINGALOO COOKING STUDIO | SUPPLY CATERING FOR OPENING OF AQUARIUM 26TH OCTOBER | -\$ 1,191.90 | |
| EFT14087 | 02/11/2018 | DEPARTMENT OF DEFENCE - TREASURY AND BANKING | UTILITIES | -\$ 279.40 | |
| EFT14088 | 02/11/2018 | DEPARTMENT OF TRANSPORT - TRANSPORT CENTRE PERTH | DISCLOSURE OF INFORMATION FEES FOR VEHICLE SEARCHES | -\$ 17.00 | |
| EFT14089 | 02/11/2018 | ERA CONTRACTORS | ELECTRICAL WORKS AT AIRPORT | -\$ 7,561.72 | |
| EFT14090 | 02/11/2018 | EXMOUTH BETTA ELECTRICAL & GAS | FURNITURE FOR SHIRE HOUSING | -\$ 5,738.95 | |
| EFT14091 | 02/11/2018 | EXMOUTH CIVIL PTY LTD | LOT 300 HERON WAY SUBDIVISION RETENTION PAYMENT | -\$ 60,738.08 | |
| EFT14092 | 02/11/2018 | EXMOUTH DISTRICT HIGH SCHOOL. | UTILITIES | -\$ 166.37 | |
| EFT14093 | 02/11/2018 | EXMOUTH FREIGHT SERVICES | FREIGHT | -\$ 181.50 | |
| EFT14094 | 02/11/2018 | EXMOUTH IGA | CONSUMABLES FOR THE MONTH OF SEPTEMBER 2018 | -\$ 347.36 | |
| EFT14095 | 02/11/2018 | EXMOUTH VET CLINIC | AQUARIUM SUPPLIES | -\$ 608.25 | |
| EFT14096 | 02/11/2018 | EXMOUTH WHOLESALERS | STAFF CONSUMABLES | -\$ 2,183.66 | |
| EFT14097 | 02/11/2018 | EXY PLUMBING & CONTRACTING | PLUMBING REPAIRS SUPPLY AND INSTALL LEACH DRAIN BUNDEGI | -\$ 13,710.24 | |
| EFT14098 | 02/11/2018 | FROTH CRAFT BREWERY LITTLE PHETE PTY LTD | FROTH CRAFT BEER FOR AQUARIUM OPENING | -\$ 65.00 | |
| EFT14099 | 02/11/2018 | HAYS SPECIALIST RECRUITMENT (AUSTRALIA) PTY LTD | SPECIALIST CHARGES FOR WEEK ENDING 21.10.18 | -\$ 3,544.20 | |
| EFT14100 | 02/11/2018 | HITACHI CONSTRUCTION MACHINERY (AUST) PTY LTD | EQUIPMENT PARTS | -\$ 26.74 | |
| EFT14101 | 02/11/2018 | HORIZON POWER - ACCOUNTS | UTILITIES | -\$ 1,446.87 | |
| EFT14102 | 02/11/2018 | HT CLEANING SERVICES PTY LTD | CLEANING NINGALOO CENTRE FOR THE MONTH OF JULY 2018 | -\$ 19,000.90 | |

| Reference | Date | Name | Description | Municipal Account | Trust Account |
|-----------|------------|--|--|-------------------|---------------|
| EFT14103 | 02/11/2018 | IDENTITY MATTERS PTY LTD | SHIRE LOGO MATS FOR ENTRANCE TO NINGALOO CENTRE | -\$ 2,866.60 | |
| EFT14104 | 02/11/2018 | INMARSAT AUSTRALIA PTY LTD | SATELLITE PHONE CHARGES FOR THE MONTH OF SEPTEMBER 2018 | -\$ 124.14 | |
| EFT14105 | 02/11/2018 | IXOM OPERATIONS PTY LTD | SERVICE FEE CHLORINE | -\$ 613.80 | |
| EFT14106 | 02/11/2018 | JASON SIGNMAKERS | STREET SIGNAGE FOR NINGALOO BOAT & CAR HIRE | -\$ 126.50 | |
| EFT14107 | 02/11/2018 | STAFF | AIRFARE REMUNERATION AS PER STAFF CONTRACT | -\$ 221.28 | |
| EFT14108 | 02/11/2018 | STAFF | RECOUP FOR AIRTRAVEL AS PER STAFF CONTRACT | -\$ 479.40 | |
| EFT14109 | 02/11/2018 | MARK'S SIGNS | SIGNS FOR POOL | -\$ 478.50 | |
| EFT14110 | 02/11/2018 | MARKETFORCE | ADVERTISING IN PILBARA NEWS AMENDMENTS TO FEES & CHARGES | -\$ 160.14 | |
| EFT14111 | 02/11/2018 | MELLAS HOUSE | AQUARIUM SUPPLIES | -\$ 19.98 | |
| EFT14112 | 02/11/2018 | McLEODS BARRISTERS AND SOLICITORS | LEGAL FEES | -\$ 2,558.93 | |
| EFT14113 | 02/11/2018 | NGT LOGISTICS PTY LTD | FREIGHT | -\$ 3,012.06 | |
| EFT14114 | 02/11/2018 | NINGALOO CARAVAN & HOLIDAY RESORT | UTILITIES | -\$ 4,086.86 | |
| EFT14115 | 02/11/2018 | NINGALOO NECTAR | BOTTLED WATER | -\$ 90.00 | |
| EFT14116 | 02/11/2018 | NORCAPE BUILDING COMPANY | REPLACE WHIRLIE BIRDS AT SPRAY PARK | -\$ 565.40 | |
| EFT14117 | 02/11/2018 | NORCAPE TREE SERVICES | REMOVE SMALL TREE 11 PAGE STREET AND GRIND STUMP | -\$ 110.00 | |
| EFT14118 | 02/11/2018 | OFFICEWORKS | STATIONERY | -\$ 827.75 | |
| EFT14119 | 02/11/2018 | PROTECTOR FIRE SERVICES PROTECTOR FIRE SERVICES | EMERGENCY CONTROL EQUIPMENT | -\$ 1,180.19 | |
| EFT14120 | 02/11/2018 | PUREWATER POOL SERVICES | DOSING PUMP SERVICE KITS | -\$ 379.50 | |
| EFT14121 | 02/11/2018 | RAPID PRINT FINISHING | BINDING OF COUNCIL MINUTES 2017 | -\$ 270.60 | |
| EFT14122 | 02/11/2018 | ROYAL LIFE SAVING SOCIETY WA INC. | WATCH AROUND WATER REGISTRATION | -\$ 400.00 | |
| EFT14123 | 02/11/2018 | SALT & SAND EVENT HIRE | WHITE LARGE ROUND TABLE CLOTHS FOR AQUARIUM OPENING | -\$ 200.00 | |
| EFT14124 | 02/11/2018 | SCOTT PRINT | MUSEUM GUIDE BROCHURES | -\$ 642.40 | |
| EFT14125 | 02/11/2018 | SETON AUSTRALIA | UNCORDED EARPLUGS | -\$ 371.44 | |
| EFT14126 | 02/11/2018 | SPYKER BUSINESS SOLUTIONS | EQUIPMENT UPGRADE OF WIFI SYSTEM AT AIRPORT | -\$ 9,609.99 | |
| EFT14127 | 02/11/2018 | STAMP IT RUBBER STAMP CO | SELF INKING STAMPS | -\$ 195.45 | |
| EFT14128 | 02/11/2018 | STAFF | REIMBURSE FOR BUILDING SURVEYOR CONFERENCE EXPENSES 24.10.18-28.10.18 | -\$ 81.80 | |
| EFT14129 | 02/11/2018 | TACKLE WORLD EXMOUTH (BLUE WATER) | AQUARIUM SUPPLIES | -\$ 144.96 | |
| EFT14130 | 02/11/2018 | TENNANT AUSTRALIA PTY LTD | PARTS FOR SENTINEL ROAD SWEEPER | -\$ 162.89 | |
| EFT14131 | 02/11/2018 | TNT EXPRESS AUSTRALIA - ACCOUNTS | FREIGHT | -\$ 239.60 | |
| EFT14132 | 02/11/2018 | TOLL IPEC | FREIGHT | -\$ 1,072.52 | |
| EFT14133 | 02/11/2018 | TONY HOWARD DESIGNS/ CREATIVE TONES | NINGALOO CENTRE SIGNAGE FINAL INSTAL | -\$ 1,840.00 | |
| EFT14134 | 02/11/2018 | TOTAL EDEN PTY LTD | IRRIGATION SUPPLIES | -\$ 1,185.29 | |
| EFT14135 | 02/11/2018 | TOTALLY WORKWEAR MIDLAND | STAFF UNIFORMS FOR DEPOT | -\$ 560.69 | |
| EFT14136 | 02/11/2018 | VISUAL CONTRAST | PROJECT MANAGEMENT INSTALL AND PRODUCTIONS OF ENTRY TO NINGALOO | -\$ 1,820.00 | |
| EFT14137 | 02/11/2018 | WA COUNTRY HEALTH SERVICE - MIDWEST | PRE EMPLOYMENT MEDICAL | -\$ 396.00 | |
| EFT14138 | 02/11/2018 | WALGA | EFFECTIVE COMMUNITY LEADERSHIP COURSE 2.11.18 | -\$ 550.00 | |
| EFT14139 | 02/11/2018 | WESTRAC PTY LTD | PARTS FOR CATERPILLAR LOADER | -\$ 676.91 | |
| EFT14140 | 02/11/2018 | WHALEBONE BREWING COMPANY PTY LTD | WHALEBONE LOCAL BEER FOR AQUARIUM OPENING | -\$ 150.00 | |
| EFT14141 | 02/11/2018 | ZIPFORM PTY LTD | A4 RATE NOTICE PAPER | -\$ 1,152.25 | |
| EFT14142 | 05/11/2018 | CUSTOMER | REFUND OF BOND FOR RECREATION CENTRE HIRE 27.10.18 RCPT#34138 | | -\$ 550.00 |
| EFT14143 | 16/11/2018 | ACS MARCOMM | EARPIECE KITS | -\$ 402.60 | |
| EFT14144 | 16/11/2018 | ADVENTURE FILM TOURS ASPIRING DIGITAL MEDIA PTY LTD | BOX OFFICE FROM WAFT-AU SCREENING | -\$ 272.87 | |
| EFT14145 | 16/11/2018 | AUSTRALIA POST | POSTAGE | -\$ 1,288.02 | |
| EFT14146 | 16/11/2018 | AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY | MEDIA USERS LICENCE AIRPORT | -\$ 44.00 | |
| EFT14147 | 16/11/2018 | AUSTRALIAN GOVERNMENT CHILD SUPPORT AGENCY | PAYROLL DEDUCTIONS | -\$ 225.99 | |
| EFT14148 | 16/11/2018 | AUSTRALIAN TAX OFFICE (PAYG) | PAYROLL DEDUCTIONS | -\$ 39,824.00 | |
| EFT14149 | 16/11/2018 | AUSTRALIAN TAXATION OFFICE | BAS STATEMENT OCTOBER 2018 | -\$ 47,821.00 | |
| EFT14150 | 16/11/2018 | AUSRECORDS DOCUMENT MANAGEMENT SERVICES | 2D EXTRA FILES WITH LP TUBE CLIPS | -\$ 882.75 | |
| EFT14151 | 16/11/2018 | STAFF | REIMBURSEMENT OF TRAVEL EXPENSES FOR CURATOR MEETINGS IN PERTH 2.11.18 - 3.11.18 | -\$ 632.11 | |
| EFT14152 | 16/11/2018 | BUSINESS BASE | 5 X OFFICE CHAIRS | -\$ 1,275.00 | |
| EFT14153 | 16/11/2018 | CAPRICORN EXTINGUISHER SERVICES. | FIRE EXTINGUISHERS SERVICES | -\$ 814.90 | |
| EFT14154 | 16/11/2018 | CAPRICORN PEST CONTROL | HOUSING PEST CONTROL | -\$ 550.00 | |
| EFT14155 | 16/11/2018 | CARNARVON PEST CONTROL | PEST CONTROL TREATMENT | -\$ 995.50 | |
| EFT14156 | 16/11/2018 | CENTRAL REGIONAL TAFE | SAFETY & HEALTH REPRESENTATIVE TRAINING | -\$ 6,846.40 | |
| EFT14157 | 16/11/2018 | COASTMAC TRAILERS COASTAL MACHINERY PTY LTD | BOX TRAILER PURCHASE COASTMAC BT74 2018 MODEL 7X4 | -\$ 2,010.00 | |
| EFT14158 | 16/11/2018 | COCKBURN CEMENT LIMITED | CEMENT | -\$ 777.04 | |
| EFT14159 | 16/11/2018 | CONSERVATION, ANIMAL RESCUE, RESEARCH & EDUCATION (CARE) | ALUMINIUM CAN COLLECTION 1037 KGS | -\$ 915.00 | |
| EFT14160 | 16/11/2018 | DAIMLER TRUCKS PERTH | MOTORVEHICLE PARTS | -\$ 750.85 | |
| EFT14161 | 16/11/2018 | DANA JEANS COASTAL BLOOMS | WREATH FOR SHIRE HALL REMEMBRANCE DAY | -\$ 105.00 | |

| Reference | Date | Name | Description | Municipal Account | Trust Account |
|-----------|------------|---|--|-------------------|---------------|
| EFT14162 | 16/11/2018 | DARLENE & TERRY ALLSTON T/a NINGALOO COOKING STUDIO | CATERING FOR MORNING TEA X 7 PAX 8TH NOVEMBER AND LUNCH X 14 PAX | -\$ 490.00 | |
| EFT14163 | 16/11/2018 | DEPARTMENT OF FIRE AND EMERGENCY SERVICES | 2018/19 ESL FIRE & EMERGENCY SERVICES LEVY | -\$ 9,660.52 | |
| EFT14164 | 16/11/2018 | DEPARTMENT OF DEFENCE | UTILITIES | -\$ 22,094.60 | |
| EFT14165 | 16/11/2018 | ERA CONTRACTORS | ELECTRICAL WORKS AT WASTE SITE | -\$ 1,391.50 | |
| EFT14166 | 16/11/2018 | EXMOUTH AUTO AND MARINE ELECTRICS | ELECTRICAL WORKS NINGALOO CENTRE | -\$ 250.00 | |
| EFT14167 | 16/11/2018 | EXMOUTH AUTOMOTIVE AND BOATING SERVICES | MOTORVEHICLE PARTS | -\$ 209.72 | |
| EFT14168 | 16/11/2018 | EXMOUTH CIVIL PTY LTD | ROADBASE | -\$ 14,330.03 | |
| EFT14169 | 16/11/2018 | EXMOUTH FUEL SUPPLIES | FUEL FOR OCTOBER | -\$ 390.08 | |
| EFT14170 | 16/11/2018 | EXMOUTH INDUSTRIAL SERVICES (EIS) | MOTORVEHICLE PARTS | -\$ 87.45 | |
| EFT14171 | 16/11/2018 | EXMOUTH NEWSAGENCY & TOYWORLD | STATIONERY ORDER FOR OCTOBER 2018 | -\$ 1,975.60 | |
| EFT14172 | 16/11/2018 | EXMOUTH PHARMACY | STAFF RECRUITMENT IMMUNISATIONS | -\$ 174.22 | |
| EFT14173 | 16/11/2018 | EXMOUTH WHOLESALERS | POOL KIOSK SUPPLIES | -\$ 1,856.20 | |
| EFT14174 | 16/11/2018 | EXY PLUMBING & CONTRACTING | PLUMBING WORKS SWIM PARK | -\$ 2,457.34 | |
| EFT14175 | 16/11/2018 | STAFF | REIMBURSEMENTS FOR REFRESHMENT PURCHASES FOR CRUISESHIP FILM CREW | -\$ 88.87 | |
| EFT14176 | 16/11/2018 | HAYS SPECIALIST RECRUITMENT (AUSTRALIA) PTY LTD | SPECIALIST CHARGES | -\$ 21,654.57 | |
| EFT14177 | 16/11/2018 | HOME TIMBER AND HARDWARE | HARDWARE CONSUMABLES FOR OCTOBER 2018 | -\$ 3,358.91 | |
| EFT14178 | 16/11/2018 | HORIZON POWER - ACCOUNTS | MURAT ROAD CONSTRUCTION | -\$ 560,556.65 | |
| EFT14179 | 16/11/2018 | HT CLEANING SERVICES PTY LTD | CONTRACT CLEANING FOR THE MONTH OF NOVEMBER 2018 | -\$ 8,577.68 | |
| EFT14180 | 16/11/2018 | INMARSAT AUSTRALIA PTY LTD | UTILITIES | -\$ 124.14 | |
| EFT14181 | 16/11/2018 | IXOM OPERATIONS PTY LTD | CHLORINE SERVICE FEE MONTH OF OCTOBER 2018 | -\$ 634.26 | |
| EFT14182 | 16/11/2018 | JASON SIGNSMAKERS | AIRPORT SIGNAGE | -\$ 1,888.06 | |
| EFT14183 | 16/11/2018 | STAFF | REIMBURSEMENT TO STAFF FOR FLIGHTS TO PERTH AS PER CONTRACT | -\$ 719.10 | |
| EFT14184 | 16/11/2018 | LANDGATE | GROSS RENTAL VALUATIONS CHARGEABLE | -\$ 1,203.93 | |
| EFT14185 | 16/11/2018 | LGIS RISK MANAGEMENT | FIRE WARDEN TRAINING | -\$ 1,056.00 | |
| EFT14186 | 16/11/2018 | LOCAL GOVERNMENT PROFESSIONALS AUSTRALIA WA | 2018/2019 MEMBERSHIP | -\$ 398.25 | |
| EFT14187 | 16/11/2018 | LOCAL GOVT RACING & CEMETERIES EMP UNION | PAYROLL DEDUCTIONS | -\$ 19.40 | |
| EFT14188 | 16/11/2018 | MANTRA ON MURRAY | ACCOMMODATION WALGA TRAINING 27.10.18-30.10.18 | -\$ 507.00 | |
| EFT14189 | 16/11/2018 | STAFF | STAFF REIMBURSEMENT OF TRAVEL WHILST ATTENDING PERFORMANCE APPRAISALS TRAINING 27/10-30/10/18 IN PERTH | -\$ 93.57 | |
| EFT14191 | 16/11/2018 | MUMBY'S AUTO ELECTRICAL AND AIR CONDITIONING | SUPPLY AND FIT IGNITION SWITCH TO HELIPORT TUG | -\$ 322.52 | |
| EFT14192 | 16/11/2018 | NGT LOGISTICS PTY LTD | FREIGHT | -\$ 4,052.81 | |
| EFT14193 | 16/11/2018 | NINGALOO NECTAR | WATER | -\$ 216.00 | |
| EFT14194 | 16/11/2018 | NOISE AND VIBRATION MEASUREMENT SYSTEMS PTY LTD | TRAINING | -\$ 1,265.00 | |
| EFT14195 | 16/11/2018 | NORCAPE TREE SERVICES | PRUNE TREES UNDER POWERLINES | -\$ 748.00 | |
| EFT14196 | 16/11/2018 | NORWEST CRANE HIRE #2 PTY LTD | SKIP BIN HIRE FOR AIRPORT FOR OCTOBER 2018 | -\$ 1,920.60 | |
| EFT14197 | 16/11/2018 | NS ADVISORY | NINGALOO CENTRE LEASING CHARGES | -\$ 15,210.25 | |
| EFT14198 | 16/11/2018 | OFFICEWORKS | STATIONERY | -\$ 593.83 | |
| EFT14199 | 16/11/2018 | PARKER BLACK & FORREST PTY LTD | 4 x MASTER KEYS FOR THE NINGALOO CENTRE | -\$ 91.30 | |
| EFT14200 | 16/11/2018 | PATHWEST LABORATORY WA | PRE EMPLOYMENT MEDICAL | -\$ 70.00 | |
| EFT14201 | 16/11/2018 | R&L COURIERS | FREIGHT | -\$ 176.00 | |
| EFT14202 | 16/11/2018 | ROY GRIPSKE & SONS PTY LTD | WHIPPER SNIPPER PARTS | -\$ 265.87 | |
| EFT14203 | 16/11/2018 | STAFF | STAFF REIMBURSE RECRUITMENT COSTS | -\$ 92.70 | |
| EFT14204 | 16/11/2018 | SCENT AUSTRALIA PTY LTD | MONTHLY AMBIENT SCENTING FOR THE PERIOD 11.11.18 - 11.12.18 | -\$ 143.00 | |
| EFT14205 | 16/11/2018 | SCOPE BUSINESS IMAGING | SERVICE PLAN | -\$ 795.60 | |
| EFT14206 | 16/11/2018 | SIGNS PLUS | NAME BADGES FOR STAFF | -\$ 32.00 | |
| EFT14207 | 16/11/2018 | SML ENTERPRISES PTY LTD | SUPPLY AND INSTALL NEW TELEPHONES X 5 NINGALOO CENTRE | -\$ 5,489.00 | |
| EFT14208 | 16/11/2018 | CUSTOMER | RATES REFUND FOR ASSESSMENT A1569 UNIT 7 592 MURAT RD | -\$ 2,109.84 | |
| EFT14209 | 16/11/2018 | SPYKER BUSINESS SOLUTIONS | IT SUPPORT AND SERVER MONITORING FOR OCTOBER 2018 | -\$ 13,554.09 | |
| EFT14210 | 16/11/2018 | SRB LEGAL | LEGAL FEES | -\$ 1,500.00 | |
| EFT14211 | 16/11/2018 | SUPER SIGNS SINUSS PTY LTD T/A SUPER SIGNS | GALLERY ENTRY AND ROOFTOP SIGNAGE | -\$ 44,984.50 | |
| EFT14212 | 16/11/2018 | TADDEN PTY LTD | PLUMBING REPAIRS | -\$ 1,367.20 | |
| EFT14213 | 16/11/2018 | TALIS CONSULTANTS PTY LTD | REVIEW OF WASTE SERVICES TENDER MANAGEMENT CONSULTANCY | -\$ 13,344.38 | |
| EFT14214 | 16/11/2018 | TENNANT AUSTRALIA PTY LTD | EQUIPMENT PARTS | -\$ 1,794.72 | |
| EFT14215 | 16/11/2018 | THE HONDA SHOP | EQUIPMENT PARTS | -\$ 292.30 | |
| EFT14216 | 16/11/2018 | TNT EXPRESS AUSTRALIA - ACCOUNTS | FREIGHT | -\$ 470.45 | |
| EFT14217 | 16/11/2018 | TOTALLY WORKWEAR MIDLAND | STAFF UNIFORMS | -\$ 714.23 | |
| EFT14218 | 16/11/2018 | TECHWEST | ASSISTANCE WITH ELECTRICAL CONTROLS OF CENTAMAN ACCESS SYSTEM | -\$ 330.00 | |
| EFT14219 | 16/11/2018 | WESTRAC PTY LTD | EQUIPMENT PARTS | -\$ 4,018.59 | |
| EFT14220 | 28/11/2018 | BUILDING COMMISSION | BSL LEVY COLLECTED SEPTEMBER & OCTOBER 2018 | -\$ 252.97 | |

