



shire of
meekatharra
a golden prospect

Annual Report

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Shire Presidents Report

I am pleased to report another successful year for the Shire of Meekatharra. Our staff and contractors continue to complete some relatively large projects to a very high standard whilst managing to maintain the many compliance tasks and sound governance and management processes.

In particular, the new Integrated Planning regulations have placed considerable obligations on Council to undertake the complex and rigorous requirements of this legislation. It is pleasing that our staff and consultants are progressing well with these tasks. During the year, Council adopted the Strategic Community Plan along with Asset Management Plans and the Workforce Plan.

I am particularly proud of the work that has been completed on our roads this year by our own construction crew and contractors. The work done by contractors that is being funded by the WANDRRA (Flood Damage funding) is bringing our entire gravel road network up to its best overall condition ever. The main project for our own Construction Crew has been the progressive upgrading and sealing of section of Landor Road and they too are doing an excellent job on this project.

The valuable contribution of Royalties for Regions funding towards the ongoing upgrade and sealing of Landor Road is acknowledged and appreciated.

Thanks to Deputy Shire President, Cr Norm Trenfield for his support and assistance during the year. Also thanks to my fellow Councillors for their dedication and hard work during the year.

Doray Minerals Limited completed construction of their accommodation camp in town and we look forward to their people making use of our town facilities and hopefully boosting sport and recreation participation numbers in town. The Doray Meekatharra Community Development Trust is being set up and should consider its first grant allocations early in the new financial year.

My thanks also go to our Chief Executive Officer, Roy McClymont for his management of our day to day tasks and functions. We are fortunate that Roy and his team continue to maintain sound governance and management processes.

Council maintains a sound overall financial position with no debt and adequate cash reserves.

Tom Hutchinson
Shire President





Chief Executive Officers Report

It has been a very busy year with our staff and contractors working hard to achieve some outstanding results. My thanks go to all our staff and contractors for their dedication, hard work and assistance during the year.

My sincere thanks to Shire President, Tom Hutchinson for his ongoing support and encouragement. Thanks also to all our Shire Councillors for their support and hard work during the year.

A special note of appreciation and gratitude goes to my two permanent Managers; Krys East, Deputy CEO and John Dyer, Works and Services Manager – thank you for your hard work, support and loyalty during the year. In November we welcomed Samantha Tarling as temporary acting Community and Development Services Manager. Thanks to Sam for her great work in setting up systems and procedures for this new position.

During the year we also welcomed Mal Wood as our Community Development Officer, Lorri Dransfield (Admin Assistant/Relief Officer), Bithun Wijeweera (Customer Service Officer) and Adelle Morgan (temporary Records Officer). All these people have settled in well and performing well in their respective roles. Staff turnover has improved with an increase in the stability of our workforce.

In terms of expenditure levels and sheer volume of projects this has, without doubt, been the biggest year in the Shires history.

Major road and infrastructure works included the flood damage reinstatement works (\$5,465,297), Landor Road upgrading and sealing (\$2,653,136), Sandstone Road construction (\$545,744) and Landor Road gravel construction (\$458,627). The seal on the Rubbish Tip Road was also widened. The Royalties for Regions Country Local Government Fund contributed a total of \$946,405 towards Landor Road sealing projects and we are very grateful for this assistance.

We continue to keep our plant fleet well maintained and up to date and this year we added a Cat 623 Scraper to our fleet. This big machine was purchased second hand and will greatly improve our efficiency when good surface material is available at road construction sites. We also added a Bobcat to our equipment and purchased a new Prime Mover.

We expended over \$300,000 on capital improvements to our staff housing including the renovation of Lot 208 Hill Street into two fully self-contained one bedroom units.

The Shires Youth and Recreation programs continue to be a great success and were enhanced with the installation of insulation and cladding in three program rooms, carpet and air conditioning at the Youth Centre. Other improvements at the Youth Centre included security cameras, bench seats and internal storage. The Youth Centre also assisted St Johns Ambulance in the production of their video music clip “help” which had an immediate impact on the level of false emergency calls to St Johns.

Finally, congratulations to Community Development Officer, Kelly Fuhrmann, the Meeka Festival Committee and the Meekatharra Race Club on conducting another excellent September long weekend of celebrations and activities. Kelly left us in February and we wish her all the best for the future.

Roy McClymont
Chief Executive Officer

Disability Access and Inclusion Plan

The *disability Services Act 1993* was amended in December 2004, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

Council adopted a DAIP in June 2007 for implementation in July 2007. Council is required to report on our present activities as they relate to the six desired DAIP outcomes.

1. Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organized by the Shire.
2. Council ensures that new buildings and footpath infrastructure are both wheelchair and gopher accessible.
3. Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it.
4. Staff is always encouraged to be aware of the need of people with disabilities to ensure they receive the same level and quality of service as other people receive. We are also working with our contractors to ensure they are aware of their responsibilities.
5. People with disabilities have the same opportunities as other people to make complaints to the staff, this can be via written letters, email or verbally.
6. Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

Record Keeping Plan

The *State Records Act 2000* requires that the Shire maintains and disposes of all records in the prescribed manner. An organisation and its employees must comply with the organisations record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisations record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisations induction program address employee roles and responsibilities in regard to their compliance with the organisations record keeping plan.

Complaints of Minor Breaches

In accordance with Sections 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of complaints of minor breaches received each year:

No. of complaints 2012-13	Outcome	Action Taken
Nil	-	-

National Competition Policy

In respect to Councils responsibilities in relation to National Competition Policy, the Shire reports the following:

1. Council does not undertake any business enterprises that are classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.
2. Competitive neutrality has not been applied to any activities undertaken by the Shire in this reporting period and no allegations of non-compliance with competitive neutrality principals have been made by any private entity.
3. The principals of competitive neutrality were implemented in respect of any relevant activity undertaken during the 2010/11 financial year.

Freedom of Information

Part 5 of the *Freedom of Information Act 1992* requires an agency such as Local Governments to prepare and publish an information statement. The Shire of Meekatharra has produced an Information Statement which can be inspected via Councils website or by contacting the Shire Office.

The information statement contains information on the type of documents available to the public and how to access those documents.

Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosures and those who are the subject of disclosure. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive office has complied with all obligations under the Act including:

1. Appointing the Community Development Officer as the PID Officer for the organisation
2. Publishing an internal procedure relating to the Shires obligations
3. Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

Plan for the future of the District

In June 2013 Council adopted a ten year Strategic Community Plan, a ten year Building and Structures Asset Management plan, a four year Workforce plan and also a ten year Plant Replacement Plan. Council were further progressing with preparing a Long Term Financial Plan and Corporate Business Plan. All plans will be reviewed as per requirements.

Copies of the plans are available at the Shire Office if you wish to peruse them.

It is envisaged that during the 2013/14 the following major projects will be commenced:

- Continuation of up-grading and sealing the Meekatharra-Carnarvon Road.
- Capital works to Council housing
- The addition of Disabled Facilities to Meekatharra's War Memorial Swimming Pool Ablution Block.
- Reroofing the Office/Administration Building
- Construction of a new gym
- Stage 1 Renovations to the old Lloyds building on Main Street
- Railway Goods Shed restoration work
- Purchase of a Skid steer loader with attachments
- Alterations to the airport apron and parking area
- Additional accommodation at the airport for management
- Conversion of the old pre-primary building into an additional area for Youth Centre activities.



SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

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SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Meekatharra being the annual financial report, supporting notes and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Meekatharra as at 30 June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 14th November 2013



R McClymont
Chief Executive Officer

The Shire of Meekatharra
Main Sreet
Meekatharra WA 6642

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAMME

	NOTE	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
		\$	\$	\$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		0	0	0
General Purpose Funding		7,555,596	6,756,526	7,957,310
Law, Order, Public Safety		28,051	18,713	9,579
Health		902	1,900	1,385
Education and Welfare		60,931	101,642	182,994
Housing		25,408	18,500	24,474
Community Amenities		93,607	139,100	119,199
Recreation and Culture		55,197	233,350	55,204
Transport		6,808,852	12,023,885	3,667,386
Economic Services		218,858	217,183	169,773
Other Property and Services		105,363	93,900	142,863
		<u>14,952,765</u>	<u>19,604,699</u>	<u>12,330,167</u>
EXPENSES FROM ORDINARY ACTIVITIES (Excluding Borrowing Costs expense)				
Governance		464,319	516,086	447,230
General Purpose Funding		139,991	203,509	277,833
Law, Order, Public Safety		138,480	136,304	110,226
Health		88,542	98,546	75,048
Education and Welfare		538,151	654,044	595,836
Housing		612	18,500	3,592
Community Amenities		376,293	513,050	367,127
Recreation & Culture		868,226	1,198,379	792,719
Transport		9,780,657	3,877,034	6,780,511
Economic Services		304,118	366,092	284,419
Other Property and Services		290,151	465,965	(202,156)
		<u>12,989,540</u>	<u>8,047,509</u>	<u>9,532,385</u>
Total Comprehensive Income		<u><u>1,963,225</u></u>	<u><u>11,557,190</u></u>	<u><u>2,797,782</u></u>

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE

	NOTE	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	16	3,840,816	3,741,189	3,564,298
Grants,Subsidies,Contributions - Operating	9	7,367,666	2,732,063	4,690,028
Fees and Charges	21	1,660,296	1,239,051	1,364,930
Interest Earnings	1	572,281	595,913	733,906
Other Revenue		600	100	26,704
		<u>13,441,659</u>	<u>8,308,316</u>	<u>10,379,866</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		1,667,383	1,300,000	1,020,417
Materials and Contracts		7,414,701	3,333,887	4,843,077
Utilities (gas, electricity, water, etc)		305,556	238,000	244,416
Depreciation on Non-current Assets	1	3,295,070	2,996,265	2,990,808
Insurance		270,139	225,000	232,743
Other Expenses		18,469	(57,068)	200,924
		<u>12,971,318</u>	<u>8,036,084</u>	<u>9,532,385</u>
		470,341	272,232	847,481
Grants,Subsidies,Contributions - Non Operating	9	1,511,106	11,296,383	1,788,545
Profit on Asset Disposals	28(b)	0	0	161,756
Loss on Asset Disposals	28(b)	(18,222)	(11,425)	
Total Comprehensive Income		<u><u>1,963,225</u></u>	<u><u>11,557,190</u></u>	<u><u>2,797,782</u></u>

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF FINANCIAL POSITION

	NOTE	2012/2013 Actual \$	2011/2012 Actual \$
CURRENT ASSETS			
Cash and Cash Equivalents	2	11,666,749	12,994,154
Trade and Other Receivables	3	859,007	818,041
Inventories	4	137,827	132,132
TOTAL CURRENT ASSETS		<u>12,663,583</u>	<u>13,944,327</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	5(a)	9,789,830	7,433,929
Infrastructure	5(e)	24,109,363	22,275,497
TOTAL NON-CURRENT ASSETS		<u>33,899,193</u>	<u>29,709,426</u>
TOTAL ASSETS		<u>46,562,776</u>	<u>43,653,753</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	530,086	1,353,898
Provisions	7	159,597	125,381
TOTAL CURRENT LIABILITIES		<u>689,683</u>	<u>1,479,279</u>
NON-CURRENT LIABILITIES			
Provisions	7	24,985	46,631
TOTAL NON-CURRENT LIABILITIES		<u>24,985</u>	<u>46,631</u>
TOTAL LIABILITIES		<u>714,668</u>	<u>1,525,910</u>
NET ASSETS		<u>45,848,108</u>	<u>42,127,843</u>
EQUITY			
Retained Surplus		30,386,904	30,336,637
Reserves - Cash Backed	8	10,835,314	8,922,357
Reserves - Asset Revaluation	8	4,625,890	2,868,849
TOTAL EQUITY		<u>45,848,108</u>	<u>42,127,843</u>

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF CHANGES IN EQUITY

	NOTE	2012/2013 Actual \$	2011/2012 Actual \$
RETAINED SURPLUS			
Balance as at 1 July 2012		30,336,636	28,835,218
Net Result		1,963,225	2,797,782
Transfer from/(to) Reserves		(1,912,957)	(1,296,363)
Balance as at 30 June 2013		<u>30,386,904</u>	<u>30,336,637</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2012		8,922,357	7,625,994
Amount Transferred (to)/from Retained Surplus		1,912,957	1,296,363
Balance as at 30 June 2013	8	<u>10,835,314</u>	<u>8,922,357</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2012		2,868,849	2,868,849
Revaluation Increment		1,757,041	0
Revaluation Decrement			
Balance as at 30 June 2013	8	<u>4,625,890</u>	<u>2,868,849</u>
TOTAL EQUITY		<u>45,848,108</u>	<u>42,127,843</u>

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF CASH FLOWS

	NOTE	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,749,951	4,008,411	4,733,679
Grants, Subsidies, Contributions		7,367,666	2,732,063	4,711,116
Fees and Charges		1,642,336	1,255,801	1,352,750
Interest Earnings		786,046	809,678	701,394
Goods and Services Tax		1,222,584	777,305	837,354
Other		600	100	26,704
		<u>14,769,183</u>	<u>9,583,358</u>	<u>12,362,997</u>
Payments				
Employee Costs		(1,666,706)	(1,304,534)	(967,138)
Materials and Contracts		(8,237,934)	(2,942,061)	(3,917,727)
Utilities (gas, electricity, water, etc)		(305,556)	(239,880)	(244,416)
Insurance		(270,139)	(225,000)	(232,743)
Goods and Services Tax		(1,226,949)	(800,000)	(908,055)
Other		(12,850)	57,068	(206,846)
		<u>(11,720,134)</u>	<u>(5,454,407)</u>	<u>(6,476,925)</u>
Net Cash Provided By (Used In) Operating Activities	10(b)	<u>3,049,049</u>	<u>4,128,951</u>	<u>5,886,072</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,512,751)	(3,487,907)	(1,167,622)
Payments for Construction of Infrastructure		(4,233,267)	(13,097,536)	(3,476,799)
Grants and Contributions for the Development of Assets		1,369,565	11,361,383	1,733,545
Proceeds from Sale of Plant & Equipment		0	46,000	174,189
Net Cash Provided By (Used In) Investing Activities		<u>(4,376,453)</u>	<u>(5,178,060)</u>	<u>(2,736,687)</u>
Cash Flows from Financing Activities		0	0	0
Net Increase (Decrease) in Cash Held		(1,327,404)	(1,049,109)	3,149,385
Cash at Beginning of year		12,994,154	11,536,672	9,844,769
Cash at End of Year	10(a)	<u><u>11,666,749</u></u>	<u><u>10,487,563</u></u>	<u><u>12,994,154</u></u>

