

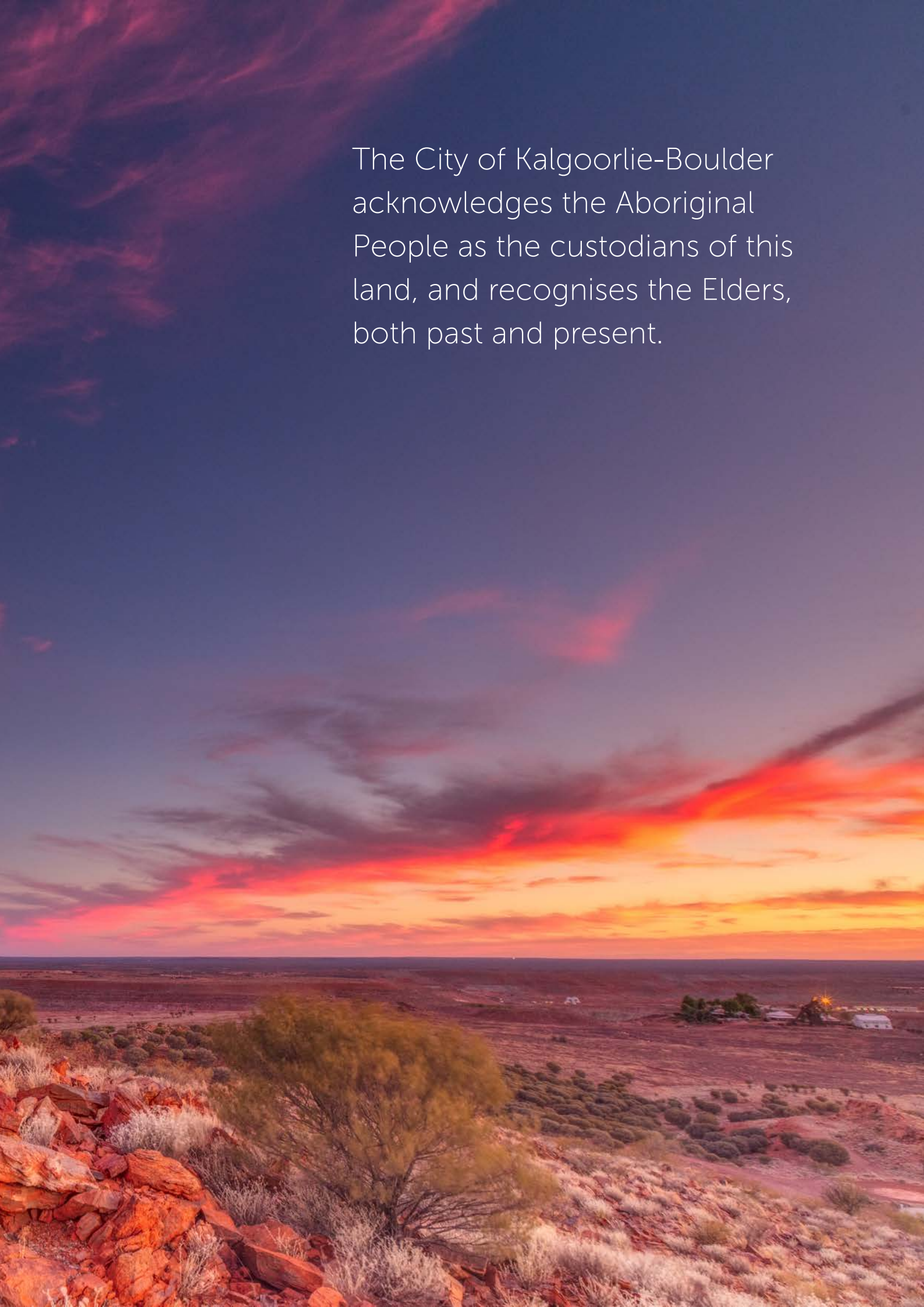


Annual Report

2017-18





A wide-angle photograph of a sunset over a vast, flat landscape. The sky is filled with dramatic, dark clouds, some of which are illuminated from below by the setting sun, creating a vibrant orange and red glow. The horizon is low, and the foreground is dominated by a rocky, reddish-brown outcrop on the left, with sparse, dry vegetation and a few small trees. In the distance, a few small buildings and a bright light source are visible on the horizon. The overall mood is serene and majestic.

The City of Kalgoorlie-Boulder
acknowledges the Aboriginal
People as the custodians of this
land, and recognises the Elders,
both past and present.

Mission, Strategic and Vision Statements	1
Mayor's Foreword	2
Message from the CEO	4
Councillors	6
City Snapshot	8
Our Organisation	10
Planning & Reporting	12
Achievements 2017-18	17
Statutory Reports	20
Financial Report	25



Mission Statement

The City of Kalgoorlie-Boulder will be a dynamic regional centre with a proud history and a high quality of life. We are dedicated to working with the community to achieve the best possible services.

Strategic Statement

To guide the growth and enhancement of an integrated and broad economy for the City of Kalgoorlie-Boulder and the wider region by providing outstanding civic leadership, creating a better environment for people to live, work and invest, and by ensuring our own organisation is always financially strong, smart, operationally effective, internally and externally focused and dedicated to delivering measurable results that show we are really making a difference.

Vision Statement

The City of Kalgoorlie-Boulder has a vision to be a sustainable regional city of the future. In pursuit of that vision, we aim to:

- Be a clean and green city.
- Be a place people will call home.
- Have adequate facilities and services for everyone.
- Encourage and support economic development and diversification.
- Be a quality employer.
- Project a positive image at all times, demonstrating a 'can do' attitude.

Mayor's Foreword

It is an honour as your Mayor to be presenting the Annual Report for the financial year 2017-18.



I am proud of what your Council and staff, particularly our outside workforce, have achieved in the year under review. Those who come here for the first time invariably say: "I can't believe how beautiful Kalgoorlie-Boulder is, how well-kept and maintained are the parks and ovals and how clean the City is."

2017-18 was a great year for the City. It was the first time Kalgoorlie-Boulder won the State Tidy Towns Sustainable Communities Award, the top prize in the 48-year history of Tidy Towns in Western Australia. There are many in our community to thank for their continued dedication. Kalgoorlie-Boulder's Urban Landcare Group coordinated several of the major projects in the City including the Williamstown (East Kalgoorlie) cactus eradication project, an interagency collaboration to remove a staggering 750 tonnes of invasive cactus plants from the area.

The City installed a 120kW solar photovoltaic system at Kalgoorlie-Boulder's airport, adding to the 80kW solar system installed on the roof of the Goldfields Arts Centre. This project places Kalgoorlie-Boulder at the forefront of our green city counterparts and demonstrates our commitment to becoming ecofriendly.

Kalgoorlie-Boulder also carried out a successful bin tagging trial, marking recycling bins with incorrect contents and providing follow up advice to householders. The trial almost halved the number of non-recyclable items in the community's recycling bins.

Most noticeably as you walk around our beautiful City, twenty large scale murals by local and professional artists were painted throughout the town in a bid to revitalise the central business district. The project Heartwalk made a great impact on our City, revitalising the city scape and providing a great sense of community pride.

Kalgoorlie-Boulder joined with Mt Isa and Broken Hill Councils to create the Australian Mining Cities Alliance (AMCA). Communities of mining cities face a range of shared challenges and opportunities. The AMCA exists to consider and address issues,



John Bowler, Mayor

and progress the economic development of mining cities in Australia. This is a united and progressive step for sharing best practise and strength with our industry neighbours facing challenges supporting residential and FIFO workforces.

2018 marked the 125th anniversary since the discovery of gold in Kalgoorlie-Boulder and the City committed to a year-long celebration in honour of the occasion. The community enjoyed a significant program of events including the Gold Rush themed Goldfields KidsFest, a visit from Nitro Circus, and the 125 Anniversary Gala Ball.

Your council continues to maintain very tight budgets to reduce unnecessary expenditure. This coupled with a longer-term view on financial sustainability has resulted in improving the City's financial position, going from the second last ranked council out of the 139 in Western Australia, to be in the top 25 in the 2017-18 year.

There are many proud moments that have contributed to the success of the 2017-18 financial year. In saying this I would like to congratulate and thank our staff and my fellow councillors for their diligence, commitment and their combined efforts in meeting the needs of our community.

John Bowler
Mayor, City of Kalgoorlie-Boulder

Message from the CEO

In 2017-18 the City of Kalgoorlie-Boulder became a year of ideas, where the future became the focus of Council with growth and sustainability at the forefront of everyday.



In 2017-18 the City of Kalgoorlie-Boulder became a year of ideas, where the future became the focus of Council with growth and sustainability at the forefront of the everyday.

The austere measures implemented in the previous financial year proved to be a positive step towards creating a financially stable Council. The year saw the organisation successfully rise from second lowest ranking local government to placing in the top 25 of 139 councils in Western Australia. The continuing improving financial position I'm sure will see another increase in our financial health index again this year. The resulting surplus has allowed further distributions to infrastructure and capital projects, and a reduction in indebtedness and holding of employment costs. These steps demonstrate the strength of the leadership and management team.

Kalgoorlie-Boulder had a prosperous year implementing the Growing Kalgoorlie-Boulder Plan delivered in the second quarter of 2017. A significant advancement in our efforts to diversify the local economy was achieved by the acquisition of industrial land. Soon after, the first lease agreement for this strategic land parcel was signed with Neometals for its processing facility. The 2017-18 year also saw the advancement of the rail realignment project and intermodal exchange, further steps to delivering growth for our City.

Prioritising the improvements and upgrades on the City's infrastructure was an integral part of creating a better City for our residents. Advances were made with our asset planning including drainage, sewerage and water supply. Part of this was executing the long term funding of these projects. Significant advancements were also made with the Kalgoorlie Golf Course Resort and Golf Clubhouse and included the signing of Hilton Double Tree.

Improving the liveability in our City is still a work in progress. Since last year's organisational restructure, arts and culture for the City has been looked at with a fresh approach encouraging new ideas and reimagining experiences and expectations of residents. There has been significant community consultation to devise a Kal City Centre transformation plan;



John Walker, CEO

a project which will create economic opportunities and provide a space in our City which is inviting and encourages active participation. The ongoing events, arts and culture community grants and sponsorship programs supported by the City have too proved to be a vital element to enabling the community to actively run events and create a more connected community.

As the shape of our City grows into a leading economic hub, it is done with passion and effort by us all. I would like to thank all my staff – administration, works and depot and commercial businesses for a great year. I too thank the Mayor, John Bowler, and the Elected Members for their ongoing backing and support and for the difficult role they play.

John Walker
CEO, City of Kalgoorlie-Boulder

Councillors

The City has a Mayor and 12 Councillors who are elected for overlapping four-year terms.





John Bowler
Mayor
Term Expires 2019



Allan Pental
Deputy Mayor
Term Expires 2021



Deborah Botica
Councillor
Term Expires 2019



Lisa Malicky
Councillor
Term Expires 2019



Laurie Ayers
Councillor
Term Expires 2021



Mandy Reidy
Councillor
Term Expires 2019



Gary Brown
Councillor
Term Expires 2021



Suzie Williams
Councillor
Term Expires 2019



Glenn Wilson
Councillor
Term Expires 2019



Natalie Coxon
Councillor
Term Expires 2019



Pam O'Donnell
Councillor
Term Expires 2021



Nardia Turner
Councillor
Term Expires 2021



Linden Brownley
Councillor
Term Expires 2021

	Total Number of Meetings 2017/18	OCM 21	APC 9
Mayor John Bowler	Meetings Attended	18	9
Cr Allan Pental	Meetings Attended	19	8
Cr Deborah Botica	Meetings Attended	16	4
Cr Lisa Malicky	Meetings Attended	17	3
Cr Laurie Ayers	Meetings Attended	16	8
Cr Mandy Reidy	Meetings Attended	12	5
Cr Gary Brown	Meetings Attended	18	9
Cr Suzie Williams	Meetings Attended	17	5
Cr Glenn Wilson	Meetings Attended	17	9
Cr Natalie Coxon	Meetings Attended	20	8
Cr Pam O'Donnell	Meetings Attended	16	9
Cr Nardia Turner	Meetings Attended	14	6
Cr Linden Brownley	Meetings Attended	14	4

OCM: 10 July 2017 - 25 June 2018 **APC:** 17 July 2017 - 18 June 2018

City Snapshot

The City of Kalgoorlie-Boulder is WA's largest inland city and is a dynamic and sophisticated regional centre.





People:
31k



Electors:
15k



Dwellings:
12k



Land Area:
95k km²



Rates Levied:
\$23m



Total Revenue:
\$68.5m



Sealed Roads:
376km

The City of Kalgoorlie-Boulder is located in the Goldfields-Esperance Region of Western Australia, approximately 600km east of Perth.

The City of Kalgoorlie-Boulder is responsible for a land area of 95,575km². The townsite of Kalgoorlie-Boulder is 70km², which is made up of residential, commercial and industrial properties.

The City includes the suburbs of Kalgoorlie, Boulder, Hannans, Karlkurla, Lamington, Piccadilly, Williamstown, South Kalgoorlie, Somerville, West Kalgoorlie, Victory Heights, Broadwood and South Boulder.



Unsealed Roads:
1,000km

Kalgoorlie-Boulder is a modern and thriving city servicing the needs of a growing regional population.

Our globally significant mining industry, supported by our vast mineral base of gold, nickel, lithium and iron ore, continues to drive the economy.

As per the 2016 Census, Kalgoorlie-Boulder has a population of 30,059. The population is a young demographic with an influx of young adults into the mining industry with the median population age of 33 years.

Our Organisation

During 2017-18, the City of Kalgoorlie-Boulder employed on average 273 FTE staff across a diverse range of fields to ensure a high level of service provision to the community.



Organisational Structure 2017-18

Chief Executive Officer

John Walker

• Economy & Growth • Organisation & People • Governance & Legal • Communications



Stuart Devenish
**General Manager
Infrastructure and
Environment**

- Infrastructure Services
- Presentation & Open Space
- Planning, Development & Regulatory Services



Ivana Castle
**Chief Financial
Officer**

- Financial Services
- Council Business & Property
- Information & Communication Technology

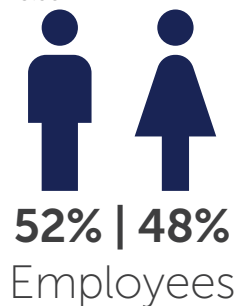


Holly Phillips
**General Manager
City Living**

- Communities
- Strategy & Place
- Goldfields Arts Centre

Key Statistics

During 2017-18, the City of Kalgoorlie-Boulder employed on average 273 Full Time Equivalent (FTE) staff across a diverse range of fields.



Planning and Reporting

In 2011, the Department of Local Government introduced the Integrated Planning and Reporting Framework to encourage a movement towards best practice strategic planning and reporting standards across the Western Australian local government industry.