| Reference | Date | Name | Description | Municipal Account | Trust Account |
|-----------|------------|--|---|---------------------------|-------------------------|
| EFT14221 | 28/11/2018 | SHIRE OF EXMOUTH | BSL LEVY COLLECTED SEPTEMBER & OCTOBER 2018 | -\$ 15.00 | |
| EFT14222 | 30/11/2018 | CORPORATE TRAVELLER | REFUND OF BOND LESS ADDITIONAL ROOM HIRE 12.10.18 | | -\$ 236.00 |
| EFT14223 | 30/11/2018 | SEA SHEPHERD AUSTRALIA LTD | BOND REFUND FOR MANDU MANDU FUNCTION ROOM HIRE 6.9.18 | | -\$ 500.00 |
| EFT14224 | 30/11/2018 | SHIRE OF EXMOUTH | ADDITIONAL ROOM HIRE FEE FROM CORPORATE TRAVELLER MANDU MANDU ROOM 12.10.18 | | -\$ 264.00 |
| EFT14225 | 30/11/2018 | ACS MARCOMM | BATTERIES AND ANTENNA | -\$ 168.53 | |
| EFT14226 | 30/11/2018 | ALCOLIZER PTY LTD | 6 MONTH SERVICE CONTRACT HELIPORT | -\$ 308.00 | |
| EFT14227 | 30/11/2018 | AMPAC DEBT RECOVERY | DEBT RECOVERY FEES | -\$ 759.00 | |
| EFT14228 | 30/11/2018 | ATOM SUPPLY / GERALDTON INDUSTRIAL SUPPLIES | AIRPORT CONSUMABLES | -\$ 694.00 | |
| EFT14229 | 30/11/2018 | AUSTRALIAN GOVERNMENT CHILD SUPPORT AGENCY | PAYROLL DEDUCTIONS | -\$ 225.99 | |
| EFT14230 | 30/11/2018 | AUSTRALIAN TAX OFFICE (PAYG) | PAYROLL DEDUCTIONS | -\$ 70,133.00 | |
| EFT14231 | 30/11/2018 | BOYA EQUIPMENT | EQUIPMENT PARTS | -\$ 649.07 | |
| EFT14232 | 30/11/2018 | BRAYCO GLOBAL PTY LTD | SHELVING | -\$ 159.00 | |
| EFT14233 | 30/11/2018 | CALTEX STARMART EXMOUTH | TYRES FOR RUBBISH TRUCK | -\$ 10,180.00 | |
| EFT14234 | 30/11/2018 | CAPRICORN EXTINGUISHER SERVICES. | FIRE EXTINGUISHER FEES | -\$ 4,122.20 | |
| EFT14235 | 30/11/2018 | STAFF | REIMBURSEMENT OF TRAVEL EXPENSES FOR EHA CONFERENCE AND NOISE COURSE 30.10.18 - 6.11.18 | -\$ 423.09 | |
| EFT14236 | 30/11/2018 | CARNARVON MOTOR GROUP | M/V PARTS | -\$ 348.73 | |
| EFT14237 | 30/11/2018 | CENTRAL REGIONAL TAFE | CHEMICAL COURSE FOR DEPOT STAFF | -\$ 3,874.90 | |
| EFT14238 | 30/11/2018 | CSP INDUSTRIES PTY LTD (STIHL SHOP) | REPAIRS TO LIGHT MACHINERY | -\$ 40.00 | |
| EFT14239 | 30/11/2018 | DAIMLER TRUCKS PERTH | M/V PARTS | -\$ 754.61 | |
| EFT14240 | 30/11/2018 | DAVID GRAY & CO PTY LTD | MOSQUITO CONTROL BRIQUETTES | -\$ 1,787.50 | |
| EFT14241 | 30/11/2018 | DEPARTMENT OF ENVIRONMENT REGULATION | ANNUAL LICENCE FOR WASTE MANAGEMENT SITE | -\$ 974.40 | |
| EFT14242 | 30/11/2018 | E & M J ROSHER PTY LTD | PARTS FOR MOWER | -\$ 15.90 | |
| EFT14243 | 30/11/2018 | ENVIRONMENTAL HEALTH AUSTRALIA | SUBSCRIPTION FOR I'M ALERT FOOD SAFETY PROGRAM 1.7.18 - 30.6.19 | -\$ 330.00 | |
| EFT14244 | 30/11/2018 | ERA CONTRACTORS | ELECTRICAL WORKS AT NINGALOO CENTRE TEST AND TAG | -\$ 12,467.05 | |
| EFT14245 | 30/11/2018 | STAFF | STAFF MEDICALS | -\$ 89.99 | |
| EFT14246 | 30/11/2018 | EXMOUTH AMATEUR SWIMMING CLUB | SPONSORSHIP 2018 SUNSMART GASCOYNE OPEN | -\$ 2,500.00 | |
| EFT14247 | 30/11/2018 | EXMOUTH IGA | CONSUMABLES | -\$ 549.11 | |
| EFT14248 | 30/11/2018 | EXMOUTH TACKLE AND CAMPING SUPPLIES | GIFT VOUCHER FOR SURVEY PRIZE | -\$ 50.00 | |
| EFT14249 | 30/11/2018 | EXMOUTH WHOLESALERS | DEPOT CONSUMABLES | -\$ 874.61 | |
| EFT14250 | 30/11/2018 | EXY PLUMBING & CONTRACTING | PLUMBING WORKS AT SEWER TREATMENT PLANT | -\$ 835.52 | |
| EFT14251 | 30/11/2018 | FUSION FABRICATION & MARINE | REPAIRS TO HOPPER | -\$ 482.00 | |
| EFT14252 | 30/11/2018 | GASCOYNE OFFICE EQUIPMENT | RICOH SERVICE AGREEMENT OCTOBER 2018 | -\$ 3,537.42 | |
| EFT14253 | 30/11/2018 | GREY EAGLE HOLDINGS PTY LTD T/a Exmouth Tyre & Diesel Services | TYRES FOR KABOTO TRACTOR | -\$ 380.00 | |
| EFT14254 | 30/11/2018 | HITACHI CONSTRUCTION MACHINERY (AUST) PTY LTD | MACHINERY PARTS | -\$ 668.82 | |
| EFT14255 | 30/11/2018 | HORIZON POWER - ACCOUNTS | UTILITIES | -\$ 3,538.07 | |
| EFT14256 | 30/11/2018 | JACKSON'S PLUMBING CONTRACTORS | GASKET FOR SEWERAGE FARM | -\$ 12.65 | |
| EFT14257 | 30/11/2018 | JASON SIGNMAKERS | SIGNS FOR BUSH FIRE BRIGADE | -\$ 1,481.15 | |
| EFT14258 | 30/11/2018 | K SEELEY & TJ SEELEY | WORKING DRAWINGS FOR TERRESTRIAL GALLERY | -\$ 1,760.00 | |
| EFT14259 | 30/11/2018 | LANDGATE | GEOSPACIAL DATA | -\$ 693.00 | |
| EFT14260 | 30/11/2018 | LOCAL GOVT RACING & CEMETERIES EMP UNION | PAYROLL DEDUCTIONS | -\$ 19.40 | |
| EFT14261 | 30/11/2018 | MUMBY'S AUTO ELECTRICAL AND AIR CONDITIONING | REPAIRS TO HELIPORT TUG | -\$ 847.52 | |
| EFT14262 | 30/11/2018 | NETWORK POWER SOLUTIONS PTY LTD | ELECTRICAL WORKS AT REC CENTRE REPLACE AIRCONDITIONER | -\$ 1,640.00 | |
| EFT14263 | 30/11/2018 | NGT LOGISTICS PTY LTD | FREIGHT | -\$ 593.98 | |
| EFT14264 | 30/11/2018 | NORCAPE TREE SERVICES | PRUNE TREES ON CORNER OF NIMITZ AND CAMPBELL STREETS | -\$ 88.00 | |
| EFT14265 | 30/11/2018 | NINGALOO AQUARIA | LIVE ROCK FOR AQUARIUM | -\$ 379.50 | |
| EFT14266 | 30/11/2018 | PEERLESS JAL PTY LTD | POLISH | -\$ 226.31 | |
| EFT14267 | 30/11/2018 | R&L COURIERS | FREIGHT | -\$ 159.50 | |
| EFT14268 | 30/11/2018 | SCOTT PRINT | CYCLONE INFORMATION BOOKLETS PRINTING | -\$ 1,877.70 | |
| EFT14269 | 30/11/2018 | SEROLO PTY LTD FRESH BY DESIGN | AQUARIUM SUPPLIES | -\$ 5,466.11 | |
| EFT14270 | 30/11/2018 | SPYKER BUSINESS SOLUTIONS | LAPTOPS AND SUPPORT PROGRAMS | -\$ 5,173.74 | |
| EFT14271 | 30/11/2018 | TOLL IPEC | FREIGHT | -\$ 477.80 | |
| EFT14272 | 30/11/2018 | TOTAL EDEN PTY LTD | IRRIGATION SUPPLIES | -\$ 2,392.94 | |
| EFT14273 | 30/11/2018 | VEBAS AQUARIUMS PTY LTD | AQUARIUM SUPPLIES | -\$ 753.01 | |
| EFT14274 | 30/11/2018 | WALGA | EFFECTIVE COMMUNITY LEADERSHIP COURSE 2.11.18 | -\$ 50.00 | |
| EFT14275 | 30/11/2018 | WORKWEAR GROUP PTY LTD | STAFF UNIFORMS | -\$ 631.70 | |
| | | | | TOTAL EFT PAYMENTS | -\$ 1,236,024.84 |
| | 05/11/2018 | THE GIFT AUSTRALIA | CITIZENSHIP CEREMONY GIFTS | -\$ 116.90 | |
| | 19/11/2018 | QANTAS AIRWAYS | SITE VISIT MANAGER COMMERCIAL | -\$ 479.40 | |
| | | | TOTAL CREDIT CARD CEO | -\$ 596.30 | |

| Reference | Date | Name | Description | Municipal Account | Trust Account |
|-----------|------------|----------------------------------|--|-------------------------|---------------------|
| | 07/11/2018 | BOLTS R US | BOLTS FOR ROLLER | -\$ 397.89 | |
| | 21/11/2018 | BREATHALYSER SALES | BI YEARLY CALIBRATION OF ALCOQUANT BREATHALYSER | -\$ 187.00 | |
| | | | TOTAL CREDIT CARD DCEO | -\$ 584.89 | |
| | 27/11/2018 | ADINA APARTMENTS HOTEL | ACCOMMODATION FOR CURATOR FOR SUPPLIERS VISIT PERTH 1.11.18 TO 2.11.18 | -\$ 179.00 | |
| | 27/11/2018 | SPOTIFY | NINGALOO CENTRE BACKGROUND MUSIC FOR MONTH OF NOVEMBER | -\$ 11.99 | |
| | 27/11/2018 | SCENE MACHINE DISPLAY | NINGALOO CENTRE CHRISTMAS TREE AND DECORATIONS | -\$ 2,824.74 | |
| | 27/11/2018 | VISTAPRINT | POSTCARDS PRINTING FOR COMMUNITY PERCEPTIONS SURVEY 2018 | -\$ 201.76 | |
| | 27/11/2018 | COSTUMES KILSYTH SOUTH AUSTRALIA | SANTA CLAUS COSTUME | -\$ 189.85 | |
| | | | TOTAL CREDIT CARD EMCC | -\$ 3,407.34 | |
| | | | TOTAL CREDIT CARD EMCS | \$ - | |
| | | | TOTAL CREDIT CARD PURCHASES | -\$ 4,588.53 | |
| | | | TOTAL PAYMENTS - November 2018 | -\$ 1,342,416.55 | -\$ 1,550.00 |



Monthly Financial Report

For the period ended

November 2018

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SHIRE OF EXMOUTH
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 30 November 2018

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

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PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 7th April 2018
Prepared by: Manager of Finance and Administration
Reviewed by: Director of Corporate Services

BASIS OF PREPARATION

REPORT PURPOSE

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

BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 12.

SIGNIFICANT ACCOUNTING POLICES

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

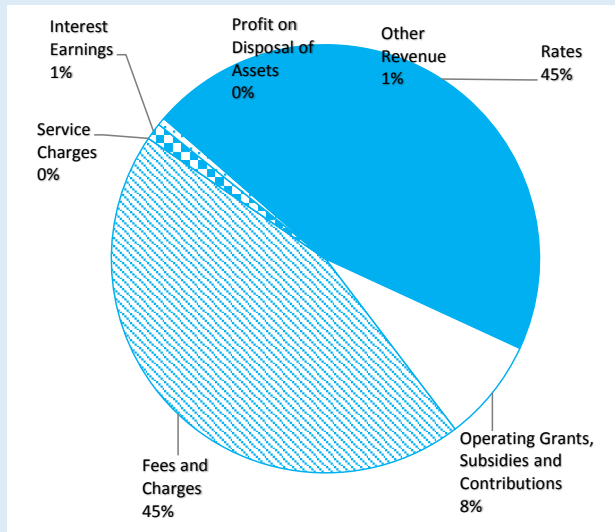
CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

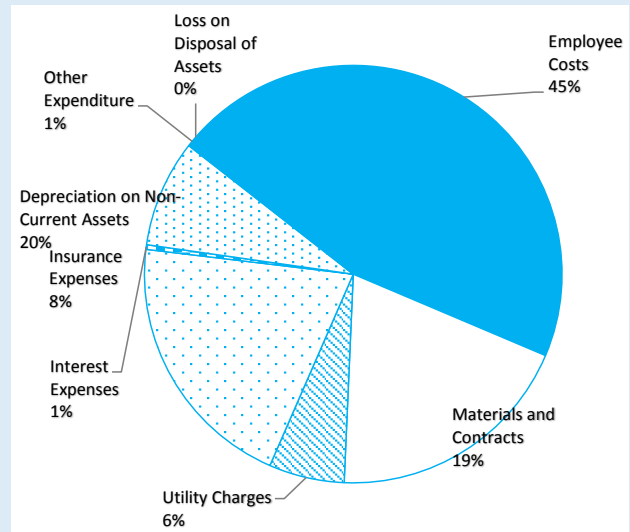
ROUNDING OFF FIGURES

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

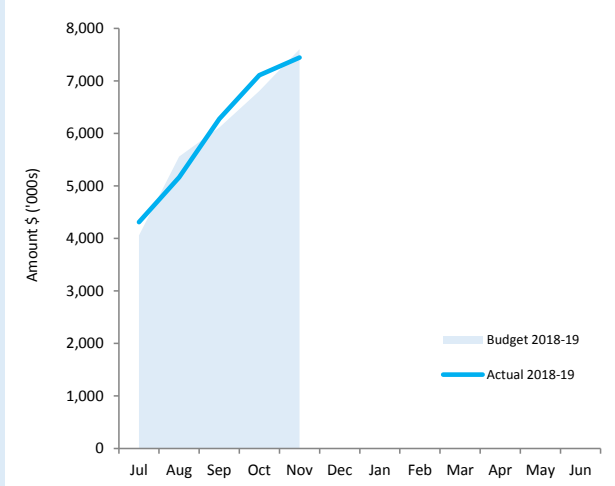
OPERATING REVENUE



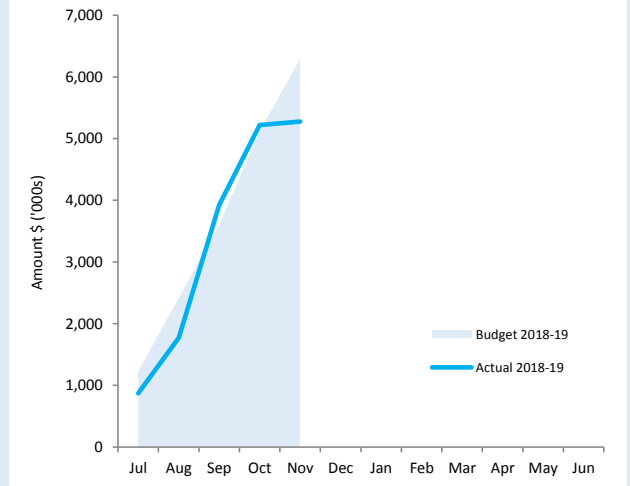
OPERATING EXPENSES



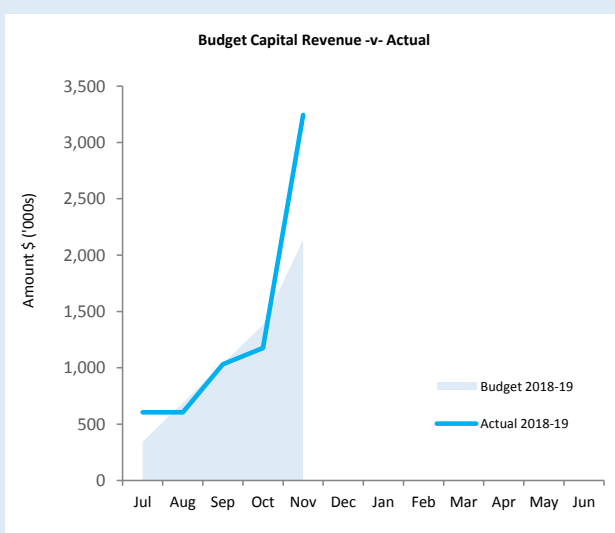
Budget Operating Revenues -v- Actual



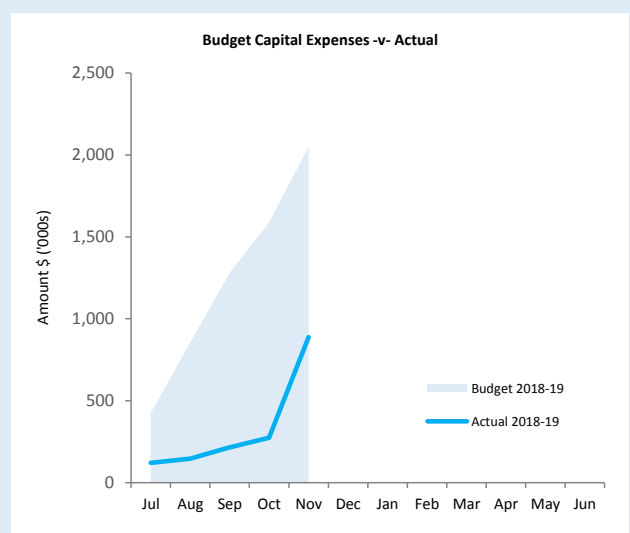
Budget Operating Expenses -v- YTD Actual



CAPITAL REVENUE



CAPITAL EXPENSES



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

**KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

STATUTORY REPORTING PROGRAMS

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

| PROGRAM NAME | OBJECTIVE | ACTIVITIES |
|------------------------------------|---|--|
| GOVERNANCE | To provide a decision making process for the efficient allocation of scarce resources. | 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 | To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| LAW, ORDER, PUBLIC SAFETY | To provide services to help ensure a safer and environmentally conscious community. | Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services. |
| HEALTH | To provide an operational framework | Inspection of food outlets and their control, provision of |
| EDUCATION AND WELFARE | To provide services to disadvantaged persons, the elderly, children and youth. | 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 | To provide and maintain elderly residents housing. | Provision and maintenance of elderly residents housing. |
| COMMUNITY AMENITIES | To provide services required by the community. | 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 | To establish and effectively manage infrastructure and resource which will help the social well being of the community. | 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 ECONOMIC SERVICES | To provide safe, effective and To help promote the Shire and its economic wellbeing. | Construction and maintenance of roads, streets, footpaths, 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 | To monitor and control Council overheads operating accounts. | Private works operation, plant repair and operation costs and engineering operation costs. |

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

STATUTORY REPORTING PROGRAMS

| | Ref Note | 18/19 Amended Budget | 18/19 YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) | Var. % (b)- (a)/(a) | Var. |
|--|-------------|----------------------------|----------------------------|----------------------|--------------------|---------------------------|------|
| | | \$ | \$ | \$ | \$ | % | |
| Opening Funding Surplus(Deficit) | 1(b) | 982,735 | 982,735 | 2,893,348 | 1,910,613 | 194% | |
| Revenue from operating activities | | | | | | | |
| Governance | | 8,200 | 3,415 | 1,080 | (2,335) | (68%) | |
| General Purpose Funding - Rates | 5 | 3,376,907 | 3,370,577 | 3,362,877 | (7,700) | (0%) | |
| General Purpose Funding - Other | | 1,082,369 | 538,967 | 574,921 | 35,954 | 7% | |
| Law, Order and Public Safety | | 41,570 | 18,374 | 24,814 | 6,440 | 35% | |
| Health | | 39,622 | 23,495 | 32,732 | 9,237 | 39% | |
| Education and Welfare | | 1,600 | 665 | 91 | (574) | (86%) | |
| Housing | | 59,932 | 24,950 | 24,792 | (158) | (1%) | |
| Community Amenities | | 1,202,223 | 934,316 | 946,878 | 12,562 | 1% | |
| Recreation and Culture | | 811,178 | 316,193 | 283,407 | (32,786) | (10%) | ▼ |
| Transport | | 5,251,439 | 2,188,080 | 1,993,579 | (194,501) | (9%) | |
| Economic Services | | 239,377 | 177,070 | 165,176 | (11,894) | (7%) | |
| Other Property and Services | | 17,830 | 7,420 | 35,128 | 27,708 | 373% | ▲ |
| | | 12,132,247 | 7,603,522 | 7,445,475 | | | |
| Expenditure from operating activities | | | | | | | |
| Governance | | (801,710) | (324,091) | (328,987) | (4,896) | (2%) | |
| General Purpose Funding | | (125,436) | (33,583) | (33,576) | 6 | 0% | |
| Law, Order and Public Safety | | (402,714) | (177,780) | (191,415) | (13,635) | (8%) | |
| Health | | (162,194) | (68,478) | (83,878) | (15,400) | (22%) | ▼ |
| Education and Welfare | | (87,179) | (41,804) | (40,002) | 1,802 | 4% | |
| Housing | | 0 | 440 | (24,921) | (25,361) | 5764% | |
| Community Amenities | | (2,075,357) | (846,521) | (645,592) | 200,929 | 24% | ▲ |
| Recreation and Culture | | (5,328,224) | (2,304,518) | (1,343,162) | 961,356 | 42% | ▲ |
| Transport | | (5,292,390) | (2,146,111) | (2,104,983) | 41,128 | 2% | |
| Economic Services | | (590,885) | (234,000) | (183,227) | 50,773 | 22% | ▲ |
| Other Property and Services | | (15,000) | (118,531) | (296,179) | (177,648) | (150%) | ▼ |
| | | (14,881,089) | (6,294,977) | (5,275,923) | | | |
| Operating activities excluded from budget | | | | | | | |
| Add Back Depreciation | | 3,244,304 | 1,351,545 | 1,074,057 | (277,488) | (21%) | ▼ |
| Adjust (Profit)/Loss on Asset Disposal | 6 | (173,040) | 26,360 | 0 | (26,360) | (100%) | ▼ |
| Amount attributable to operating activities | | 322,422 | 2,686,450 | 3,243,609 | | | |
| Investing Activities | | | | | | | |
| Non-operating Grants, Subsidies and Contributions | 10 | 4,141,718 | 2,135,700 | 2,140,784 | 5,084 | 0% | |
| Proceeds from Disposal of Assets | 6 | 122,319 | 0 | 0 | 0 | | |
| Capital Acquisitions | 7 | (5,535,974) | (2,049,562) | (888,097) | 1,161,465 | 57% | ▲ |
| Amount attributable to investing activities | | (1,271,937) | 86,138 | 1,252,686 | | | |
| Financing Activities | | | | | | | |
| Self-Supporting Loan Principal | | 55,000 | 0 | 2,500 | 2,500 | | |
| Transfer from Reserves | 9 | 860,284 | 0 | 0 | 0 | | |
| Advances to Community Groups | | 60,000 | (60,000) | (60,000) | 0 | 0% | |
| Repayment of Debentures | 8 | (263,832) | (44,161) | (51,841) | (7,680) | (17%) | |
| Transfer to Reserves | 9 | (1,037,307) | (984,487) | (1,003,912) | (19,425) | (2%) | |
| Amount attributable to financing activities | | (325,855) | (1,088,648) | (1,113,253) | | | |
| Closing Funding Surplus(Deficit) | 1(b) | (292,635) | 2,666,675 | 6,276,391 | | | |

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer threshold. Refer to Note 2 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2018/19 year is \$10,000 or 10% whichever is the greater.