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

RATE SETTING STATEMENT

	NOTE	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$
OPERATING REVENUES				
Governance		0	0	
General Purpose Funding		3,714,780	3,015,337	4,393,012
Law, Order, Public Safety		28,051	18,713	9,579
Health		902	1,900	1,385
Education and Welfare		60,931	101,642	182,994
Housing		25,408	18,500	24,474
Community Amenities		93,607	139,100	119,199
Recreation and Culture		55,197	233,350	55,204
Transport		6,808,852	12,023,885	3,667,386
Economic Services		218,858	217,183	169,773
Other Property and Services		105,363	93,900	142,863
		<u>11,111,949</u>	<u>15,863,510</u>	<u>8,765,869</u>
OPERATING EXPENSES				
Governance		(464,319)	(516,086)	(447,230)
General Purpose Funding		(139,991)	(203,509)	(277,833)
Law, Order, Public Safety		(138,480)	(136,304)	(110,226)
Health		(88,542)	(98,546)	(75,048)
Education and Welfare		(538,151)	(654,044)	(595,836)
Housing		(612)	(18,500)	(3,592)
Community Amenities		(376,293)	(513,050)	(367,127)
Recreation & Culture		(868,226)	(1,198,379)	(792,719)
Transport		(9,780,657)	(3,877,034)	(6,780,511)
Economic Services		(304,118)	(366,092)	(284,419)
Other Property and Services		(290,151)	(465,965)	202,156
		<u>(12,989,540)</u>	<u>(8,047,509)</u>	<u>(9,532,385)</u>
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Income				
(Profit)/Loss on Asset Disposals		18,222	11,425	(161,756)
Depreciation on Assets		3,295,070	2,996,265	2,990,808
Movement in Employee Benefits		12,570	(5,434)	34,968
Capital Expenditure and Income				
Purchase Land and Buildings		(538,662)	(1,652,616)	(98,470)
Purchase Infrastructure Assets - Roads		(4,176,553)	(11,992,833)	(3,386,750)
Purchase Plant and Equipment		(887,503)	(1,580,189)	(1,025,513)
Purchase Furniture and Equipment		(86,586)	(255,102)	(43,639)
Purchase Infrastructure - Other		(56,714)	(1,104,703)	(90,049)
Proceeds from Disposal of Assets		0	46,000	174,189
Repayment of Debentures		0	0	0
Proceeds from Debentures		0	0	0
Transfers to Reserves (Restricted Assets)		(1,912,957)	(1,486,606)	(1,296,363)
Transfers from Reserves (Restricted Assets)		0	0	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		3,668,071	3,466,602	3,772,865
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		1,298,183	0	3,668,072
Amount Req'd to be Raised from Rate	16	<u>(3,840,816)</u>	<u>(3,741,190)</u>	<u>(3,564,298)</u>

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

1. REVENUES AND EXPENSES	NOTE	2012/2013 Actual \$	2011/2012 Actual \$
Result from Ordinary Activities includes:			
(i) Charging as Expenses:			
Auditors Remuneration			
- Audit		13,187	11,687
- Other Services		0	0
Doubtful Debts			
- Rate Debtors		17,390	73,649
- Sundry Debtors		624	1,019
Depreciation			
	5		
- Buildings		196,813	181,142
- Furniture and Equipment		29,487	28,827
-Machinery & Equipment		900	9,759
-Plant		668,469	609,870
- Infrastructure - Roads		2,109,045	1,877,911
- Infrastructure - Airport		181,308	175,624
- Infrastructure - Other		109,048	107,675
		<u>3,295,070</u>	<u>2,990,808</u>
Rental Charges			
- Operating leases		<u>0</u>	<u>0</u>
(ii) Crediting as Revenues:			
		2012/2013 Actual \$	2012/2013 Budget \$
			2011/2012 Actual \$
Interest Earnings			
- Investments			
- Reserve Funds		433,866	504,113
- Municipal Funds		81,124	60,000
- Other Interest Earnings	20	57,291	31,800
		<u>572,281</u>	<u>595,913</u>
			<u>733,906</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

2. CASH AND CASH EQUIVALENTS	NOTE	2012/2013 Actual \$	2011/2012 Actual \$
Cash on Hand		900	600
Cash at Bank		11,665,849	12,993,554
		<u>11,666,749</u>	<u>12,994,154</u>
Represented by:			
Unrestricted		831,435	3,061,865
Restricted		<u>10,835,314</u>	<u>9,932,289</u>
		<u>11,666,749</u>	<u>12,994,154</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Plant Reserve	8	2,076,979	1,656,725
Building Reserve	8	1,412,835	960,299
Shire Water Reserve	8	261,653	150,713
Airport Runway Reserve	8	2,386,420	2,224,924
Airport Operations Reserve	8	841,942	784,965
Transport Reserve	8	569,304	530,777
Infrastructure & Development Reserve	8	824,902	769,078
Long Service Leave Reserve	8	150,594	47,170
Reseal & Rejuvenation Reserve	8	1,030,699	727,867
Digital TV Reserve	8	177,225	165,232
Interpretive Centre Reserve	8	1,102,761	904,607
<i>sub total</i>		<u>10,835,314</u>	<u>8,922,357</u>
Unspent Grants	9	0	1,009,932
		<u>10,835,314</u>	<u>9,932,289</u>

3. TRADE and OTHER RECEIVABLES

Current

Rates Outstanding		409,207	421,390
Sundry Debtors		291,135	85,150
GST Receivable		134,906	172,404
Other tax Receivable		41,773	0
Accrued Interest		0	213,765
Less Provision for Doubtful Debts	1	<u>(18,014)</u>	<u>(74,668)</u>
		<u>859,007</u>	<u>818,041</u>

4. INVENTORIES

Current

Stores and Materials - at cost		<u>137,827</u>	<u>132,132</u>
		<u>137,827</u>	<u>132,132</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

		2012/2013	2011/2012
		Actual	Actual
		\$	\$
5a. PROPERTY, PLANT AND EQUIPMENT			
Land & Buildings - Cost		7,025,135	6,486,473
Less Accumulated Depreciation		<u>(2,587,188)</u>	<u>(2,390,375)</u>
		4,437,947	4,096,098
Furniture and Equipment - Cost			302,280
Management Valuation	2013	229,122	
Less Accumulated Depreciation		<u>0</u>	<u>(132,614)</u>
		229,122	169,666
Machinery & Equipment - Cost		0	89,664
Management Valuation	2013		
Less Accumulated Depreciation		<u>0</u>	<u>(87,188)</u>
		0	2,476
Plant - Cost			7,309,157
Management Valuation	2013	5,122,761	
Less Accumulated Depreciation		<u>0</u>	<u>(4,143,468)</u>
		5,122,761	3,165,689
		<u>9,789,830</u>	<u>7,433,929</u>

5b. Plant, Machinery and Equipment

The Shire's Plant and Equipment was revalued at 30 June 2013 by Assetval Valuers. Valuations were made on the basis of open market values of similar age and condition.

The revaluation resulted in an overall increase of \$1,740,720 in the net value of the Shire's plant and equipment assets.

5c. Furniture and Equipment

The Shire's Furniture and equipment was revalued at 30 June 2013 by AVP Valuers.

The revaluation resulted in an overall increase of \$16,321 in the net value of the Shire's furniture and equipment assets.

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

5d. PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

The following represents the 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 & Buildings \$	Furniture & Equipment \$	Machinery & Equipment \$	Plant \$	Total \$
Balance as at 1 July 2012	4,096,098	169,666	2,476	3,165,689	7,433,929
Additions	538,662	86,586	0	887,503	1,512,751
Disposals		(64,264)	(76,874)	(28,140)	(169,278)
Revaluations - Increment		16,321		1,740,720	1,757,041
- (Decrement)	0	0	0		0
Impairment - (Losses)	0	0	0	0	0
- Reversals	0	0	0	0	0
Depreciation Operating Expense	(196,813)	(29,487)	(900)	(668,469)	(895,669)
Depreciation Written back		52,770	76,874	21,412	151,056
Transferred to Plant		(2,470)	(1,576)	4,046	0
Balance as at 30 June 2013	<u>4,437,947</u>	<u>229,122</u>	<u>0</u>	<u>5,122,761</u>	<u>9,789,830</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

	2012/2013	2011/2012
	Actual	Actual
	\$	\$
5e. INFRASTRUCTURE		
Roads - Cost	47,166,996	42,990,443
Less Accumulated Depreciation	<u>(25,637,883)</u>	<u>(23,528,838)</u>
	21,529,113	19,461,605
Airport - Cost	3,704,204	3,694,473
Less Accumulated Depreciation	<u>(2,842,498)</u>	<u>(2,661,190)</u>
	861,706	1,033,283
Infrastructure Other - Cost	2,778,769	2,731,786
Less Accumulated Depreciation	<u>(1,060,225)</u>	<u>(951,177)</u>
	1,718,544	1,780,609
	<u>24,109,363</u>	<u>22,275,497</u>

Council have adopted a policy of revaluing infrastructure every three years.
No revaluation was done this year.