STRATEGIC COMMUNITY PLAN

The City of Kalgoorlie-Boulder's Strategic Community Plan, of the Integrated Planning and Reporting Framework, is the primary document and must be reviewed every four years, but can also be reviewed at a strategic level every two years. Council's Strategic Community Plan is due for review in 2019.

The Plan takes into account current and expected changes in community demographics, social issues and local, national and global influences.

The development of the Strategic Community Plan was undertaken and adopted in 2015 as a result of numerous community workshops and responses to surveys.

It contains five aspirations, which are:

- **Community** - Enhance the quality of life and encourage city wide community development opportunities,
- **Economy** - Boost opportunities for economic development and tourism,
- **Infrastructure** - Enhance the built environment and provide quality infrastructure,
- **Environment** - Protect and where possible, enhance the natural environment,
- **Leadership** - Ensure the City maintains strong civic leadership.

CORPORATE BUSINESS PLAN

The City of Kalgoorlie-Boulder adopted its Corporate Business Plan in 2017. The Corporate Business Plan is a four-year plan that translates the City's strategies into priorities and actions which support the achievement of the Strategic Community Plan. It is an internal business planning tool that informs the annual planning and budgeting process. It outlines specific operating activities and capital works programs that are to be delivered.

The Corporate Business Plan is based on the five aspirations of the community as outlined in the Strategic Community Plan.



LONG TERM FINANCIAL PLAN

The City of Kalgoorlie-Boulder adopted its Long Term Financial Plan (LTFP) in June 2017, the plan will be reviewed again in 2019. The LTFP has provided the City with a clear path in terms of long-term financial sustainability. It is a fluid document linking to the Corporate Business Plan and Asset Management Plan. With reference to achieving this fluidity, the City has invested in MagiQ, a Business Intelligence Tool, to ensure that the conceptual link between planning and reality is reported in a timely manner, thus allowing the City greater visibility and responsiveness.

The City uses the LTFP as a base for budgeting, it guides rate increases, resourcing, operating costs, and capital programming costs, all of which support the fulfilment of the actions and strategies within the Corporate Business Plan. It does this in the context of ensuring that the City maintains a high standard of financial performance. The LTFP has helped drive an improved financial performance in both 2016-17 and 2017-18 financial years. It has provided insight into the City's capacity and capability, and has helped deliver efficiencies and resulted in a more effective organisation.

The City is focusing on service level reviews as a

priority, this is a critical element in ensuring that the Strategic Community Plan is delivered, and in turn this vision is realised through the LTFP.

In the 2018-19 financial year the planned increase for rates was 3.5%, the City was able to deliver a reduced rate increase of 1.8%. This reduction is directly linked to austerity measures that have been applied since early 2016. Subsequently, the City is confident that the conservative rate increase of 3.0% over the next eight years is achievable.

The City's two-year Asset Management program, which commenced in October 2016, was due to be completed in 2018, this project has experienced some delays and is now on track, with the expectation of delivery in 2019. This program will provide more accurate asset information, and thus will better support decision making, as well as give the City a deeper understanding of renewal and maintenance programming requirements in the context of established service levels.

The LTFP will be formally updated again in 2019, it is reviewed internally as priorities change. The City acknowledges that this is made necessary due to the requirement to make assumptions, the changing economy, and the unknown impact of external elements that influence the local



economy. This process is informed through a collaborative effort with Management, Council and the Audit Finance Committee.

GROWING KALGOORLIE-BOULDER PLAN

This Plan is a guiding strategic document focusing on economic growth for the whole of the City. The Plan provides an important strategic planning platform for us to improve collaboration and decision making in agreed areas. It is also a tool to assist businesses to realise their growth potential and acts as a catalyst for the community to engage in the future of Kalgoorlie-Boulder, driving improved wellbeing and prosperity.

2017-18 saw the delivery of the following major initiatives from the Plan: the Kalgoorlie Economic Development Conference, Strategic Industrial Land and the Solar for the Goldfields Report. Significant projects were commenced under the guidance of the Plan too, being the Virtual Power Plant trial, CRC ORE Kalgoorlie Mining Innovation Hub, Kal City Centre Economic Transformation and the National East-West Rail Realignment initiatives.

The other major initiatives being progressed include: Centre of Excellence, Hard Rock Processing and Engineering Training Facility, Fringe Benefit Tax (FBT) Reform, Marketable Brand and Strategy for Kalgoorlie-Boulder.

RECONCILIATION ACTION PLAN

The development of the City's Reconciliation Action Plan (RAP) marked an important milestone and will guide the way our organisation works with local Aboriginal and Torres Strait Islander people to achieve better outcomes. Development of the RAP occurred over two years and reflects considerable planning efforts with local stakeholders including the Goldfields Land and Sea Council, City councillors and various working groups.

By publically declaring its commitment to reconciliation, the City can build a more prosperous future for the City. The RAP will be championed





by the City executives with support, guidance and direction from the City Reconciliation Action Plan Working Group. The group will be comprised of various councillors and appointed local stakeholders to ensure the right people are engaged in delivering outcomes.

YOUTH STRATEGIC ACTION PLAN 2018-2021

In 2014 the City conducted 'Youth Talk Back Time', a consultation process which led to the development of the City's inaugural plan for young people - the Youth Strategic Action Plan 2014-2017.

The Youth Strategic Action Plan (YSAP) guides how the City of Kalgoorlie-Boulder will deliver its services for young people. The existing YSAP 2018-2021 is the result of a six-week consultation process undertaken with more than 500 community members in 2017. The YSAP provides a snapshot of who our young people are and the strategic aims and actions the City will undertake to address the needs and gaps identified in the plan. Three key goals are identified in the plan, those being to build confidence in our young people, to grow the capability of our young people and to foster connection between them and the wider community.

The City of Kalgoorlie-Boulder's Community Strategic Plan, Corporate Business Plan, Long Term Financial Plan, Youth Strategic Action Plan and Reconciliation Action Plan should be read in conjunction with the Growing Kalgoorlie-Boulder Plan to gain a full understanding of our direction.

Achievements

Throughout the course of the 2017-18 financial year, the City of Kalgoorlie-Boulder has celebrated many community events, achieved strategic goals and completed major projects.



A Year in Review

July 2017

Lord Forrest
Olympic Pool
Redevelopment,
official opening



November 2017

Pet's Day Out



December 2017

Seniors Christmas
Luncheon



December 2017

Electric Vehicle
charging point
installed on
Hannan Street



September 2017

City of Kalgoorlie-
Boulder Art
Prize Awards &
Exhibition



August 2017

Visit from
Prime Minister
Turnbull



October 2017

Garage Sale
Trail



November 2017

Qantas discounted resident
fares launched



November 2017

Christmas Street Party &
Lighting of the Christmas
Tree



January to

March 2018

Sunset at the
Soundshell
Concert Series



January 2018

Australia Day
Citizenship
Ceremony

January 2018

Celebrating 125 years since gold was discovered in Kalgoorlie-Boulder



February 2018

Australian Mining Cities Alliance (AMCA) Mount Isa Mayor, Joyce McCulloch, Mayor of Broken Hill, Darriea Turley and City of Kalgoorlie-Boulder Mayor, John Bowler.

January 2018

Three new Walk of Fame inductees announced:
 - Ross Rogers, OAM
 - Professor Barry Marshall
 - Charles Cooke Hunt



April 2018

YouthFest



April 2018

Two new Walk of Fame inductees announced:
 - Thomas Leslie Axford, VC
 - John Carroll, VC

April 2018

Goldrush KidsFest

May 2018

Northern Star Aboriginal Flag Pole unveiled in Centennial Park

May 2018

PX Logistics PGA Championship Tour at the Kalgoorlie Golf Course



June 2018

Growing Kalgoorlie-Boulder Economic Development Conference



June 2018

Multicultural Festival



April 2018

Nitro Circus



June 2018

125 year anniversary Gala Ball

June 2018

Heart of Gold Discovery Trail launched

Statutory Reports

As a local government authority, the City is required to comply with a number of statutory regulations.



FREEDOM OF INFORMATION ACT (1992)

In accordance with Section 96(1) of the Freedom of Information Act 1992, residents have the legally enforceable right to access records (which are not otherwise exempt) held by State and Local Government agencies. Applications may be made to the City of Kalgoorlie-Boulder to access such information upon payment of a standard fee.

	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
FOI Requests Received	11	17	10	9	10	7
Average Processing Time (Days)	25	16	19	32	29	30
3rd Party Consultations	-	-	-	-	2	2
	Outcomes	Outcomes	Outcomes	Outcomes	Outcomes	Outcomes
Access in Full	4	3	3	1	3	1
Access with Redaction (Exemption)	5	14	6	8	7	6
Application Withdrawn	1	-	1	-	-	-
Access Denied	-	-	-	-	-	-
Access Refused	1	-	-	-	-	-

THE STATE RECORDS ACT 2000

The City of Kalgoorlie-Boulder, as a Local Government Authority, is required under the State Records Act 2000 (the Act) to provide an annual report, as outlined in the Record Keeping Plan.

The Record Keeping Plan was first approved by the State Records Commission in August 2004 and a comprehensive five-yearly review was undertaken and approved in 2009 and August 2014. The City's record keeping systems are continuously reviewed and developed to improve efficiency, reliability and meet new requirements. ECM/Ci Anywhere provides centralisation for all corporate documents and increases efficiency in document retrieval, storage and retention.

As part of the Staff Induction Program and Record Keeping Training Plan, employees are informed of their record keeping obligations during an information session. Employees are also provided with a Record Keeping Guidelines and Policy Handbook. Additional training sessions for the City's electronic document-management system are performed on a regular basis, complemented by recordkeeping work instructions and guidelines, in accordance with the course outline. The effectiveness and efficiency of the recordkeeping program is reviewed regularly to ensure it meets the business needs and compliance for record keeping. Evaluation forms are completed at the end of each training session.

Elected Members receive training in their record keeping obligations and the associated process at the commencement of their term of office. Regular updates are provided to Elected Members through their normal communication channels.

POLICY REVIEW

The City of Kalgoorlie-Boulder original Policy Manual was adopted by Council on the 26 May 2008 and was last reviewed in 2017. The policy review process is intended to ensure the policies are relevant to operational and legislative requirements. The reviewed and amended policies are presented to Council for endorsement

and the individual policy documents will be then made available on the City website and ECM.

Policies are now published as independent documents. The Record Keeping Policy and is published on the staff intranet, City website and registered in ECM and is promulgated throughout the organisation during inductions. It is available to all staff, contractors, Elected Members and outsourced agencies.

The record keeping procedures and guidelines are authorised by the Information Management Coordinator. These procedures set out standardised processes for all staff and contractors to follow when carrying out record keeping tasks.

The procedures and guidelines are available to all staff and to contractors, Elected Members and for outsourced agencies when requested.

DISABILITY ACCESS AND INCLUSION PLAN 2016 – 2021

The Disability Access and Inclusion Plan (DAIP) for 2016-2021 was reviewed, and comment was sought on barriers to physical access, barriers to communication/accessible information, barriers due to lack of staff awareness and skills in delivering services to people with disabilities, barriers to opportunities to participate in complaints/ grievances, decision making processes and public consultations, as well as general feedback. The DAIP will be fully reviewed in 2021, with ongoing annual consultation planned with stakeholders in the interim to ensure ongoing feedback encouraging inclusion.

NATIONAL COMPETITION ACT COMPLIANCE

The City of Kalgoorlie-Boulder, in satisfaction of the provisions of clause seven of the Competition Principles Agreement, offers the following reports on activities which occurred during 2017-18.

COMPETITIVE NEUTRALITY

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no noncompliance allegations were made.

PAYMENTS TO EMPLOYEES

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

Salary Range \$	2018	2017
360,000 - 369,000	1	1
260,000 - 359,000	0	0
240,000 - 259,999	0	1
220,000 - 239,999	1	1
200,000 - 219,999	0	1
190,000 - 199,999	0	1
180,000 - 189,999	1	1
170,000 - 179,999	4	2
160,000 - 169,999	0	3
150,000 - 159,999	1	1
140,000 - 149,999	2	3
130,000 - 139,999	4	3
120,000 - 129,999	4	5
110,000 - 119,999	9	11
100,000 - 109,999	13	22





Financial Report

For the year ended 30 June 2018



CITY OF KALGOORLIE-BOULDER
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and forming part of the Financial Report	9
Independent Auditor's Report	67

Principal place of business:
577 Hannan Street
Kalgoorlie WA 6430

**CITY OF KALGOORLIE-BOULDER
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

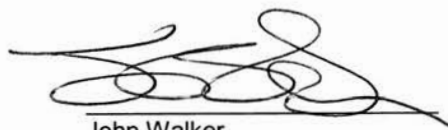
STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the

26th

day of Nov 2018



John Walker
Chief Executive Officer

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	25(a)	23,712,316	23,574,825	22,850,745
Operating grants, subsidies and contributions	2(a)	5,210,286	5,911,957	6,687,014
Fees and charges	2(a)	29,877,776	30,950,779	33,470,855
Income from Property		2,043,179	0	1,911,709
Interest earnings	2(a)	1,317,082	1,178,014	1,109,795
Other revenue	2(a)	5,770,673	12,166,477	2,548,497
		<u>67,931,312</u>	<u>73,782,052</u>	<u>68,578,614</u>
Expenses				
Employee costs		(24,699,142)	(25,448,129)	(24,968,439)
Materials and contracts		(18,967,229)	(20,127,704)	(18,157,626)
Contributions, Donations & Subsidies		(1,814,262)	(1,688,306)	(1,820,994)
Utility charges		(3,640,413)	(3,603,068)	(3,146,265)
Depreciation on non-current assets	10(b)	(9,477,935)	(9,699,317)	(9,326,108)
Interest expenses	2(b)	(1,115,562)	(666,448)	(491,445)
Insurance expenses		(828,228)	(679,367)	(1,146,966)
Other expenditure		(806,890)	(7,265,007)	(702,489)
		<u>(61,349,661)</u>	<u>(69,177,346)</u>	<u>(59,760,331)</u>
		6,581,651	4,604,706	8,818,283
Non-operating grants, subsidies and contributions	2(a)	5,755,819	8,108,641	6,233,206
Profit on asset disposals	10(a)	464,840	67,223	510,707
(Loss) on asset disposals	10(a)	(276,062)	(190,427)	(153,183)
Reversal of prior year loss on revaluation of Infrastructure - Parks and Reserves	9(b)	333,156	0	0
Reversal of prior year loss on revaluation of Infrastructure - Parking Areas	9(b)	218,688	0	0
Change of Investment in Associate (AMCA)	20	186	0	0
Net result		<u>13,078,278</u>	<u>12,590,143</u>	<u>15,409,013</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(3,176,131)	0	12,587,843
Total other comprehensive income		<u>(3,176,131)</u>	<u>0</u>	<u>12,587,843</u>
Total comprehensive income		<u>9,902,147</u>	<u>12,590,143</u>	<u>27,996,856</u>