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

KEY TERMS AND DESCRIPTIONS FOR THE PERIOD ENDED 30 NOVEMBER 2018

REVENUE

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

FEES AND CHARGES

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

SERVICE CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

BY NATURE OR TYPE

| | Ref Note | 18/19 Amended Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) | Var. % (b)-(a)/(a) | Var. |
|--|-------------|----------------------------|----------------------|----------------------|--------------------|-----------------------|------|
| | | \$ | \$ | \$ | \$ | % | |
| Opening Funding Surplus (Deficit) | 1(b) | 982,735 | 982,735 | 2,893,348 | 1,910,613 | 194% | ▲ |
| Revenue from operating activities | | | | | | | |
| Rates | 5 | 3,370,107 | 3,370,577 | 3,362,877 | (7,700) | (0%) | |
| Specified Area Rates | 5 | 47,293 | 47,293 | 52,164 | 4,871 | 10% | |
| Operating Grants, Subsidies and Contributions | 10 | 1,131,745 | 490,883 | 574,913 | 84,030 | 17% | ▲ |
| Fees and Charges | | 7,368,108 | 3,606,219 | 3,316,702 | (289,517) | (8%) | |
| Interest Earnings | | 164,655 | 68,885 | 95,234 | 26,349 | 38% | ▲ |
| Other Revenue | | 43,400 | 16,775 | 43,586 | 26,811 | 160% | ▲ |
| Profit on Disposal of Assets | 6 | 6,939 | 2,890 | 0 | | | |
| | | 12,132,247 | 7,603,522 | 7,445,475 | | | |
| Expenditure from operating activities | | | | | | | |
| Employee Costs | | (6,481,084) | (2,779,327) | (2,373,614) | 405,713 | 15% | ▲ |
| Materials and Contracts | | (3,086,655) | (1,267,293) | (1,019,129) | 248,165 | 20% | ▲ |
| Utility Charges | | (930,734) | (387,550) | (308,323) | 79,227 | 20% | ▲ |
| Depreciation on Non-Current Assets | | (3,244,304) | (1,351,545) | (1,074,057) | 277,488 | 21% | ▲ |
| Interest Expenses | | (84,129) | (18,950) | (18,934) | 16 | 0% | |
| Insurance Expenses | | (466,353) | (413,015) | (438,204) | (25,189) | (6%) | |
| Other Expenditure | | (407,851) | (48,047) | (43,664) | 4,383 | 9% | |
| Loss on Disposal of Assets | 6 | (179,979) | (29,250) | 0 | | | |
| | | (14,881,089) | (6,294,977) | (5,275,923) | | | |
| Operating activities excluded from budget | | | | | | | |
| Add back Depreciation | | 3,244,304 | 1,351,545 | 1,074,057 | (277,488) | (21%) | ▼ |
| Adjust (Profit)/Loss on Asset Disposal | 6 | (173,040) | 26,360 | 0 | (26,360) | (100%) | ▼ |
| Amount attributable to operating activities | | 322,422 | 2,686,450 | 3,243,609 | | | |
| Investing activities | | | | | | | |
| Non-operating grants, subsidies and contributions | 10 | 4,141,718 | 2,135,700 | 2,140,784 | 5,084 | 0% | |
| Proceeds from Disposal of Assets | 6 | 122,319 | 0 | 0 | 0 | | |
| Land held for resale | | 0 | 0 | 0 | 0 | | |
| Capital acquisitions | 7 | (5,535,974) | (2,049,562) | (888,097) | 1,161,465 | 57% | ▲ |
| Amount attributable to investing activities | | (1,271,937) | 86,138 | 1,252,686 | | | |
| Financing Activities | | | | | | | |
| Self-Supporting Loan Principal | | 55,000 | 0 | 2,500 | 2,500 | | |
| Transfer from Reserves | 9 | 860,284 | 0 | 0 | 0 | | |
| Advances to Community Groups | | 60,000 | (60,000) | (60,000) | 0 | 0% | |
| Repayment of Debentures | 8 | (263,832) | (44,161) | (51,841) | (7,680) | (17%) | |
| Transfer to Reserves | 9 | (1,037,307) | (984,487) | (1,003,912) | (19,425) | (2%) | |
| Amount attributable to financing activities | | (325,855) | (1,088,648) | (1,113,253) | | | |
| Closing Funding Surplus (Deficit) | 1(b) | (292,635) | 2,666,675 | 6,276,391 | | | |

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

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

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

EMPLOYEE BENEFITS

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

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

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

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

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

PROVISIONS

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

INVENTORIES

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

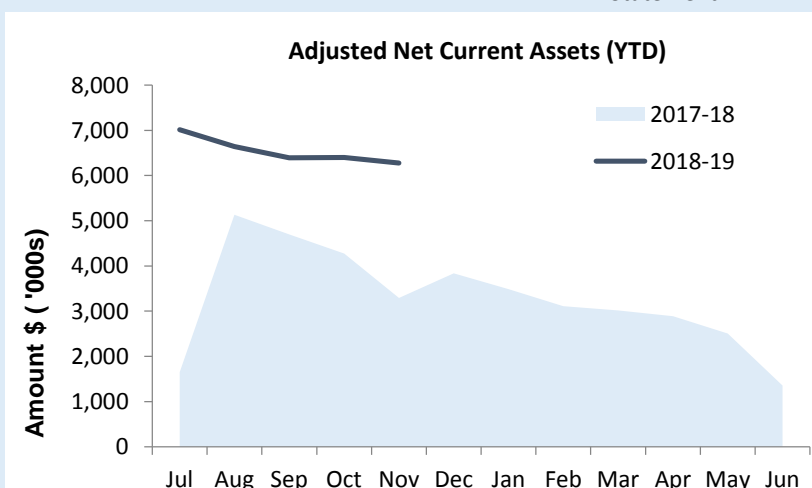
| | Ref Note | Last Years Closing 30 June 2018 | This Time Last Year 30 Nov 2017 | Year to Date Actual 30 Nov 2018 |
|--|-------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | | \$ | \$ | \$ |
| Adjusted Net Current Assets | | | | |
| Current Assets | | | | |
| Cash Unrestricted | 3 | 2,689,059 | 1,774,632 | 4,517,309 |
| Cash Restricted | 3 | 6,437,450 | 6,055,412 | 7,441,362 |
| Receivables - Rates | 4 | 302,096 | 1,411,385 | 1,126,275 |
| Receivables - Debtors | 4 | 1,261,982 | 957,128 | 764,146 |
| Loans receivable | | 59,000 | 20,000 | 56,500 |
| Interest / ATO Receivable | | 104,844 | 92,763 | 81,259 |
| Inventories | | 28,847 | 49,157 | 40,246 |
| Accrued Income/Payments in Advance | | 61,037 | 0 | 0 |
| | | 10,944,315 | 10,360,477 | 14,027,097 |
| Less: Current Liabilities | | | | |
| Payables | | (783,204) | (1,914,305) | (167,671) |
| ATO Payable | | (166,022) | (51,872) | (85,174) |
| Prepaid Revenue | | (605,290) | | |
| Provisions - employee | | (779,782) | (822,969) | (779,782) |
| Long term borrowings | | (263,832) | (217,107) | (214,491) |
| | | (2,598,130) | (3,006,253) | (1,247,117) |
| Unadjusted Net Current Assets | | 8,346,185 | 7,354,225 | 12,779,980 |
| Adjustments and exclusions permitted by FM Reg 32 | | | | |
| Less: Cash reserves | 3 | (6,437,450) | (6,055,412) | (7,441,362) |
| Less: Loans receivable | | (59,000) | (20,000) | (56,500) |
| Add: Provisions - employee | | 779,782 | 822,969 | 779,782 |
| Add: Long term borrowings | | 263,832 | 217,107 | 214,491 |
| Adjusted Net Current Assets | | 2,893,348 | 2,318,889 | 6,276,391 |

SIGNIFICANT ACCOUNTING POLICIES

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

KEY INFORMATION

The amount of the adjusted net current assets at the end of the period represents the actual surplus (or deficit if the figure is a negative) as presented on the Rate Setting Statement.



This Year YTD
Surplus(Deficit)
\$6.28 M

Last Year YTD
Surplus(Deficit)
\$2.32 M

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**NOTE 2
EXPLANATION OF MATERIAL VARIANCES**

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

The material variance adopted by Council for the 2018/19 year is \$10,000 or 10% whichever is the greater.

| Reporting Program | Var. \$ | Var. % | Var. | Timing/ Permanent | Explanation of Variance |
|--|-----------|--------|------|----------------------|--|
| | \$ | % | | | |
| Revenue from operating activities | | | | | |
| General Purpose Funding - Other | 35,954 | 7% | ▲ | Permanent | Increased interest earnings and grants commission income |
| Recreation and Culture | (32,786) | (10%) | ▼ | Timing | Ningaloo Centre fees revenue under budget |
| Transport | (194,501) | (9%) | ▲ | Permanent | Increased landing fees revenue |
| Other Property and Services | 27,708 | 373% | ▲ | Permanent | Workers Compensation reimbursement from 17/18 |
| Expenditure from operating activities | | | | | |
| Health | (15,400) | (22%) | ▼ | | Increased employee cost including relieving Health Officer |
| Education and Welfare | 1,802 | 4% | ▼ | | Insurance and depreciation slightly over budget |
| Community Amenities | 200,929 | 24% | ▲ | Timing | Reduced depreciation and waste site employee costs |
| Recreation and Culture | 961,356 | 42% | ▲ | | Reduced work employee costs and reduction due to depreciation adjustments |
| Transport | 41,128 | 2% | ▲ | Timing | Reduction due to depreciation adjustment following review of the minimum written down values |
| Economic Services | 50,773 | 22% | ▲ | | Reduced employee costs |
| Other Property and Services | (177,648) | (150%) | ▼ | Timing | Overhead allocations review ongoing |
| Investing Activities | | | | | |
| Capital Acquisitions | 1,161,465 | 57% | ▲ | Timing | Recognition of prior year commitment. Capital works program not commenced at time of reporting |
| Self-Supporting Loan Principal | 2,500 | | | | |

KEY INFORMATION

- ▲ increase in surplus
- ▼ decrease in surplus

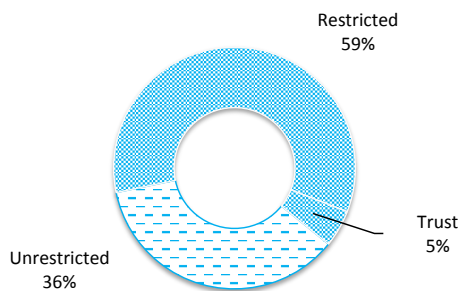
| Cash and Investments | Unrestricted | Restricted | Trust | Total YTD Actual | Institution | Interest Rate | Maturity Date |
|-------------------------------------|------------------|------------------|----------------|-------------------|-------------|---------------|---------------|
| | \$ | \$ | \$ | \$ | | | |
| Cash on Hand | | | | | | | |
| Petty Cash and Floats | 4,048 | | | 4,048 | | | |
| At Call Deposits | | | | | | | |
| Municipal Fund | 4,013,261 | | | 4,013,261 | Westpac | 0.50% | At Call |
| Reserve Fund | | 3,367,093 | | 3,367,093 | Westpac | 0.50% | At Call |
| Trust Fund | | | 622,266 | 622,266 | Westpac | 0.50% | At Call |
| Term Deposits | | | | | | | |
| Municipal Investment - Term Deposit | 500,000 | | | 500,000 | Nab | 2.30% | 16-Jan-19 |
| Reserve Investment - Term Deposit | | 2,061,501 | | 2,061,501 | AMP | 2.80% | 15-May-19 |
| Reserve Investment - Term Deposit | | 2,012,769 | | 2,012,769 | AMP | 2.80% | 14-Jun-19 |
| Total | 4,517,309 | 7,441,362 | 622,266 | 12,580,937 | | | |

SIGNIFICANT ACCOUNTING POLICIES

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.

KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.



Total Cash

\$12.58 M

Unrestricted

\$4.52 M

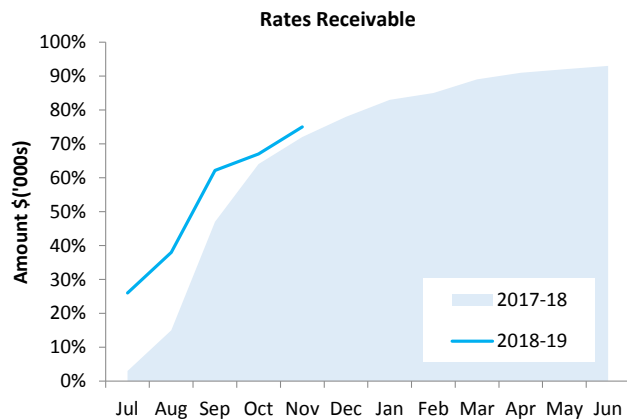
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**OPERATING ACTIVITIES
NOTE 4
RECEIVABLES**

| Rates Receivable | 30 June 2018 | 30 Nov 18 |
|--------------------------------|----------------|------------------|
| | \$ | \$ |
| Opening Arrears Previous Years | 329,022 | 302,096 |
| Levied this year | 4,176,213 | 4,401,647 |
| Plus Interim Rates | 20,304 | (6,988) |
| Plus Back Rates | 2,140 | 8,845 |
| Less Collections to date | (4,185,565) | (3,539,306) |
| Equals Current Outstanding | 342,115 | 1,166,293 |
| Less Deferred Pensioners | (40,018) | (40,018) |
| Net Rates Collectable | 302,096 | 1,126,275 |
| % Collected | 92.44% | 75.21% |

KEY INFORMATION

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

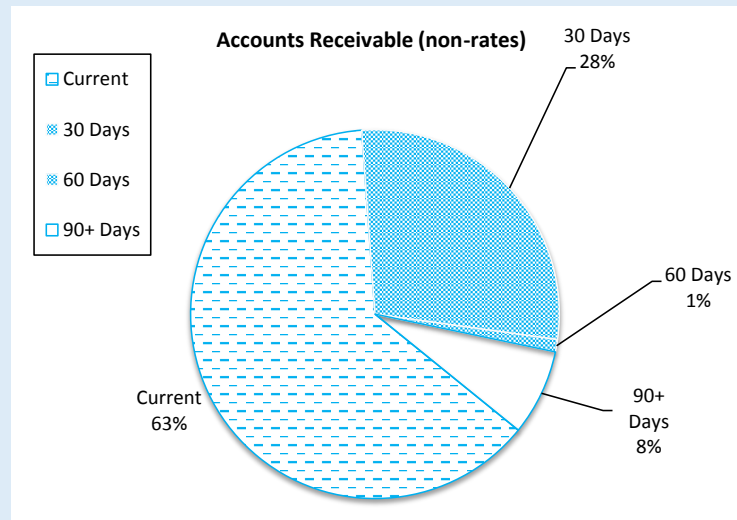


| Collected | Rates Due |
|------------|--------------------|
| 75% | \$1,126,275 |

| Receivables - General | Current | 30 Days | 60 Days | 90+ Days | Total |
|---|---------|---------|---------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Receivables - General | 481,448 | 216,693 | 8,243 | 57,662 | 764,046 |
| Percentage | 63% | 28% | 1% | 8% | |
| Balance per Trial Balance | | | | | |
| Sundry debtors | | | | | 764,146 |
| GST receivable | | | | | 81,259 |
| Loans receivable - clubs/institutions | | | | | 56,500 |
| Total Receivables General Outstanding | | | | | 901,906 |
| Amounts shown above include GST (where applicable) | | | | | |

SIGNIFICANT ACCOUNTING POLICIES

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.



| |
|---------------------|
| Debtors Due |
| \$901,906 |
| Over 30 Days |
| 37% |
| Over 90 Days |
| 8% |

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**OPERATING ACTIVITIES
NOTE 4
RECEIVABLES**

| Information on Community Loans (Council Funded) Particulars | Principal 30-Jun-18 \$ | New Loans | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|--|------------------------------|---------------|---------------|----------------------|---------------|-----------------------|----------------|---------------------|--------------|
| | | Actual \$ | Budget \$ | Actual \$ | Budget \$ | Actual \$ | Budget \$ | Actual \$ | Budget \$ |
| Recreation and Culture | | | | | | | | | |
| SSL Squash Club 2010 | 7,500 | | | 2,500 | 2,500 | 5,000 | 5,000 | | |
| SSL Golf Club 2012 | 2,000 | | | | 2,000 | 2,000 | 0 | | |
| SSL Bowling Club 2012 | 40,000 | | | | 40,000 | 40,000 | 0 | | |
| SSL EGFC 2013 | 31,500 | | | | 10,500 | 31,500 | 21,000 | | |
| SSL Golf Club 2016 | 32,000 | | | | 4,000 | 32,000 | 28,000 | | |
| SSL Truscott Club 2018 | | 60,000 | 60,000 | | | 60,000 | 60,000 | | |
| Total | 113,000 | 60,000 | 60,000 | 2,500 | 59,000 | 170,500 | 114,000 | 0 | 0 |

KEY INFORMATION

Community loans are funded by the Community Interest Free Loans Reserve Fund for the provision of interest free loans to Exmouth clubs and organisations to assist in the provision of facilities and equipment for the betterment of the club or organisation and its members. Applications are subject to the eligibility and criteria outlined in Council Policy 2.2 - Interest Free Loans to Clubs & Organisations

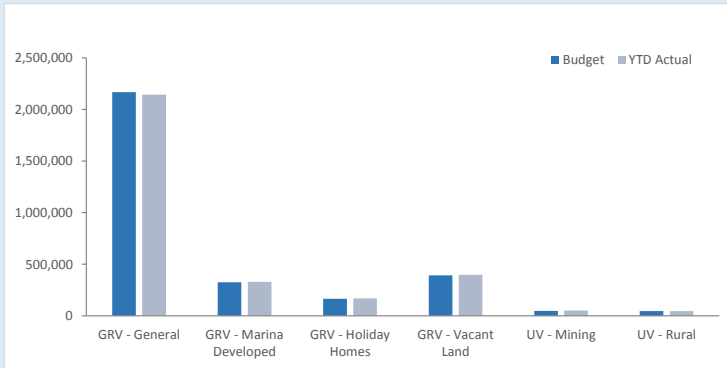
| General Rate Revenue | Budget | | | | | | YTD Actual | | | | |
|-----------------------------------|----------|----------------------|-------------------|------------------|--------------|-----------|------------------|------------------|---------------|---------------|------------------|
| | Rate in | Number of Properties | Rateable Value | Rate Revenue | Interim Rate | Back Rate | Total Revenue | Rate Revenue | Interim Rates | Back Rates | Total Revenue |
| RATE TYPE | \$ | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Differential General Rate | | | | | | | | | | | |
| GRV - General | 0.072200 | 1165 | 29,946,749 | 2,162,155 | 5,000 | | 2,167,155 | 2,161,785 | (7,940) | -9,786 | 2,144,060 |
| GRV - Marina Developed | 0.099300 | 93 | 3,280,860 | 325,789 | | | 325,789 | 325,192 | 3,283 | 603 | 329,077 |
| GRV - Holiday Homes | 0.102100 | 64 | 1,623,700 | 165,780 | | | 165,780 | 168,568 | | | 168,568 |
| GRV - Vacant Land | 0.012170 | 228 | 3,117,450 | 392,781 | | | 392,781 | 390,590 | 6,879 | 829 | 398,297 |
| UV - Mining | 0.156800 | 12 | 300,515 | 47,121 | 1,000 | | 48,121 | 47,121 | 4,766 | -490 | 51,397 |
| UV - Rural | 0.078400 | 7 | 581,880 | 45,541 | | | 45,541 | 45,541 | | | 45,541 |
| Minimum \$ | | | | | | | | | | | |
| GRV - General | 910 | 66 | 527,130 | 60,060 | | | 60,060 | 61,880 | | | 61,880 |
| GRV - Marina Developed | 910 | 1 | 0 | 910 | | | 910 | 910 | | | 910 |
| GRV - Holiday Homes | 910 | 0 | 0 | 0 | | | 0 | 0 | | | 0 |
| GRV - Vacant Land | 910 | 177 | 893,460 | 161,070 | | | 161,070 | 160,160 | | | 160,160 |
| UV - Mining | 500 | 18 | 23,912 | 9,000 | | | 9,000 | 9,000 | | | 9,000 |
| UV - Rural | 700 | 1 | 5,800 | 700 | | | 700 | 700 | | | 700 |
| Sub-Totals | | 1,832 | 40,301,456 | 3,370,907 | 6,000 | 0 | 3,376,907 | 3,371,447 | 6,988 | -8,845 | 3,369,590 |
| Discount | | | | | | | 0 | | | | 0 |
| Concession | | | | | | | 0 | | | | 0 |
| Amount from General Rates | | | | | | | 3,376,907 | | | | 3,369,590 |
| Ex-Gratia Rates | | | | | | | 0 | | | | - |
| Total General Rates | | | | | | | 3,376,907 | | | | 3,369,590 |
| Specified Area Rates | | | | | | | | | | | |
| GRV Marina - Specified Rate | 0.013100 | | 3,609,199 | | | | 47,293 | 51,670 | 494 | | 52,164 |
| Total Specified Area Rates | | | 3,609,199 | 0 | | | 47,293 | 51,670 | 494 | 0 | 52,164 |
| Totals | | | | | | | 3,424,200 | | | | 3,421,754 |

SIGNIFICANT ACCOUNTING POLICIES

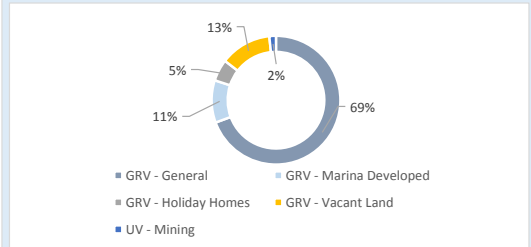
Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

KEY INFORMATION

Rate notices issued on 30 July 2018.



| General Rates | | |
|-----------------|-----------------|-------------|
| Budget | YTD Actual | % |
| \$3.38 M | \$3.37 M | 100% |

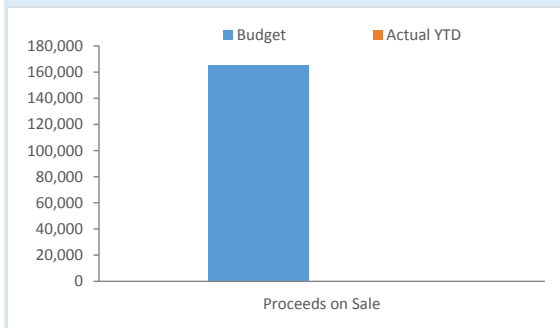


**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**OPERATING ACTIVITIES
NOTE 6
DISPOSAL OF ASSETS**

| Asset Ref. | Asset Description | Budget | | | | YTD Actual | | | |
|--------------------------------------|-----------------------------------|----------------|----------------|--------------|------------------|----------------|----------|----------|----------|
| | | Net Book Value | Proceeds | Profit | (Loss) | Net Book Value | Proceeds | Profit | (Loss) |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| COMMUNITY AMENITIES | | | | | | | | | |
| PE00048 | 2010 Rubbish Truck EX4574 | 47,716 | 10,000 | | (37,716) | | | | |
| PE00042 | 2007 Cat Loader EX8843 | 46,830 | 21,600 | | (25,230) | | | | |
| TRANSPORT | | | | | | | | | |
| PE00250 | 2015 Holden Colorado 1GEX694 | 34,955 | 15,000 | | (19,955) | | | | |
| PE00026 | Iveco Water Truck EX7709 | 47,887 | 21,200 | | (26,687) | | | | |
| PE00043 | Cat Bobcat Skid Loader EX7712 | 15,676 | 6,400 | | (9,276) | | | | |
| PE00058 | 2011 Toyota Hilux 4x2 S/Cab EX042 | 14,355 | 4,590 | | (9,765) | | | | |
| PE00077 | Mazda 2WD Ute EX7795 | 9,128 | 4,590 | | (4,538) | | | | |
| ECONOMIC SERVICES | | | | | | | | | |
| PE00238 | 2015 Holden Colorade 3005EX | 34,439 | 15,000 | | (19,439) | | | | |
| PE00052 | 2001 Mitsubishi Challenger 1EWJ65 | 13,966 | 2,000 | | (11,966) | | | | |
| OTHER PROPERTY & SERVICES | | | | | | | | | |
| PE00239 | 2014 Holden Colorado 3EX | 30,407 | 15,000 | | (15,407) | | | | |
| PE00249 | 2015 Mini Excavator | 43,061 | 50,000 | 6,939 | | | | | |
| | | 338,420 | 165,380 | 6,939 | (179,979) | 0 | 0 | 0 | 0 |

KEY INFORMATION



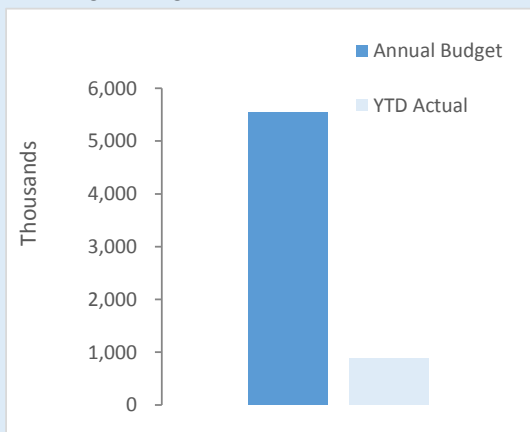
| Proceeds on Sale | | |
|------------------|------------|-----------|
| Budget | YTD Actual | % |
| \$165,380 | \$0 | 0% |

| Capital Acquisitions | Amended Annual Budget | YTD Budget | YTD Actual Total | YTD Budget Variance |
|--|-----------------------|------------------|------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Land | 0 | 0 | 0 | 0 |
| Buildings | 790,000 | 329,155 | 153,536 | (175,619) |
| Plant & Equipment | 1,137,000 | 473,735 | 0 | (473,735) |
| Furniture & Equipment | 112,500 | 46,870 | 94,461 | 47,591 |
| Infrastructure - Roads | 2,882,590 | 948,870 | 553,697 | (395,173) |
| Infrastructure - Other | 613,884 | 250,932 | 86,403 | (164,529) |
| Capital Expenditure Totals | 5,535,974 | 2,049,562 | 888,097 | (1,161,465) |
| Capital Acquisitions Funded By: | | | | |
| | \$ | \$ | \$ | \$ |
| Capital grants and contributions | 4,141,718 | 2,135,700 | 2,140,784 | 5,084 |
| Borrowings | 0 | 0 | 60,000 | 60,000 |
| Other (Disposals & C/Fwd) | 122,319 | 0 | 0 | 0 |
| Cash Backed Reserves | | | | |
| Aviation Reserve | 215,000 | 0 | 0 | 0 |
| Plant Replacement Reserve | 350,000 | 0 | 0 | 0 |
| Waste Management Reserve | 101,000 | 0 | 0 | 0 |
| Contribution - operations | 605,937 | -86,138 | (1,312,686) | (1,226,548) |
| Capital Funding Total | 5,535,974 | 2,049,562 | 888,097 | (1,161,465) |

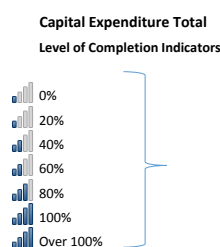
SIGNIFICANT ACCOUNTING POLICIES

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

KEY INFORMATION



| | | | |
|----------------------|----------------------|-------------------|-------------------|
| Acquisitions | Annual Budget | YTD Actual | % Spent |
| | \$5.54 M | \$0.89 M | 16% |
| Capital Grant | Annual Budget | YTD Actual | % Received |
| | \$4.14 M | \$2.14 M | 52% |



Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.