5f. Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads	Airport	Other	Total
	\$	\$	\$	\$
Balance as at 1 July 2012	19,461,605	1,033,283	1,780,609	22,275,497
Additions	4,176,553	9,731	46,983	4,233,267
Disposals	0	0	0	0
Revaluations - Increment	0	0	0	0
- (Decrement)	0	0	0	0
Impairment - (Losses)	0	0	0	0
- Reversals	0	0	0	0
Depreciation Expense	(2,109,045)	(181,308)	(109,048)	(2,399,401)
Depreciation Written back				
Balance as at 30 June 2013	<u>21,529,113</u>	<u>861,706</u>	<u>1,718,544</u>	<u>24,109,363</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

NOTES	2012/2013 Actual \$	2011/2012 Actual \$
6. TRADE AND OTHER PAYABLES		
Current		
Creditors - Sundry	380,212	1,154,289
Excess Rates	80,188	74,811
GST Payable	0	43,218
Accrued Salaries and Wages	36,030	41,541
PAYG & FBT Liability	33,656	40,039
	<u>530,086</u>	<u>1,353,898</u>
7. PROVISIONS		
Current		
Provision for Annual Leave & RDO's	86,065	88,904
Provision for Long Service Leave	73,532	36,477
	<u>159,597</u>	<u>125,381</u>
Non Current		
Provision for Long Service Leave	24,985	46,631
	<u>24,985</u>	<u>46,631</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

8. RESERVES

8.1 RESERVES - CASH BACKED	NOTE	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$
(a) Plant Reserve	2			
Opening Balance		1,656,725	1,656,725	1,556,715
Amount Set Aside / Transfer to Reserve		420,254	393,605	100,010
Amount Used / Transfer from Reserve				
		<u>2,076,979</u>	<u>2,050,330</u>	<u>1,656,725</u>
(b) Building Reserve	2			
Opening Balance		960,299	960,299	554,831
Amount Set Aside / Transfer to Reserve		452,536	254,257	405,468
Amount Used / Transfer from Reserve				
		<u>1,412,835</u>	<u>1,214,556</u>	<u>960,299</u>
(c) Shire Water Reserve	2			
Opening Balance		150,713	150,713	141,615
Amount Set Aside / Transfer to Reserve		110,940	108,515	9,098
Amount Used / Transfer from Reserve		0	0	0
		<u>261,653</u>	<u>259,228</u>	<u>150,713</u>
(d) Airport Runway (Capital) Reserve	2			
Opening Balance		2,224,924	2,224,924	2,090,615
Amount Set Aside / Transfer to Reserve		161,496	125,708	134,309
Amount Used / Transfer from Reserve		0	0	0
		<u>2,386,420</u>	<u>2,350,632</u>	<u>2,224,924</u>
(e) Airport Operating Reserve	2			
Opening Balance		784,965	784,965	737,580
Amount Set Aside / Transfer to Reserve		56,977	44,351	47,385
Amount Used / Transfer from Reserve		0	0	0
		<u>841,942</u>	<u>829,316</u>	<u>784,965</u>
(f) Transport Reserve	2			
Opening Balance		530,777	530,777	323,386
Amount Set Aside / Transfer to Reserve		38,527	29,989	207,391
Amount Used / Transfer from Reserve		0	0	0
		<u>569,304</u>	<u>560,766</u>	<u>530,777</u>
(g) Infrastructure & Economic Development Reserve	2			
Opening Balance		769,078	769,078	722,652
Amount Set Aside / Transfer to Reserve		55,824	43,453	46,426
Amount Used / Transfer from Reserve		0	0	0
		<u>824,902</u>	<u>812,531</u>	<u>769,078</u>
(h) LSL Reserve	2			
Opening Balance		47,170	47,170	44,323
Amount Set Aside / Transfer to Reserve		103,424	2,665	2,847
Amount Used / Transfer from Reserve		0	0	0
		<u>150,594</u>	<u>49,835</u>	<u>47,170</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

8.1 RESERVES - CASH BACKED (Continued)

	NOTE	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$
(i) Reseal & Rejuvenation Reserve	2			
Opening Balance		727,867	727,867	449,020
Amount Set Aside / Transfer to Reserve		302,832	291,124	278,847
Amount Used / Transfer from Reserve		0	0	0
		<u>1,030,699</u>	<u>1,018,991</u>	<u>727,867</u>
(j) Digital TV Reserve	2			
Opening Balance		165,232	165,232	155,257
Amount Set Aside / Transfer to Reserve		11,993	9,336	9,975
Amount Used / Transfer from Reserve		0	0	0
		<u>177,225</u>	<u>174,568</u>	<u>165,232</u>
(k) Interpretive Centre Reserve	2			
Opening Balance		904,607	904,607	850,000
Amount Set Aside / Transfer to Reserve		198,154	183,603	54,607
Amount Used / Transfer from Reserve		0	0	0
		<u>1,102,761</u>	<u>1,088,210</u>	<u>904,607</u>
Total Cash Backed Reserves		<u>10,835,314</u>	<u>10,408,963</u>	<u>8,922,357</u>

All of the cash backed reserve accounts are supported by money held in financial institutions and are included in the amount shown as restricted cash at note 4.

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

Plant Reserve

- to be used to fund major plant acquisitions on an ongoing basis.

Building Reserve

- to be used for the future building requirements for Council purposes.

Shire Water Reserve

- to be used for capital water requirements of parks and gardens administered by the Shire.

Airport Runway Reserve

- to be used for future construction requirements of the airport runway.

Airport Operating Reserve

- to be used for capital improvement for the airport support infrastructure.

Transport Reserve

- to be used for the expansion of the road network that cannot be met by operating income.

Infrastructure & Economic Development Reserve

- to be used to develop existing town infrastructure of a commercial or non-commercial nature and fund projects deemed by Council to provide a necessary long term employment or economic benefit to the community.

Long Service Leave Reserve

- to be used for the future pay of staff proceeding on Long Service Leave.

Reseal and Rejuvenation Reserve

- to be used for the future reseal of bitumen streets.

Digital TV Reserve

- to be used for the changeover from analogue to digital TV.

Interpretive Centre Reserve

- to be used for the construction of an interpretive centre.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

8.1 RESERVES - CASH BACKED (Continued)

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

Given the high proportion of the Council's rate revenue being generated from mining activity, the Council is largely dependent on that revenue to provide essential services to the region. Due to the fluctuating nature of that industry and hence the flow-on effect on the Shire's revenue the Council believes it is vital to maintain sufficient reserves to maintain services and infrastructure during protracted downturns in mining activity.

8.2 RESERVES - ASSET REVALUATION

	2013 Actual \$	2012 Actual \$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Roads		
Balance as at 1 July 2012	2,868,849	2,868,849
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2013	<u>2,868,849</u>	<u>2,868,849</u>
(b) Plant		
Balance as at 1 July 2012	0	0
Revaluation Increment	1,740,720	0
Revaluation Decrement	0	0
Balance as at 30 June 2013	<u>1,740,720</u>	<u>0</u>
(c) Furniture & Equipment		
Balance as at 1 July 2012	0	0
Revaluation Increment	16,321	0
Revaluation Decrement	0	0
Balance as at 30 June 2013	<u>16,321</u>	<u>0</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>4,625,890</u></u>	<u><u>2,868,849</u></u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

9. ECONOMIC DEPENDANCY AND GRANTS

A significant portion of Revenue is received by way of grants from the State and Federal Governments.

Grants recognised as revenue in a particular year are not necessarily expended in the same year.