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

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Governance		2,012	7,700,360	593
General purpose funding		27,552,137	27,307,683	27,819,159
Law, order, public safety		258,635	303,510	284,063
Health		501,049	415,099	417,229
Education and welfare		1,696,207	1,635,858	1,620,385
Housing		28,610	40,300	41,052
Community amenities		15,925,247	15,837,946	18,455,003
Recreation and culture		6,094,040	6,842,682	6,410,972
Transport		11,704,451	10,017,640	10,451,297
Economic services		567,935	2,182,475	1,165,626
Other property and services		3,600,989	1,498,499	1,913,235
		<u>67,931,312</u>	<u>73,782,052</u>	<u>68,578,614</u>
Expenses				
Governance		(2,384,407)	(2,684,642)	(3,162,902)
General purpose funding		(614,703)	(573,655)	(750,601)
Law, order, public safety		(1,331,219)	(1,370,035)	(1,246,755)
Health		(1,202,108)	(1,178,346)	(1,074,055)
Education and welfare		(2,451,602)	(2,463,658)	(2,284,617)
Housing		(36,315)	(41,745)	(27,797)
Community amenities		(9,613,537)	(13,679,314)	(10,335,351)
Recreation and culture		(19,389,536)	(20,924,517)	(19,202,702)
Transport		(17,466,282)	(21,597,864)	(15,528,739)
Economic services		(2,863,248)	(3,081,398)	(3,646,091)
Other property and services		(2,881,142)	(915,724)	(2,009,277)
		<u>(60,234,099)</u>	<u>(68,510,898)</u>	<u>(59,268,887)</u>
Finance Costs				
	2(b)			
General purpose funding		(1,214)	0	0
Community amenities		(37,392)	(24,105)	(23,626)
Recreation and culture		(887,381)	(477,487)	(418,127)
Economic services		(22,223)	(24,357)	(24,184)
Other property and services		(167,352)	(140,499)	(25,507)
		<u>(1,115,562)</u>	<u>(666,448)</u>	<u>(491,444)</u>
		6,581,651	4,604,706	8,818,283
Non-operating grants, subsidies and contributions	2(a)	5,755,819	8,108,641	6,233,206
Profit on disposal of assets	10(a)	464,840	67,223	510,707
(Loss) on disposal of assets	10(a)	(276,062)	(190,427)	(153,183)
Reversal of prior year loss on revaluation of Infrastructure - Parks and Reserves	9(b)	333,156	0	0
Reversal of prior year loss on revaluation of Infrastructure - Parking Areas	9(b)	218,688	0	0
Change of Investment in Associate (AMCA)	20	186	0	0
		<u>6,496,627</u>	<u>7,985,437</u>	<u>6,590,730</u>
Net result		13,078,278	12,590,143	15,409,013
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(3,176,131)	0	12,587,843
Total other comprehensive income		(3,176,131)	0	12,587,843
Total comprehensive income		9,902,147	12,590,143	27,996,856

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

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

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	31,423,592	28,331,617
Trade and other receivables	5	8,695,055	8,221,797
Inventories	6	815,865	1,251,558
TOTAL CURRENT ASSETS		40,934,512	37,804,972
NON-CURRENT ASSETS			
Other receivables	5	646,807	684,396
Inventories	6	80,000	80,000
Investment Property	7	11,363,038	11,335,015
Property, plant and equipment	8	139,987,572	137,189,769
Infrastructure	9	385,248,350	383,121,703
Investment in Associate (AMCA)	20	10,186	0
TOTAL NON-CURRENT ASSETS		537,335,953	532,410,883
TOTAL ASSETS		578,270,465	570,215,855
CURRENT LIABILITIES			
Trade and other payables	12	5,330,894	6,091,104
Current portion of long term borrowings	13(a)	1,228,278	1,009,614
Provisions	14	2,826,048	2,907,787
TOTAL CURRENT LIABILITIES		9,385,220	10,008,505
NON-CURRENT LIABILITIES			
Long term borrowings	13(a)	9,004,369	10,067,752
Provisions	14	359,780	520,649
TOTAL NON-CURRENT LIABILITIES		9,364,149	10,588,401
TOTAL LIABILITIES		18,749,369	20,596,906
NET ASSETS		559,521,096	549,618,949
EQUITY			
Retained surplus		254,709,021	244,588,778
Reserves - cash backed	4	26,177,208	23,219,173
Revaluation surplus	11	278,634,867	281,810,998
TOTAL EQUITY		559,521,096	549,618,949

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

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

NOTE	RESERVES -			TOTAL EQUITY
	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	
	\$	\$	\$	\$
Balance as at 1 July 2016	227,624,263	24,774,675	269,223,155	521,622,093
Comprehensive income				
Net result	15,409,013	0	0	15,409,013
Changes on revaluation of assets	0	0	12,587,843	12,587,843
Total comprehensive income	15,409,013	0	12,587,843	27,996,856
Transfers from/(to) reserves	1,555,502	(1,555,502)	0	0
Balance as at 30 June 2017	244,588,778	23,219,173	281,810,998	549,618,949
Comprehensive income				
Net result	13,078,278	0	0	13,078,278
Changes on revaluation of assets	0	0	(3,176,131)	(3,176,131)
Total comprehensive income	13,078,278	0	(3,176,131)	9,902,147
Transfers from/(to) reserves	(2,958,035)	2,958,035	0	0
Balance as at 30 June 2018	254,709,021	26,177,208	278,634,867	559,521,096

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

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

	2018	2018	2017
NOTE	Actual	Budget	Actual
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	23,357,933	23,574,825	22,438,141
Operating grants, subsidies and contributions	5,420,687	5,911,957	8,788,769
Fees and charges	29,877,776	30,950,779	33,470,855
Investment Property Income	2,043,179	0	1,911,709
Interest earnings	1,317,082	1,178,014	1,109,795
Goods and services tax	952,167	0	102,804
Other revenue	5,770,673	12,166,477	2,548,497
	<u>68,739,497</u>	<u>73,782,052</u>	<u>70,370,571</u>
Payments			
Employee costs	(24,941,750)	(26,011,570)	(25,981,861)
Materials and contracts	(19,555,528)	(18,158,216)	(19,636,807)
Council Contributions	(1,814,262)	0	(1,820,994)
Utility charges	(3,640,413)	(3,603,068)	(3,146,265)
Interest expenses	(1,110,211)	(666,448)	(495,393)
Insurance expenses	(828,228)	(679,367)	(1,146,966)
Goods and services tax	(1,419,367)	0	(589,280)
Other expenditure	(806,890)	(8,953,313)	(702,489)
	<u>(54,116,649)</u>	<u>(58,071,982)</u>	<u>(53,520,055)</u>
Net cash provided by (used in) operating activities	15 <u>14,622,848</u>	<u>15,710,070</u>	<u>16,850,516</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment and investment property	(5,823,933)	(10,431,739)	(7,691,404)
Payments for construction of infrastructure	(12,119,507)	(16,636,443)	(9,041,285)
Payment for Investment in Associate (AMCA)	(10,000)	0	0
Non-operating grants, subsidies and contributions	5,755,819	8,108,641	6,233,206
Proceeds from sale of fixed assets	632,350	0	230,388
Proceeds from disposal of land held for resale	855,909	576,000	1,485,763
Net cash provided by (used in) investment activities	<u>(10,709,362)</u>	<u>(18,383,541)</u>	<u>(8,783,332)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term borrowings	(844,719)	(1,009,610)	(972,229)
Proceeds from self supporting loans	23,208	22,296	35,588
Net cash provided by (used in) financing activities	<u>(821,511)</u>	<u>(987,314)</u>	<u>(936,641)</u>
Net increase (decrease) in cash held	3,091,975	(3,660,785)	7,130,543
Cash at beginning of year	28,331,617	23,776,901	21,201,075
Cash and cash equivalents at the end of the year	15 <u><u>31,423,592</u></u>	<u><u>20,116,116</u></u>	<u><u>28,331,617</u></u>

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

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

	2018 Actual	2018 Budget	2017 Actual
NOTE	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets July 1 b/fwd - surplus/(deficit)	7,334,409	2,168,055	(2,544,622)
	<u>7,334,409</u>	<u>2,168,055</u>	<u>(2,544,622)</u>
Revenue from operating activities (excluding rates)			
Governance	2,012	7,669,542	593
General purpose funding	3,839,821	3,732,859	4,851,274
Law, order, public safety	258,635	303,510	284,063
Health	501,049	392,159	417,229
Education and welfare	1,696,207	1,532,932	1,620,385
Housing	28,610	40,300	41,052
Community amenities	15,925,247	15,779,793	18,455,003
Recreation and culture	6,113,337	6,682,607	6,410,972
Transport	11,704,776	9,944,735	10,474,194
Economic services	567,935	2,182,475	1,165,626
Other property and services	4,046,207	1,437,539	2,401,045
	<u>44,683,836</u>	<u>49,698,451</u>	<u>46,121,436</u>
Expenditure from operating activities			
Governance	(2,384,407)	(2,684,642)	(3,162,902)
General purpose funding	(615,917)	(573,655)	(750,601)
Law, order, public safety	(1,331,219)	(1,370,035)	(1,246,755)
Health	(1,232,698)	(1,216,809)	(1,078,498)
Education and welfare	(2,451,602)	(2,475,671)	(2,296,582)
Housing	(36,315)	(41,745)	(27,797)
Community amenities	(9,690,046)	(13,706,573)	(10,358,977)
Recreation and culture	(20,357,400)	(21,444,672)	(19,638,701)
Transport	(17,529,144)	(21,690,227)	(15,576,926)
Economic services	(2,892,756)	(3,105,755)	(3,680,466)
Other property and services	(2,552,375)	(1,057,989)	(2,095,309)
	<u>(61,073,879)</u>	<u>(69,367,773)</u>	<u>(59,913,514)</u>
Operating activities excluded			
(Profit) on disposal of assets	10(a) (464,840)	(67,223)	(510,707)
Loss on disposal of assets	10(a) 276,062	190,427	153,183
Loss on revaluation of fixed assets	0	0	48,494
(Reversal) of prior year loss on revaluation of fixed assets	(551,844)	0	0
Movement in deferred pensioner rates (non-current)	15,633	0	(39,890)
Movement in employee benefit provisions	(242,608)	12,561	(109,492)
Depreciation and amortisation on assets	10(b) 9,477,935	9,699,317	9,326,108
Amount attributable to operating activities	<u>(545,296)</u>	<u>(7,666,186)</u>	<u>(7,469,004)</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	5,755,819	8,108,641	6,233,206
Proceeds from disposal of assets	10(a) 1,488,259	576,000	1,716,151
Purchase of investment property	7(b) (116,914)	0	(141,270)
Payment for investment in associate (AMCA)	20 (10,000)	0	0
Purchase of property, plant and equipment	8(b) (5,707,019)	(10,431,739)	(7,550,135)
Purchase and construction of infrastructure	9(b) (12,119,507)	(16,636,443)	(9,041,285)
Amount attributable to investing activities	<u>(10,709,362)</u>	<u>(18,383,541)</u>	<u>(8,783,333)</u>
FINANCING ACTIVITIES			
Repayment of long term borrowings	13(a) (844,719)	(1,009,610)	(972,229)
Proceeds from self supporting loans	23,208	22,296	35,588
Transfers to reserves (restricted assets)	4 (15,649,478)	(4,833,885)	(6,104,130)
Transfers from reserves (restricted assets)	4 12,691,443	10,107,189	7,659,632
Amount attributable to financing activities	<u>(3,779,546)</u>	<u>4,285,990</u>	<u>618,861</u>
Surplus(deficiency) before general rates	<u>(15,034,204)</u>	<u>(21,763,737)</u>	<u>(15,633,476)</u>
Total amount raised from general rates	25 <u>23,712,316</u>	<u>23,574,825</u>	<u>22,967,885</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	26 <u><u>8,678,112</u></u>	<u><u>1,811,087</u></u>	<u><u>7,334,409</u></u>

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

1. BASIS OF PREPARATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the City 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.

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

2. REVENUE AND EXPENSES

(a) Revenue

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Significant revenue			
Reimbursement for flood damage (WANDRRA)	846,827	0	0
	<u>846,827</u>	<u>0</u>	<u>0</u>
Other revenue			
Reimbursements and recoveries	2,220,637	933,050	1,618,378
Other	3,550,036	11,233,427	930,119
	<u>5,770,673</u>	<u>12,166,477</u>	<u>2,548,497</u>
Fees and Charges			
Governance	274	360	593
General purpose funding	188,384	219,220	153,991
Law, order, public safety	172,952	234,210	233,319
Health	207,914	223,099	164,537
Education and welfare	161,985	151,556	196,022
Housing	0	40,300	0
Community amenities	15,796,520	15,319,540	18,138,744
Recreation and culture	4,020,876	4,918,099	5,223,251
Transport	9,141,068	8,757,440	9,199,975
Economic services	120,442	1,086,799	92,595
Other property and services	67,361	156	67,828
	<u>29,877,776</u>	<u>30,950,779</u>	<u>33,470,855</u>

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

Investment Property Revenue

Rent and outgoings	2,043,179	0	1,911,709
	<u>2,043,179</u>	<u>0</u>	<u>1,911,709</u>

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2018	2017
	\$	\$	\$
Operating grants, subsidies and contributions			
General purpose funding	2,340,877	2,351,000	3,615,181
Law, order, public safety	36,830	47,000	31,697
Health	229,541	192,000	227,652
Education and welfare	1,443,521	1,479,802	1,425,668
Community amenities	0	488,205	98,000
Recreation and culture	743,831	706,960	865,919
Transport	247,745	155,000	91,346
Economic services	81,168	465,240	152,551
Other property and services	86,773	26,750	179,000
	5,210,286	5,911,957	6,687,014
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	0	264,000
Education and welfare	25,500	0	327,106
Community amenities	0	1,830,906	0
Recreation and culture	0	1,600	826,308
Transport	4,641,412	5,631,135	4,717,094
Economic services	0	645,000	0
Other property and services	1,088,907	0	98,698
	5,755,819	8,108,641	6,233,206
Total grants, subsidies and contributions	10,966,105	14,020,598	12,920,220

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued) a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 24. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations.