Complete Level of completion indicator, please see table at the end of this note for further detail.

| | Account Number | Amended Annual Budget | YTD Budget | YTD Actual | Variance (Under)/Over | |
|----------------------------------|---|-----------------------|------------------|------------------|-----------------------|------------------|
| Capital Expenditure | | | | | | |
| Land | | | | | | |
| Buildings | | | | | | |
| 1.06 | SES Bushfire Brigade Shed - Construction of new shed | A056002 | 140,000 | 58,330 | 148,714 | 8,714 |
| 0.06 | Staff Housing Buildings - Painting/Flooring/ Window Treatments | A125001 | 75,000 | 31,250 | 4,822 | (70,178) |
| 0.00 | Toy Library Shed - Construction of new shed | A125301 | 20,000 | 8,330 | 0 | (20,000) |
| 0.00 | Ningaloo Centre - Finalisation of Ningaloo Centre Building | A119003 | 420,000 | 175,000 | 0 | (420,000) |
| 0.00 | Recreation Hall - Internal building works | A112001 | 10,000 | 4,165 | 0 | (10,000) |
| 0.00 | Learmonth Building - Upgrade arrivals and lighting | A126800 | 55,000 | 22,915 | 0 | (55,000) |
| 0.00 | Old Administration Building - Upgrade power connection | A125011 | 70,000 | 29,165 | 0 | (70,000) |
| Plant & Equipment | | | | | | |
| 0.00 | Iveco Acco Water Truck EX7709 | A125105 | 407,000 | 169,580 | 0 | (407,000) |
| | Cat Bobcat EX7712 | | | | | |
| | Toyota Dual Cab EX042 | | | | | |
| | Maxda 2WD Ute (P055) | | | | | |
| | Streel Drum Roller | | | | | |
| 0.00 | Excavator at Waste Site | A125517 | 250,000 | 104,165 | 0 | (250,000) |
| 0.00 | Rubbish Truck | A125532 | 410,000 | 170,830 | 0 | (410,000) |
| 0.00 | Learmonth - Carpark ticketing machines | A126201 | 45,000 | 18,750 | 0 | (45,000) |
| 0.00 | Water Dispensing Unit | A134003 | 20,000 | 8,330 | 0 | (20,000) |
| 0.00 | Sweeper for undercover area EDHS | A117002 | 5,000 | 2,080 | 0 | (5,000) |
| Furniture & Equipment | | | | | | |
| 1.00 | Lefroy Street Units - Upgrade Furniture | A125125 | 0 | 0 | 6,070 | 6,070 |
| 0.88 | Ningaloo Centre - Fit out Office Space | A119007 | 40,000 | 16,665 | 35,212 | (4,788) |
| 0.65 | Software/ Hardware - Aquarium | A119005 | 66,500 | 27,705 | 43,471 | (23,029) |
| 0.99 | Photocopier | A125148 | 6,000 | 2,500 | 5,945 | (55) |
| 1.00 | Airport - Wifi system upgrade | A125140 | 0 | 0 | 3,763 | 3,763 |
| Infrastructure - Roads | | | | | | |
| 0.21 | Footpath/Kerbing | A125321 | 80,000 | 33,330 | 17,019 | (62,981) |
| 0.29 | Murat Road - widen, redesign intersection, flood mitigation, path | A125201 | 1,750,000 | 729,165 | 509,738 | (1,240,262) |
| 0.00 | Mortiss St & Neale Cove - upgrade | A125210 | 605,290 | 0 | 0 | (605,290) |
| 0.06 | Yardie Creek Road - Road shoulder and seal edge works | A125203 | 417,300 | 173,875 | 26,940 | (390,360) |
| 0.00 | Street Lights | A124001 | 30,000 | 12,500 | 0 | (30,000) |
| Infrastructure - Other | | | | | | |
| 0.90 | Sanctuary Bore - New bore & casing | A114100 | 0 | 0 | 26,112 | 26,112 |
| 0.00 | Sanctuary Bore - Replace tank | A114101 | 15,000 | 0 | 0 | (15,000) |
| 0.00 | Spray Park - Remedial surface works | A114101 | 30,000 | 0 | 0 | (30,000) |
| 0.36 | Waste Site - Construction of Septage Ponds | A101012 | 166,884 | 83,442 | 60,292 | (106,592) |
| 0.00 | Beach Carparks - Joint DBCA & Shire upgrades | A115150 | 10,000 | 4,165 | 0 | (10,000) |
| 0.00 | Bird Deterrent System and Shed | A117008 | 22,000 | 9,165 | 0 | (22,000) |
| 0.00 | Broadcasting Tower Improvements - Replace 2 guide wires | A117502 | 15,000 | 6,250 | 0 | (15,000) |
| 0.00 | Learmonth Facility - Apron extension | A125322 | 115,000 | 47,915 | 0 | (115,000) |
| 0.00 | Learmonth Facility - Fuel mitigation for runway | A126009 | 80,000 | 33,330 | 0 | (80,000) |
| 0.00 | Exmouth Airport - Gravel sheeting & bitumen for runway | A127006 | 120,000 | 50,000 | 0 | (120,000) |
| 0.00 | Town Mall - Digital signage | A134201 | 40,000 | 16,665 | 0 | (40,000) |
| 0.16 | TOTAL CAPITAL ACQUISITIONS | | 5,535,974 | 2,049,562 | 888,097 | 4,647,877 |

| Information on Borrowings Particulars | Principal 30-Jun-18 | New Loans | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|--|------------------------|-----------|----------|----------------------|----------------|-----------------------|------------------|---------------------|---------------|
| | | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Housing | | | | | | | | | |
| Loan 77 - Snapper Loop Land | 47,955 | | | 23,643 | 47,955 | 24,312 | 0 | 1,355 | 4,640 |
| Loan 80 - Staff Dwellings | 677,075 | | | 25,698 | 62,535 | 651,377 | 614,540 | 13,142 | 33,565 |
| Community Amenities | | | | | | | | | |
| Loan 81 - Rubbush Truck | 331,881 | | | | 80,013 | 331,881 | 251,868 | | 9,413 |
| Recreation and Culture | | | | | | | | | |
| Loan 82 - Ningaloo Centre | 947,628 | | | | 54,130 | 947,628 | 893,498 | | 32,868 |
| Other Property and Services | | | | | | | | | |
| Loan 76 - 1 Bennett Street | 258,253 | | | | 19,199 | 258,253 | 239,054 | | 13,709 |
| Total | 2,262,792 | 0 | 0 | 49,341 | 263,832 | 2,213,451 | 1,998,960 | 14,497 | 94,195 |

Total

2,375,792 60,000 60,000 51,841 322,832 2,383,951 2,112,960 14,497 94,195

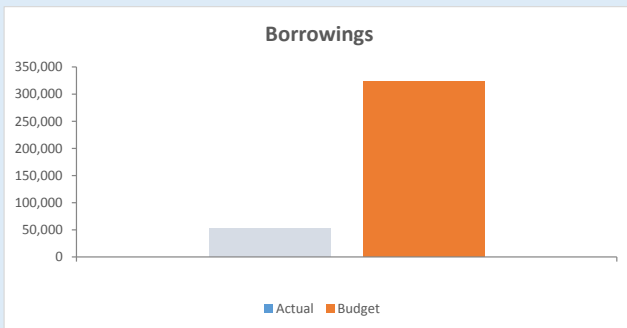
All debenture repayments were financed by general purpose revenue.

SIGNIFICANT ACCOUNTING POLICIES

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

KEY INFORMATION

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



| | |
|-----------------------------|-----------------|
| Principal Repayments | \$51,841 |
| Interest Earned | \$95,234 |
| Interest Expense | \$14,497 |
| Reserves Bal | \$7.44 M |
| Loans Due | \$2.38 M |

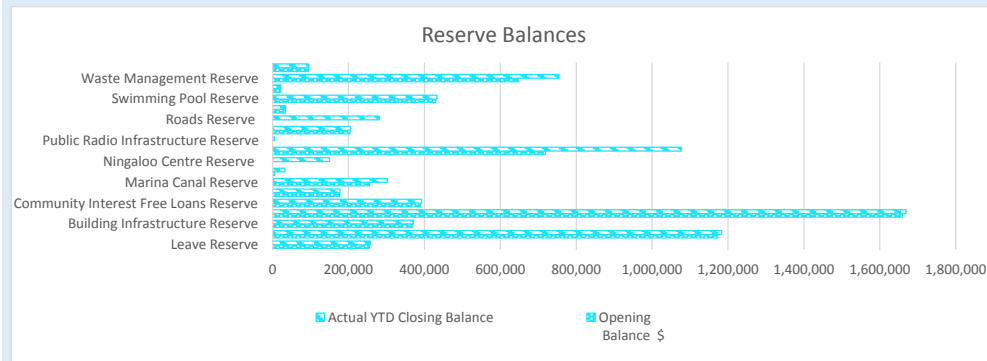
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018

OPERATING ACTIVITIES
NOTE 9
CASH AND INVESTMENTS

Cash Backed Reserve

| Reserve Name | Opening Balance | Budget Interest Earned | Actual Interest Earned | Budget Transfers In (+) | Actual Transfers In (+) | Budget Transfers Out (-) | Actual Transfers Out (-) | Budget Closing Balance | Actual YTD Closing Balance |
|--|------------------|------------------------|------------------------|-------------------------|-------------------------|--------------------------|--------------------------|------------------------|----------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Leave Reserve | 255,275 | 3,817 | 2,190 | 0 | 0 | 0 | 0 | 259,092 | 257,465 |
| Aviation Reserve | 1,173,441 | 17,545 | 10,066 | 0 | 0 | (215,000) | 0 | 975,986 | 1,183,507 |
| Building Infrastructure Reserve | 369,174 | 5,520 | 2,113 | 0 | 0 | 0 | 0 | 374,694 | 371,287 |
| Community Development Fund Reserve | 1,659,472 | 24,807 | 9,496 | 0 | 0 | (40,000) | 0 | 1,644,279 | 1,668,968 |
| Community Interest Free Loans Reserve | 390,299 | 5,836 | 2,233 | 0 | 0 | (60,000) | 0 | 336,135 | 392,532 |
| Insurance/Natural Disasters Reserve | 176,386 | 2,637 | 1,009 | 0 | 0 | 0 | 0 | 179,023 | 177,395 |
| Marina Canal Reserve | 255,079 | 3,825 | 1,460 | 46,000 | 46,000 | 0 | 0 | 304,904 | 302,539 |
| Marina Village Asset Replacement Reserve | 5,986 | 90 | 34 | 26,226 | 26,226 | 0 | 0 | 32,302 | 32,246 |
| Ningaloo Centre Reserve | 0 | 0 | 0 | 150,000 | 150,000 | 0 | 0 | 150,000 | 150,000 |
| Plant Reserve | 719,476 | 900 | 7,165 | 350,000 | 350,000 | (350,000) | 0 | 720,376 | 1,076,641 |
| Public Radio Infrastructure Reserve | 0 | 0 | 0 | 5,000 | 5,000 | 0 | 0 | 5,000 | 5,000 |
| Rehabilitation Reserve | 204,013 | 3,050 | 1,167 | 0 | 0 | 0 | 0 | 207,063 | 205,180 |
| Roads Reserve | 0 | 0 | 0 | 280,700 | 280,700 | 0 | 0 | 280,700 | 280,700 |
| Shire Staff Housing Reseve | 34,016 | 509 | 195 | 0 | 0 | 0 | 0 | 34,525 | 34,211 |
| Swimming Pool Reserve | 430,562 | 6,738 | 2,464 | 0 | 0 | 0 | 0 | 437,300 | 433,026 |
| Town Planning Scheme Reserve | 21,063 | 315 | 121 | 0 | 0 | 0 | 0 | 21,378 | 21,184 |
| Waste Management Reserve | 648,924 | 4,094 | 5,850 | 100,000 | 100,000 | (101,000) | 0 | 652,018 | 754,774 |
| Unspent Grants & Contributions Reserve | 94,284 | 0 | 424 | 0 | 0 | (94,284) | 0 | 0 | 94,708 |
| | 6,437,450 | 79,683 | 45,986 | 957,926 | 957,926 | (860,284) | 0 | 6,614,775 | 7,441,362 |

KEY INFORMATION



Grants and Contributions

| | Annual Budget | YTD Budget | YTD Actual | YTD Variance (Under)/Over |
|---|------------------|------------------|------------------|---------------------------|
| Operating grants, subsidies and contributions | | | | |
| Grants Commission - <i>General Purpose / Untied Road Grant</i> | 886,690 | 443,344 | 458,567 | 15,223 |
| DFES - <i>AWARE - Risk Assessment funding</i> | 0 | 0 | 4,000 | 4,000 |
| FESA - <i>ESL Grant BFB - BFB Operations</i> | 0 | 0 | 396 | 396 |
| FESA - <i>ESL Grant SES - SES Operations</i> | 28,575 | 9,429 | 8,547 | (882) |
| Ningaloo Centre Contributions | 0 | 0 | 360 | 360 |
| Ningaloo Centre Funding | 20,000 | 8,330 | 0 | (8,330) |
| Main Roads WA - <i>Direct Grant</i> | 55,980 | 23,325 | 95,419 | 72,094 |
| Resource Companies - <i>Community Engagement Grants</i> | 125,000 | 0 | 0 | 0 |
| Diesel Fuel Subsidy | 15,500 | 6,455 | 7,624 | 1,169 |
| Operating grants, subsidies and contributions Total | 1,131,745 | 490,883 | 574,913 | 84,030 |
| Non-operating grants, subsidies and contributions | | | | |
| FESA - <i>ESL Grant BFB - Bush Fire Brigade Shed</i> | 140,000 | 58,330 | 0 | (58,330) |
| Dept of Transport - <i>Bundegi Boat Ramp Final Claim</i> | 0 | 0 | 116,985 | 116,985 |
| Royalties 4 Regions - <i>Ningaloo Centre Final Claim</i> | 1,416,000 | 1,000,000 | 1,000,000 | 0 |
| Regional Development Australia - <i>Ningaloo Centre Final Claim</i> | 300,000 | 125,000 | 0 | (125,000) |
| Dept of Transport - <i>Roads to Recovery Program</i> | 192,018 | 80,005 | 192,018 | 112,013 |
| Main Roads WA - <i>Murat Road Funding</i> | 1,750,000 | 729,165 | 778,421 | 49,256 |
| Main Roads WA - <i>Yardie Creek Funding</i> | 278,200 | 115,915 | 53,360 | (62,555) |
| RADS - <i>Learmonth Airport Apron Upgrade</i> | 57,500 | 23,955 | 0 | (23,955) |
| Lotterywest - <i>Community Engagement Funding</i> | 8,000 | 3,330 | 0 | (3,330) |
| Non-operating grants, subsidies and contributions Total | 4,141,718 | 2,135,700 | 2,140,784 | 5,084 |
| Grand Total | 5,273,463 | 2,626,583 | 2,715,697 | |

KEY INFORMATION

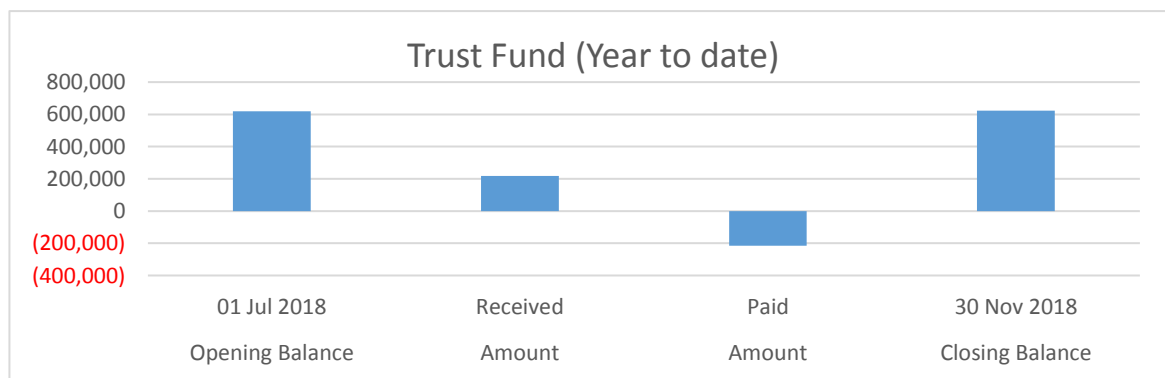
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**NOTE 11
TRUST FUND**

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

| Description | Opening Balance 01 Jul 2018 | Amount Received | Amount Paid | Closing Balance 30 Nov 2018 |
|-------------------------------------|--------------------------------|-----------------|------------------|--------------------------------|
| | \$ | \$ | \$ | \$ |
| Hall & Rec Centre Bonds | 4,950 | 5,300 | (3,200) | 7,050 |
| Olma Funding | 2,423 | | | 2,423 |
| Forum Travel Fund | 2,990 | | | 2,990 |
| NADC | 11,335 | | | 11,335 |
| Council Nomination Fees | 80 | | | 80 |
| Cyclone Baptist Needy Fund | 2,800 | | | 2,800 |
| Sundries | 8,544 | 120 | | 8,664 |
| Building/Planning Bonds | 73,400 | | | 73,400 |
| Youth Affairs | 1,401 | | | 1,401 |
| Cash in Lieu POS | 169,420 | 205,249 | | 374,669 |
| BCITF | 312 | 4,312 | (4,024) | 600 |
| BSL Levy | 276 | 3,107 | (2,787) | 596 |
| Jaurabi Coastal Park | 59,400 | | | 59,400 |
| Unclaimed Monies | 7,637 | | | 7,637 |
| Bond Deed Exmouth Marina Holdings | 18,186 | | | 18,186 |
| Key Bonds | 800 | 200 | (100) | 900 |
| Staff Housing Bonds | 0 | 250 | (250) | 0 |
| Donations for Other Organisations | 135 | | | 135 |
| Ingleton St Reserve 29086 (20A/152) | 205,249 | | (205,249) | 0 |
| Exmouth Volunteer Fire & Rescue | 50,000 | | | 50,000 |
| | 619,338 | 218,538 | (215,610) | 622,266 |

KEY INFORMATION



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**NOTE 12
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

| GL Code | Description | Council Resolution | Classification | Non Cash Adjustment | Increase in Available Cash | Decrease in Available Cash | Amended Budget Running Balance |
|---------|--|--------------------|---------------------|---------------------|----------------------------|----------------------------|--------------------------------|
| | | | | \$ | \$ | \$ | \$ |
| | Budget Adoption | | Opening Surplus | | | | 982,735 |
| | Permanent Changes | | | | | | |
| A125210 | Mortiss St & Neale Cove Road upgrade (DOT) | 09-0918 | Capital Expenditure | | | (605,290) | 377,445 |
| A114100 | Infrastructure (New) | 06-1118 | Capital Expenditure | | 30,000 | | 407,445 |
| A114101 | Infrastructure (Renew) | 06-1118 | Capital Expenditure | | | (30,000) | 377,445 |
| | | | | 0 | 30,000 | (635,290) | |

KEY INFORMATION



ANNUAL REPORT



17/18



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www.exmouth.wa.gov.au



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| | |
|--|----|
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What is the Annual Report?

The annual report is a requirement of the *Local Government Act 1995* and other associated regulations. It is an overview of the operations, activities and major initiatives that have been completed by the Shire within the past financial year or will continue to be completed into the coming financial year.

From the Shire President and Chief Executive Officer

Following a very productive year, we are pleased to present to the community this Annual Report. 2017/18 was a year of consolidation and review for the Shire of Exmouth after a period of disruption and instability. It included the election of a fresh Council and the establishment of a new executive management team.

During 2017/18 Council and the executive team worked extensively to review all aspect of Shire business, from service delivery to governance and legislative compliance. This provided Council and the Shire with a solid foundation on which to base future policy and operational decisions.

A key plank of this process was to undertake a major review of the Shire of Exmouth Strategic Community Plan. Almost 20 per cent of the community took the opportunity to participate in the review, sharing their aspirations for the community and helping establish the strategic direction for the Shire over the next 10 years. This review and the extensive public consultation that went along with it provided Council with valuable insight into the priorities and needs of the community as well as the financial and resourcing capabilities of the Shire.

While listening to the community, Council undertook significant training in financial management, governance, budgeting and meeting procedures and staff reviewed all aspects of their business units. Key questions were asked including: How can we do this better?

September 2017 marked an important milestone for the Exmouth community and we celebrated the 50th anniversary of the town and Harold E Holt as well as the official opening of the Ningaloo Centre. This event saw the community come together to celebrate our unique cultural heritage and how it has shaped our identity. The Ningaloo Centre was officially opened by the Premier of Western Australia, the Hon Mark McGowan MLA.

Other achievements through the year included the review of Town Planning Scheme 4, the development of business cases which have enabled positive conversations with key state government Ministers aimed at delivering a more sustainable local government and better quality infrastructure.

Both Council and the executive team are proud of the achievements of 2017/18. With a solid foundation of compliance and governance we look forward to providing good leadership for the benefit of all residents and ratepayers in the coming year.



Matthew Niikkula
Shire President



Cameron Woods
Chief Executive Officer



Our Vision

To be a prosperous and sustainable community living in harmony with our natural environment.



Our Purpose


To responsibly provide governance for the whole community in the best interest of current and future generations.



Image courtesy of Jana McGeachy

Our Strategic Objectives

- Diversify and grow our economy in a manner that provides year round employment opportunities.
- To protect and value our unique natural and built environment as we grow our economy.
- To be a vibrant, passionate and safe community valuing our natural environment and unique heritage.
- To provide open transparent, accountable leadership working in collaboration with our community.

An aerial photograph of the Ningaloo Coast in Western Australia. The image shows a long, straight coastline with a wide, sandy beach. The ocean is a deep blue, with white waves breaking onto the shore. The land is a mix of brown and green, with some roads and buildings visible. The sky is a clear, bright blue.

The Shire of Exmouth is situated 1,270km north of Perth, on the tip of the North West Cape in Western Australia. Exmouth is the gateway to the World Heritage Listed Ningaloo Coast, including the pristine Ningaloo Reef, Australia's largest fringing coral reef, and the rugged and spectacular Cape Range National Park.

While it was first established to support operations of the Naval Communication Station, Harold E Holt, Exmouth's primary economic driver is tourism. During the peak tourism season (April – October) Exmouth's resident population of 2,700 people balloons to more than 7,000 people. Tourists travel to Exmouth to swim with the biggest fish in the sea, the iconic Whaleshark, snorkel on the Ningaloo Reef, relax on the pristine coastline, fish, camp and explore the Cape Range National Park.

Our Council

The Shire of Exmouth is formed under the *Local Government Act 1995* and its operations and structures are a reflection of this State Legislation and its associated Regulations. Local Governments are also affected by many other pieces of Legislation which impose both powers and duties which must be carried out.