		2011/2012	2012/2013	2012/2013	2012/2013
Government Source	Purpose of Grant or Contribution	Grants Unspent Brought Forward	Grants Received	Grants Expended	Unexpended Grants
OPERATING GRANTS					
GENERAL PURPOSE FUNDING					
Grants Commission	Untied Financial Assistance Grant	0	2,122,188	2,122,188	0
Grants Commission	Untied Roads Financial Grant	0	995,395	995,395	0
		0	3,117,583	3,117,583	0
LAW, ORDER, & PUBLIC SAFETY					
FESA Operational Grant	Fire Prevention	0	2,532	2,532	0
FESA Operational Grant	SES Services	0	11,385	11,385	0
DLGRD	Cat Prevention	0	4,935	4,935	0
		0	18,852	18,852	0
WELFARE SERVICES					
WA Police	Benefit of Meekatharra Youth (ADJ)	0	23,364	23,364	0
OSCH	Youth Centre Operations	0	13,229	13,229	0
Dept of Community Development	Youth Centre Operations	56,177	23,839	80,016	0
		56,177	60,432	116,609	0
RECREATION & CULTURE					
	Swimming Pool Subsidy	0	3,000	3,000	0
		0	3,000	3,000	0
TRANSPORT					
Main Roads Department	Street Lighting Subsidy	0	2,761	2,761	0
FESA Operational Grant	Flood Damage	0	3,998,513	3,998,513	0
		0	4,001,274	4,001,274	0
ECONOMIC SERVICES					
Dept of Agriculture	Community Event Grant	0	0	0	0
		0	0	0	0
TOTAL OPERATING GRANTS		56,177	7,201,141	7,257,318	0
NON OPERATING GRANTS					
LAW AND ORDER					
FESA	SES Building	0	8,000	8,000	0
		0	8,000	8,000	0
TRANSPORT					
Main Roads Department	Direct Grant	0	183,125	183,125	0
Dept of Transport & Regional Services	Roads to Recovery - General/Various	0	1,022,192	1,022,192	0
Main Roads Department	Regional Road Group	0	297,789	297,789	0
State	Royalties for Regions	946,425	0	946,425	0
RADS	Airport	0	0	0	0
		946,425	1,503,106	2449531	0
TOTAL NON OPERATING GRANTS		946,425	1,511,106	2,457,531	0
Reimbursements, Contributions and Subsidies (Operating)		7,330	166525	173855	0
		7,330	166,525	173,855	0
TOTAL GRANTS, REIMBURSEMENTS, CONTRIBUTIONS and SUBSIDIES		1,009,932	8,878,772	9,888,704	0

There were no Grants or Contributions that are included in Note 23(a) that were not received.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

10. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	NOTE	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$
Cash - Unrestricted	2	831,435	78,600	3,061,865
Cash - Restricted	2	10,835,314	10,408,963	9,932,289
		<u>11,666,749</u>	<u>10,487,563</u>	<u>12,994,154</u>

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

Net Profit (or Loss)	1,963,225	11,557,190	2,797,782
Depreciation	3,295,070	2,996,265	2,990,808
(Profit)/Loss on Sale of Asset	18,222	11,425	(161,756)
(Increase)/Decrease in Receivables	15,688	540,042	945,459
Increase/(Decrease) in Doubtful Debts	(56,654)	0	74,617
(Increase)/Decrease in Inventories	(5,695)	44,687	(60,251)
Increase/(Decrease) in Payables	(823,812)	346,159	997,990
Increase/(Decrease) in Employee Provisions	12,570	(5,434)	34,968
Grants/Contributions for the Development of Assets	(1,369,565)	(11,361,383)	(1,733,545)
Net Cash from Operating Activities	<u>3,049,049</u>	<u>4,128,951</u>	<u>5,886,072</u>

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

11. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

There are no finance lease commitments to report for the year ended 30 June 2013

(b) Operating Lease Commitments

There are no operating commitments to report for the year ended 30 June 2013

(c) Capital Expenditure Commitments

There are no capital commitments to report for the year ended 30 June 2013

12. TRUST FUNDS

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

	Balance 01-July-2012	Amounts Received	Amounts Paid	Balance 30-June-2013
	\$	\$	\$	\$
Donations	5,000			5,000
Unclaimed Monies	21,566			21,566
Library Deposits	2,571			2,571
Building Industry Training Levy	(26)	21,344	21,276	42
Builders Registration Board	5	9,856		9,861
Housing Bonds	2,400	1,300	700	3,000
Nomination Deposits	0			0
Stockyard Caretaking	21			21
Miscellaneous Deposits	6,289			6,289
Picture Fund	1,000			1,000
Housing Sold	60,577			60,577
Cash at Bank	99,403	32,500	21,976	109,927

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

13. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY	2012/2013 Actual \$	2011/2012 Actual \$
Governance	4,500	835
General Purpose Funding	391,193	560,487
Law, Order, Public Safety	10,408	2,973
Health	4,100	6,100
Education and Welfare	278,599	284,370
Housing	2,135,175	1,880,000
Community Amenities	214,380	166,395
Recreation and Culture	2,311,578	2,373,703
Transport	23,066,501	21,049,066
Economic Services	873,697	902,077
Other Property and Services	5,429,217	4,022,454
Unallocated (Cash)	11,843,428	13,166,558
	<u>46,562,776</u>	<u>44,415,018</u>

14. FINANCIAL RATIOS	2012/2013	2011/2012	2010/2011
Current Ratio	3.45	2.78	9.49
Asset Sustainability Ratio	1.74		
Operating Surplus Ratio	0.30		
Debt Service Cover Ratio	0.00		
Own Source Revenue Ratio	0.47		
Asset Consumption Ratio	0.57		
Asset Renewal Funding Ratio	0.26		

Note: Historical Data for 2010 - 2012 is not available.
The above rates are calculated as follows:

Current Ratio equals	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{Capital Renewal and Replacement Expenditure}}{\text{Depreciation expense}}$
Operating Surplus Ratio	$\frac{\text{Operating Revenue minus Operating Expense}}{\text{Own Source Operating Revenue}}$
Debt Service Cover Ratio	$\frac{\text{Operating Surplus before Interest and Depreciation}}{\text{Principal and Interest on Loans}}$
Own Source Revenue Ratio	$\frac{\text{Own Source Operating Revenue}}{\text{Operating Expense}}$
Gross Debt to	$\frac{\text{Gross debt}}{\text{Rates collectable}}$
Asset Consumption Ratio	$\frac{\text{Depreciated Replacement Cost of Assets}}{\text{Current Replacement Cost of Depreciated Assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of Planned Capital Renewal over 10 years}}{\text{NPV of required Capital Expenditure over 10 years}}$

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

15. BORROWINGS

- (a) Debenture Repayments
Council had no amounts owing on debentures as at 30 June 2013
- (b) New Debentures
Council had no new debentures for 2012/2013
- (c) Unspent Debentures
Council has no unspent Debentures at 30 June 2013
- (d) Overdraft
Council has no overdraft facility available, and none were utilized during the year ended 30 June 2012
- (e) Interest Rate Risk
Council's exposure to interest rate risk as a result of borrowings and the effective weighted average interest rate on these borrowings is nil.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

16. RATING INFORMATION - 2012/2013 FINANCIAL YEAR

RATE TYPE	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim & Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
General Rate										
- Gross rental value	11.3000	317	2,599,340	293,725		293,725	293,725	0	0	293,725
- Unimproved Value Mining	18.1039	938	17,482,995	3,165,104	112,182	3,277,286	3,177,659	0	0	3,177,659
- Unimproved Value Pastoral	3.6546	42	3,943,787	144,130	0	144,130	144,130	0	0	144,130
Sub-Totals		1,297	24,026,122	3,602,959	112,182	3,715,141	3,615,514	0	0	3,615,514
Minimum Rate	Minimum \$									
- Gross rental value	275	77	20,330	21,175	0	21,175	21,175	0	0	21,175
- Unimproved Value Mining	275	373	273,266	102,575	0	102,575	102,575	0	0	102,575
- Unimproved Value Pastoral	275	7	18,750	1,925	0	1,925	1,925	0	0	1,925
Sub-Totals		457	312,346	125,675	0	125,675	125,675	0	0	125,675
Waivered Rates						3,840,816				3,741,189
Ex Gratia Rates						0				3,000
Totals						3,840,816				3,744,189

Prior Year Rates written off (Not included above)	These Rates relate to previous years and were treated as an expense	7,168	0
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SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

17. SPECIFIED AREA RATE - 2012/2013 FINANCIAL YEAR NIL

18. SERVICE CHARGES - 2012/2013 FINANCIAL YEAR NIL

**19. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2012/2013 FINANCIAL YEAR** NIL

The Shire of Meekatharra does not grant a discount for the early payment of rates appearing on the rate notice.