Interest earnings

- Loans receivable - clubs/institutions
- Reserve funds
- Other funds
Other interest revenue (refer note 25(d))

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
- Loans receivable - clubs/institutions	23,209	15,374	15,934
- Reserve funds	423,971	206,040	539,787
- Other funds	340,943	456,600	29,095
Other interest revenue (refer note 25(d))	528,959	500,000	524,979
	1,317,082	1,178,014	1,109,795

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2018	2017
	\$	\$
Significant expense		
Expenditure on flood damage re-instatement	846,827	0
	846,827	0
Auditors remuneration		
- Audit of the Annual Financial Report	47,319	52,503
- Assistance with finalisation for the annual financial report	1,982	1,430
- Other Services	31,681	28,891
	80,982	82,824
Interest expenses (finance costs)		
Long term borrowings (refer Note 13(a))	886,288	491,445
Other interest expenses	21,115	0
Guarantee Fee	208,159	0
	1,115,562	491,445
Rental charges		
- Operating leases	357,567	447,429
	357,567	447,429
Investment Property Expenses		
Direct operating expenses	627,952	443,705
Depreciation	88,891	565,775
	716,843	1,009,480

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		5,246,384	5,112,444
Restricted		26,177,208	23,219,173
		<u>31,423,592</u>	<u>28,331,617</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	4	554,968	820,338
Plant Reserve	4	33,822	33,386
Building Reserve	4	1,041,742	1,252,569
Computer Facilities Reserve	4	840,135	1,235,194
Sewerage Construction Reserve	4	3,163,839	259,815
Recreation Reserve	4	421,060	593,706
Parking Facilities Reserve	4	166,526	675,708
Senior Citizens Reserve	4	772,553	762,159
Airport Movement Area Reserve	4	0	4,744,486
Oasis Reserve	4	37,064	191,344
Aerodrome Reserve	4	8,375,456	2,974,297
Valuations Equalisation Reserve	4	229,245	127,493
Insurance Equalisation Reserve	4	21,965	279,095
Town Halls Refurbishment Reserve	4	544,852	96,375
Waste Initiatives Reserve	4	68,672	67,748
Airport and City Promotions Reserve	4	483,259	556,340
Staff Retention and Attraction Reserve	4	0	4,700
HACC Asset Management Reserve	4	21,752	21,495
Future Projects Reserve	4	8,043,285	2,500,000
Unspent grants, Contributions and Loans Reserve	24	1,357,013	6,022,925
		<u>26,177,208</u>	<u>23,219,173</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2018		2018		2018		2018		2018		2017		2017	
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer	Transfer	Opening	Opening	Transfer	Transfer	Opening	Opening	Transfer	Transfer	Opening	Transfer	Closing
	Balance	to	(from)	Balance	Balance	to	to	Balance	Balance	to	to	Balance	to	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	820,338	8,426	(273,796)	554,968	816,440	3,866	0	820,306	802,924	17,414	0	820,338	0	820,338
Plant Reserve	33,386	436	0	33,822	99,860	1,005,252	(1,003,000)	102,112	32,677	709	0	33,386	0	33,386
Building Reserve	1,252,569	15,289	(226,116)	1,041,742	1,242,679	7,348	(752,456)	497,571	1,917,101	41,112	(705,643)	1,252,569	(705,643)	1,252,569
Computer Facilities Reserve	1,235,194	14,808	(409,867)	840,135	1,214,273	21,291	(368,750)	866,814	1,286,122	39,422	(90,350)	1,235,194	(90,350)	1,235,194
Sewerage Construction Reserve	259,815	2,904,024	0	3,163,839	267,733	908,505	(800,000)	376,238	272,004	4,762	(16,951)	259,815	(16,951)	259,815
Recreation Reserve	593,706	6,088	(178,734)	421,060	608,552	13,441	(352,000)	269,993	2,568,552	52,236	(2,027,082)	593,706	(2,027,082)	593,706
Parking Facilities Reserve	675,708	8,865	(518,047)	166,526	671,407	15,163	(95,000)	591,570	663,407	12,302	0	675,708	0	675,708
Senior Citizens Reserve	762,159	10,394	0	772,553	764,047	17,237	0	781,284	749,046	13,113	0	762,159	0	762,159
Airport Movement Area Reserve	4,744,486	18,000	(4,762,486)	0	4,728,263	107,011	0	4,835,274	4,643,263	101,223	0	4,744,486	0	4,744,486
Oasis Reserve	191,344	2,491	(156,771)	37,064	190,325	4,401	(170,000)	24,726	187,860	3,484	0	191,344	0	191,344
Aerodrome Reserve	2,974,297	5,701,159	(300,000)	8,375,456	2,974,222	479,363	(825,000)	2,628,585	3,087,273	65,075	(178,051)	2,974,297	(178,051)	2,974,297
Valuations Equalisation Reserve	127,493	101,752	0	229,245	343,138	107,462	0	450,600	125,299	2,194	0	127,494	0	127,494
Insurance Equalisation Reserve	279,095	3,806	(260,936)	21,965	278,577	6,404	0	284,981	273,576	5,518	0	279,095	0	279,095
Town Halls Refurbishment Reserve	96,375	1,157,870	(709,393)	544,852	96,969	1,161	(45,000)	53,130	94,469	1,906	0	96,375	0	96,375
Waste Initiatives Reserve	67,748	924	0	68,672	98,951	1,455	0	100,406	97,451	1,965	(31,669)	67,747	(31,669)	67,747
Airport and City Promotions Reserve	556,340	7,588	(80,669)	483,259	521,274	8,080	(200,000)	329,354	546,769	9,571	0	556,340	0	556,340
Staff Retention and Attraction Reserve	4,700	49	(4,749)	0	4,660	106	0	4,766	4,607	93	0	4,700	0	4,700
HACC Asset Management Reserve	21,495	257	0	21,752	21,314	485	0	21,799	21,070	425	0	21,495	0	21,495
Future Projects Reserve	2,500,000	5,543,285	(4,809,879)	8,043,285	2,500,000	2,101,178	0	4,601,178	0	2,500,000	0	2,500,000	0	2,500,000
Unspent Grants, Contributions & Loans Reserve	6,022,925	143,967	(4,809,879)	1,357,013	5,723,352	24,676	(5,495,983)	252,045	7,401,205	3,231,606	(4,609,886)	6,022,925	(4,609,886)	6,022,925
	23,219,173	15,649,478	(12,691,443)	26,177,208	23,166,036	4,833,885	(10,107,189)	17,892,732	24,774,675	6,104,130	(7,659,632)	23,219,173	(7,659,632)	23,219,173

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave Reserve	Future	To fund payments to staff for accrued leave and / or budgeted leave.
Plant Reserve	Future	To fund the City's ten year (10) Plant Replacement Program.
Building Reserve	June 19	To fund building projects and major structural repairs to existing assets.
Computer Facilities Reserve	June 19	To fund Information Technology projects.
Sewerage Construction Reserve	Future	To provide for the ongoing construction and future replacement of sewerage lines and any other relevant initiatives.
Recreation Reserve	June 19	To be utilised for future reserves, ovals, or any other recreational projects Council deems necessary.
Parking Facilities Reserve	June 19	To provide for the future parking needs of the City.
Senior Citizens Reserve	June 19	To meet any requirements the Community Centre may have.
Airport Movement Area Reserve	Nil balance	Replacement/Replenishment of the Movement Area Infrastructure. (Closed, balance transferred to Aerodrome Reserve)
Oasis Reserve	Future	To improve the Goldfields Oasis.
Aerodrome Reserve	June 19	To facilitate the replacement of assets to subsidise operations, items not included in the Airport Movement Reserve
Valuations Equalisation Reserve	Future	To provide for revaluation expenses, every four (4) years.
Insurance Equalisation Reserve	Future	To provide for any Workers Compensation expenses.
Town Halls Refurbishment Reserve	June 19	To provide for future maintenance, refurbishment, heritage development of the Kalgoolie and Boulder Town Halls.
Waste Initiatives Reserve	Future	To develop and introduce alternatives or modified waste collection treatment and disposal options.
Airport and City Promotions Reserve	June 19	To promote the City of Kalgoolie-Boulder and the Kalgoolie- Boulder Airport.
Staff Retention and Attraction Reserve	Future	To assist in the implementation of the Workplace agreement adopted in December 2006. (No longer being used)
HACC Asset Management Reserve	Future	To hold surplus annual grant funds received in accordance with the HACC funding agreement. Used to replace existing assets at the EGCC.
Future Projects Reserve	June 19	To fund future projects that Council supports as a desired outcome for the overall Community.
Unspent Grants, Contributions & Loans Reserve	June 19	To manage unspent grants, contributions and loans

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	2,959,644	2,750,813
Provision for Doubtful Debts (Rates)	(557,169)	(718,354)
Sundry debtors	3,735,168	5,226,429
Provision for Doubtful Debts (Sundry Debtors)	(31,887)	(5,764)
Prepayments	241,729	356,184
GST receivable	904,175	589,280
Loans receivable - clubs/institutions	21,957	23,209
Accrued Income	1,421,438	0

	2018	2017
	\$	\$
Rates outstanding	2,959,644	2,750,813
Provision for Doubtful Debts (Rates)	(557,169)	(718,354)
Sundry debtors	3,735,168	5,226,429
Provision for Doubtful Debts (Sundry Debtors)	(31,887)	(5,764)
Prepayments	241,729	356,184
GST receivable	904,175	589,280
Loans receivable - clubs/institutions	21,957	23,209
Accrued Income	1,421,438	0
	8,695,055	8,221,797
	450,251	465,884
Loans receivable - clubs/institutions	196,556	218,512
	646,807	684,396

Non-current

Rates outstanding - pensioners	450,251	465,884
Loans receivable - clubs/institutions	196,556	218,512

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

Rates outstanding

Includes:

Past due and not impaired

- 1 to 5 years

- more than 5 years

	2,402,475	2,032,459
	0	0
	2,402,475	2,032,459

Sundry debtors

Includes:

Past due and not impaired

- up to one month

- 3 months to one year

- 1 to 5 years

- more than 5 years

	468,378	459,462
	427,332	394,364
	51,215	14,341
	18,819	17,153
	965,744	885,320

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

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

Classification and subsequent measurement

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

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

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

6. INVENTORIES

Current

Fuel and Materials
Goldfields Oasis
Kalgoorlie Golf Course
Goldfields Arts Centre
Land Held for Resale - Cost

Non-current

Land Held for Resale - Cost

	2018	2017
	\$	\$
	21,148	21,792
	5,357	12,716
	54,604	76,286
	8,415	3,685
	726,341	1,137,079
	815,865	1,251,558
	80,000	80,000

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

		2018 \$	2017 \$
7 INVESTMENT PROPERTY			
(a) Freehold land at:			
- Independent Valuation 2017 - Level 2		3,496,000	3,496,000
		3,496,000	3,496,000
Buildings at:			
- Independent Valuation 2017 - Level 2		7,770,000	7,770,000
- Management Valuation 2017 - Level 3		69,015	69,015
- Additions after Valuation - cost		116,914	0
Less Accumulated Depreciation		(88,891)	0
		7,867,038	7,839,015
Total Investment Property		11,363,038	11,335,015

(b). Movements in Carrying Amounts

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

	Land (Level 2) \$	Buildings (Level 2) \$	Buildings (Level 3) \$	Total \$
Balance at the beginning of the year	3,496,000	7,770,000	69,015	11,335,015
Additions	0	116,914	0	116,914
Depreciation (Expense)	0	(88,891)	0	(88,891)
Carrying amount at the end of year	3,496,000	7,798,023	69,015	11,363,038

(c). Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<i>Investment Property</i>					
Land - freehold land	Level 2	Market approach using recent observable market values as evidenced by sales transactions of similar property types	Independent registered Valuer	June 2017	Price per square metre
Buildings	Level 2	Market approach using recent observable market data for properties	Independent registered Valuer	June 2017	Price per square metre
Buildings	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs

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

8 (a). PROPERTY, PLANT AND EQUIPMENT

Land and buildings	<u>2018</u>	<u>2017</u>
	\$	\$
Land - vested in and under the control of Council at:		
- Management valuation 2017 - level 3	3,822,460	3,822,460
	<u>3,822,460</u>	<u>3,822,460</u>
Land - freehold land at:		
- Independent valuation 2017 - level 2	33,393,300	33,451,300
- Independent valuation 2017 - level 3	40,000	40,000
	<u>33,433,300</u>	<u>33,491,300</u>
Total land	<u>37,255,760</u>	<u>37,313,760</u>
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	72,500	72,500
Less: accumulated depreciation	(1,812)	0
	<u>70,688</u>	<u>72,500</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 2	435,000	435,000
- Independent valuation 2017 - level 3	83,135,000	83,135,000
- Management valuation 2017 - level 3	375,113	375,113
- Additions after valuation - cost	1,777,223	0
Less: accumulated depreciation	(1,269,282)	0
	<u>84,453,054</u>	<u>83,945,113</u>
Total buildings	<u>84,523,742</u>	<u>84,017,613</u>
Total land and buildings	<u>121,779,502</u>	<u>121,331,373</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	1,592,710	1,592,710
- Management valuation 2016 - level 2	104,072	104,072
- Additions after valuation - cost	935,210	561,743
Less: accumulated depreciation	(565,441)	(245,247)
	<u>2,066,551</u>	<u>2,013,278</u>
Plant and equipment at:		
- Management valuation 2016 - level 3	11,151,004	11,151,004
- Management valuation 2016 - level 2	539,356	539,356
- Additions after valuation - cost	2,027,309	500,652
Less: accumulated depreciation	(1,847,514)	(913,633)
	<u>11,870,155</u>	<u>11,277,379</u>

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

8 (a). PROPERTY, PLANT AND EQUIPMENT (Continued)

	<u>2018</u>	<u>2017</u>
	\$	\$
Light Vehicles at:		
- Management valuation 2016 - level 2	2,037,303	2,037,303
- Management valuation 2016 - level 3	515,347	515,347
- Additions after valuation - cost	256,565	299,698
Less: accumulated depreciation	<u>(541,971)</u>	<u>(284,609)</u>
	2,267,244	2,567,739
Work In Progress at:		
- Work in Progress at cost	2,004,120	0
Less: accumulated depreciation	<u>0</u>	<u>0</u>
	2,004,120	0
Total property, plant and equipment	<u>139,987,572</u>	<u>137,189,769</u>

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - vested in and under the control of Council	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Light Vehicles	WIP	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	8,109,417	22,271,120	30,380,537	71,725	71,826,255	71,897,980	102,278,517	1,696,782	11,739,680	2,852,849	0	118,567,828
Additions	0	0	0	0	6,307,073	6,307,073	6,307,073	471,536	471,828	299,698	0	7,550,135
(Disposals)	0	0	0	0	(10,667)	(10,667)	(10,667)	0	(43,823)	(276,802)	0	(331,292)
Revaluation increments/ (decrements) transferred to revaluation surplus	(4,286,957)	11,220,180	6,933,223	2,662	6,643,922	6,646,584	13,579,807	0	0	0	0	13,579,807
Depreciation (expense)	0	0	0	(1,887)	(951,015)	(952,902)	(952,902)	(210,781)	(891,723)	(308,006)	0	(2,363,412)
Transfers	0	0	0	0	129,545	129,545	129,545	55,741	1,417	0	0	186,703
Carrying amount at 30 June 2017	3,822,460	33,491,300	37,313,760	72,500	83,945,113	84,017,613	121,331,373	2,013,278	11,277,379	2,567,739	0	137,189,769
Additions	0	0	0	0	961,711	961,711	961,711	373,467	2,121,524	246,197	2,004,120	5,707,019
(Disposals)	0	(58,000)	(58,000)	0	0	0	(58,000)	0	(587,743)	(243,002)	0	(889,745)
Depreciation (expense)	0	0	0	(1,812)	(1,269,282)	(1,271,094)	(1,271,094)	(320,194)	(1,012,761)	(303,690)	0	(2,907,739)
Transfers	0	0	0	0	815,512	815,512	815,512	0	71,756	0	0	887,268
Carrying amount at 30 June 2018	3,822,460	33,433,300	37,255,760	70,688	84,453,054	84,523,742	121,779,502	2,066,551	11,870,155	2,267,244	2,004,120	139,987,572