Members of the community are a vital part of the local government structure. Any member of the public who is an elector of the Shire may be elected a Councillor. Members who have been elected to represent the community meet regularly to make decisions on matters concerning the Council and to provide guidance to the Chief Executive Officer on community priorities and policy.

The Council during the period under review consisted of the following members:

| | | |
|------------------|------------------------|------|
| Matthew Niikkula | Shire President | 2021 |
| Gary Mounsey | Deputy Shire President | 2021 |
| Ben Dixon | Councillor | 2021 |
| Heather Lake | Councillor | 2019 |
| Mark Lucas | Councillor | 2019 |
| Gavin Penfold | Councillor | 2019 |



(left to right) Cr Mark Lucas, Cr Gavin Penfold, Cr Heather Lake, Cr Ben Dixon, Cr Gary Mounsey, Shire President Matthew Niikkula

Elected Member's Attendance

| Date | Type of Meeting | President Niikkula | Deputy President Mounsey | Cr Dixon | Cr Lake | Cr Lucas | Cr Penfold |
|----------|-----------------|--------------------|--------------------------|----------|---------|----------|------------|
| 23/10/17 | SCM | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6/11/17 | OCM | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 21/12/17 | OCM | ✓ | ✓ | ✓ | ✓ | L | ✓ |
| 22/02/18 | OCM | ✓ | ✓ | ✓ | ✓ | ✓ | L |
| 7/03/18 | SCM | ✓ | ✓ | ✓ | ✓ | ✓ | A |
| 22/03/18 | OCM | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 26/04/18 | OCM | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 24/05/18 | OCM | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 28/06/18 | OCM | ✓ | ✓ | ✓ | L | ✓ | ✓ |

OCM – Ordinary Council Meeting

SCM – Special Council Meeting

L – Leave

A - Apology

About Council

The Shire of Exmouth was structured around four directorates during the 2017/18 financial year

- Executive Services
- Development Services
- Corporate Services
- Commercial and Community

Each directorate is headed by an Executive Manager who worked closely with the Chief Executive Officer on the day to day operations of the Shire of Exmouth.

| Position | Officer |
|--|----------------------------------|
| Chief Executive Officer | Cameron Woods |
| Deputy Chief Executive Officer | Keith Woodward |
| Executive Manager Corporate Services | Kevin Wilson (commenced 12/2/18) |
| Executive Manager Commercial and Community | Matthew Bird (commenced 21/8/17) |

Directorates

Executive Services

- Strategic Planning
- Governance
- Policy
- Organisational Development

Development Services

- Transport - Roads, Footpaths
- Parks & Recreation Grounds
- Infrastructure & Community Amenities
- Asset & Building Maintenance
- Qualing Scarp Waste Management
- Emergency /Ranger Services
- Building Services
- Environmental Health Services
- Swimming Pool
- Waste Management & Recycling
- Occupational, Health & Safety
- Town Planning Services
- Townscape
- Reserves Management

Corporate Services

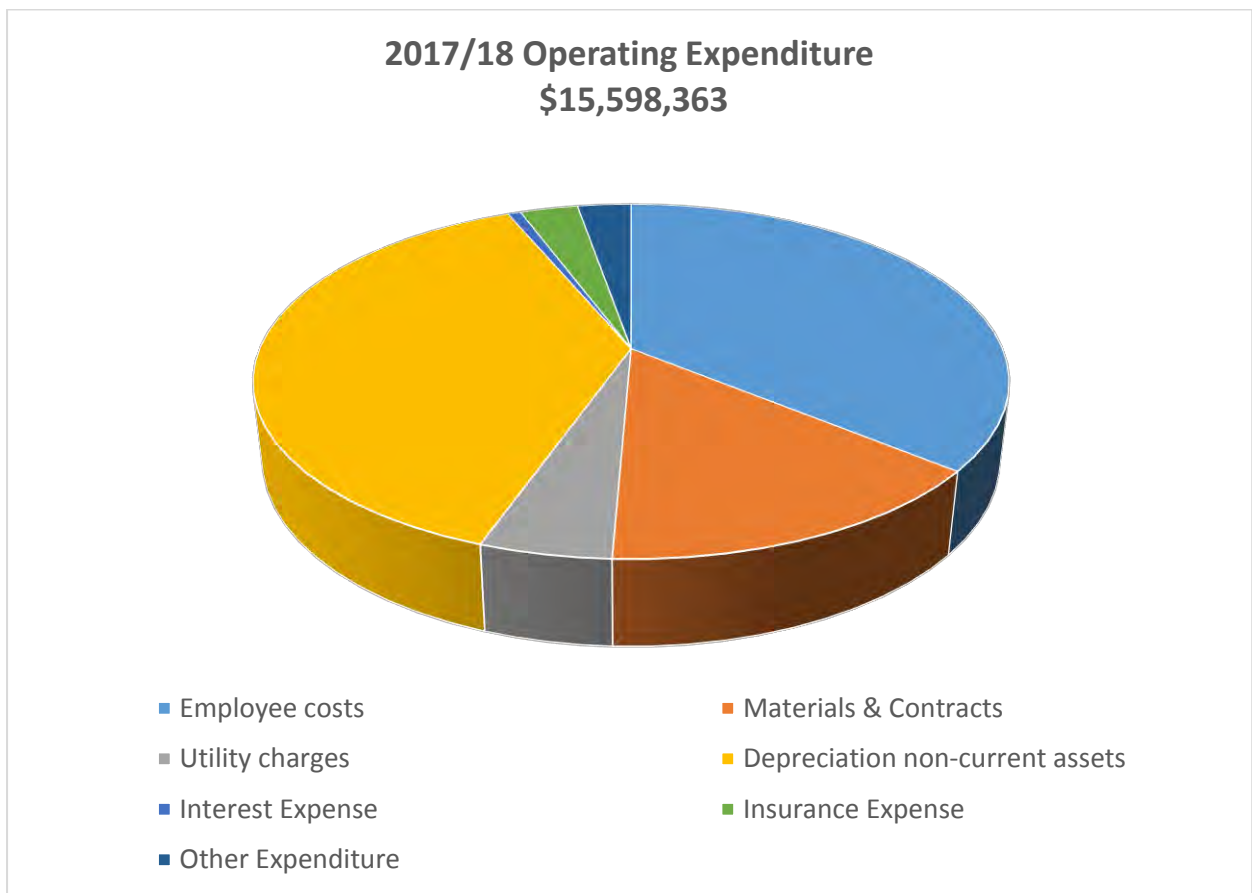
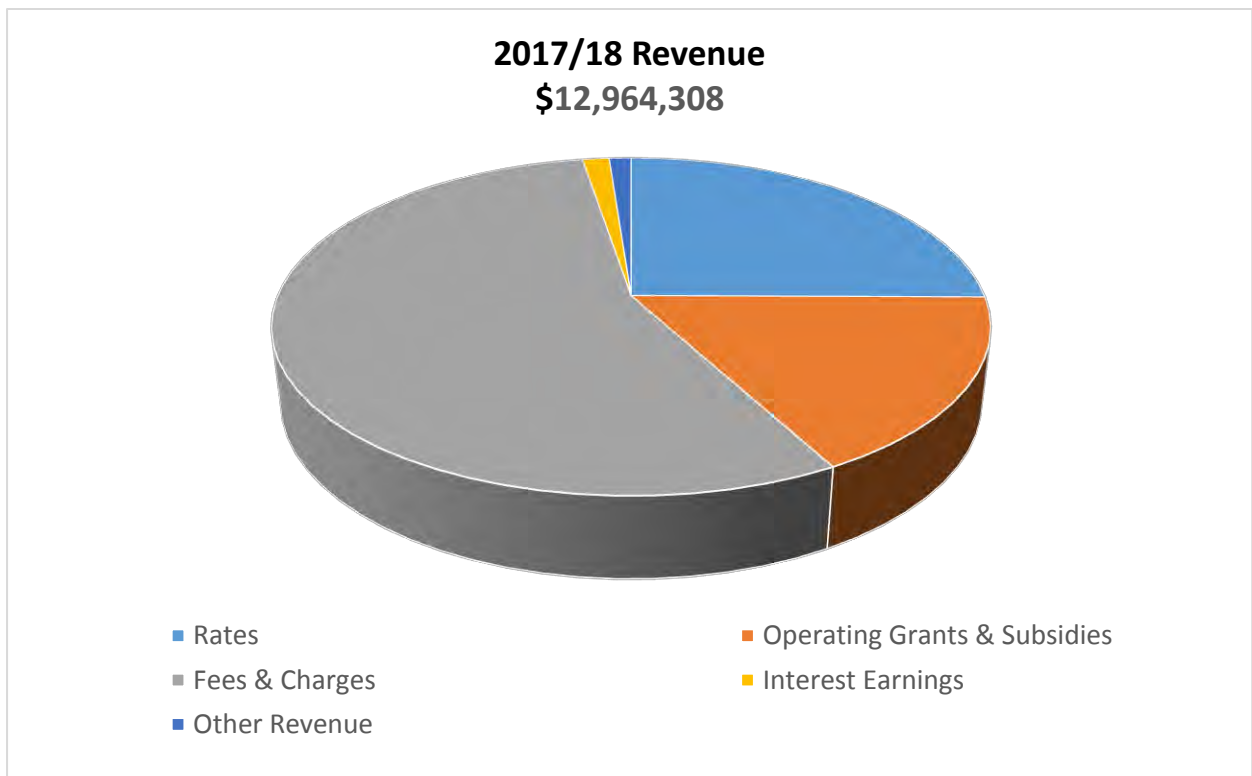
- Financial Services
- Administration Services
- Records Management & Information Systems
- Insurance & Risk Management
- Cemetery
- Centrelink

Commercial and Community

- Ningaloo Centre
- Aviation Services
- Community & Cultural Development
- Infant, Youth and Seniors Services
- Disability Services
- Heritage
- Tourism & Promotions
- Library
- Festival & Events



Financials Statistics



Highlights 2017/2018

Economic

To be diverse and innovative economy with a range of local employment opportunities.

We will promote growth by ensuring that Exmouth continues to be recognised as an attractive place to live, work and invest. An increase in our population and investment will also pave the way for better education, training and employment opportunities, to help retain our youth in town.

We will implement exceptional planning and ensure that there is adequate consideration of the social and environmental impacts of all future development, in order to achieve balanced growth for our community, whilst also conserving the pristine environment and retaining our local character and relaxed lifestyle.

- Completion of the Ningaloo Centre
- Processed 59 development applications
- Completion of the Multi-Purpose Community Room and Storage Facility at Paltridge Memorial Swimming Pool
- Developed key relationships with State Government Ministers and agencies
- Hosted Australian Coral Reef Society Conference

Social

To be dynamic, passionate and safe community valuing natural and cultural heritage.

Exmouth's small town atmosphere, friendly spirit, relaxed lifestyle and safe community environment are highly regarded by our residents. We need to make sure we continue to provide services and infrastructure which will retain and enhance these highly valued social qualities.

We acknowledge we need to encourage moderate expansion, to improve our local services such as health, aged care and education to meet the expectations of our community.

- Ningaloo Trails Masterplan adopted
- Australian Day celebrations at the Paltridge Memorial Swimming Pool
- Exmouth 50 year Celebrations
- ANZAC Day/Remembrance Day ceremonies
- Better Beginnings program
- Man Cave exhibition
- Opening of the Ningaloo Centre

Environmental

To have a balanced respect for our environment and heritage, both natural and built.

The Exmouth community are passionate and proud of their natural environment. As a start, we encourage our community to be more involved in projects such as the Town Centre Revitalisation and the Ningaloo Centre, to instil a greater sense of local pride and make certain we all proudly celebrate our World Heritage status. Our unique environment also presents a tangible prospect for us to be a world class leader in eco-friendly initiatives.

We can work together as a community to all be proud and welcoming ambassadors, and take responsibility for the presentation of our town.

- Townsite road sealing
- Planning for Murat Road upgrades; road widening, intersection design, shared bike/pedestrian path, lighting and flood mitigation
- Upgrade to fender system and rust treatment at Bundegi boat ramp
- Continued review of Town Planning Scheme No. 4

Civic Leadership

To work together as custodians of new and future.

We will continue to strive to be forward thinking, have strong representation and provide good leadership. We will also proactively communicate and acknowledge local feedback to ensure the services we deliver are representative of our community's needs.

In addition to focussing on continually improving our quality of service, we will work smarter to leverage partnerships and greater collaboration. We will maximise our efforts and advocate to better represent our region's interests particularly in relation to our environment, as well as continuing to lobby for better services to support our community.

- Review of Shire governances and legislative compliance
- Review of Council Policy Manual
- Commence review of Exmouth 2030 Strategic Community Plan
- Councillor and Staff governance training
- Adopted new Code of Conduct

Statutory Reporting

Disability Access & Inclusion Plan (DAIP)

Ongoing implementation of the Shire's Disability Access & Inclusion Plan (DAIP) took place during the year 2017-2018.

The Shire has continued to implement various initiatives and programs contained within the DAIP. The Shire reports on the achievements of the Plan on an annual basis to the Disability Services Commission.

Major initiatives implemented this year included the addition of two ACROD parking bays in the town centre to a location closer to the mall entry. This project was undertaken in response to feedback from seniors and ACROD card holders who were concerned at the distance of current services from shopping facilities.

In addition, the Shire also moved to improve access to its beaches. The addition of rubber matting at the southern and northern ends of Bundegi beach complements the provision of two beach wheelchairs by the Shire of Exmouth.

The Shire continued to encourage the use of universal methods of consultation that meet the needs of people with disabilities in 2017/18. DAIP strategies were implemented during community consultation undertaken to develop the Shire's Strategic Community Plan. Public consultation, face to face workshops, online surveys and in-person surveys were utilised to engage all community groups.

More access and inclusion initiatives have been budgeted for in 2018/19 financial year including the upgrade of key footpaths accessing the Ningaloo Centre and improved readability of the Shire website.

Strategic Community Plan: Exmouth 2030

In 2017/18 the Shire of Exmouth began a major review of its Strategic Community Plan, Exmouth 2030.

In developing Exmouth 2030, the Shire sought the views and aspirations of the community, through public meetings, focus groups and surveys, about where our community should be by 2030.

Almost 20 per cent of the community participated in the Strategic Community Plan public consultation. This is well above the 10% standard outlined in the *Integrated Planning and Reporting Framework and Guidelines* published by the Department of Local Government Sport and Cultural Industries.

Analysis of community feedback and survey data resulted in the development of community priorities for social, economic, environment, changing demographics and land use, social and leadership in the Shire of Exmouth. These priorities form the key strategic document used by Council to guide decision making.

The Plan takes into account the broad social, cultural, economic and environmental areas and how private industry, government agencies and community might contribute to achieve the aspirations of our community.

Our thanks go to all those who supported this process and gave up their time to provide their input and help guide the development of this plan.

State Records Act

The Shire's amended Recordkeeping Plan was approved by the State Records Commission on 5 December 2014. The next review is due within five years, 5 December 2019.

The Records Keeping Plan details all record keeping practices across the organisation and incorporates legal requirements set by State Records. The Shire's records staff undertake record keeping training for all staff on an as-needed basis following a formal induction process. Every staff member attends a mandatory record keeping induction upon commencing with the organisation.

Statement of Salaries

Local Government (Administration) Regulation 19B requires the Shire of Exmouth to disclose in bands of \$10,000 the number of employees entitled to an annual salary entitlement that falls within each band of \$10,000 over \$100,000

| Salary Range (\$) | 2018 | 2017 | 2016 |
|--------------------------|-------------|-------------|-------------|
| 100,000 - 109,999 | 1 | 4 | 5 |
| 110,000 - 119,999 | 1 | | |
| 120,000 - 129,999 | | | |
| 130,000 - 139,999 | 1 | 2 | 2 |
| 140,000 - 149,999 | | | |
| 150,000 - 159,999 | 1 | 1 | 1 |
| 160,000 - 169,999 | | | |
| 170,000 - 179,999 | | | |
| 180,000 - 189,999 | 1 | 1 | |
| TOTAL | 5 | 8 | 8 |

National Competition Policy

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

The National Competition Policy itself concluded in 2005/06 and has been succeeded by Australia's National Reform Agenda which is an addition to, and continuation of, the National Competition Policy reforms. The CPA (as amended 13 April 2007) sets out nominated principles from the agreement that now applies to local government.

The provisions of the CPA require local government to report annually on implementation, application and effects of Competition Policy. Competition Policy does not require contracting out or competitive tendering and does not preclude local government from continuing to subsidise its business activities from general revenue, nor does it require privatisation of government functions. It does require local governments to identify significant business activities and apply competitive disciplines to those businesses which compete with the private sector.

In July 1996 the State Government released a Policy Statement called Clause 7 which describes the application of specific "Competition Principles" to the activities and functions of local government pursuant to the National Competition Policy package.

Although local government is not a party to the Agreement, the State's obligations extend to ensuring that the principles are applied to local government activities and functions and the annual report must include a statement on all allegations of non-compliance with the principles.

In accordance with the requirements of the National Competition Policy the Shire makes the following disclosure for the reporting period.

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: One (1) - Learmonth Aviation Operations. A study into the operations of the Learmonth Aviation Operations concluded that competitive neutrality not be applied to the Learmonth Aviation Operations. Council will continue to monitor the benefits of applying competitive neutrality on an ongoing basis; and
- During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire.

Register of Complaints

Section 5.121 of the *Local Government Act 1995* (Register of certain complaints of minor breaches) requires the complaints officer for each local government to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of the Act (Conduct of Certain Officials).

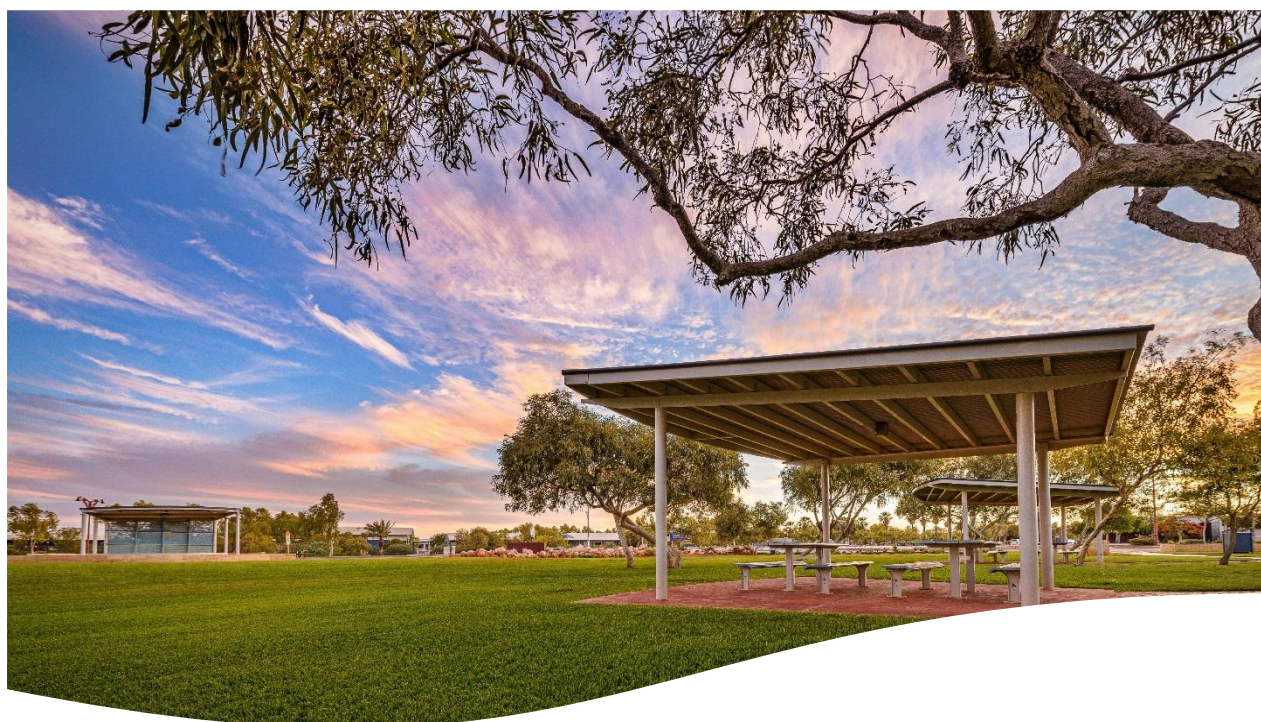
Section 5.53 (2) of the *Local Government Act 1995* requires that details of entries made under section 5.121 during the financial year in the register of complaints, including;

- i) the number of complaints recorded in the register of complaints; and
- ii) how the recorded complaints were dealt with; be included in the Annual Report of Council.

There were no complaints received pursuant to s5.121 of *the Local Government Act 1995* by the Shire of Exmouth during the 2017/18 reporting period.

Freedom of Information

During the 2017/18 financial year, the Shire of Exmouth received no requests for information under the *Freedom of Information Act 1992*



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

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COMMUNITY VISION

To support and develop a vibrant, welcoming community that embraces its past, its present and plans for a sustainable future.