20. INTEREST CHARGES AND INSTALMENTS - 2012/2013 FINANCIAL YEAR

	Interest Rate (%)	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	10	N/A	33,372	21,000
Interest on Instalments Plan	5.5	N/A	23,919	10,800
Charges on Instalment Plan	N/A	15	18,555	21,800
			75,846	53,600

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

	2012/2013 Actual \$	2011/2012 Actual \$
21. FEES & CHARGES		
General Purpose Funding	24,315	20,321
Governance	0	0
Law, Order, Public Safety	1,199	2,656
Health	903	1,385
Education & Welfare	0	0
Housing	23,632	23,583
Community Amenities	93,607	108,009
Recreation & Culture	25,040	28,338
Transport	1,267,220	1,018,779
Economic Services	217,372	161,519
Other Property & Services	7,008	340
	<u>1,660,296</u>	<u>1,364,930</u>

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

	2012/2013 Actual \$	2012/2013 Budget \$	2010/2012 Actual \$
22. COUNCILLORS' REMUNERATION			
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	10,700	13,520	10,410
Travelling Expenses	3,953	4,200	4,588
Telecommunications	0	500	0
President's Allowance	4,000	8,000	8,000
Deputy Presidents Allowance	1,000	2,000	2,000
	<u>19,653</u>	<u>28,220</u>	<u>24,998</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

23. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range \$	2013	2012
100,000 - 109,000	2	2
120,000 - 129,000	1	1
150,000 - 159,000	<u>1</u>	<u>1</u>

24. EMPLOYEE NUMBERS

The number of full-time equivalent Employees at balance date

2013	2012
<u>28</u>	<u>24</u>

25. MAJOR LAND TRANSACTIONS

No major land transactions occurred during the period.

26. MAJOR TRADING UNDERTAKINGS

No major trading undertakings occurred during the period.

27. OTHER TRADING UNDERTAKINGS

The Shire acts as an agent for Air BP providing aviation fuel to customers at the airport. Council provides the service to ensure the ongoing viability of regular public transport flights to Meekatharra.

		2013 \$	2012 \$
Current Year Transactions	Operating Income	141,151	145,008
	Operating Expenses	(155,607)	(103,221)
	Change in Net Assets resulting	<u>(14,456)</u>	<u>41,787</u>
Statement of Financial Position	Current Assets		
	Cash at Bank	78,764	95,252
	Trade Debtors	0	0
<i>Shire of Meekatharra</i>	Current Liabilities	(78,764)	(82,448)
<i>Air BP</i>	Trade Creditors	0	(12,804)
		<u>0</u>	<u>0</u>
	Equity		
	Opening balance	0	1,743
	Cash Transferred to/(from) Muni	14,456	(43,530)
	Change in Net Assests	(14,456)	41,787
		<u>0</u>	<u>0</u>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

28. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position and Surplus/ (Deficiency)

Financial Year As at	2012/2013 30/06/2013 Actual \$	2012/2013 30/06/2013 Budget \$	2011/2012 30/06/2012 Actual \$	2011/2012 1/07/2012 Estimated \$
CURRENT ASSETS				
Cash - Unrestricted	831,435	78,600	3,061,865	2,614,314
Cash - Restricted	10,835,314	10,408,963	9,932,289	8,922,357
Trade and other Receivables	859,007	450,000	818,041	990,042
Inventories	137,827	50,000	132,132	94,687
<i>Total Current Assets</i>	12,663,583	10,987,563	13,944,327	12,621,400

LESS: CURRENT LIABILITIES

Trade and other Payables	(413,868)	(578,600)	(1,237,547)	(232,441)
Rates in Advance	(80,188)		(74,811)	
Long Term Borrowings				
Accrued Expenditure	(36,030)		(41,541)	
Employee Provisions	(159,597)	(100,000)	(125,381)	(105,434)
<i>Total Current Liabilities</i>	(689,683)	(678,600)	(1,479,280)	(337,875)

NET CURRENT ASSET POSITION

	11,973,900	10,308,963	12,465,047	12,283,525
Adjustments for:				
Items not included in calculation of Surplus/(Deficiency)				
Less: Unspent Debentures	-	-	-	-
Less: Reserve Accounts	(10,835,314)	(10,408,963)	(8,922,357)	(8,922,357)
Less: Self Supporting Loans	-		-	
Add: Employee Provisions (Provided for within Budget)	159,597	100,000	125,381	105,434
Add: Long Term Borrowings (Provided for within Budget)				
Lees Budget Error			-	
Surplus (Deficiency)carried Forward	1,298,183	-	3,668,071	3,466,602

The surplus carried forward in the 2011/2012 Estimated column represents the anticipated surplus used for opening funds in the 2012/2013 Budget

The surplus carried forward in the 2011/2012 Actual column represents the actual surplus as shown on the audited financial statements for 2011/2012

	\$
The variance between the actual audited surplus of	3,668,071
and the estimated surplus used in the budget of	3,466,602
is	201,469

The variance is represented by routine end of year expenditure. and is offset by corresponding reductions in budget expenditure.

The surplus carried forward in the 2012/2013 Budget column represents the anticipated surplus as at 30 June 2013

The surplus carried forward in the 2012/2013 Actual column represents the actual surplus as at 30 June 2013

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

29. DISPOSAL & REPLACEMENT OF ASSETS

29a. The following assets were purchased during the year

	Asset No	G/L Account	Actual	\$
Furniture and Fittings				
Airconditioner Sports Complex	3075	3895		3,742
Barcode Labelling System	3076	1333		2,427
Sports complex Equipment	3075	3895		6,709
Gym Equipment	3052	3974		315
Hall Equipment	2185	3534		3,648
Computer equipment - Admin	3077	1244		25,984
Apeosport C6680 Photocopier	3079	1244		18,936
Storage Units Youth Centre	3078	2445		6,112
Freezer Youth Centre	3080	2445		485
Security Cameras Youth Centre	3081	2445		1,269
Bike Racks Storage	3082	2445		5,476
TV and digital camera Youth	3083	2445		1,648
Sea Container Rodeo Storage	3084	5434		8,131
Tables & Chairs Rodeo	3085	5434		1,704
			<i>sub total</i>	86,586
Buildings				
Airport Kitchen Upgrade	5219	1085		16,632
Airport Floor	5219	1085		12,630
Airport House	1086	934		18,877
Lot 303	1018	921		5,920
Lot 206	1070	922		1,010
Lot 220	1001	923		3,016
Lot 208	1028	929		301,549
Sports Complex Residence	1037	930		1,106
Lot 304	1069	931		3,326
3/16 Regan St	1113	937		2,895
Youth Centre	1100	2447		3,742
Telecentre	1071	9681		3,630
Lloyds Outback centre	1115	4191		15,175
SES Sower & Toilet	1004	1574		8,000
Pool Upgrade	1058	3666		37,163
Paddys Flat	1111	3254		21,011
War Memorial	1109	3934		4,000
Office - Key System	1003	1323		78,980
			<i>sub total</i>	538,662