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 2	Market approach using recent observable market values as evidenced by sales transactions of similar property types	Independent registered Valuer	June 2017	Price per square metre
Land - freehold land	Level 3	Market approach using recent observable market values adjusted for condition and comparability, at their current use as highest and best use	Independent registered Valuer	June 2017	Price per square meter adjusted for zoning restrictions
Land - vested in and under the control of Council	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life (Level 3) inputs
Buildings - non-specialised	Level 2	Market approach using recent observable market data for properties	Independent registered Valuer	June 2017	Price per square metre
Buildings - specialised	Level 3	Cost approach using depreciated replacement cost	Independent registered Valuer/Management Valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	Level 2	Market approach using recent observable market data for properties	Independent registered Valuer	June 2017	Price per square metre

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

9 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management Valuation 2015 - level 3	0	241,327,576
- Additions after valuation - cost	0	13,416,148
- Management valuation 2018 - level 3	248,304,733	0
Less: accumulated depreciation	0	(9,276,829)
	<u>248,304,733</u>	<u>245,466,895</u>
Infrastructure - Footpaths		
- Management Valuation 2015 - level 3	0	19,030,638
- Additions after valuation - cost	0	809,175
- Management valuation 2018 - level 3	16,802,394	0
Less: accumulated depreciation	0	(628,784)
	<u>16,802,394</u>	<u>19,211,029</u>
Infrastructure - Drainage		
- Management Valuation 2015 - level 3	0	15,975,691
- Additions after valuation - cost	0	374,924
- Management valuation 2018 - level 3	7,922,904	0
Less: accumulated depreciation	0	(863,372)
	<u>7,922,904</u>	<u>15,487,243</u>
Infrastructure - Parks and Reserves		
- Independent Valuation 2015 - level 3	0	14,531,700
- Additions after valuation - cost	0	11,526,531
- Management valuation 2018 - level 3	23,540,097	0
Less: accumulated depreciation	0	(2,627,103)
	<u>23,540,097</u>	<u>23,431,128</u>
Infrastructure - Laneways		
- Management Valuation 2015 - level 3	0	861,449
- Management valuation 2018 - level 3	491,181	0
Less: accumulated depreciation	0	(51,715)
	<u>491,181</u>	<u>809,734</u>
Infrastructure - Parking Areas		
- Management Valuation 2015 - level 3	0	1,278,968
- Additions after valuation - cost	0	165
- Management valuation 2018 - level 3	4,168,002	0
Less: accumulated depreciation	0	(56,882)
	<u>4,168,002</u>	<u>1,222,251</u>
Infrastructure - Street Lights		
- Management Valuation 2015 - level 3	0	375,228
- Management valuation 2018 - level 3	651,625	0
Less: accumulated depreciation	0	(31,854)
	<u>651,625</u>	<u>343,374</u>
Infrastructure - Sewerage		
- Independent Valuation 2015 - level 3	0	46,078,280
- Additions after valuation - cost	0	134,943
- Management valuation 2018 - level 3	43,277,720	0
Less: accumulated depreciation	0	(1,758,307)
	<u>43,277,720</u>	<u>44,454,916</u>

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

9 (a). INFRASTRUCTURE (Continued)

	2018	2017
	\$	\$
Infrastructure - Effluent		
- Independent Valuation 2015 - level 3	0	6,715,000
- Additions after valuation - cost	0	1,473,912
- Management valuation 2018 - level 3	6,343,113	0
Less: accumulated depreciation	0	(1,042,209)
	<u>6,343,113</u>	<u>7,146,703</u>
Infrastructure - Airport		
- Independent Valuation 2015 - level 3	0	22,125,000
- Additions after valuation - cost	0	1,231,532
- Management valuation 2018 - level 3	23,712,199	0
Less: accumulated depreciation	0	(1,208,466)
	<u>23,712,199</u>	<u>22,148,066</u>
Infrastructure -Bus Shelters		
- Independent Valuation 2015 - level 3	0	98,573
- Management valuation 2018 - level 3	88,070	0
Less: accumulated depreciation	0	(10,345)
	<u>88,070</u>	<u>88,228</u>
Infrastructure - Water Conservation		
- Independent Valuation 2015 - level 3	0	3,557,000
- Additions after valuation - cost	0	9,422
- Management valuation 2018 - level 3	9,946,312	0
Less: accumulated depreciation	0	(254,286)
	<u>9,946,312</u>	<u>3,312,136</u>
Total infrastructure	<u>385,248,350</u>	<u>383,121,703</u>

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

9 INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Reserves	Infrastructure - Laneways	Infrastructure - Construction other than buildings	Infrastructure - Parking	Infrastructure - Street Lighting	Infrastructure - Sewerage	Infrastructure - Effluent	Infrastructure - Airport	Infrastructure - Bus shelters	Infrastructure - Water Conservation	Total Infrastructure
Balance at 1 July 2016	243,714,803	18,951,801	15,394,035	22,791,979	825,713	1,101,313	1,239,755	351,427	45,264,550	6,475,540	21,862,129	90,239	3,435,279	381,512,563
Additions	6,044,501	497,499	301,782	722,375	0	2,835	165	0	6,369	800,944	664,716	0	0	9,041,285
Impairment (Losses)/Reversals	(848,523)	0	0	0	0	0	0	0	0	0	0	0	0	(848,523)
Depreciation (Expense)	(3,617,024)	(248,271)	(208,573)	(827,633)	(15,979)	0	(17,689)	(8,053)	(816,003)	(129,782)	(378,779)	(2,011)	(127,143)	(6,396,919)
Transfers	173,038	0	0	744,407	0	(1,104,148)	0	0	0	0	0	0	0	(186,703)
Carrying amount at 30 June 2017	245,466,895	19,211,029	15,487,243	23,431,128	809,734	0	1,222,251	343,374	44,454,916	7,146,703	22,148,066	88,228	3,312,136	383,121,703
Additions	9,852,265	280,185	224,636	491,853	0	0	614,343	0	130,863	166,862	358,500	0	0	12,119,507
Increases/(Decrements) Transferred to revaluation Surplus	(3,254,861)	(2,436,274)	(7,573,788)	0	(302,574)	0	2,133,090	316,305	154,914	(779,792)	1,803,675	1,855	6,761,319	(3,176,131)
Reversals through profit or loss	0	0	0	333,156	0	0	218,688	0	0	0	0	0	0	551,844
Impairment (Losses)/Reversals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation (Expense)	(3,759,566)	(252,546)	(215,187)	(716,040)	(15,979)	0	(20,370)	(8,054)	(762,973)	(190,660)	(410,774)	(2,013)	(127,143)	(6,481,305)
Transfers	0	0	0	0	0	0	0	0	(700,000)	0	(187,268)	0	0	(887,268)
Carrying amount at 30 June 2018	248,304,733	16,802,394	7,922,904	23,540,097	491,181	0	4,168,002	651,625	43,277,720	6,343,113	23,712,199	88,070	9,946,312	385,248,350

9. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks & Reserves	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Laneways	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parking	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Street Lighting	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Sewerage	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Effluent	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Airport	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Bus shelters	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Water Conservation	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

0. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

Land under control

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

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

Land under roads

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

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

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

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

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

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

10. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
Holden Colorado LX D/Cab	0	0	0	0	30,818	30,818	0	0
Health								
Nissan Patrol ST Turbo Diesel Manual Wagon	28,261	0	0	(28,261)	39,286	15,000	0	(24,286)
Toyota Hilux 4x4 SR	21,420	19,090	0	(2,330)	22,117	7,940	0	(14,177)
Education and welfare								
Mitsubishi FUSO ROSA bus	0	0	0	0	52,927	52,927	0	0
Mitsubishi Rosa	0	0	0	0	62,013	50,000	0	(12,013)
Community amenities								
Honda Accord Euro	0	0	0	0	14,503	14,500	0	(3)
Holden Colorado LX D/Cab	0	0	0	0	22,842	21,500	0	(1,342)
VW Amarok 4 x 2 Crew Cab	0	0	0	0	23,962	22,153	0	(1,809)
Recreation and culture								
EXERCISE BIKES (16)	0	6,300	6,300	0				
Nissan Navara RX 4x2 Automatic Transmission	19,285	13,829	0	(5,456)	17,765	13,000	0	(4,765)
GIANNI FERRARI TG 922 MOWER	15,000	11,000	0	(4,000)	22,137	12,000	0	(10,137)
GIANNI FERRARI TG 922 MOWER	15,000	11,000	0	(4,000)	21,150	12,000	0	(9,150)
GIANNI FERRARI TG 922 MOWER	15,000	11,000	0	(4,000)	0	0	0	0
BUNKER RAKE - SAND PRO 5040	12,087	6,000	0	(6,087)	0	0	0	0
BUNKER RAKE - SAND PRO 5040	13,996	6,000	0	(7,996)	0	0	0	0
GREENS ROLLER - TRU TURF GREENS	13,332	10,000	0	(3,332)	0	0	0	0
ELECTRIC UTILITY VEHICLE - WORKMAN MDE- INTERNATIONAL	9,542	1,900	0	(7,642)	0	0	0	0
ELECTRIC UTILITY VEHICLE - WORKMAN MDE- INTERNATIONAL	9,543	1,900	0	(7,643)	0	0	0	0
JOHN DEERE TRACTOR	0	4,545	4,545	0	0	10,000	10,000	0
JOHN DEERE TRACTOR	0	4,546	4,546	0	0	10,000	10,000	0
POLARIS SPORTSMAN 500 H.O AWD QUAD	1,272	2,400	1,128	0	0	0	0	0
Citymaster 1250 Multifunctional Unit - Mini Sweeper	63,329	33,000	0	(30,329)	64,726	30,000	0	(34,726)
Amazone Tractor	0	0	0	0	1,267	25,000	23,733	0
Hyundai iLoad Van	0	0	0	0	22,117	16,000	0	(6,117)
Hyundai iLoad Van	0	0	0	0	22,117	16,000	0	(6,117)
Nissan Navara St (D40)	0	0	0	0	25,380	19,000	0	(6,380)
Aeravator	0	0	0	0	0	4,500	4,500	0
Aeravator	0	0	0	0	0	1,000	1,000	0
John Deere 1435 Mower	0	0	0	0	0	10,000	10,000	0
Kubota GZD 15-HD	0	0	0	0	6,083	12,000	5,917	0
Transport								
HINO FM500 FM1J SERIES 2 TRUCK	86,898	65,454	0	(21,444)	0	0	0	0
HINO 300 SERIES 716 MEDIUM TRUCK	30,182	24,091	0	(6,091)	0	0	0	0
HINO FG8JSKB SHORT AUTO	57,857	58,182	325	0	0	0	0	0
Road Sweeper VT651 Series Truck	155,597	155,000	0	(597)	0	0	0	0
2015 PRADO DSL WGN M/T GX	44,482	31,818	0	(12,664)	44,742	30,000	0	(14,742)
Hino 300 Series 717 Medium	48,988	27,067	0	(21,921)	0	0	0	0
Hino 816 Medium 5 tonne truck	0	0	0	0	32,000	32,000	0	0
UD PK9 Water Truck	0	0	0	0	64,865	29,630	0	(35,235)
Holden Colorado dual cab ute	0	0	0	0	8,204	6,000	0	(2,204)
Holden Commodore Sedan	0	0	0	0	6,091	5,000	0	(1,091)
Caterpillar Skid Steer	0	0	0	0	9,366	5,000	0	(4,366)
Economic services								
TOYOTA RAV4 PET 5DR GX-AWD	23,223	15,909	0	(7,314)	0	0	0	0
Other property and services								
JEEP CHEROKEELAREDO 4X2	29,157	22,273	0	(6,884)	0	0	0	0
VOLKSWAGEN TIGUAN	24,615	17,727	0	(6,888)	0	0	0	0
CG HOLDEN CAPTIVA LTZ SATION SEDAN	28,195	16,819	0	(11,376)	0	0	0	0
JOHN DEERE 1445 SERIES II BROOM SWEEPER	858	3,636	2,778	0	0	0	0	0
DESK SALE	0	45	45	0	0	0	0	0
2015 RG HOLDEN COLORADO LS CREW CAB UTILITY 2WD	24,509	16,364	0	(8,145)	17,766	19,839	2,073	0
Hyundai iLoad van	0	0	0	0	21,755	20,000	0	(1,755)
Holden Colorado Dual Cab 4WD	0	0	0	0	23,205	23,193	0	(12)
Land and Buildings								
Community amenities								
LOT 4867 - HANNAN STREET - ST BARBARA'S SQUARE ROTUNDA	39,117	0	0	(39,117)	0	0	0	0
Other property and services								
LOT 2 - PARK STREET - VACANT LAND	58,000	35,455	0	(22,545)	0	0	0	0
	888,745	632,350	19,667	(276,062)	699,204	576,000	67,223	(190,427)

10. FIXED ASSETS (Continued)

(a) Disposals of Assets (Continued)

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Inventory of Land held for resale								
6 Genovese Street	57,553	119,091	61,538	0	0	0	0	0
Lot 9 Genovese Street	38,988	74,545	35,557	0	0	0	0	0
Lot 16 Genovese Street	57,553	119,091	61,538	0	0	0	0	0
Lot 2 Genovese Street	91,627	187,227	96,100	0	0	0	0	0
28 Osmetti Drive	107,462	236,364	128,902	0	0	0	0	0
Lot 21 Genovese Street	57,553	119,091	61,538	0	0	0	0	0
	410,736	855,909	445,173	0	0	0	0	0

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	1,812	1,887
Buildings - specialised	1,269,282	951,015
Furniture and equipment	320,194	210,781
Plant and equipment	1,012,761	891,723
Light Vehicles	303,690	308,006
Investment Property	88,891	565,775
Infrastructure - Roads	3,759,566	3,617,024
Infrastructure - Footpaths	252,546	248,271
Infrastructure - Drainage	215,187	208,573
Infrastructure - Parks and Reserves	716,040	827,633
Infrastructure - Laneways	15,979	15,979
Infrastructure - Parking Areas	20,370	17,669
Infrastructure - Street Lights	8,054	8,053
Infrastructure - Sewerage	762,973	816,003
Infrastructure - Effluent	190,660	129,782
Infrastructure - Airport	410,774	378,779
Infrastructure - Bus Shelters	2,013	2,011
Infrastructure - Water Conservation	127,143	127,143
	9,477,935	9,326,108