Principal place of business:
2 Truscott Crescent
Exmouth WA 6707

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

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

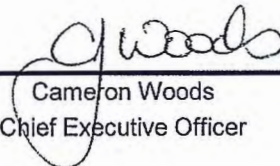
STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the

21st

day of November 2018


Cameron Woods
Chief Executive Officer



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

| | NOTE | 2018 Actual \$ | 2018 Budget \$ | 2017 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Rates | 22(a) | 3,258,621 | 3,241,549 | 3,237,395 |
| Operating grants, subsidies and contributions | 2(a) | 2,195,008 | 1,351,285 | 3,318,159 |
| Fees and charges | 2(a) | 7,173,008 | 6,414,009 | 5,877,937 |
| Interest earnings | 2(a) | 184,945 | 117,140 | 238,432 |
| Other revenue | | 152,726 | 33,558 | 9,149 |
| | | <u>12,964,308</u> | <u>11,157,541</u> | <u>12,681,072</u> |
| Expenses | | | | |
| Employee costs | | (5,598,863) | (5,924,764) | (5,791,390) |
| Materials and contracts | | (2,303,971) | (2,334,495) | (2,896,755) |
| Utility charges | | (743,936) | (844,540) | (609,711) |
| Depreciation on non-current assets | 9(b) | (5,961,266) | (6,001,350) | (4,739,977) |
| Interest expenses | 2(a) | (102,231) | (101,727) | (62,399) |
| Insurance expenses | | (461,131) | (461,607) | (442,501) |
| Other expenditure | | (426,875) | (354,965) | (353,847) |
| | | <u>(15,598,273)</u> | <u>(16,023,448)</u> | <u>(14,896,580)</u> |
| | | <u>(2,633,965)</u> | <u>(4,865,907)</u> | <u>(2,215,508)</u> |
| Non-operating grants, subsidies and contributions | 2 | 2,664,794 | 5,360,417 | 8,672,185 |
| Profit on asset disposals | 9(a) | 0 | 26,312 | 157,486 |
| (Loss) on asset disposals | 9(a) | 0 | (64,871) | (23,680) |
| Net result | | <u>30,829</u> | <u>455,951</u> | <u>6,590,483</u> |
| Other comprehensive income | | | | |
| Changes on revaluation of non-current assets | 10 | 12,997,241 | 0 | 4,391,934 |
| Total other comprehensive income | | <u>12,997,241</u> | <u>0</u> | <u>4,391,934</u> |
| Total comprehensive income | | <u>13,028,070</u> | <u>455,951</u> | <u>10,982,417</u> |

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



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

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|---|------|---------------------|---------------------|---------------------|
| | | \$ | \$ | \$ |
| Revenue | 2(a) | | | |
| Governance | | 16,427 | 1,427 | 32,670 |
| General purpose funding | | 5,256,879 | 4,190,740 | 6,334,380 |
| Law, order, public safety | | 56,894 | 70,359 | 80,103 |
| Health | | 36,544 | 32,668 | 46,330 |
| Education and welfare | | 31,822 | 32,516 | 30,100 |
| Housing | | 155,095 | 103,863 | 106,228 |
| Community amenities | | 1,169,505 | 1,075,906 | 1,162,569 |
| Recreation and culture | | 556,129 | 832,458 | 365,721 |
| Transport | | 5,360,526 | 4,561,972 | 4,268,558 |
| Economic services | | 225,084 | 222,733 | 182,061 |
| Other property and services | | 99,403 | 32,899 | 72,352 |
| | | <u>12,964,308</u> | <u>11,157,541</u> | <u>12,681,072</u> |
| Expenses | 2(a) | | | |
| Governance | | (880,939) | (817,583) | (854,153) |
| General purpose funding | | (71,816) | (85,664) | (103,490) |
| Law, order, public safety | | (473,282) | (451,198) | (481,007) |
| Health | | (187,375) | (196,398) | (199,355) |
| Education and welfare | | (166,400) | (163,271) | (127,295) |
| Housing | | 0 | (24,162) | (60,561) |
| Community amenities | | (1,791,782) | (1,837,833) | (1,977,489) |
| Recreation and culture | | (4,968,376) | (5,424,998) | (3,735,734) |
| Transport | | (6,310,585) | (6,221,384) | (6,500,127) |
| Economic services | | (645,487) | (705,595) | (763,495) |
| Other property and services | | 0 | 6,365 | (31,475) |
| | | <u>(15,496,042)</u> | <u>(15,921,721)</u> | <u>(14,834,181)</u> |
| Finance Costs | 2(a) | | | |
| Housing | | (40,497) | (41,708) | (45,667) |
| Community amenities | | (10,794) | (10,553) | (297) |
| Recreation and culture | | (36,335) | (35,385) | (1,001) |
| Other property and services | | (14,605) | (14,081) | (15,434) |
| | | <u>(102,231)</u> | <u>(101,727)</u> | <u>(62,399)</u> |
| | | <u>(2,633,965)</u> | <u>(4,865,907)</u> | <u>(2,215,508)</u> |
| Non-operating grants, subsidies and contributions | 2 | 2,664,794 | 5,360,417 | 8,672,185 |
| Profit on disposal of assets | 9(a) | 0 | 26,312 | 157,486 |
| (Loss) on disposal of assets | 9(a) | 0 | (64,871) | (23,680) |
| | | <u>2,664,794</u> | <u>5,321,858</u> | <u>8,805,991</u> |
| Net result | | <u>30,829</u> | <u>455,951</u> | <u>6,590,483</u> |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 10 | 12,997,241 | 0 | 4,391,934 |
| Total other comprehensive income | | <u>12,997,241</u> | <u>0</u> | <u>4,391,934</u> |
| Total comprehensive income | | <u>13,028,070</u> | <u>455,951</u> | <u>10,982,417</u> |

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



STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

| | NOTE | 2018 | 2017 |
|---|-------|--------------------|--------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 9,126,509 | 7,293,188 |
| Trade and other receivables | 5 | 1,788,959 | 1,627,189 |
| Inventories | 6 | 28,847 | 39,398 |
| TOTAL CURRENT ASSETS | | 10,944,315 | 8,959,775 |
| NON-CURRENT ASSETS | | | |
| Other receivables | 5 | 94,018 | 165,357 |
| Inventories | 6 | 1,446,263 | 1,446,263 |
| Property, plant and equipment | 7 | 68,855,132 | 69,367,075 |
| Infrastructure | 8 | 51,492,495 | 40,549,933 |
| TOTAL NON-CURRENT ASSETS | | 121,887,908 | 111,528,628 |
| TOTAL ASSETS | | 132,832,223 | 120,488,403 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 1,554,516 | 1,914,304 |
| Current portion of long term borrowings | 12(a) | 263,832 | 253,764 |
| Provisions | 13 | 779,782 | 822,969 |
| TOTAL CURRENT LIABILITIES | | 2,598,130 | 2,991,037 |
| NON-CURRENT LIABILITIES | | | |
| Long term borrowings | 12(a) | 1,998,960 | 2,262,793 |
| Provisions | 13 | 139,822 | 167,332 |
| TOTAL NON-CURRENT LIABILITIES | | 2,138,782 | 2,430,125 |
| TOTAL LIABILITIES | | 4,736,912 | 5,421,162 |
| NET ASSETS | | 128,095,311 | 115,067,241 |
| EQUITY | | | |
| Retained surplus | | 66,418,539 | 66,796,357 |
| Reserves - cash backed | 4 | 6,437,450 | 6,028,803 |
| Revaluation surplus | 10 | 55,239,322 | 42,242,081 |
| TOTAL EQUITY | | 128,095,311 | 115,067,241 |

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



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

| | | RESERVES- | | | |
|----------------------------------|------|---------------------|----------------|------------------------|-----------------|
| | NOTE | RETAINED SURPLUS | CASH BACKED | REVALUATION SURPLUS | TOTAL EQUITY |
| | | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2016 | | 50,952,466 | 15,282,211 | 37,850,147 | 104,084,824 |
| Comprehensive income | | | | | |
| Net result | | 6,590,483 | 0 | 0 | 6,590,483 |
| Changes on revaluation of assets | 10 | 0 | 0 | 4,391,934 | 4,391,934 |
| Total comprehensive income | | 6,590,483 | 0 | 4,391,934 | 10,982,417 |
| Transfers from/(to) reserves | | 9,253,409 | (9,253,409) | 0 | 0 |
| Balance as at 30 June 2017 | | 66,796,357 | 6,028,803 | 42,242,081 | 115,067,241 |
| Comprehensive income | | | | | |
| Net result | | 30,829 | 0 | 0 | 30,829 |
| Changes on revaluation of assets | 10 | 0 | 0 | 12,997,241 | 12,997,241 |
| Total comprehensive income | | 30,829 | 0 | 12,997,241 | 13,028,070 |
| Transfers from/(to) reserves | | (408,647) | 408,647 | 0 | 0 |
| Balance as at 30 June 2018 | | 66,418,539 | 6,437,450 | 55,239,322 | 128,095,311 |

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

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

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|---|------|----------------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| | | \$ | \$ | \$ |
| Receipts | | | | |
| Rates | | 3,291,748 | 3,252,821 | 3,349,584 |
| Operating grants, subsidies and contributions | | 2,040,192 | 1,291,876 | 3,318,914 |
| Fees and charges | | 7,173,008 | 6,111,044 | 5,741,029 |
| Interest earnings | | 184,945 | 140,691 | 238,432 |
| Goods and services tax | | 104,844 | 951,355 | 3,605,666 |
| Other revenue | | 101,376 | 36,010 | 9,149 |
| | | 12,896,113 | 11,783,797 | 16,262,774 |
| Payments | | | | |
| Employee costs | | (5,492,802) | (6,184,076) | (5,927,231) |
| Materials and contracts | | (2,823,529) | (2,964,972) | (4,233,325) |
| Utility charges | | (743,936) | (955,886) | (609,711) |
| Interest expenses | | (102,945) | (101,251) | (58,010) |
| Insurance expenses | | (461,131) | (444,184) | (442,501) |
| Goods and services tax | | (147,332) | (970,382) | (3,343,785) |
| Other expenditure | | (375,525) | (368,142) | (353,847) |
| | | (10,147,200) | (11,988,893) | (14,968,410) |
| Net cash provided by (used in) operating activities | 14 | 2,748,913 | (205,096) | 1,294,364 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for development of | | | | |
| Land held for resale | | 0 | 0 | (430,000) |
| Payments for purchase of | | | | |
| property, plant & equipment | | (2,301,651) | (4,607,305) | (19,369,555) |
| Payments for construction of | | | | |
| infrastructure | | (1,092,994) | (2,599,906) | (1,219,881) |
| Non-operating grants, subsidies and contributions | | | | |
| | | 2,664,794 | 5,360,425 | 8,672,184 |
| Proceeds from sale of fixed assets | | | | |
| | | 0 | 209,000 | 390,051 |
| Proceeds from advances | | | | |
| | | 0 | 0 | 56,500 |
| Net cash provided by (used in) investment activities | | (729,851) | (1,637,786) | (11,900,701) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of long term borrowings | | | | |
| | | (253,765) | (247,670) | (117,266) |
| Proceeds from self supporting loans | | | | |
| | | 68,024 | 54,000 | 0 |
| Proceeds from new long term borrowings | | | | |
| | | 0 | 0 | 1,410,000 |
| Net cash provided by (used in) financing activities | | (185,741) | (193,670) | 1,292,734 |
| Net increase (decrease) in cash held | | | | |
| | | 1,833,321 | (2,036,552) | (9,313,603) |
| Cash at beginning of year | | | | |
| | | 7,293,188 | 10,395,188 | 16,687,571 |
| Cash and cash equivalents at the end of the year | | | | |
| | 14 | 9,126,509 | 8,358,636 | 7,373,968 |

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

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

| | NOTE | 2018 Actual | 2018 Budget | 2017 Actual |
|--|-------|------------------|--------------------|---------------------|
| | | \$ | \$ | \$ |
| OPERATING ACTIVITIES | | | | |
| Net current assets at July 1 b/fwd - surplus/(deficit) | | 962,667 | 962,667 | 125,545 |
| | | 962,667 | 962,667 | 125,545 |
| Revenue from operating activities (excluding rates) | | | | |
| Governance | | 16,427 | 1,427 | 32,670 |
| General purpose funding | | 2,045,072 | 995,404 | 3,142,574 |
| Law, order, public safety | | 56,894 | 70,359 | 80,103 |
| Health | | 36,544 | 32,668 | 46,330 |
| Education and welfare | | 31,822 | 32,516 | 30,100 |
| Housing | | 155,095 | 103,863 | 106,228 |
| Community amenities | | 1,169,505 | 1,075,906 | 1,162,569 |
| Recreation and culture | | 556,129 | 832,458 | 365,721 |
| Transport | | 5,360,526 | 4,588,284 | 4,268,557 |
| Economic services | | 225,084 | 222,733 | 182,061 |
| Other property and services | | 99,403 | 32,899 | 229,838 |
| | | 9,752,501 | 7,988,517 | 9,646,751 |
| Expenditure from operating activities | | | | |
| Governance | | (880,939) | (817,583) | (854,334) |
| General purpose funding | | (71,816) | (85,664) | (103,490) |
| Law, order, public safety | | (473,282) | (451,198) | (481,007) |
| Health | | (187,375) | (196,398) | (199,355) |
| Education and welfare | | (166,400) | (163,271) | (127,295) |
| Housing | | (40,497) | (65,870) | (106,228) |
| Community amenities | | (1,802,576) | (1,897,482) | (1,977,786) |
| Recreation and culture | | (5,004,711) | (5,460,383) | (3,737,855) |
| Transport | | (6,310,585) | (6,228,259) | (6,520,948) |
| Economic services | | (645,487) | (711,998) | (763,495) |
| Other property and services | | (14,605) | (10,213) | (48,467) |
| | | (15,598,273) | (16,088,319) | (14,920,260) |
| Operating activities excluded | | | | |
| (Profit) on disposal of assets | 9(a) | 0 | (26,312) | (157,486) |
| Loss on disposal of assets | 9(a) | 0 | 64,871 | 23,680 |
| Movement in deferred pensioner rates (non-current) | | (1,685) | 0 | (614) |
| Movement in employee benefit provisions (non-current) | | (70,697) | 0 | (251,395) |
| Depreciation and amortisation on assets | 9(b) | 5,961,266 | 6,001,350 | 4,739,977 |
| Amount attributable to operating activities | | 1,005,779 | (1,097,226) | (793,801) |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | | 2,664,794 | 5,360,417 | 8,672,185 |
| Proceeds from disposal of assets | 9(a) | 0 | 209,000 | 390,051 |
| Purchase of land held for resale | | 0 | 0 | (430,000) |
| Purchase of property, plant and equipment | 7(b) | (2,301,651) | (4,607,305) | (19,450,335) |
| Purchase and construction of infrastructure | 8(b) | (1,092,994) | (2,599,905) | (1,219,881) |
| Amount attributable to investing activities | | (729,851) | (1,637,793) | (12,037,980) |
| FINANCING ACTIVITIES | | | | |
| Repayment of advances to community groups | | 0 | 0 | 56,500 |
| Repayment of long term borrowings | 12(a) | (253,765) | (247,670) | (117,266) |
| Proceeds from new long term borrowings | 12(b) | 0 | 0 | 1,410,000 |
| Proceeds from self supporting loans | 12(a) | 68,024 | 54,000 | 0 |
| Transfers to reserves (restricted assets) | 4 | (697,016) | (138,074) | (1,093,318) |
| Transfers from reserves (restricted assets) | 4 | 288,370 | 1,160,875 | 10,346,726 |
| Amount attributable to financing activities | | (594,387) | 829,131 | 10,602,642 |
| Surplus(deficiency) before general rates | | (318,459) | (1,905,888) | (2,229,139) |
| Total amount raised from general rates | 22 | 3,211,807 | 3,195,336 | 3,191,806 |
| Net current assets at June 30 c/fwd - surplus/(deficit) | 23 | 2,893,348 | 1,289,448 | 962,667 |

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

1. BASIS OF PREPARATION

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

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or any other sporting or recreational facility of state or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008 have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 to these financial statements.

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

2. REVENUE AND EXPENSES

| (a) Revenue | 2018 | 2018 | 2017 |
|-----------------------------|------------------|------------------|------------------|
| | Actual | Budget | Actual |
| | \$ | \$ | \$ |
| Fees and Charges | | | |
| General purpose funding | 24,045 | 23,134 | 41,564 |
| Law, order, public safety | 12,523 | 13,018 | 22,209 |
| Health | 36,544 | 32,668 | 46,330 |
| Education and welfare | 29,440 | 30,121 | 27,874 |
| Housing | 109,395 | 102,863 | 105,817 |
| Community amenities | 1,168,031 | 1,075,724 | 1,156,760 |
| Recreation and culture | 274,731 | 410,813 | 111,296 |
| Transport | 5,295,416 | 4,490,453 | 4,162,150 |
| Economic services | 220,083 | 222,733 | 180,479 |
| Other property and services | 2,800 | 12,482 | 23,458 |
| | <u>7,173,008</u> | <u>6,414,009</u> | <u>5,877,937</u> |

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

| | 2018 Actual | 2018 Budget | 2017 Actual |
|--|------------------|------------------|-------------------|
| | \$ | \$ | \$ |
| Operating grants, subsidies and contributions | | | |
| General purpose funding | 1,836,082 | 853,347 | 2,873,094 |
| Law, order, public safety | 40,371 | 53,341 | 53,679 |
| Community amenities | 0 | 0 | 3,340 |
| Recreation and culture | 231,246 | 373,266 | 195,212 |
| Transport | 65,980 | 55,980 | 95,891 |
| Economic services | 5,000 | 0 | 0 |
| Other property and services | 16,329 | 15,351 | 36,946 |
| | 2,195,008 | 1,351,285 | 3,258,162 |
| Non-operating grants, subsidies and contributions | | | |
| Community amenities | 0 | 0 | (338,701) |
| Recreation and culture | 1,976,068 | 3,394,883 | 8,153,848 |
| Transport | 688,726 | 1,965,534 | 857,039 |
| | 2,664,794 | 5,360,417 | 8,672,186 |
| Total grants, subsidies and contributions | 4,859,802 | 6,711,702 | 11,930,348 |

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 21. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

| | 2018 Actual | 2018 Budget | 2017 Actual |
|---|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Interest earnings | | | |
| - Loans receivable - clubs/institutions | | | |
| - Reserve funds | 101,037 | 47,076 | 151,366 |
| - Other funds | 19,531 | 14,560 | 20,721 |
| Other interest revenue (refer note 22(d)) | 54,632 | 66,345 | 66,345 |
| | 175,200 | 127,981 | 238,432 |

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

2. REVENUE AND EXPENSES (Continued)

| (b) Expenses | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Auditors remuneration | | |
| - Audit of the Annual Financial Report | 22,968 | 36,286 |
| Other Audit Services | 21,620 | 88,942 |
| | <u>44,588</u> | <u>125,228</u> |
| | | |
| Interest expenses (finance costs) | | |
| Long term borrowings (refer Note 12(a)) | 102,231 | 62,399 |
| | <u>102,231</u> | <u>62,399</u> |

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

| | NOTE | 2018 | 2017 |
|---|------|------------------|------------------|
| | | \$ | \$ |
| 3. CASH AND CASH EQUIVALENTS | | | |
| Unrestricted | | 2,689,059 | 1,264,385 |
| Restricted | | 6,437,450 | 6,028,803 |
| | | <u>9,126,509</u> | <u>7,293,188</u> |
| The following restrictions have been imposed by regulations or other externally imposed requirements: | | | |
| Leave Reserve | 4 | 255,275 | 250,942 |
| Aviation Reserve | 4 | 1,173,441 | 1,153,526 |
| Building Infrastructure Preservation Reserve | 4 | 369,174 | 362,908 |
| Community Development Fund | 4 | 1,659,472 | 1,729,611 |
| Community Interest Free Loans Reserve | 4 | 390,299 | 383,675 |
| Insurance/Natural Disasters Reserve | 4 | 176,386 | 173,392 |
| Marina Canal Reserve | 4 | 255,079 | 33,617 |
| Marina Village Asset Replacement Reserve | 4 | 5,986 | 5,885 |
| Plant Reserve | 4 | 719,476 | 707,266 |
| Rehabilitation Reserve | 4 | 204,013 | 200,551 |
| Shire Staff Housing Reserve | 4 | 34,016 | 33,439 |
| Swimming Pool Reserve | 4 | 430,562 | 432,265 |
| Town Planning Scheme Reserve | 4 | 21,063 | 20,706 |
| Waste Management Reserve | 4 | 648,924 | 269,179 |
| Unspent Grants & Contributions Reserve | 4 | 94,284 | 271,842 |
| | | <u>6,437,450</u> | <u>6,028,803</u> |

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

| | 2018 Actual Opening Balance | 2018 Actual Transfer to | 2018 Actual Transfer (from) | 2018 Actual | 2018 Budget Opening Balance | 2018 Budget Transfer to | 2018 Budget Transfer (from) | 2018 Budget Closing Balance | 2017 Actual Opening Balance | 2017 Actual Transfer to | 2017 Actual Transfer (from) | 2017 Actual Closing Balance |
|--|--------------------------------------|----------------------------------|--------------------------------------|----------------|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Leave Reserve | 250,942 | 4,332 | 0 | 255,274 | 250,942 | 3,764 | 0 | 254,706 | 450,122 | 6,028 | (205,208) | 250,942 |
| Aviation Reserve | 1,153,526 | 19,915 | 0 | 1,173,441 | 1,153,526 | 17,153 | (10,000) | 1,160,679 | 1,204,251 | 16,750 | (67,475) | 1,153,526 |
| Building Infrastructure Preservation Reserve | 362,908 | 6,265 | 0 | 369,173 | 362,909 | 5,444 | 0 | 368,353 | 299,072 | 63,836 | 0 | 362,908 |
| Community Development Fund | 1,729,611 | 29,861 | (100,000) | 1,659,472 | 1,729,611 | 24,444 | (100,000) | 1,654,055 | 2,717,187 | 37,537 | (1,025,113) | 1,729,611 |
| Community Interest Free Loans Reserve | 383,675 | 6,824 | 0 | 390,299 | 383,675 | 59,937 | 0 | 443,612 | 322,238 | 81,437 | 0 | 383,675 |
| Insurance/Natural Disasters Reserve | 173,392 | 2,993 | 0 | 176,385 | 173,392 | 2,601 | 0 | 175,993 | 0 | 173,392 | 0 | 173,392 |
| Marina Canal Reserve | 33,617 | 221,462 | 0 | 255,079 | 33,617 | 504 | 0 | 34,121 | 0 | 33,617 | 0 | 33,617 |
| Marina Village Asset Replacement Reserve | 5,885 | 102 | 0 | 6,987 | 5,885 | 88 | 0 | 5,973 | 5,797 | 88 | 0 | 5,885 |
| Plant Reserve | 707,266 | 12,211 | 0 | 719,477 | 707,266 | 6,768 | (666,074) | 47,960 | 292,827 | 414,439 | 0 | 707,266 |
| Rehabilitation Reserve | 200,550 | 3,462 | 0 | 204,012 | 200,550 | 7,977 | (2,088) | 206,439 | 189,645 | 16,585 | (5,679) | 200,551 |
| Shire Staff Housing Reserve | 33,439 | 577 | 0 | 34,016 | 33,439 | 502 | 0 | 33,941 | 8,225 | 25,214 | 0 | 33,439 |
| Swimming Pool Reserve | 432,265 | 7,463 | (9,166) | 430,562 | 432,265 | 6,346 | (9,166) | 429,445 | 425,811 | 6,454 | 0 | 432,265 |
| Town Planning Scheme Reserve | 20,705 | 358 | 0 | 21,064 | 20,706 | 311 | 0 | 21,017 | 20,396 | 310 | 0 | 20,705 |
| Waste Management Reserve | 269,179 | 379,745 | 0 | 648,924 | 269,179 | 1,323 | (181,000) | 89,502 | 265,499 | 3,679 | 0 | 269,178 |
| Unspent Grants & Contributions Reserve | 271,842 | 1,646 | (179,204) | 84,284 | 271,842 | 912 | (192,547) | 80,207 | 9,081,142 | 233,951 | (9,043,251) | 271,842 |
| | 6,028,803 | 697,016 | (288,370) | 6,437,449 | 6,028,804 | 138,074 | (1,160,875) | 5,006,003 | 15,282,212 | 1,093,317 | (10,346,726) | 6,028,803 |

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

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

| Name of Reserve | Anticipated date of use | Purpose of the reserve |
|--|-------------------------|---|
| Leave Reserve | Ongoing | To be used for annual and long service leave requirements |
| Aviation Reserve | Ongoing | To be used to fund aviation requirements |
| Building Infrastructure Preservation Reserve | Ongoing | To be used for the development, preservation and management of building infrastructure within the Shire |
| Community Development Fund | Ongoing | To be used to fund major community development initiatives |
| Community Interest Free Loans Reserve | Ongoing | To be used to fund major community development projects |
| Insurance/Natural Disasters Reserve | Ongoing | To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDARRA claims |
| Marina Canal Reserve | Ongoing | To be used for the purpose of funding future dredging costs as well as environmental water control and maintenance of the canals. These funds were derived from levying a Specified Area Rate titled Marina Specified Area Rate |
| Marina Village Asset Replacement Reserve | Ongoing | To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village |
| Plant Reserve | Ongoing | To be used for the purchase of major plant and equipment |
| Rehabilitation Reserve | Ongoing | To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth |
| Shire Staff Housing Reserve | Ongoing | To be used to fund housing for Shire Staff |
| Swimming Pool Reserve | Ongoing | To be used to fund Swimming Pool Upgrades |
| Town Planning Scheme Reserve | Ongoing | To be used for the purpose of funding a review of the Town Planning Scheme |
| Waste Management Reserve | Ongoing | To be used to fund operational costs of Refuse Site including implementation of post closure plan |
| Unspent Grants & Contributions Reserve | Ongoing | To be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties |

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

5. TRADE AND OTHER RECEIVABLES

Current

| | 2018 | 2017 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Rates outstanding | 302,096 | 336,908 |
| Sundry debtors | 1,261,982 | 1,120,290 |
| GST receivable | 104,844 | 62,357 |
| Loans receivable - clubs/institutions | 59,000 | 54,000 |
| Accrued Revenue | 61,037 | 47,913 |
| Prepaid Expenditure | 0 | 5,721 |
| | <u>1,788,959</u> | <u>1,627,189</u> |

Non-current

| | | |
|---------------------------------------|---------------|----------------|
| Rates outstanding - pensioners | 40,018 | 38,333 |
| Loans receivable - clubs/institutions | 54,000 | 127,024 |
| | <u>94,018</u> | <u>165,357</u> |

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding

Includes:

| | | |
|---------------------|----------------|----------------|
| - 1 to 5 years | 196,237 | 208,586 |
| - more than 5 years | 105,859 | 128,322 |
| | <u>302,096</u> | <u>336,908</u> |

Sundry debtors

Includes:

Past due and not impaired

| | | |
|------------------------|----------------|----------------|
| - up to one month | 0 | 0 |
| - 1 to 3 months | 40,016 | 6,918 |
| - 3 months to one year | 57,889 | 111,433 |
| - 1 to 5 years | 15,703 | 0 |
| - more than 5 years | 0 | 26,126 |
| | <u>113,608</u> | <u>144,477</u> |

SIGNIFICANT ACCOUNTING POLICIES

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.

Classification and subsequent measurement

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.

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

6. INVENTORIES

Current

Fuel, Oil & Materials On Hand

Non-current

Land held for resale - cost

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| | 28,847 | 39,398 |
| | <u>28,847</u> | <u>39,398</u> |
| | 1,446,263 | 1,446,263 |
| | <u>1,446,263</u> | <u>1,446,263</u> |

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Finance costs and holding charges incurred after development is completed are expensed.