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

29. DISPOSAL & REPLACEMENT OF ASSETS (continued)

29a The following assets were purchased during the year (continued)

	Asset No	G/L Account	Actual \$
Plant and Equipment			
Heavy Duty Stone Fork	1117	5334	12,500
Motor for submersible pump	2201	5154	1,708
Motor for submersible pump	2202	5154	2,470
Pumps & Accessories	553	5154	42,406
Submersible Pumps	429	5154	3,540
Trailer Box Custom Made	465	5154	7,000
Trailer 46 ft Flat Top	450P	5264	11,500
Trailer Bosich Bogie Dolly	451P	5264	10,500
Trailer Semi Haulmore	453P	5264	25,846
Trailer Semi Haulmore	454P	5264	25,000
Trailer Tandem Custom Made	455P	5264	17,429
Trailer Box Custom Made	460	5264	7,000
Trailer Box Custom Made	461	5264	7,000
Trailer Box Custom Made	462	5264	7,000
Trailer Box Custom Made	463	5264	7,000
Nissan Prime Mover	452P	5124	207,600
Scraper Cat 623F	449	5404	276,852
Toyota Prado	459	1331	50,102
Generator	1118	5284	15,201
Generator	1119	5284	16,107
Generator	1120	5284	16,070
Generator	1121	5284	16,070
Traffic Counters X2	552	5014	9,442
Fridge for P437	437	5014	2,076
Pressure Cleaner Depot	552	5014	4,898
Portable GenSet	553	5014	1,666
Fork Lift Attachment Skid Steer	464	5014	1,799
Lawn Mower Pool	555	3684	1,505
Tool Box L/H Utility	556	5084	3,311
Trailer Tri Axle Flat Top	457P	5034	11,000
Trailer Semi Booth	458	5034	12,500
Bogie Dolly	456P	5034	7,000
Caravans Replace Aircons	357	5034	3,925
Caravans Replace Aircons	110	5034	3,925
Caravan Abulutions	365	5034	10,385
5000l Diesel Tank Free Standing	557	5034	7,593
10000 Tank Free Standing	557	5034	13,448
Rebuild Mtce caravan P39	39	5034	7,129
	<i>sub total</i>		<i>887,503</i>

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

29. DISPOSAL & REPLACEMENT OF ASSETS (continued)

29a The following assets were purchased during the year (continued)

	Asset No	G/L Account	Actual	\$
Infrastructure - Roads				
Rural Road Construction - Gravel	8530	4200	1,974,800	
Rural Road Construction - Sealed	8540	4200	1,838,719	
Water Bores	8150	4530	363,034	
<i>sub total</i>			<i>4,176,553</i>	
Infrastructure - Airport				
Airport - Construction	7129	5104	9,731	
<i>sub total</i>			<i>9,731</i>	
Infrastructure - Other				
Sewerage lagoons	7011	2984	34,647	
Safety Shower - Parks	400	4026	1,376	
Tank Fence & Fittings	7103	3994	3,145	
Pump & Fittings - Oval	7103	3914/3944	7,815	
Entry Statements & Signs				
<i>sub total</i>			<i>46,983</i>	
				5,746,018

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

29. DISPOSAL & REPLACEMENT OF ASSETS (Continued)

29b. The following assets were disposed of during the year.

	Asset No	Historical Cost \$	Accumulated Depreciation \$	Net Book Value		Sale Price		Profit (Loss)	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment				0				0	0
Toyota 4x2	379	13,140	11,163	1,977				(1,977)	0
Acco Garbage Truck	116	15,000	10,249	4,751	0	0	0	(4,751)	0
Furniture and Equipment									
Netcomm Smartmodem	2156	630	371	259	0	0	0	(259)	0
Toshiba Estudio 450 Photocopier	2173	7,084	6,612	472	0	0	0	(472)	0
Panasonic Fax Uf-490	2174	895	812	83	0	0	0	(83)	0
Pentium 4 Computer & Hp Printer	2176	3,163	2,782	381	0	0	0	(381)	0
Fuji S5000 Digital Camera	2177	782	690	92	0	0	0	(92)	0
Cb Radio Base & Aerial	2179	414	365	49	0	0	0	(49)	0
Airconditioner - Airport Terminal	2186	4,000	2,400	1,600	0	0	0	(1,600)	0
Office Chairs X7	2193	3,196	0	3,196	0	0	0	(3,196)	0
Office Desks & Bookcase	2191	1,615	807	808	0	0	0	(808)	0
Telit 550 Satellite Telephone	3009	2,240	2,202	38	0	0	0	(38)	0
Fuji Finepix S304 Digital Camera	3011	927	919	8	0	0	0	(8)	0
Misc Furniture	3055	1,451		1,451	0	0	0	(1,451)	0
Pool - Pro Cleaner	3057	3,272	2,617	655	0	0	0	(655)	0
Pool Table	3059	1,415	424	991	0	0	0	(991)	0
Table Tennis Table	3060	925	277	648	0	0	0	(648)	0
Chaise Lounge	3061	1,091	328	763	0	0	0	(763)	0
		61,240	43,018	18,222	0	0	0	(18,222)	0

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

29c. The following assets were obsolete and disposed of during the year.

	Asset No	Historical Cost \$	Accumulated Depreciation \$	Net Book Value		Sale Price		Profit (Loss)	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Machinery and Equipment									
Gwn tv receiver and broadcaster	158	15,200	15,200	0	0	0	0	0	0
Digital broadcasting equipment	161	4,340	4,340	0	0	0	0	0	0
Scientific atlanta decoder	162	1,465	1,465	0	0	0	0	0	0
Tv distribution equipment	163	2,317	2,317	0	0	0	0	0	0
Slasher	201	100	100	0	0	0	0	0	0
Oxyviva 3 resuscitator	205	2,165	2,165	0	0	0	0	0	0
Arcus water cooler	2167	910	910	0	0	0	0	0	0
Fs200 brushcutter	2170	800	800	0	0	0	0	0	0
Eclipse 200 breathing apparatus	2171	1,070	1,070	0	0	0	0	0	0
Honda wb30 3' volume pump	2172	1,036	1,036	0	0	0	0	0	0
Chest freezer	286	505	505	0	0	0	0	0	0
Chest freezer	288	505	505	0	0	0	0	0	0
B155 facsimilie machine	290	423	423	0	0	0	0	0	0
50lt vacuum pump	299	784	784	0	0	0	0	0	0
3hp complete pump - lowara	300	2,800	2,800	0	0	0	0	0	0
600l slip on fire fighting unit	3001	4,870	4,870	0	0	0	0	0	0
Chlorine leak monitor	3002	3,415	3,415	0	0	0	0	0	0
Radio tx3200	3003	308	308	0	0	0	0	0	0
Gerni 250 high pressure cleaner	3004	2,078	2,078	0	0	0	0	0	0

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

29c. The following assets were obsolete and disposed of during the year. (continued)

	Asset No	Historical Cost \$	Accumulated Depreciation \$	Net Book Value		Sale Price		Profit (Loss)	
				Actual	Budget	Actual	Budget	Actual	Budget
				\$	\$	\$	\$	\$	\$
Dolphin dynamic pool cleaner	3005	6,500	6,500	0	0	0	0	0	0
Tecsound portable pa system	3007	3,050	3,050	0	0	0	0	0	0
Gerni pressure cleaner	3008	2,186	2,186	0	0	0	0	0	0
4in1 work station	301	5,102	5,102	0	0	0	0	0	0
Telit 550 satellite telephone	3010	2,240	2,240	0	0	0	0	0	0
Manual pool cleaning trolley	3012	1,955	1,955	0	0	0	0	0	0
Lowara submersible pump	3013	5,200	5,200	0	0	0	0	0	0
Lowara submersible pump - pit	3014	5,060	5,060	0	0	0	0	0	0
210l chest freezer	3017	491	491	0	0	0	0	0	0
Furniture and Equipment									
Konica Minolta C350 Photocopier	784	8,845	8,845	0	0	0	0	0	0
Computer Storage Server	2015	8,410	8,410	0	0	0	0	0	0
Simpson Washing Machine	2164	875	875	0	0	0	0	0	0
2 X Picnic Tables	2166	1,974	1,974	0	0	0	0	0	0
Electronic Notice Board	2190	2,787	2,787	0	0	0	0	0	0
Video Camera	2192	2,289	2,289	0	0	0	0	0	0
Shredder	2194	1,595	1,595	0	0	0	0	0	0
Digital Camera	2195	298	298	0	0	0	0	0	0
Rapid Clean Floor Polisher	2196	3,426	3,426	0	0	0	0	0	0
First Aid Equipment	3068	665	665	0	0	0	0	0	0
		108,039	108,039	0	0	0	0	0	0