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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

Asset Class	Years
Parks & Reserves	Nil - 100 years
Buildings	50 - 150 years
Sewerage & Effluent	10 - 80 years
Airport	10 - 100 years
Carparks	80 years
Roads	Nil - 80 years
Footpaths	80 years
Drainage	40 - 80 years
Laneways	Nil - 80 years
Bus Shelters	50 years
Street Lighting	25 - 50 years
Construction other than Buildings	80 - 100
Light Vehicles	7 years
Plant & Equipment	5 - 10 years
Furniture & Equipment	4 - 10 years

Depreciation (Continued)

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

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

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

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

11. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	27,682,507	0	0	0	27,682,507	20,749,284	6,933,223	0	6,933,223	27,682,507
Revaluation surplus - Buildings	31,329,382	0	0	0	31,329,382	24,682,798	6,646,584	0	6,646,584	31,329,382
Revaluation surplus - Plant and equipment	2,337,523	0	0	0	2,337,523	2,337,523	0	0	0	2,337,523
Revaluation surplus - Light Vehicles	365,259	0	0	0	365,259	365,259	0	0	0	365,259
Revaluation surplus - Investment Property	6,525,613	0	0	0	6,525,613	6,669,053	0	(143,440)	(143,440)	6,525,613
Revaluation surplus - Infrastructure - Roads	146,268,737	0	(3,254,861)	(3,254,861)	143,013,876	147,117,260	0	(848,523)	(848,523)	146,268,737
Revaluation surplus - Infrastructure - Footpaths	11,105,510	0	(2,436,274)	(2,436,274)	8,669,236	11,105,510	0	0	0	11,105,510
Revaluation surplus - Infrastructure - Drainage	11,623,030	0	(7,573,788)	(7,573,788)	4,049,242	11,623,030	0	0	0	11,623,030
Revaluation surplus - Infrastructure - Laneways	852,179	0	(302,574)	(302,574)	549,605	852,179	0	0	0	852,179
Revaluation surplus - Infrastructure - Parking Areas	0	2,133,090	0	2,133,090	2,133,090	0	0	0	0	0
Revaluation surplus - Infrastructure - Street Lights	202,877	316,305	0	316,305	519,182	202,877	0	0	0	202,877
Revaluation surplus - Infrastructure - Sewerage	22,913,947	154,914	0	154,914	23,068,861	22,913,947	0	0	0	22,913,947
Revaluation surplus - Infrastructure - Effluent	2,164,484	0	(779,792)	(779,792)	1,384,692	2,164,484	0	0	0	2,164,484
Revaluation surplus - Infrastructure - Airport	16,016,010	1,803,675	0	1,803,675	17,819,685	16,016,010	0	0	0	16,016,010
Revaluation surplus - Infrastructure - Water Conservation	2,370,919	6,761,319	0	6,761,319	9,132,238	2,370,919	0	0	0	2,370,919
Revaluation surplus - Infrastructure - Bus shelters	53,022	1,855	0	1,855	54,877	53,022	0	0	0	53,022
	281,810,998	11,171,158	(14,347,289)	(3,176,131)	278,634,867	269,223,155	13,579,807	(991,964)	12,587,843	281,810,998

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

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

12. TRADE AND OTHER PAYABLES

Current

Sundry Creditors
Creditor Accruals
Sundry Accrual
GST Payable
Accrued Interest on Debentures

	2018	2017
	\$	\$
	3,506,891	5,251,632
	26,618	138,920
	1,490,332	246,545
	248,543	400,848
	58,510	53,159
	5,330,894	6,091,104

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

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

13. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Borrowing Institution	Interest Rate	Principal 1-Jul-17	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
Recreation and culture										
Loan 352 (336) - Library Extensions	Western Australian Treasury Corporation	3.26%	664,682	0	28,646	38,494	636,036	296,188	136,318	43,737
Loan 352 (339) - Oasis Alternative Energy	Western Australian Treasury Corporation	3.26%	543,317	0	64,250	86,081	479,067	457,236	14,554	19,880
Loan 352 (341) - RFSC Construction	Western Australian Treasury Corporation	3.26%	2,708,064	0	52,762	112,148	2,655,302	2,595,916	311,767	133,904
Loan 352 (343) - Museum Relocation	Western Australian Treasury Corporation	3.26%	851,954	0	38,701	51,845	813,253	800,109	43,719	35,255
Loan 352 (344) - Oasis Alternative Energy	Western Australian Treasury Corporation	3.26%	493,762	0	15,790	31,931	477,972	461,831	46,741	22,800
Loan 346 - Golf Course Plant & Equipment	Western Australian Treasury Corporation	3.26%	672,595	0	30,553	40,930	642,042	631,665	34,515	27,557
Loan 352 (350) - Ray Finlayson Sporting Complex	Western Australian Treasury Corporation	3.40%	325,756	0	160,133	160,133	165,623	165,624	9,726	10,049
Economic services										
Loan 349 - Burt Street Façade Project	Western Australian Treasury Corporation	2.73%	798,437	0	238,198	238,197	560,239	560,240	16,433	19,796
Other property and services										
Loan 352 (342) - Endowment Block Roof	Western Australian Treasury Corporation	3.26%	582,669	0	32,731	38,494	549,938	544,175	46,209	23,914
Loan 352 (340) - Endowment Block Roof	Western Australian Treasury Corporation	3.26%	559,214	0	66,128	88,596	493,086	470,621	32,824	20,461
			10,835,644	0	827,446	986,403	10,008,198	9,519,244	848,032	465,959

All loans, excluding loan 349 & 346, were consolidated into Loan 352 in May 2018.

Self Supporting Loans

Particulars	Borrowing Institution	Interest Rate	Principal 1-Jul-17	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
Recreation and culture										
Loan 352 (326) - Goldfields Tennis Club - SSL	Western Australian Treasury Corporation	3.26%	75,537	0	6,539	8,791	68,998	66,746	11,871	5,063
Loan 352 (338) - Kalgoorlie Bowling Club SSL	Western Australian Treasury Corporation	3.26%	166,185	0	10,734	14,418	155,451	151,767	26,385	10,070
			241,722	0	17,273	23,209	224,449	218,512	38,256	15,133
			11,077,366	0	844,719	1,009,612	10,232,647	9,737,756	886,288	481,092

Self supporting loans are financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
Current	1,228,278	1,009,614
Non-current	9,004,369	10,067,752
	<u>10,232,647</u>	<u>11,077,366</u>

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

13. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

Particulars	Date Borrowed	Balance 1 July 17	Borrowed During Year	Expended During Year	Balance 30 June 18		
						2018	2017
Loan 352 (343)- Museum Relocation	1-May-15	\$ 820,628	\$ 0	\$ (568,445)	\$ 252,183	\$	\$
		820,628	0	(568,445)	252,183	3,000,000	3,000,000
						0	0
						80,000	40,000
						(10,011)	(1,040)
						3,069,989	3,038,960
						1,228,278	1,009,614
						9,004,369	10,067,752
						10,232,647	11,077,366
						NIL	NIL

Borrowing costs

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

(d) Undrawn Borrowing Facilities

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

Loan facilities

Loan facilities - current
Loan facilities - non-current
Total facilities in use at balance date

Unused loan facilities at balance date

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

14. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	1,787,298	1,120,489	2,907,787
Non-current provisions	0	520,649	520,649
	<u>1,787,298</u>	<u>1,641,138</u>	<u>3,428,436</u>
Amounts used	(71,187)	(171,421)	(242,608)
Balance at 30 June 2018	<u>1,716,111</u>	<u>1,469,717</u>	<u>3,185,828</u>
Comprises			
Current	1,716,111	1,109,937	2,826,048
Non-current	0	359,780	359,780
	<u>1,716,111</u>	<u>1,469,717</u>	<u>3,185,828</u>

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

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Current Provisions			
Within 12 months of the end of the reporting period	1,004,806	388,182	1,392,988
After 12 months of the end of the reporting period	711,305	721,755	1,433,060
	<u>1,716,111</u>	<u>1,109,937</u>	<u>2,826,048</u>

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	31,423,592	20,116,116	28,331,617
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	13,078,278	12,590,143	15,409,013
Non-cash flows in Net result:			
Depreciation	9,477,935	9,699,317	9,326,108
(Profit)/loss on sale of asset	(188,778)	123,204	(357,524)
Loss on revaluation of fixed assets	0	0	48,494
Reversal of loss on revaluation of fixed assets	(551,844)	0	0
Change of Investment in Associate	(186)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(458,877)	0	(2,592,739)
(Increase)/decrease in inventories	24,955	(30,512)	23,224
Increase/(decrease) in payables	(760,210)	2,000,000	1,336,638
Increase/(decrease) in provisions	(242,608)	(563,441)	(109,492)
Grants and contributions for the development of assets	(5,755,819)	(8,108,641)	(6,233,206)
Net cash from operating activities	<u>14,622,848</u>	<u>15,710,070</u>	<u>16,850,516</u>

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	3,259,164	4,143
General purpose funding	5,246,384	8,600,889
Law, order, public safety	915,103	887,473
Health	1,122,159	1,142,073
Education and welfare	4,525,460	4,632,152
Housing	858,749	865,365
Community amenities	48,593,732	45,934,660
Recreation and culture	131,107,334	124,898,363
Transport	310,095,372	308,842,927
Economic services	4,686,598	8,538,233
Other property and services	61,025,736	54,318,036
Unallocated	6,834,674	11,551,541
	<u>578,270,465</u>	<u>570,215,855</u>

17. CONTINGENT LIABILITIES

The City currently operates a landfill site. According to the City's current information this site has a life expectancy in excess of 20 years. The City is responsible to fully restore this site at the end of the assets life.

Rehabilitation Costs will include three components - closure, maintenance and monitoring costs.

- Closure costs include cell capping, site works and gas / leachate infrastructure installation of landfills.

Earthworks include spreading topsoil and replanting vegetation.

- Maintenance costs include vegetation management, leachate disposal and maintenance, gas maintenance, site security, fire management.

- Monitoring costs include development of monitoring plans, and ongoing groundwater and surface water monitoring.

Currently work is being undertaken to establish the scope and also the cost of the restoration works.

This cost will be provided in the accounts in accordance with AASB116 - Property, Plant and Equipment paragraph 16, once it can be reliably ascertained.

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

18. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2018	2017
	\$	\$
	2,084,339	1,818,258
	0	279,885
	2,084,339	2,098,143

Payable:

- not later than one year

2,084,339	2,098,143
-----------	-----------

The capital expenditure projects outstanding at the end of the current reporting period include the New SES building & shed, Goldfields War Museum and fitout, various road construction works.

(b) Operating Lease Commitments

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

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

636,845	485,667
618,367	664,172
18,071	40,980
1,273,283	1,190,819

Receivable:

- not later than one year
- later than one year but not later than five years
- later than five years

721,005	815,380
1,303,777	1,800,584
0	202,199
2,024,782	2,818,163

The Operating Lease Commitment Receivable in 2017 and 2018 relates to lease income generated through the city's investment property portfolio of properties with a current lease agreement in place. It is stated in today's dollars and does not include CPI or any other increases that may be applied in a given year through terms of the lease agreement.

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, 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.

Leases (Continued)

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

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

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

19. JOINT VENTURE ARRANGEMENTS

The City together with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies Ngaanyatjaraku, Ravensthorpe and Wiluna, have a joint venture arrangement for the provision of regional records service. The assets included in the joint venture recorded at Councils one-tenth share are as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Non-current assets		
Land and buildings	72,500	72,500
Less: accumulated depreciation	(1,812)	0
	<u>70,688</u>	<u>72,500</u>
Plant and equipment	4,182	8,204
Less: accumulated depreciation	(1,008)	(902)
	<u>3,174</u>	<u>7,302</u>
Furniture and equipment	8,204	4,182
Less: accumulated depreciation	(1,805)	(504)
	<u>6,399</u>	<u>3,678</u>
Light vehicles	3,200	3,200
Less: accumulated depreciation	(960)	(480)
	<u>2,240</u>	<u>2,720</u>

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

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

Interests in joint arrangements (Continued)

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

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

20. INVESTMENTS IN ASSOCIATES

The City of Kalgoorlie-Boulder is a member of the Australian Mining Cities Alliance (AMCA) . Established November 2017, the AMCA exists to consider and address issues to enable the progress of economic development of mining cities across Australia. The City's interest in the AMCA is 33.33%.

The City's interest in the assets and liabilities of the AMCA is as follows:

	2018	2017
	\$	\$
Current Assets	7,510	0
Non-Current Assets	2,676	0
Total Assets	10,186	0
Current Liabilities	0	0
Non-Current Liabilities	0	0
	0	0
Net Assets	10,186	0
Initial Investment	10,000	0
Net Movement	186	0
	0	0

SIGNIFICANT ACCOUNTING POLICIES

Investment in associates

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associates (Continued)

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate. When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

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

21. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the Mayor/President.			
Meeting Fees	300,440	316,680	305,625
Mayor/President's allowance	69,807	69,807	69,807
Deputy Mayor/President's allowance	17,451	17,451	17,455
Travelling expenses	32,852	26,000	103
Telecommunications allowance	12,500	13,000	11,375
Training Expenses	14,866	0	0
	447,916	442,938	404,365

Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
	\$	\$
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	839,401	653,617
Post-employment benefits	105,171	103,238
Other long-term benefits	37,758	16,685
Termination benefits	2,634	55,400
	984,964	828,940

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

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

21. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services (KMP)	28,668	17,298
Purchase of goods and services (KMP)	47,480	71,480
Amounts outstanding from related parties:		
Trade and other receivables (KMP)	5,010	2,294
Amounts payable to related parties:		
Trade and other payables (KMP)	157	17,985

Related Parties

The City's main related parties are as follows:

- i. Key management personnel*
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.
- ii. Entities subject to significant influence by the City*
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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

22. MAJOR LAND TRANSACTIONS

O'Connor Sub-division

(a) Details

In 1990 the City obtained ownership and management of the airport with was relocated. As a result of this relocation of the airport, freehold land became available, which was developed and subdivided for residential lots. Additional costs were incurred by City in developing the lots. Costs were for services such as sewerage, power and transport infrastructure.

(b) Current year transactions

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Operating income			
- Profit on sale	422,627	0	458,430
Capital income			
- Sale proceeds	855,909	1,200,000	1,485,763
Capital expenditure			
- Development costs	0	(696,000)	(4,824)
	0	(696,000)	(4,824)

The above capital expenditure is included in land held for resale.