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

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

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

7 (a). PROPERTY, PLANT AND EQUIPMENT

| | 2018 | 2017 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Land and buildings | | |
| Land - freehold land at: | | |
| - Independent valuation 2017 - level 2 | 7,703,000 | 7,703,000 |
| | <u>7,703,000</u> | <u>7,703,000</u> |
| Total land | 7,703,000 | 7,703,000 |
| Buildings - non-specialised at: | | |
| - Independent valuation 2017 - level 2 | 6,832,000 | 6,832,000 |
| - Additions after Valuations - Cost | 40,870 | 0 |
| Buildings - non-specialised - Less: accumulated depreciation | <u>(1,573,105)</u> | <u>(1,422,000)</u> |
| | 5,299,765 | 5,410,000 |
| Buildings - specialised at: | | |
| - Independent valuation 2017 - level 3 | 70,941,000 | 41,841,000 |
| - Management valuation 2017 - level 3 | 3,207,832 | 32,307,832 |
| - Additions after Valuations - Cost | 2,109,642 | 0 |
| Buildings - specialised - Less: accumulated depreciation | <u>(24,576,117)</u> | <u>(22,728,000)</u> |
| | 51,682,357 | 51,420,832 |
| Total buildings | 56,982,122 | 56,830,832 |
| Total land and buildings | <u>64,685,122</u> | <u>64,533,832</u> |
| Furniture and equipment at: | | |
| - Independent valuation 2016 - level 2 | 3,647,640 | 3,069,902 |
| - Additions after valuation - Cost | 0 | 300,251 |
| Furniture and equipment - Less: accumulated depreciation | <u>(2,026,942)</u> | <u>(1,701,589)</u> |
| | 1,620,698 | 1,668,564 |
| Plant and equipment at: | | |
| - Independent valuation 2016 - level 2 | 6,443,707 | 6,329,146 |
| - Additions after valuation - Cost | 0 | 65,177 |
| Plant and equipment - Less: accumulated depreciation | <u>(3,894,395)</u> | <u>(3,229,644)</u> |
| | 2,549,312 | 3,164,679 |
| Total property, plant and equipment | <u>68,855,132</u> | <u>69,367,075</u> |

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

| | Land - freehold land | Total land | Buildings - non- specialised | Buildings - specialised | Total buildings | Total land and buildings | Furniture and equipment | Plant and equipment | Total property, plant and equipment |
|--|-------------------------|------------|---------------------------------|----------------------------|--------------------|--------------------------------|----------------------------|------------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2016 | 7,010,250 | 7,010,250 | 5,668,668 | 29,430,144 | 35,098,812 | 42,109,062 | 1,693,270 | 3,756,930 | 47,559,262 |
| Additions | 0 | 0 | 70,100 | 18,750,575 | 18,820,675 | 18,820,675 | 397,073 | 151,807 | 19,369,555 |
| (Disposals) | 0 | 0 | 0 | 0 | 0 | 0 | (28,793) | (66,756) | (95,549) |
| Revaluation increments/ (decrements) transferred to revaluation surplus | 692,750 | 692,750 | (16,955) | 3,716,138 | 3,699,183 | 4,391,933 | 0 | 0 | 4,391,933 |
| Depreciation (expense) | 0 | 0 | (311,813) | (476,025) | (787,838) | (787,838) | (392,986) | (677,302) | (1,858,126) |
| Carrying amount at 30 June 2017 | 7,703,000 | 7,703,000 | 5,410,000 | 51,420,832 | 56,830,832 | 64,533,832 | 1,668,564 | 3,164,679 | 69,367,075 |
| Additions | 0 | 0 | 40,870 | 2,109,642 | 2,150,512 | 2,150,512 | 119,938 | 31,201 | 2,301,651 |
| Depreciation (expense) | 0 | 0 | (151,106) | (1,848,116) | (1,999,222) | (1,999,222) | (321,073) | (660,742) | (2,981,037) |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 153,270 | 14,173 | 167,443 |
| Carrying amount at 30 June 2018 | 7,703,000 | 7,703,000 | 5,299,764 | 51,682,358 | 56,982,122 | 64,685,122 | 1,620,699 | 2,549,311 | 68,855,132 |

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|-----------------------------|----------------------|--|-----------------------|------------------------|---|
| Land - freehold land | 2 | Market approach using recent observable market data for properties | Independent valuation | June 2017 | Price per hectare |
| Buildings - non-specialised | 2 | Market approach using recent observable market data for similar properties | Independent valuation | June 2017 | Price per square metre |
| Buildings - specialised | 3 | Cost approach using depreciated replacement costs | Independent valuation | June 2017 | Construction costs and current condition residual values and remaining useful life inputs |
| Furniture and equipment | 2 | Market approach using recent observable market data for similar assets | Independent valuation | June 2016 | Provide an indication of value by comparing the subject asset with identical or similar assets or using economic principle approach |
| Plant and equipment | 2 | Market approach using recent observable market data for similar assets | Independent valuation | June 2016 | Provides an indication of value by comparing the subject asset with identical assets or using an economic principle approach |

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

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

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

8 (a). INFRASTRUCTURE

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Infrastructure - Roads | | |
| - Management valuation 2015 - level 3 | 0 | 24,079,375 |
| - Additions after valuations - Cost | 0 | 3,739,359 |
| - Management valuation 2018 - level 3 | 44,160,645 | 0 |
| Infrastructure - Roads - Less: accumulated depreciation | (7,697,179) | (11,110,837) |
| | 36,463,466 | 16,707,897 |
| Infrastructure - Other | | |
| - Independant valuation 2014 - level 2 | 0 | 19,160,500 |
| - Independant valuation 2014 - level 2 | 0 | 13,026,859 |
| - Additions after valuations - Cost | 0 | 7,398,791 |
| - Management valuation 2018 - level 3 | 21,292,234 | 0 |
| Infrastructure - Other - Less: accumulated depreciation | (6,263,205) | (15,744,114) |
| | 15,029,029 | 23,842,036 |
| Total infrastructure | 51,492,495 | 40,549,933 |

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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

| | Infrastructure - Roads | Infrastructure - Other | Total Infrastructure |
|--|---------------------------|---------------------------|-------------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | 17,004,431 | 25,126,692 | 42,131,123 |
| Additions | 1,043,249 | 257,411 | 1,300,660 |
| Depreciation (expense) | (1,339,783) | (1,542,067) | (2,881,850) |
| Carrying amount at 30 June 2017 | 16,707,897 | 23,842,036 | 40,549,933 |
| Additions | 849,398 | 243,596 | 1,092,994 |
| Revaluation increments/ (decrements) transferred to revaluation surplus | 12,838,184 | 159,058 | 12,997,242 |
| Depreciation (expense) | (1,394,413) | (1,585,816) | (2,980,229) |
| Transfers | 7,462,400 | (7,629,845) | (167,445) |
| Carrying amount at 30 June 2018 | 36,463,466 | 15,029,029 | 51,492,495 |

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

8. 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 | Independent valuation | June 2018 | Assessment of remaining useful life, replacement costs and considered the following, construction date, visual condition, evidence of recent repairs or capital works and surrounding environment factors. |
| Infrastructure - Other | 3 | Cost approach using depreciated replacement cost | Independent valuation | June 2018 | Assessment of remaining useful life considered the following, construction date, visual condition, evidence of recent repairs or capital works and surrounding environment factors. |

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

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

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

Land under control

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

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

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.

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

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

| | Actual Net Book Value | Actual Sale Proceeds | Actual Profit | Actual Loss | Budget Net Book Value | Budget Sale Proceeds | Budget Profit | Budget Loss |
|--|-----------------------------|----------------------------|------------------|----------------|-----------------------------|----------------------------|------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Plant and Equipment | | | | | | | | |
| Community amenities | | | | | | | | |
| PE00048 - 2010 Rubbish Truck EX4574 | 0 | 0 | 0 | 0 | 46,337 | 10,000 | 0 | (36,337) |
| PE00042 - 2008 Loader EX7710 | 0 | 0 | 0 | 0 | 46,884 | 41,000 | 0 | (5,884) |
| PE00251 - 2015 Holden Colorado 3006EX | 0 | 0 | 0 | 0 | 33,875 | 27,000 | 0 | (6,875) |
| Transport | | | | | | | | |
| PE00096 - 2006 Hitachi Excavator | 0 | 0 | 0 | 0 | 23,688 | 50,000 | 26,312 | 0 |
| PE00250 - 2015 Holden Colorado 1GEX694 | 0 | 0 | 0 | 0 | 33,875 | 27,000 | 0 | (6,875) |
| Economic services | | | | | | | | |
| PE00238 - 2015 Holden Colorado 3005EX | 0 | 0 | 0 | 0 | 33,403 | 27,000 | 0 | (6,403) |
| Other property and services | | | | | | | | |
| PE00239 - 2014 Holden Colorado 3EX | 0 | 0 | 0 | 0 | 29,497 | 27,000 | 0 | (2,497) |
| | 0 | 0 | 0 | 0 | 247,559 | 209,000 | 26,312 | (64,871) |

(b) Depreciation

| | 2018 | 2017 |
|-----------------------------|-----------|-----------|
| | \$ | \$ |
| Buildings - non-specialised | 151,106 | 311,813 |
| Buildings - specialised | 1,848,116 | 476,025 |
| Furniture and equipment | 321,073 | 392,986 |
| Plant and equipment | 660,742 | 677,302 |
| Infrastructure - Roads | 1,394,413 | 1,339,783 |
| Infrastructure - Other | 1,585,816 | 1,542,067 |
| | 5,961,266 | 4,739,977 |

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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

| | |
|----------------------------|------------|
| Buildings | 40 Years |
| Furniture & Equipment | |
| Electronic | 3-5 Years |
| All Other Items | 5-10 Years |
| Infrastructure Roads | |
| Construction | 40 Years |
| Aggregate | 12 Years |
| Asphalt | 20 Years |
| Road (unsealed) - Gravel | 8 Years |
| Road (Unsealed) - Unformed | 6 Years |
| Road Kerb | 50 Years |
| Bridges | 50 Years |
| Drain/Sewers | 75 Years |
| Airfields Runways | 100 Years |
| Plant & Equipment | |
| Heavy Plant & Equipment | 3-10 Years |
| Light to Medium Vehicles | 2-5 Years |
| Light Mobile Equipment | 2 Years |

Depreciation (Continued)

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

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

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

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

10. REVALUATION SURPLUS

| | 2018 | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 | 2017 |
|---|------------|-------------|-------------|------------|------------|-------------|--------------|-------------|------------|
| | Opening | Revaluation | Movement on | 2018 | Opening | Revaluation | Revaluation | Movement on | 2017 |
| | Balance | Increment | Revaluation | Closing | Balance | Increment | (Decrement) | Revaluation | Closing |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land - freehold land | 3,170,303 | 0 | 0 | 3,170,303 | 2,477,553 | 1,152,750 | (460,000) | 692,750 | 3,170,303 |
| Revaluation surplus - Buildings - non-specialised | (51,616) | 0 | 0 | (51,616) | 1,740,045 | 677,787 | (2,469,448) | (1,791,661) | (51,616) |
| Revaluation surplus - Buildings - specialised | 22,029,577 | 0 | 0 | 22,029,577 | 16,538,733 | 21,929,639 | (16,438,795) | 5,480,844 | 22,029,577 |
| Revaluation surplus - Furniture and equipment | 1,211,296 | 0 | 0 | 1,211,296 | 1,211,296 | 0 | 0 | 0 | 1,211,296 |
| Revaluation surplus - Plant and equipment | 1,094,483 | 0 | 0 | 1,094,483 | 1,094,483 | 0 | 0 | 0 | 1,094,483 |
| Revaluation surplus - Infrastructure - Roads | 8,471,756 | 12,838,184 | 12,838,184 | 21,309,940 | 8,471,756 | 0 | 0 | 0 | 8,471,756 |
| Revaluation surplus - Infrastructure - Other | 6,316,282 | 159,056 | 159,058 | 6,475,340 | 6,316,282 | 0 | 0 | 0 | 6,316,282 |
| | 42,242,081 | 12,997,242 | 12,997,242 | 55,239,323 | 37,850,148 | 23,760,176 | (19,368,243) | 4,391,933 | 42,242,081 |

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

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

11. TRADE AND OTHER PAYABLES

| | 2018 | 2017 |
|--|-----------|-----------|
| | \$ | \$ |
| Current | | |
| Sundry creditors | 489,636 | 1,691,202 |
| Accrued interest on long term borrowings | 3,762 | 4,476 |
| Accrued salaries and wages | 126,290 | 115,553 |
| ATO liabilities | 166,021 | 0 |
| Prepaid Revenue | 605,290 | 22,080 |
| Accrued Expenses | 163,517 | 80,993 |
| | 1,554,516 | 1,914,304 |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

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

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

| Particulars | Interest Rate | Principal 1 July 2017 | New Loans | Principal Repayments | | Principal 30 June 2018 | | Interest Repayments | |
|------------------------------------|---------------|--------------------------|--------------|-------------------------|---------|---------------------------|-----------|------------------------|---------|
| | | | | Actual | Budget | Actual | Budget | Actual | Budget |
| | % | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Housing | | | | | | | | | |
| Loan 77 - Snapper Loop - Land | 5.65% | 93,311 | 0 | 45,356 | 42,898 | 47,955 | 50,413 | 4,640 | 7,579 |
| Loan 80 - Snapper Loop - Dwellings | 4.73% | 736,726 | 0 | 59,651 | 56,901 | 677,075 | 679,825 | 35,857 | 34,129 |
| Community amenities | | | | | | | | | |
| Loan 81 - Rubbish Truck | 2.41% | 410,000 | 0 | 78,119 | 78,119 | 331,881 | 331,881 | 10,794 | 10,553 |
| Recreation and culture | | | | | | | | | |
| Loan 82 - Ningaloo Centre | 3.33% | 1,000,000 | 0 | 52,372 | 52,372 | 947,628 | 947,628 | 36,335 | 35,385 |
| Other property and services | | | | | | | | | |
| Loan 76 - 1 Bennell Street - Land | 5.04% | 276,520 | 0 | 18,267 | 17,380 | 258,253 | 259,140 | 14,605 | 14,081 |
| | | 2,516,557 | 0 | 253,765 | 247,670 | 2,262,792 | 2,268,887 | 102,231 | 101,727 |

All borrowings are sourced from Western Australian Treasury Corporation.
All loan repayments were financed by general purpose revenue.

Borrowings

| | 2018 | 2017 |
|-------------|-----------|-----------|
| | \$ | \$ |
| Current | 263,832 | 253,764 |
| Non-current | 1,998,960 | 2,262,793 |
| | 2,262,792 | 2,516,557 |

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

12. INFORMATION ON BORROWINGS (Continued)

| | 2018 | 2017 |
|---|-----------|-----------|
| | \$ | \$ |
| (b) Undrawn Borrowing Facilities | | |
| Credit Standby Arrangements | | |
| Bank overdraft limit | 400,000 | 400,000 |
| Bank overdraft at balance date | 0 | 0 |
| Credit card limit | 24,000 | 40,000 |
| Credit card balance at balance date | (999) | 0 |
| Total amount of credit unused | 423,001 | 440,000 |
| Loan facilities | | |
| Loan facilities - current | 263,832 | 253,764 |
| Loan facilities - non-current | 1,998,960 | 2,262,793 |
| Total facilities in use at balance date | 2,262,792 | 2,516,557 |
| Unused loan facilities at balance date | 410,000 | 410,000 |

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

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

13. PROVISIONS

| | Provision for Annual Leave | Provision for Long Service Leave | Provision for Gratuity | Total |
|--------------------------------|----------------------------------|--|---------------------------|---------|
| | \$ | \$ | \$ | \$ |
| Opening balance at 1 July 2017 | | | | |
| Current provisions | 488,998 | 259,531 | 74,440 | 822,969 |
| Non-current provisions | 0 | 167,332 | | 167,332 |
| | 488,998 | 426,863 | 74,440 | 990,301 |
| Additional provision | 61,940 | (58,197) | 0 | 3,743 |
| Balance at 30 June 2018 | 550,938 | 368,666 | 74,440 | 994,044 |
| Comprises | | | | |
| Current | 476,498 | 228,844 | 74,440 | 779,782 |
| Non-current | 0 | 139,822 | 0 | 139,822 |
| | 476,498 | 368,666 | 74,440 | 919,604 |

Annual leave and current long service leave liabilities have been classified as current as there are no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities are expected to occur as detailed below.

| | Annual Leave | Long Service Leave | Gratuity | Total |
|---|-----------------|-----------------------|----------|---------|
| | \$ | \$ | \$ | \$ |
| Current Provisions | | | | |
| Within 12 months of the end of the reporting period | 476,498 | 228,844 | 74,440 | 779,782 |
| | 476,498 | 228,844 | 74,440 | 779,782 |

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

| | 2018 Actual | 2018 Budget | 2017 Actual |
|--|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Cash and cash equivalents | 9,126,509 | 8,358,636 | 7,293,188 |
| Reconciliation of Net Cash Provided By Operating Activities to Net Result | | | |
| Net result | 30,829 | (16,073) | 6,590,483 |
| Non-cash flows in Net result: | | | |
| Depreciation | 5,961,266 | 5,188,968 | 4,739,977 |
| (Profit)/loss on sale of asset | 0 | 38,559 | (133,806) |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | (158,455) | (23,335) | 738,791 |
| (Increase)/decrease in inventories | 10,551 | (1,497) | 5,005 |
| Increase/(decrease) in payables | (359,788) | 29,934 | (1,722,507) |
| Increase/(decrease) in provisions | (70,697) | (61,228) | (251,395) |
| Non-operating grants and contributions for the development of assets | (2,664,794) | (5,360,425) | (8,672,184) |
| Net cash from operating activities | 2,748,913 | (205,097) | 1,294,364 |

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

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2018 | 2017 |
|-----------------------------|--------------------|--------------------|
| | \$ | \$ |
| Governance | 252,470 | 278,600 |
| General purpose funding | 463,001 | 439,707 |
| Law, order, public safety | 1,112,259 | 1,218,886 |
| Health | 2,276 | 23 |
| Education and welfare | 1,697,616 | 1,790,418 |
| Housing | 6,717,314 | 6,882,335 |
| Community amenities | 2,375,322 | 7,688,460 |
| Recreation and culture | 47,478,113 | 45,996,285 |
| Transport | 51,247,423 | 35,669,284 |
| Economic services | 2,025,551 | 2,261,241 |
| Other property and services | 19,460,878 | 18,263,164 |
| | <u>132,832,223</u> | <u>120,488,403</u> |

16. CONTINGENT LIABILITIES

There is no known contingent liabilities as at 30 June 2018.

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

17. CAPITAL AND LEASING COMMITMENTS

| | 2018 | 2017 |
|-------------------------------------|---------|-----------|
| | \$ | \$ |
| (a) Capital Expenditure Commitments | | |
| Contracted for: | | |
| - capital expenditure projects | 189,325 | 1,923,458 |

The capital expenditure project outstanding at the end of the current reporting period represents the completion of the Aquarium at the Ningaloo Centre (the prior year commitment was for the construction of the new recreation centre and a new truck).

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

| | | |
|---|---------|---------|
| - not later than one year | 187,164 | 187,164 |
| - later than one year but not later than five years | 337,665 | 524,829 |
| - later than five years | 0 | 0 |
| | 524,829 | 711,993 |

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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

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

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

| | 2018 Actual | 2018 Budget | 2017 Actual |
|--|----------------|----------------|----------------|
| The following fees, expenses and allowances were paid to council members and/or the President. | \$ | \$ | \$ |
| Meeting Fees | 75,806 | 92,880 | 95,578 |
| President's allowance | 8,876 | 12,153 | 6,415 |
| Deputy President's allowance | 2,186 | 3,038 | 1,604 |
| Telecommunications allowance | 3,151 | 4,590 | 4,128 |
| Travelling expenses | 13,995 | 14,951 | 31,550 |
| | <u>104,014</u> | <u>127,612</u> | <u>139,275</u> |

Key Management Personnel (KMP) Compensation Disclosure

| | 2018 | 2017 |
|--|----------------|------------------|
| The total of remuneration paid to KMP of the Shire during the year are as follows: | \$ | \$ |
| Short-term employee benefits | 500,645 | 928,446 |
| Post-employment benefits | 86,923 | 133,778 |
| Other long-term benefits | 16,317 | 16,566 |
| Termination benefits | 87,022 | 317,415 |
| | <u>690,907</u> | <u>1,396,205</u> |

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP

Transactions with related parties

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

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

| | 2018 | 2017 |
|---|--------|--------|
| The following transactions occurred with related parties: | \$ | \$ |
| Purchase of goods and services | 0 | 12,396 |
| Amounts payable to related parties: | | |
| Payables - Key management personnel | 19,499 | 44,628 |

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.

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

19. MAJOR LAND TRANSACTIONS

(a) Expected Future Cash Flows

| | 2019 | 2020 | 2021 | 2022 | Total |
|---------------------|---------|---------|-----------|------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Cash outflows | | | | | |
| - Development costs | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 |
| Cash inflows | | | | | |
| - Sale proceeds | 590,909 | 590,909 | 1,477,273 | 0 | 2,659,091 |
| | 590,909 | 590,909 | 1,477,273 | 0 | 2,659,091 |
| Net cash flows | 590,909 | 590,909 | 1,477,273 | 0 | 2,659,091 |

(b) Assets and liabilities

| | 2018 | 2017 |
|----------------------------------|-----------|-----------|
| | \$ | \$ |
| Land held for resale per Note 6 | | |
| Non-current | | |
| Land held for resale - Heron Way | 1,446,263 | 1,446,263 |
| | 1,446,263 | 1,446,263 |

20. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular passenger transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth.