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

30. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	11,666,749	12,994,154	11,666,749	12,994,154
Receivables	859,007	645,637	859,007	818,041
	<u>12,525,756</u>	<u>13,639,791</u>	<u>12,525,756</u>	<u>13,812,195</u>
Financial Liabilities				
Payables	530,086	1,270,641	530,086	1,353,898
	<u>530,086</u>	<u>1,270,641</u>	<u>530,086</u>	<u>1,353,898</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

30. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

	30-Jun-13	30-Jun-12
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	116,667	129,942
- Statement of Comprehensive Income	116,667	129,942

Notes:

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

30. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	30-Jun-13	30-Jun-12
Percentage of Rates and Annual Charges		
- Current	63.58%	61.55%
- Overdue	36.42%	38.45%
Percentage of Other Receivables		
- Current	98.83%	87.45%
- Overdue	1.17%	12.55%

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

30. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2013</u>					
Payables	530,086	0	0	530,086	530,086
Borrowings	0	0	0	0	0
	<u>530,086</u>	<u>0</u>	<u>0</u>	<u>530,086</u>	<u>530,086</u>
<u>2012</u>					
Payables	1,353,898	0	0	1,353,898	1,353,898
Borrowings	0	0	0	0	0
	<u>1,353,898</u>	<u>0</u>	<u>0</u>	<u>1,353,898</u>	<u>1,353,898</u>

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

31. STATEMENT OF OBJECTIVES

The Shire of Meekatharra is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

PRINCIPAL PLACE OF BUSINESS

The Principal place of Business of the Local Government is:
The Shire of Meekatharra
Main Street, Meekatharra Western Australia 6642.

GOVERNANCE

Administration and operation of facilities and services to members of council;
other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue Costs associated with raising of rates, collection of debts and other funding activities within this programme.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control.
Operation of Council's Ranger (security) services.

HEALTH

Food quality and pest control, monitoring and control of environmental health.
Contract Operation for Health issues within the Community

EDUCATION AND WELFARE

Provision and maintenance of various premises in support of community services such as the Pre-school, Childrens Day Care and Telecentre. Financial assistance on a needs arise basis for the community's education and welfare. Provision, maintenance and support for the community youth centre.

HOUSING

Maintenance of staff and rental housing

COMMUNITY AMENITIES

Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, maintenance of rest centre and storm water drainage maintenance, operation and maintenance of sewage schemes..

RECREATION AND CULTURE

Maintenance of halls, the aquatic centre recreation centres and various reserves; operation of library, TV and Radio Broadcasting

TRANSPORT

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, traffic lights; depot maintenance and airport maintenance.

ECONOMIC SERVICES

The regulation and provision of tourism, area promotion, building control noxious weeds, vermin control, and building controls.

OTHER PROPERTY & SERVICES

Private works operations and miscellaneous
Plant operations, Overheads and Administration costs, initially charged here are reallocated to the relevant function area.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general 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.

The report has also been prepared on the accrual basis and is based on historical costs modified where necessary 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

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

(c) 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 in the statement of financial position are stated inclusive of applicable GST. 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.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less 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 shown as short term borrowings in current liabilities on the statement of financial position.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

Collectibility 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.

(f) Inventories

General

Inventories are valued 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 purchased for development and/or 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. Finance costs and holding charges incurred after development is completed are expensed.

Gains and Losses are recognised in the statement of comprehensive income 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 Council's intention to release for sale.

(g) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Revaluation of Non-Current Assets

Effective from 01 July 2012 the Local Government(Financial Management) Regulations were amended and the measurement on non-current assets became mandatory.

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

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

Thereafter in accordance with the regulations, each asset class must be revalued at least every three years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a) the Council is required to include as an asset (by 30 June 2013, Crown Land operated by the Local Government as a golf course, showground, reacecourse or other sporting or recreational facility of State or regional significance.

The Shire of Meekatharra has determined that there are no assets of State or regional development operated by the Local Government within the Shire of Meekatharra.

Initial Recognition

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 Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, 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.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes. Those assets carried at cost will be carried in accordance with the policy detailed in the Initial Recognition section as detailed above. Those assets carried at fair value will be carried in accordance with the Revaluation Methodology section as detailed above.

Early Adoption of AASB 13 – Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement does not become applicable until the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard). As a consequence, the principles embodied in AASB 13 – Fair Value Measurement have been applied to this reporting period (year ended 30 June 2013). Due to the nature and timing of the adoption (driven by legislation) the adoption of this standard has had no effect on previous reporting periods

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 AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

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

Assets are depreciated from the date of acquisition, or in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Buildings	25 - 40 years
Office Furniture and Equipment	3 - 10 years
Plant and Equipment	5 - 10 years
Roads Unformed	Not Depreciated
Roads Formed	Not Depreciated
Roads Gravel	15 years
Roads Sealed	50 years
Kerbing & Footpaths	20 years
Other Infrastructure	20 years
Drains & Sewers	40 years
Grids	20 years
Airfields and Runways	20 years

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

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised.

(h) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost.

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

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

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(i) Impairment

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

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

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

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

(j) Trade and Other Payables

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

(k) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
- c) that outflow can be reliably measured.

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

(n) Leases

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

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

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

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

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

(o) Rates, Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed within the notes to this report.

(p) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

SHIRE OF MEEKATHARRA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Current and Non-Current Classification

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

(r) Rounding Off Figures

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

s) Comparative Figures

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

(t) Budget Comparative Figures

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

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

Council's assessment of these new and amended standards and interpretations is set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans-Tasman Consequence Project - Reduced Disclosure Requirements. [AASB 101 & 1054]	May 2011	01 July 2013	
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. [AASB 1049]	May 2011	01 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127,128 & 131]	July 2011	01 July 2013	
(viii) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 -Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title and Topic	Issued	Applicable (*)	Impact
(ix)	AASB 13 - Fair Value Measurement, AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	01 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires inputs to all fair value measurements to be categorised in accordance with fair value hierarchy. AASB 13 also requires enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value. AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.
(x)	AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(xi)	AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xii)	AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	01 July 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	November 2011	01 January 2013	
	AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	December 2011	01 July 2012	

Notes:

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

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

32. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became

These new and revised standards were:

AASB 124
AASB 1054
AASB 2009 - 12
AASB 2009 - 14
AASB 2010 - 4
AASB 2010 - 5
AASB 2010 - 6
AASB 2010 - 9
AASB 2011 - 1

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



Anderson Munro & Wyllie

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INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF MEEKATHARRA

Scope

We have audited the financial report of Shire of Meekatharra for the year ended 30 June 2013. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Meekatharra. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report.
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of managements internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



Independence

Anderson Munro & Wyllie are independent of the Shire of Meekatharra, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of the Shire of Meekatharra are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2013 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

Statutory Compliance

- a) We did not during the course of the audit, become aware of any other instances where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.

Dated the 14th day of November 2013 in Perth, Western Australia

BILLY-JOE THOMAS
Director

ANDERSON MUNRO & WYLLIE

ANDERSON MUNRO & WYLLIE
Chartered Accountants