(c) Expected Future Cash Flows

	2019	2020	2021	2022	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Development costs	0	0	0	0	0
- Loan repayments	0	0	0	0	0
	0	0	0	0	0
Cash inflows					
- Loan proceeds	0	0	0	0	0
- Sale proceeds	600,000	0	0	0	600,000
	600,000	0	0	0	600,000
Net cash flows	600,000	0	0	0	600,000

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

22. MAJOR LAND TRANSACTIONS (Continued)

Lot 501 Phoenix Place Subdivision

(a) Details

Lot 501, portion of reserve 37979, is in the process of being purchase from the Government of Western Australia Department of Regional Development and Lands, in accordance with Section 20A of the Town Planning and Development Act. The City is proposing to develop Lot 501 Phoenix Place into 11 single residential lots and 1 multi (3) site. The aim is to make the developed lots attractive to first home buyers with appropriate conditions of sale.

(b) Current year transactions	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Capital income			
- Sale proceeds	0	200,000	0
Capital expenditure			
- Development costs	0	(100,000)	(43,592)
	0	(100,000)	(43,592)

The above capital expenditure is included in land held for resale.

Lot 501 Phoenix Place Subdivision

(c) Expected Future Cash Flows

	2019	2020	2021	2022	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Development costs	0	0	0	0	0
- Loan repayments	0	0	0	0	0
	0	0	0	0	0
Cash inflows					
- Loan proceeds	0	0	0	0	0
- Sale proceeds	0	0	0	0	0
	0	0	0	0	0
Net cash flows	0	0	0	0	0

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

23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

KALGOORLIE BOULDER AIRPORT
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Operating Income	10,255,365	10,409,810
Operating Expenditure	(8,243,192)	(8,076,733)
Depreciation Expense	(705,992)	(626,121)
Profit on Asset Disposals	0	0
Loss on Asset Disposal	0	
Operating Result	<u>1,306,181</u>	<u>1,706,957</u>
Capital Income	5,062,485	178,051
Capital Expenditure	(6,171,779)	(834,013)
Non Operating Result	<u>(1,109,294)</u>	<u>(655,962)</u>
Total Net Trading Undertaking	<u>196,887</u>	<u>1,050,995</u>

	2018	2017
	\$	\$
CURRENT ASSETS		
Cash at Bank	10,085,066	9,835,521
Receivables	1,495,021	2,558,051
	<u>11,580,088</u>	<u>12,393,572</u>

NON-CURRENT ASSETS

Land	300	300
Buildings	7,743,068	7,745,500
Less Accumulated Depreciation	(101,111)	0
Furniture & Equipment	250,113	250,113
Less Accumulated Depreciation	(75,391)	(37,696)
Plant & Machinery	1,738,463	1,657,508
Less Accumulated Depreciation	(328,111)	(155,222)
Light Vehicles	68,700	68,700
Less Accumulated Depreciation	(7,110)	(3,556)
Airport Area Infrastructure	23,712,199	23,356,532
Less Accumulated Depreciation	0	(1,208,466)
	<u>33,001,120</u>	<u>31,673,714</u>

NET ASSETS	<u>44,581,208</u>	<u>44,067,286</u>
-------------------	--------------------------	--------------------------

EQUITY

Reserves - Cash Backed	8,858,715	8,277,304
Retained Surplus	35,722,492	35,789,982
	<u>44,581,208</u>	<u>44,067,286</u>

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

23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS (Continued)

ENDOWMENT BLOCK
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Operating Income	817,631	797,368
Operating Expenditure	<u>(702,422)</u>	<u>(418,762)</u>
Operating Result	<u>115,209</u>	<u>378,606</u>
CURRENT ASSETS		
Cash at Bank	<u>6,967,277</u>	<u>6,852,068</u>
	<u>6,967,277</u>	<u>6,852,068</u>
NON-CURRENT ASSETS		
Land	3,496,000	3,496,000
Buildings	7,833,830	7,770,000
Less Accumulated Depreciation	<u>(74,257)</u>	<u>0</u>
	<u>11,255,573</u>	<u>11,266,000</u>
NET ASSETS	<u>18,222,850</u>	<u>18,118,068</u>
EQUITY		
Retained Surplus	<u>18,222,850</u>	<u>18,118,068</u>
	<u>18,222,850</u>	<u>18,118,068</u>

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

24. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance ⁽¹⁾ 30/06/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Health							
Indigenous Environmental Health Projects	23,795	50,044	0	73,839	351	(50,000)	24,190
Education and welfare							
HACC Non-Recurrent Funding	117,190	22,553	(115,185)	24,558	98	0	24,656
Regional Youth Collaboration Project	0	4,482	0	4,482	20	0	4,502
Lord Forrest Olympic Pool	114,756	1,460	(114,756)	1,460	8	0	1,468
Community amenities							
St Barbara's Square Toilet	0	70,000	0	70,000	185	(70,185)	0
Recreation and culture							
DSR Silversports	47,500	42	(42,593)	4,949	28	0	4,977
Ray Finlayson Sporting Complex	1,239,056	0	(1,239,056)	0	0	0	0
Kidsport	0	6,890	0	6,890	31	0	6,921
Book Week	0	3,541	0	3,541	16	0	3,557
Raise the Roof	0	0	0	0	158,808	0	158,808
Transport							
Roads to Recovery Intermodal Hub	3,990,984	26,343	(98,465)	3,918,862	88,133	(3,938,561)	68,434
Roadwise	0	8,483	0	8,483	113	(2,486)	6,110
Roads to Recovery - Roads	66,085	122,843	0	188,928	642,241	0	831,169
Regional Road Projects	33,802	618	0	34,420	491	0	34,911
Blackspot (State)	0	29,783	0	29,783	52,045	0	81,828
State Road Project	0	120,000	0	120,000	1,483	(121,483)	0
Bike Plan Footpaths	0	0	0	0	30,668	0	30,668
Economic services							
Goldfields Esp Regional Energy Project	947,409	10,220	(389,925)	567,704	2,951	(570,655)	0
Safer Street Program	0	129,600	0	129,600	1,726	(56,512)	74,814
Total	6,580,577	606,902	(1,999,980)	5,187,499	979,396	(4,809,882)	1,357,013

Notes:

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

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

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

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

25. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	2018 Total Revenue \$	2017 Rate Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	2018 Budget Total Revenue \$
Gross rental valuations													
01	GRV Residential	0.063713	6,453	127,905,511	8,058,728	(113,493)	(19,341)	7,925,894	7,515,423	8,058,731	(573,664)	24,996	7,510,062
02	GRV Central Business	0.066894	240	24,124,983	1,613,817	12,985		1,626,802	1,739,025	1,613,817	312,167	0	1,925,984
03	GRV General Industry	0.072231	327	23,364,910	1,684,368	8,459	(4,142)	1,688,685	1,638,570	1,684,368	3,612	0	1,687,980
04	GRV Mining	0.045931	7	5,875,000	269,845	0		269,845	264,457	269,845	0	0	269,845
08	GRV Other Properties	0.071347	549	34,733,762	2,579,511	9,994	290	2,589,795	2,556,331	2,579,511	16,297	0	2,595,808
Unimproved valuations													
05	UV Pastoral	0.075658	45	2,206,482	166,938	0		166,938	163,604	166,938	0	0	166,938
09/11	UV Mining Operations	0.180424	521	16,657,762	3,022,424	105,868	(5,753)	3,122,539	3,022,765	3,022,424	73,813	0	3,096,237
10	UV Exploration / Prospecting	0.180400	1,080	3,442,014	678,280	190,993	10,688	879,961	774,808	678,280	212,776	0	891,056
	Sub-Total		9,222	238,310,424	18,073,911	214,806	(18,258)	18,270,459	17,674,983	18,073,913	45,000	24,996	18,143,910
Minimum payment													
Gross rental valuations													
01	GRV Residential	891	5,591	61,206,603	4,961,979	0	0	4,961,979	4,849,515	4,961,979	0	0	4,961,979
02	GRV Central Business	891	73	667,042	65,043	0	0	65,043	64,602	65,043	0	0	65,043
03	GRV General Industry	891	11	218,949	9,801	0	0	9,801	10,476	9,801	0	0	9,801
04	GRV Mining	891	6	5,020	5,346	0	0	5,346	5,238	5,346	0	0	5,346
08	GRV Other Properties	891	121	913,082	127,413	0	0	127,413	130,077	127,413	0	0	127,413
Unimproved valuations													
05	UV Pastoral	277	20	4,500	5,540	0	0	5,540	5,691	5,540	0	0	5,540
09/11	UV Mining Operations	386	345	747,247	133,556	0	0	133,556	131,544	133,556	0	0	133,556
10	UV Exploration / Prospecting	277	404	1,401,385	133,237	0	0	133,237	108,671	133,237	0	0	133,237
	Sub-Total		6,571	65,163,828	5,441,915	0	0	5,441,915	5,305,814	5,441,915	0	0	5,441,915
			15,793	303,474,252	23,515,826	214,806	(18,258)	23,712,374	22,980,797	23,515,828	45,000	24,996	23,585,825
	Discounts/concessions (refer note 25(c))							(58)	(12,913)				(11,000)
	Ex-gratia rates							0	(117,139)				0
	Total amount raised from general rate							<u>23,712,316</u>	<u>22,850,745</u>				<u>23,574,825</u>
	Totals							<u>23,712,316</u>	<u>22,850,745</u>				<u>23,574,825</u>

Discounts/concessions (refer note 25(c))

Ex-gratia rates

Total amount raised from general rate

Totals

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

25. RATING INFORMATION (Continued)

(b) Sewerage Rates

Sewerage Rates	Basis of Valuation	Rate In \$	No. of Properties	Rateable Value	Revenue	Interim Rate Revenue	Back Rate Revenue	2018 Total Rate Revenue	2017 Rate Revenue	Budget Rate Revenue	Budget Back Rate Revenue	2018 Budget Interim Rate Revenue
Sewerage Rates	Sewerage Rates in accordance with s41 of the Health Act 1911	0.0279	7,483	190,428,566	5,289,166	12,801	0	5,301,967	5,152,680	5,290,056	0	0
Sewerage Rates Minimum	Sewerage Rates in accordance with s41 of the Health Act 1911	381.0000	5,317	56,824,775	2,025,777	0	0	2,025,777	1,977,924	2,025,777	0	0
					7,314,943	12,801	0	7,327,744	7,130,604	7,315,833	0	0

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

25. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount	2018 Actual	2017 Actual	2018 Budget	Circumstances in which Discount is Granted
Rates written off	0.00%	\$ 0	\$ 58	\$ 12,913	\$ 11,000	The City does not offer discounts on rates.
			\$ 58	\$ 12,913	\$ 11,000	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount	2018 Actual	2017 Actual	2018 Budget
General Land Rates	Concession	100%	\$ 0	\$ 19,132	\$ 8,255	\$ 30,000
General Land Rates	Concession	50%	0	5,018	3,185	0
				24,150	11,440	30,000

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Land Rates	In accordance with the LG Act 1995, s6.47 "Concessions", s6.48 "Regulation of grant of discounts and concessions. Granted under Policy Corp-F-100 Rates Concession Policy, which is to provide rating relief to not for profit recreation, sporting and community groups within the City of Kalgoorlie-Boulder.	Object is to provide rating relief to Not for profit groups who promote a recreation, sporting or community activity which has a positive effect on the wider community of the City of Kalgoorlie-Boulder.	Purpose is to provide rating relief to not for profit recreation, sporting and community groups within the City of Kalgoorlie-Boulder.

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

25. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge		Instalment Plan Interest Rate		Unpaid Rates Interest Rate	
		\$	%	%	%	\$	%
Option One							
Single full payment	15-Sep-17	0.00	0.00%	0.00%	0.00%		
Option Two							
First instalment	15-Sep-17	7.30	5.00%	5.00%	10.00%		
Second instalment	17-Nov-17	7.30	5.00%	5.00%	10.00%		
Option Three							
First instalment	15-Sep-17	7.30	5.00%	5.00%	10.00%		
Second instalment	17-Nov-17	7.30	5.00%	5.00%	10.00%		
Third instalment	19-Jan-18	7.30	5.00%	5.00%	10.00%		
Fourth instalment	23-Mar-18	7.30	5.00%	5.00%	10.00%		
			2018	Budget	2017		
Interest on unpaid rates			\$	\$	\$		
Interest on instalment plan			407,157	382,697	381,451		
Charges on instalment plan			121,802	117,303	143,528		
			97,484	96,000	95,083		
			626,443	596,000	620,062		

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

26. NET CURRENT ASSETS

Composition of net current assets

	30 June 2018	30 June 2017
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	5,246,384	5,112,444
Restricted	26,177,208	23,219,173
Receivables		
Rates outstanding	2,402,475	2,032,459
Sundry debtors	3,703,281	5,220,665
GST receivable	904,175	589,280
Loans receivable - clubs/institutions	21,957	23,209
Prepayments	241,729	356,184
Accrued Income	1,421,438	0
Inventories		
Fuel and Materials	21,148	21,792
Goldfields Oasis	5,357	12,716
Kalgoorlie Golf Course	54,604	76,286
Goldfields Arts Centre	8,415	3,685
Land Held for Resale - Cost	726,341	1,137,079
LESS: CURRENT LIABILITIES		
Trade and other payables		
Sundry Creditors	(3,506,891)	(5,251,632)
Creditor Accruals	(26,618)	(138,920)
Sundry Accrual	(1,490,332)	(246,545)
GST Payable	(248,543)	(400,848)
Accrued Interest on Debentures	(58,510)	(53,159)
Current portion of long term borrowings	(1,228,278)	(1,009,614)
Provisions		
Provision for annual leave	(1,716,111)	(1,787,298)
Provision for long service leave	(1,109,937)	(1,120,489)
Unadjusted net current assets	31,549,292	27,796,469
Adjustments		
Less: Reserves - restricted cash	(26,177,208)	(23,219,173)
Less: Land held for resale - cost	(726,341)	(1,137,079)
Less: Loans receivable - clubs/institutions	(21,957)	(23,209)
Less: Provision for annual leave	1,716,111	1,787,298
Less: Provision for long service leave	1,109,937	1,120,489
Add: Current portion of long term borrowings	1,228,278	1,009,614
Surplus/(deficit)	8,678,112	7,334,409

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

27. FINANCIAL RISK MANAGEMENT

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

The City 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 City held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	31,423,592	28,331,617	31,423,592	28,331,617
Receivables	9,341,862	8,906,193	9,341,862	8,906,193
Investment in Associate (AMCA)	10,186	0	10,186	0
	<u>40,775,640</u>	<u>37,237,810</u>	<u>40,775,640</u>	<u>37,237,810</u>
Financial liabilities				
Payables	5,330,894	6,091,104	5,330,894	6,091,104
Borrowings	10,232,647	11,077,366	10,434,152	11,945,505
	<u>15,563,541</u>	<u>17,168,470</u>	<u>15,765,046</u>	<u>18,036,609</u>

Fair value is determined as follows:

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

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

27. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The City's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. The City 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 is subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

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

	<u>2018</u>	<u>2017</u>
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	\$	\$
- Equity	314,236	283,290
- Statement of Comprehensive Income	314,236	283,290

Notes:

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

27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

The City 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 City's credit risk at balance date was:

	<u>2018</u>	<u>2017</u>
	%	%
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	85%	80%
- Overdue	15%	20%