The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislation and regulations.

| | 2017/18 Actual | 2017/18 Budget | 2016/17 Actual |
|------------------------------------|-------------------|-------------------|-------------------|
| Operating Revenue | | | |
| Fees & Charges | 5,143,912 | 3,982,615 | 4,016,319 |
| Grants, Subsidies & Contributions | 0 | 0 | 38,577 |
| Other Revenue | 0 | 0 | 0 |
| | 5,143,912 | 3,982,615 | 4,054,896 |
| Operating Expenditure | | | |
| Employee Costs | (1,717,397) | (1,922,433) | (1,700,443) |
| Materials & Contracts | (447,138) | (364,846) | (658,023) |
| Utilities | (87,415) | (143,016) | (110,629) |
| Insurance | (56,662) | (56,820) | (89,809) |
| Other Expenditure | (250,604) | (201,296) | (254,296) |
| Loss on Asset Disposal | 0 | (6,875) | (17,229) |
| Depreciation | (630,339) | (504,671) | (539,934) |
| | (3,189,555) | (3,199,957) | (3,370,363) |
| Operating Surplus/(Deficit) | 1,954,357 | 782,658 | 684,533 |
| Capital Expenditure | | | |
| Land & Buildings | 0 | (10,000) | (20,834) |
| Furniture & Equipment | (13,500) | 0 | (12,364) |
| Infrastructure Other | 0 | 0 | 0 |
| Plant & Equipment | 0 | 0 | (5,237) |
| Transfer to & from Reserve | 19,915 | (7,153) | (378) |
| | 6,415 | (17,153) | (38,813) |
| Total Net Result | 1,960,772 | 765,505 | 645,720 |

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

21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

| Grant/Contribution | Opening | Received ⁽²⁾ | Expended ⁽³⁾ | Closing | Received ⁽²⁾ | Expended ⁽³⁾ | Closing |
|---------------------------------------|------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|---------------|
| | Balance ⁽¹⁾ | | | Balance ⁽¹⁾ | | | Balance |
| | 1/07/16 | 2016/17 | 2016/17 | 30/06/17 | 2017/18 | 2017/18 | 30/06/18 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| General purpose funding | | | | | | | |
| Financial Assistance Grant | | | | 0 | 1,836,082 | (1,836,082) | 0 |
| Law, order, public safety | | | | | | | |
| DEC - Bushfire Mitigation Fund | 29,763 | 0 | (29,763) | 0 | 28,875 | (28,875) | 0 |
| FESA Bushfire & SES | 14,947 | 0 | (5,322) | 9,625 | 11,496 | (21,121) | 0 |
| Community amenities | | | | | | | |
| Dept of Planning | 102,502 | 0 | (80,741) | 21,761 | 0 | (21,761) | 0 |
| GLGF Waste & Recycling | 399,570 | 0 | (399,570) | 0 | 0 | 0 | 0 |
| Recreation and culture | | | | | | | |
| RFR Ningaloo Centre | 8,202,538 | 0 | (8,202,538) | 0 | 1,820,000 | (1,820,000) | 0 |
| Dept of Infrastructure - Hard Shade | 18,182 | 0 | (18,182) | 0 | 0 | 0 | 0 |
| GDC Public Art Strategy | 18,387 | 0 | 0 | 18,387 | 0 | (18,387) | 0 |
| Marina Breakwater NavAid | 25,464 | 386 | 0 | 25,850 | 0 | (25,850) | 0 |
| Youth Leadership Program | 10,846 | 164 | 0 | 11,010 | 0 | (11,010) | 0 |
| Youth Program (YAE) | 1,096 | 16 | 0 | 1,112 | 0 | (1,112) | 0 |
| BHP Youth Program | 1,885 | 0 | 0 | 1,885 | 0 | (1,885) | 0 |
| DSR - Community Pool Grant | 0 | 32,195 | 0 | 32,195 | 0 | (32,195) | 0 |
| BHP - 50th Anniversary Event | 0 | 50,000 | 0 | 50,000 | 0 | (50,000) | 0 |
| Quadrant - 50th Anniversary Event | 0 | 50,000 | 0 | 50,000 | 0 | (50,000) | 0 |
| Festival Australia - 50th Anniversary | 0 | 36,800 | 0 | 36,800 | 0 | (36,800) | 0 |
| Festival Australia - 50th Anniversary | 0 | 0 | 0 | 0 | 50,000 | (50,000) | 0 |
| GDC Master Trails Project | 0 | 0 | 0 | 0 | 24,170 | (13,100) | 11,070 |
| DLGC - Club Development Scheme | 0 | 0 | 0 | 0 | 20,000 | (20,000) | 0 |
| GDC 50th Anniversay | 0 | 0 | 0 | 0 | 135,000 | (135,000) | 0 |
| CSRFF - Swimming Pool Grant | 0 | 0 | 0 | 0 | 32,000 | (32,000) | 0 |
| Exmouth Amateur Swimming Club | 0 | 0 | 0 | 0 | 18,182 | (18,182) | 0 |
| GDC - Swimming Pool Grant | 0 | 0 | 0 | 0 | 105,886 | (105,886) | 0 |
| Event contributions | 0 | 0 | 0 | 0 | 2,075 | (2,075) | 0 |
| Transport | | | | | | | |
| MRWA Murat Road | 36,364 | 0 | (36,364) | 0 | 0 | 0 | 0 |
| MRWA - Direct Grant | 0 | 0 | 0 | 0 | 55,980 | (55,980) | 0 |
| Yardie Homestead | 0 | 0 | 0 | 0 | 10,000 | (10,000) | 0 |
| Commonwealth - RTR Grant | 0 | 0 | 0 | 0 | 387,354 | (387,354) | 0 |
| MRWA Murat Road - RRG | 0 | 0 | 0 | 0 | 66,700 | (66,700) | 0 |
| MRWA - Yardie Creek | 0 | 0 | 0 | 0 | 180,000 | (180,000) | 0 |
| MRWA - Ningaloo Access Road | 0 | 0 | 0 | 0 | 12,600 | 0 | 12,600 |
| MRWA - Murat Road - SIF | 0 | 0 | 0 | 0 | 42,072 | (42,072) | 0 |
| Economic services | | | | | | | |
| Landscape Services | 13,020 | 197 | 0 | 13,217 | 0 | (13,217) | 0 |
| Tourism WA Cruise Destination | 0 | 0 | 0 | 0 | 5,000 | (500) | 4,500 |
| Other property and services | | | | | | | |
| WANDARRA | 206,578 | 0 | (206,578) | 0 | 0 | 0 | 0 |
| Diesel Fuel Subsidy | 0 | 0 | 0 | 0 | 16,330 | (16,329) | 1 |
| Total | 9,081,142 | 169,758 | (8,979,058) | 271,842 | 4,859,802 | (5,103,473) | 28,171 |

Notes:

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

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

22. RATING INFORMATION

(a) Rates

| RATE TYPE | Rate In \$ | Number of Properties | Rateable Value \$ | Rate Revenue \$ | Interim Rates \$ | Back Rates \$ | 2018 Total Revenue \$ | Budget Rate Revenue \$ | Budget Interim Rate \$ | 2018 Budget Total Revenue \$ | 2017 Actual Revenue \$ |
|--|---------------|----------------------------|-------------------------|-----------------------|------------------------|---------------------|--------------------------------|---------------------------------|---------------------------------|--|---------------------------------|
| Differential general rate / general rate | | | | | | | | | | | |
| Gross rental valuations | | | | | | | | | | | |
| General | 0.0715 | 1,165 | 29,482,651 | 2,108,824 | 12,943 | 745 | 2,120,512 | 2,081,761 | 5,000 | 2,086,761 | 2,053,237 |
| Marina Developed | 0.0983 | 92 | 3,215,900 | 316,533 | 4,126 | 1,848 | 322,507 | 314,177 | 0 | 314,177 | 296,758 |
| Holiday Homes | 0.1011 | 64 | 1,604,920 | 164,882 | 1,707 | 287 | 166,876 | 148,812 | 0 | 148,812 | 149,660 |
| Vacant Land | 0.1205 | 228 | 3,227,450 | 389,754 | 0 | 0 | 389,754 | 380,876 | 0 | 380,876 | 387,241 |
| Unimproved valuations | | | | | | | | | | | |
| Mining | 0.1552 | 16 | 307,610 | 47,741 | (826) | (23) | 46,892 | 46,138 | 1,000 | 47,138 | 45,524 |
| Rural | 0.0776 | 9 | 487,060 | 37,796 | 4,592 | 0 | 42,388 | 37,796 | 0 | 37,796 | 35,112 |
| Sub-Total | | 1,574 | 38,325,591 | 3,063,530 | 22,542 | 2,857 | 3,088,929 | 2,989,360 | 6,000 | 2,995,360 | 2,947,530 |
| Minimum payment | | | | | | | | | | | |
| | | | | | | | | | | | |
| Gross rental valuations | | | | | | | | | | | |
| General | 900 | 68 | 0 | 61,200 | 0 | 0 | 61,200 | 58,500 | 0 | 58,500 | 44,100 |
| Marina Developed | 900 | 2 | 0 | 1,800 | 0 | 0 | 1,800 | 900 | 0 | 900 | 900 |
| Holiday Homes | 900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vacant Land | 900 | 177 | 0 | 159,300 | 0 | 0 | 159,300 | 162,900 | 0 | 162,900 | 194,400 |
| Unimproved valuations | | | | | | | | | | | |
| Mining | 284 | 13 | 99,620 | 3,692 | 0 | 0 | 3,692 | 3,976 | 0 | 3,976 | 3,976 |
| Rural | 900 | 1 | 7,794 | 900 | 0 | 0 | 900 | 900 | 0 | 900 | 900 |
| Sub-Total | | 261 | 107,414 | 226,892 | 0 | 0 | 226,892 | 227,176 | 0 | 227,176 | 244,276 |
| | | | | | | | | | | | |
| | | 1,835 | 38,433,005 | 3,290,422 | 22,542 | 2,857 | 3,315,821 | 3,216,536 | 6,000 | 3,222,536 | 3,191,806 |
| Discounts/concessions (refer note 22(c)) | | | | | | | (104,014) | | | (27,200) | |
| Total amount raised from general rate | | | | | | | 3,211,807 | | | 3,195,336 | 3,191,806 |
| Specified Area Rate (refer note 22(b)) | | | | | | | 46,814 | | | 46,213 | 45,689 |
| Totals | | | | | | | 3,258,621 | | | 3,241,549 | 3,237,395 |

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

22. RATING INFORMATION (Continued)

(b) Specified Area Rate

| Specified Area Rate | Rate In \$ | Rateable Value | Revenue | Interim Rate Revenue | Back Rate Revenue | Total 2018 Rate Revenue | Budget Rate Revenue | Budget Back Rate Revenue | Budget Interim Rate Revenue | 2018 Total Budget Revenue | 2017 Actual Rate Revenue |
|----------------------------|------------|----------------|-----------|----------------------|-------------------|-------------------------|---------------------|--------------------------|-----------------------------|---------------------------|--------------------------|
| Marina Specified Area Rate | 0.0130 | \$ 243,620 | \$ 46,213 | \$ 601 | \$ | \$ 46,814 | \$ 46,213 | \$ | \$ | \$ 46,213 | \$ 45,589 |
| | | | 46,213 | 601 | 0 | 46,814 | 46,213 | 0 | 0 | 46,213 | 45,589 |

| Specified Area Rate | Purpose of the rate | Area/properties Rate Imposed | Rate Applied to Costs | Rate Set Aside to Reserve | Reserve Applied to Costs | Budget Rate Applied to Costs | Budget Rate Set Aside to Reserve | Budget Reserve Applied to Costs |
|----------------------------|---|--------------------------------|-----------------------|---------------------------|--------------------------|------------------------------|----------------------------------|---------------------------------|
| Marina Specified Area Rate | The proceeds of the rate on the environmental monitoring of the canal waterway including preservation works in accordance with the Exmouth Marina Village for Transport, Lancorp and the Shire of Exmouth | Properties zoned Marina Canals | \$ 46,814 | \$ 46,814 | \$ 46,814 | \$ 46,213 | \$ 46,213 | \$ 46,213 |
| | | | 46,814 | 46,814 | 46,814 | 46,213 | 46,213 | 46,213 |

22. RATING INFORMATION (Continued)

(c) Waivers or Concessions

| Rate or Fee and Charge to which the Waiver or Concession Is Granted | Type | Discount % | Discount \$ | Actual \$ | Budget \$ |
|---|-------|---------------|----------------|--------------|--------------|
| GRV General - Residential | Rates | | 0.0016 | 27,200 | 27,200 |
| GRV General - Special Rural | Rates | | 0.0147 | 12,356 | 12,356 |
| GRV General - Residential Development | Rates | | 0.0101 | 0 | 197 |
| GRV Vacant Land - Properties zoned Industrial, light industrial, mixed use, tourist, town centre | Rates | | 0.0096 | 9,670 | 9,670 |
| GRV Vacant Land - Special Rural | Rates | | 0.0490 | 17,117 | 17,118 |
| GRV Vacant Land - Residential development and are vacant land | Rates | | 470 | 3,290 | 3,290 |
| GRV Vacant - residential and are vacant | Rates | | 0.0472 | 1,855 | 1,855 |
| GRV Vacant - Marina and vacant land | Rates | | 0.0016 | 2,608 | 2,606 |
| GRV Holiday Homes | Rates | | 0.0312 | 19,526 | 19,526 |
| GRV Holiday Homes - Marina homes zoned as holiday homes | Rates | | 0.0009 | 944 | 944 |
| UV Rural - operate under a pastoral lease | Rates | | 0.0194 | 9,449 | 6,445 |

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

22. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan | Instalment Plan | Unpaid Rates Interest |
|-----------------------------|----------|-----------------|-----------------|-----------------------|
| | | Admin Charge | Interest Rate | Rate |
| | | \$ | % | % |
| Option One | | | | |
| Single full payment | 29/09/17 | 0 | 0.00% | 11.00% |
| Option Two | | | | |
| First Instalment | 29/09/17 | 0 | 0.00% | 11.00% |
| Second Instalment | 29/11/17 | 15 | 5.50% | 11.00% |
| Option Three | | | | |
| First instalment | 29/09/17 | 0 | 0.00% | 11.00% |
| Second Instalment | 29/11/17 | 15 | 5.50% | 11.00% |
| Third Instalment | 29/01/18 | 15 | 5.50% | 11.00% |
| Fourth instalment | 29/03/18 | 15 | 5.50% | 11.00% |
| | | 2,018 | 2018 | 2,017 |
| | | Actual | Budget | Actual |
| | | \$ | \$ | \$ |
| Interest on unpaid rates | | 51,907 | 42,050 | 53,311 |
| Interest on Instalment plan | | 12,470 | 12,582 | 13,034 |
| Charges on Instalment plan | | 15,092 | 15,260 | 15,638 |
| Interest on deferred rates | | 703 | 872 | 0 |
| | | 80,172 | 70,764 | 81,983 |

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

23. NET CURRENT ASSETS

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

| | 30 June 2018 | 30 June 2017 |
|--|------------------|----------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash and cash equivalents | | |
| Unrestricted | 2,689,059 | 1,264,385 |
| Restricted | 6,437,450 | 6,028,803 |
| Receivables | | |
| Rates outstanding | 302,096 | 336,908 |
| Sundry debtors | 1,261,982 | 1,120,290 |
| GST receivable | 104,844 | 62,357 |
| Loans receivable - clubs/institutions | 59,000 | 54,000 |
| Accrued Revenue | 61,037 | 47,913 |
| Prepaid Expenditure | 0 | 5,721 |
| Inventories | | |
| Fuel, Oil & Materials On Hand | 28,847 | 39,398 |
| LESS: CURRENT LIABILITIES | | |
| Trade and other payables | | |
| Sundry creditors | (489,636) | (1,691,202) |
| Accrued interest on long term borrowings | (3,762) | (4,476) |
| Accrued salaries and wages | (126,290) | (115,553) |
| ATO liabilities | (166,021) | 0 |
| Prepaid Revenue | (605,290) | (22,080) |
| Accrued Expenses | (163,517) | (80,993) |
| Current portion of long term borrowings | (263,832) | (253,764) |
| Provisions | | |
| Provision for annual leave | (550,938) | (563,438) |
| Provision for long service leave | (228,844) | (259,531) |
| Unadjusted net current assets | 8,346,185 | 5,968,738 |
| Adjustments | | |
| Less: Reserves - restricted cash | (6,437,450) | (6,028,803) |
| Less: Loans receivable - clubs/institutions | (59,000) | (54,000) |
| Add: Current portion of long term borrowings | 263,832 | 253,764 |
| Add: Provision for Current Leave liabilities | 779,782 | 822,969 |
| Surplus/(Deficit) | 2,893,348 | 962,667 |

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

24. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

| | Carrying Value | | Fair Value | |
|------------------------------|-------------------|------------------|-------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 9,126,509 | 7,293,188 | 9,126,509 | 7,293,188 |
| Receivables | 1,882,977 | 1,792,546 | 1,277,779 | 1,792,546 |
| | <u>11,009,486</u> | <u>9,085,734</u> | <u>10,404,288</u> | <u>9,085,734</u> |
| Financial liabilities | | | | |
| Payables | 1,554,516 | 1,914,304 | 925,193 | 1,914,304 |
| Borrowings | 2,262,792 | 2,516,557 | 2,262,792 | 2,516,557 |
| | <u>3,817,308</u> | <u>4,430,861</u> | <u>3,187,985</u> | <u>4,430,861</u> |

Fair value is determined as follows:

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

Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

24. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio.

The Shire has an Investment Policy and the Policy is subject to review by Council.

An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

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

| | 2018 | 2017 |
|--|--------|---------|
| Impact of a 1% ⁽¹⁾ movement in interest rates on cash | \$ | \$ |
| - Equity | 91,265 | 103,952 |
| - Statement of Comprehensive Income | 91,265 | 72,932 |

Notes:

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

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

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

| | 2018 | 2017 |
|--|---------|---------|
| Percentage of rates and annual charges | % | % |
| - Current | 0.00% | 0.00% |
| - Overdue | 100.00% | 100.00% |
| Percentage of other receivables | | |
| - Current | 77.78% | 69.10% |
| - Overdue | 22.22% | 30.90% |

24. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

| | Due within 1 year | Due between 1 & 5 years | Due after 5 years | Total contractual cash flows | Carrying values |
|-------------|-------------------|-------------------------|-------------------|------------------------------|-----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2018 | | | | | |
| Payables | 1,554,517 | 0 | 0 | 1,554,517 | 1,554,517 |
| Borrowings | 347,960 | 1,104,323 | 977,486 | 2,429,769 | 2,262,792 |
| | 1,902,477 | 1,104,323 | 977,486 | 3,984,286 | 3,817,309 |
| 2017 | | | | | |
| Payables | 5,016,304 | 0 | 0 | 5,016,304 | 5,016,304 |
| Borrowings | 347,960 | 1,241,852 | 1,518,552 | 3,108,364 | 2,516,557 |
| | 5,364,264 | 1,241,852 | 1,518,552 | 8,124,668 | 7,532,861 |

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

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

| Year ended 30 June 2018 | <1 year | >1<2 years | >2<3 years | >3<4 years | >4<5 years | >5 years | Total | Weighted Average Effective Interest Rate |
|--|---------|------------|------------|------------|------------|-----------|-----------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Long term borrowings | 47,955 | 0 | 0 | 0 | 331,881 | 1,882,956 | 2,262,792 | 3.86% |
| Weighted average Effective Interest rate | 5.65% | 0.00% | 0.00% | 0.00% | 2.41% | 4.07% | | |
| Year ended 30 June 2017 | | | | | | | | |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Long term borrowings | 0 | 93,311 | 0 | 0 | 0 | 2,423,246 | 2,516,557 | 3.86% |
| Weighted average Effective interest rate | 0.00% | 5.65% | 0.00% | 0.00% | 0.00% | 4.81% | | |

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

25. 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 2017 | Amounts Received | Amounts Paid | 30 June 2018 |
|-------------------------------------|-------------|------------------|--------------|--------------|
| | \$ | \$ | \$ | \$ |
| Hall & Rec Centre Bonds | 4,750 | 8,850 | (8,650) | 4,950 |
| Olma Funding | 2,423 | 0 | 0 | 2,423 |
| Forum Travel Fund | 2,990 | 0 | 0 | 2,990 |
| NADC | 11,335 | 0 | 0 | 11,335 |
| Cyclone Baptist Needy Fund | 2,800 | 0 | 0 | 2,800 |
| Council Nomination Fees | 0 | 960 | (880) | 80 |
| Sundries | 7,894 | 800 | (150) | 8,544 |
| Building/Planning Bonds | 73,400 | 0 | 0 | 73,400 |
| Youth Affairs | 1,401 | 0 | 0 | 1,401 |
| Exmouth Volunteer Fire & Rescue | 50,000 | 0 | 0 | 50,000 |
| Jurabi Coastal Park | 59,400 | 0 | 0 | 59,400 |
| Unclaimed Monies | 7,637 | 0 | 0 | 7,637 |
| Staff Housing Bonds | 0 | 200 | (200) | 0 |
| Key Bonds | 850 | 1,000 | (1,050) | 800 |
| Bond Deed Exmouth Marina Holdings | 18,186 | 0 | 0 | 18,186 |
| Cash In Lieu POS | 169,420 | 0 | 0 | 169,420 |
| Ingleton St Reserve 29086 (20A/152) | 205,249 | 0 | 0 | 205,249 |
| Donations to Other Organisations | 135 | 74 | (74) | 135 |
| BCITF Levy | 0 | 22,663 | (22,351) | 312 |
| BSL Levy | 0 | 17,969 | (17,693) | 276 |
| | 617,870 | | | 619,338 |

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

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

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

| | Title | Issued / Compiled | Applicable (1) | Impact |
|-------|---|-------------------|----------------|--|
| (i) | AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8) | December 2014 | 1 January 2018 | Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect. |
| (ii) | AASB 15 Revenue from Contracts with Customers | December 2014 | 1 January 2019 | This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant. |
| (iii) | AASB 16 Leases | February 2016 | 1 January 2019 | Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant. |

Notes:

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

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

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

Adoption of New and Revised Accounting Standards

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

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

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

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the revised budget apart from the cashflow statement. The detailed revised budget was adopted by council on 22 March 2018.

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

28. ACTIVITIES/PROGRAMS

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

| PROGRAM NAME | OBJ ECTIV E | ACTIVITIES |
|-------------------------------|--|--|
| GOVERNANCE | To provide a decision making process for efficient allocation of resources | Includes the activities of members of council and the administrative support available to the council for provision of governance of the shire. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services |
| GENERAL PURPOSE FUNDING | To collect revenue to allow for the provision to services | The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General government grant and interest revenue |
| LAW, ORDER, PUBLIC SAFETY | To provide services to help ensure a safer and environmentally concious community | The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws |
| HEALTH | To provide an operational framework for environmental and community health | Maternal and Infant health, preventative service and environmental health |
| EDUCATION AND WELFARE | To provide services to disadvantaged persons, the elderly children and youth | Maintenance on playgroup and senior citezens buildings |
| HOUSING | To provide housing to staff members | Administration and operation of residential housing for council staff |
| COMMUNITY AMENITIES | To provide services required by the community | Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemeteries and othe community amenities |
| RECREATION AND CULTURE | To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community | Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio broadcasting facilities |
| TRANSPORT | To provide safe, effective and efficient transport services to the community | Construction and maintenance of roads, street footpaths, depot, cycleways, parking facilities and traffic control. Cleanninbg of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome |
| ECONOMIC SERVICES | The promotion of the district to increase economic activities and the provision of building control within the shire | Tourism area promotion and building control |
| OTHER PR OPER TY AND SERVICES | To monitor and control Council's overheads operating accounts | The provision of private works to the public and the maintenance of cost pools for plant operating, public works overheads and administration costs. |

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

| 29. FINANCIAL RATIOS | 2018 | 2017 | 2016 |
|-----------------------------------|---------|---------|---------|
| Current ratio | 1.924 | 1.070 | 0.876 |
| Asset consumption ratio | 0.710 | 0.646 | 0.727 |
| Asset renewal funding ratio | 0.770 | 1.050 | 0.940 |
| Asset sustainability ratio | 0.193 | 0.129 | 0.625 |
| Debt service cover ratio | 9.778 | 15.143 | 7.866 |
| Operating surplus ratio | (0.240) | (0.217) | (0.249) |
| Own source revenue coverage ratio | 0.690 | 0.641 | 0.722 |

The above ratios are calculated as follows:

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

Notes

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

| | 2017/18 | 2016/17 | 2015/16 |
|--|---------|---------|---------|
| | \$ | \$ | \$ |
| Amount of Financial Assistance Grant received during the year relating to the subsequent year. | 982,735 | 993,202 | 0 |
| Amount of Financial Assistance Grant received in prior year relating to current year. | 993,202 | 0 | 962,389 |

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

| | 2018 | 2017 | 2016 |
|--------------------------|---------|---------|-----------|
| Current ratio | 1.504 | 1.432 | No Change |
| Debt service cover ratio | 9.663 | 9.615 | 13.096 |
| Operating surplus ratio | (0.244) | (0.321) | (0.238) |



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Exmouth

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Exmouth which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Exmouth:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter- Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

Identify and assess the 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 my 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 CEO.

Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.

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.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past 3 years
 - b. The Operating Surplus Ratio has been below the DLGSCI standard for the past 3 years.

The financial ratios are reported in Note 29 of the financial report.

- (ii) The following material matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. Accounting journal entries were posted by one employee, without being reviewed by a senior staff member independent of preparation. Accounting journals can represent significant adjustments to previously approved accounting transactions , and should therefore be appropriately reviewed and approved.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed .
- (v) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 29 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Exmouth for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website , they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
4 December 2018



Adopted by Council 13 December 2018

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Our Ref: OCR19939, WM.SP.2
3 August, 2018

Dear Exmouth Businesses,

NEW WASTE CHARGES 2018-2019

I write regarding changes to fees and charges that were adopted by Exmouth Shire Council last week as part of the 2018/19 budget process.

Since the appointment of our new Council, the Shire of Exmouth has undertaken a period of intense internal review. All business units have been examined with a view to improving long term financial sustainability and regulatory compliance across Shire operations.

Analysis of the Shire's waste management facilities and services clearly identified a number of challenges. In particular, the failure of the current fee structure to cover the costs associated with providing the service and the need to begin planning for a new landfill site as the current tip reaches the end of its useful life.

In response to these challenges Council has implemented a three tiered approach to improve sustainability of waste services and operations. This includes:

- Allocating an additional \$375,098 to waste reserves from the 2017/18 budget surplus to provide for the long term planning of waste services;
- Engaging independent consultant TALIS to develop a waste strategy to improve operations and provide better, safe and sustainable waste disposal and recycling services to the community; and
- Increasing fees and charges to reflect the full cost of providing waste disposal services at the tip. This will reduce general ratepayer subsidies and replace it with a user pays fee structure that is typical in other local government areas.

As a user of the Shire's tip service, Council understands that increased tip fees will impact on your business operations. In order to provide additional time for you to consider these changes and manage their implementation, Council resolved that the fees and charges should be adopted on 1 October, 2018 rather than 1 August when all other changes come into place.

A full copy of the new fees and charges is attached for your information.

Yours faithfully

Keith Woodward
DEPUTY CHIEF EXECUTIVE OFFICER (DEVELOPMENT SERVICES EXECUTIVE)