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

27. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

The contractual undiscounted cash flows of the City'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
	\$	\$	\$	\$	\$
2018					
Payables	5,330,894	0	0	5,330,894	5,330,894
Borrowings	1,545,307	4,793,476	5,589,392	11,928,175	10,232,647
	6,876,201	4,793,476	5,589,392	17,259,069	15,563,541
2017					
Payables	6,091,104	0	0	6,091,104	6,091,105
Borrowings	1,467,705	4,910,497	8,315,646	14,693,848	11,077,366
	7,558,809	4,910,497	8,315,646	20,784,952	17,168,471

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

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

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	
Borrowings								
Fixed rate								
Long term borrowings	165,624	0	560,240	0	0	9,506,783	10,232,647	3.23%
Weighted average Effective interest rate	3.40%		2.73%			3.26%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	0	325,756	0	798,436	0	9,953,174	11,077,366	4.25%
Weighted average Effective interest rate		3.40%		2.73%		4.44%		

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

28. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Bonds Ground Hire	5,850	3,200	(6,050)	3,000
Deposits Footpaths	2,580	1,000	(1,480)	2,100
Deposits Hall and Building	4,227	11,835	(9,327)	6,735
Deposits Demolition	48,233	55,806	(47,687)	56,352
Deposits Keys	4,135	7,305	(4,650)	6,790
Deposits Cat Traps	1,590	8,650	(7,570)	2,670
Deposits Nomination	0	960	(960)	0
Deposits General	2,328	1,850	(1,200)	2,978
Bonds Landscape Performance	12,000	0	0	12,000
Cash In Lieu Parking	176,647	0	0	176,647
Cash In Lieu Public Open Spaces	473,922	0	0	473,922
Deposits Long Term Hall Bonds	2,800	0	0	2,800
Deposits Goldfields Arts Centre	49,771	526,409	(547,120)	29,060
Subdivision Bonds	29,320	0	0	29,320
Unclaimed Wages	1,346	1,483	0	2,829
Unclaimed Monies	10,985	29,258	0	40,243
Sundry Trust	8,294,362	277,442	(103,797)	8,468,007
Cash In Lieu Footpaths	71,265	0	0	71,265
Sale Land - Non Payment of Rate	39,133	0	0	39,133
Deposits Security Access Cards	50	0	0	50
Endowment Block Bonds/Variables	51,557		(51,557)	0
	<u>9,282,101</u>			<u>9,425,901</u>

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

29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

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

Notes:

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

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

29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

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

Notes:

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

Adoption of New and Revised Accounting Standard

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

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

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

30. SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

31. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	<p>Ensure the City maintains strong civic leadership</p> <p>Engaging with new residents to the City</p>	<p>The City actively participates on the District Leadership Group. Meeting to ensure - Macro issues facing Kalgoorlie-Boulder are addressed by Local, State and Federal Government agencies - Increased collaboration amongst government agencies.</p> <p>The City regularly advocates for important matters including anti social behaviours, community, safety and economic activity.</p> <p>Hold Citizenship Ceremonies for residents of Kalgoorlie-Boulder.</p> <p>Improve connections with, and the inclusion of, all new arrivals including migrant and those from culturally and linguistically diverse (CALD) backgrounds. Key initiatives include: - Development of "welcome packs" for new arrivals in multiple languages - Implement buddy programs that promote coordinated volunteer, mentoring and support networks for people in need - Develop a cultural diversity action plan in conjunction with community leaders and organisations, to raise awareness about diverse cultures with distinct needs and considerations - Consider the appointment of a dedicated multicultural officer to coordinate relevant activities.</p> <p>The City's event calendar including the Multicultural Festival is aimed at integrating all new residents into the City.</p>
GENERAL PURPOSE FUNDING	Ensure a financially stable local government	<p>Develop a long term financial plan to guide the future. Develop strong parameters to financial discipline, work to ensure strong benchmarks including the governments Financial Health Index.</p> <p>Commitment to the development of people and systems that all work to create efficiencies in meeting the highest standard of financial management.</p> <p>Maximise external grant opportunities to help fund priority projects identified in the Strategic Community Plan, the Corporate Business Plan, or other Informing Strategies.</p> <p>Maintain the financial delegations register to ensure that stringent financial controls are in place.</p>
LAW, ORDER, PUBLIC SAFETY	Collaborating with law enforcement authorities and other agencies to prevent crime and make Kalgoorlie-Boulder a safe place to live	<p>in partnership with other agencies and on its own, the City undertakes initiatives to ensure safer streets, including police operations, City ranger programs, environmental design and lighting.</p>
HEALTH	Continuing to provide public and environmental health services to make Kalgoorlie-Boulder a better place to live.	<p>Provide Environmental Health support for the City and the surrounding Aboriginal communities.</p> <p>Support the recruitment of specialists. Actively promote the cashless debit card program to reduce alcoholism and street living.</p> <p>Facilitate and chair the Local and District Emergency Management Committee meetings. This better prepares the local and regional community for emergency situations</p> <p>Operate Animal Management services to ensure animal and community welfare</p> <p>Develop the Public Health Plan as required by the Public Health Act. This will involve the review of the City's Local Laws that relate to public health issues and the recommendation of control plans</p> <p>Develop a local policy on restricting smoking in public spaces and implement no smoking zones in the CBD and other public open spaces</p>
EDUCATION AND WELFARE	<p>Invest in the children and youth of the Community</p> <p>Engaging with families and youth through family orientated events</p> <p>Ensure equitable community services for all residents</p>	<p>Continue to provide strong support for sport and recreation, arts and culture and specific indigenous programs for youth.</p> <p>Continue a strong community events program.</p> <p>Kalgoorlie-Boulder Youth Council, Police and Community Youth Centres (PCYC), and the Western Australia Police (WAPOL) Youth Crime Intervention Officers for the delivery of youth services including development.</p> <p>Partner with Headspace Youth Advisory Committee to help young people to be resilient, safe and healthy.</p> <p>Undertake a review of leadership opportunities associated with the Youth Council</p> <p>Develop precincts/areas catered towards the interests of youth including the redeveloped Lord Forrest Olympic Pool precinct, The Spot and Kingsbury Park.</p> <p>Continue a strong community events program</p> <p>Develop childcare initiatives to assist working families.</p> <p>Engage with families through activities held over the school holidays held at the library and the town halls.</p> <p>Home and Community Care (HACC) services are provided to eligible clients to assist them to live independently in their own homes with the community, preventing premature admission to residential care. This includes the meals on wheels service.</p> <p>Promote intergenerational activities across the City including regular activities at: - Men's Shed - Community Centre - Library.</p> <p>Provide Health and Community Care (HACC) services for our senior citizens and those with a disability and review current agreements and introduction of the National Disability Insurance Scheme (NDIS).</p>
HOUSING	To help ensure adequate housing	<p>Provision and maintenance of temporary staff housing.</p> <p>Work with government on these issues.</p>
COMMUNITY AMENITIES	Ensure a sustainable asset and infrastructure base	<p>Complete a total Asset Management Plan for all city Infrastructure.</p> <p>Create a Wastewater System Asset Management Plan incorporating the Wastewater Network, Treatment Plant and recycled water network, operations and maintenance, renewals and new infrastructure, Whole of Life</p> <p>Complete the Wastewater Treatment Plant (WTP) Strategic Review, including detailed assessment of all treatment elements for capacity, treatment quality and infrastructure redundancy needs.</p>

31. ACTIVITIES/PROGRAMS (Continued)

Adopt environmental best practice that is sustainable	<p>Ensure all planning policies reflect the principle of environmental best practice. Continue to work with Kalgoorlie-Boulder Urban Landcare Group to ensure the existing regeneration zones are maintained and additional areas of native vegetation are restored. Environmental assessment, rehabilitation and management of previously contaminated sites. Increase the community education program to residents on correct recycling habits and highlight the importance of recycling. Development of (city/sub regional) waste strategy - including kerbside refuse and recycling collection, increasing recycling participation and future development of landfill facility, rehabilitation of landfill, user pays vs public good pricing mechanisms. Development of (city/sub regional) waste strategy - including kerbside refuse and recycling collection, increasing recycling participation and future development of landfill facility, rehabilitation of landfill, user pays vs public good pricing mechanisms. Adopt recycling methodology at City events to reinforce the message of recycling. Develop a Landfill Management Plan including optimising current landfill life, new cell developments and staging, compaction and daily cover, waste acceptance criteria, landfill class, rehabilitation, progressive reinstatement, aftercare planning, and asset management. Participate in initiatives that promote responsible waste management and recycling such as the Garage Sale</p>
Plan for regulated sustainable land use and development	<p>Through the Local Planning Strategy, facilitate large scale sustainable developments. Research and develop the preparation of a sustainable development policy. Participate in the Cities Power Partnership. Educate the community on the benefits of achieving a 4-6 star energy efficiency rating for new residential development including initiatives such as: - Roof Colours - Solar Design. Review the organisations utilisations of natural resources (energy and water) and implement systems to reduce our environmental footprint. Review the organisations utilisations of natural resources (energy and water) and implement systems to reduce our environmental footprint. Develop a comprehensive Sustainability Strategy for the city of Kalgoorlie-Boulder, incorporating areas of CO2 emissions, water efficiency, waste management, procurement, energy efficiency, community education and land management.</p>
Manage the City's carbon footprint	
RECREATION AND CULTURE	
Foster our culturally diverse community	<p>Ensure information on all City events is easily accessible on the website, Customer Service Centre, the Administration building and on social media platforms. Support the Community Garden and partner with Kalgoorlie-Boulder Urban Landcare Group. Finalise and commence implementation of the City's Reconciliation Action Plan (RAP). Undertake an audit of the City's annual events calendar to ensure events promote multiculturalism. Provide financial support to not for profit groups and organisations via the City's Annual Grants and Community Assistance Scheme for infrastructure and non-employment purposes. Provide services to the community and community groups through the C.Y. O'Connor Mens Shed to promote community health and educational programs. Provide venues for cultural groups and agencies to meet and implement programs to assist new migrants in the City. Actively support sustainability activities such as Earth Hour to increase the awareness of energy sustainability principles. Collaborate with local Agencies and Community Groups to deliver beneficial programs for our residents such as 'Pledge to Parkrun' and 'Watch around the water'. Promote the arts and culture sector by integrating public arts into the City's centres. Showcase the extensive art collection belonging to the City of Kalgoorlie-Boulder. Host book launches for visiting and local authors and artists at the William Grundt Memorial Library.</p> <p>Review the Goldfields Arts Centre Business Plan to ensure it: - Develops and implements a programme of visual and performing arts which inspires the community and delivers a sustainable increase in audience participation and engagement - Shapes the Goldfields Arts Centre into a place that embraces and respects diverse cultures, connects with the community and applauds local talent, thereby creating an arts and cultural hub that the community is able to identify with and wants to be a part of.</p>
Deliver inclusive and accessible sport and recreation	<p>Encourage health and wellbeing for all of our residents by providing quality parks, with some featuring free outdoor gym equipment. Collaborate with State Government agencies, and community sports clubs, to promote sport, recreation and leisure programs within the City. Assess the need to extend the bicycle and walking track network around the City of Kalgoorlie-Boulder to encourage citizens to engage in healthy lifestyles. Design and build the Kalgoorlie Golf Clubhouse to fulfill our obligations with the WA State Government while also adding to the list of tourism attractions at the City of Kalgoorlie-Boulder. Provide opportunities for sporting clubs and Not-for-profit organisations to apply for Community Assistance Grants for infrastructure and non-employment purposes. Continue to provide and maintain high quality sporting facilities in Kalgoorlie-Boulder.</p>
Value our strong social fabric including local culture and heritage	<p>Develop, manage and preserve significant collections of the Goldfields, and optimise the City Archives. Provide public tours of the Boulder Town Hall and Kalgoorlie Town Hall to share our history and the spectacular buildings. Redevelop the Goldfields War Museum and collect, document and store cultural objects pertinent to the Goldfields War Museum and the City Archives. Goldfields War Museum Vehicle Conservation Plan. Present events that promote insight and storytelling about the Goldfields history and heritage.</p>
Promoting and preserving heritage sites and buildings	<p>Enhance the community life and vitality of the City by maintaining our heritage buildings within the City's asset portfolio. Complete the CBD Economic Transformation Project in respect of heritage buildings and facades. Provide financial assistance through the Local Heritage Fund to assist local organisations to preserve iconic heritage buildings within the City of Kalgoorlie-Boulder. Ensure the heritage values are maintained throughout the City's places of significance.</p>

31. ACTIVITIES/PROGRAMS (Continued)

	Exploring new opportunities to promote Aboriginal Culture	<p>Support the on-going initiative to increase aboriginal employment and aboriginal enterprise. Prioritise activities, events and funding opportunities that promote Aboriginal culture, contribute to an improved understanding of local Aboriginal history, and which promote reconciliation between Aboriginal and non-Aboriginal people.</p> <p>Establish a strong local Aboriginal identity and physical cultural presence in Kalgoorlie-Boulder through: - Promotion of Aboriginal art, culture and language as part of future city revitalisation and marketing - The development of an Aboriginal cultural interpretive centre as a cultural and community hub, referral centre and community resources.</p> <p>Consider the establishment of an Aboriginal business professionals network to provide increased peer support, mentoring and leadership.</p> <p>Incorporate Welcome to Country and Aboriginal elements into City organised events wherever possible.</p> <p>Source Aboriginal literature where available and suitable to this area to provide resources for literacy and learning.</p>
	Provide functional and appealing parks, gardens and streetscapes.	<p>Design and replace the existing public toilets at St Barbara's Square in line with the CBD Economic Transformation project.</p> <p>Work closely with property developers as to whether additional public open space requirements are met and current open space facilities are maintained.</p> <p>Ensure our parks, playing fields, gardens, streetscape gardens and landscaped roundabouts are maintained in line with the asset management plan.</p> <p>Implement the Playground Renewal Program.</p> <p>Assess, develop and promote our walk/cycle tracks to encourage participation in low impact sporting activity in a safe controlled environment.</p>
TRANSPORT	Deliver a safe and integrated transport network	<p>Continued maintenance of the City's road network (including the gravel rural road network), roundabouts and other road safety infrastructure in accordance with the Asset Management Plan.</p> <p>Develop the Bike Plan to encourage active transport throughout the City.</p> <p>Continued maintenance of the footpath infrastructure via the Footpath Construction and Replacement Program.</p> <p>Ensure that our network of footpaths and cycle paths are well maintained and safe for the whole community.</p> <p>Implement the projects under the State Roadworks Project - Improvements for regionally significant roads partly funded by the State Government.</p> <p>Implement the Roads 2 Recovery program.</p> <p>Investigate methods to increase the availability of accessibility carparks across the City.</p> <p>Develop a pipeline of priority transport projects to enhance freight movement and exports, improve servicing or dispersed settlements and to promote tourism access. Priority projects to be determined based on current economic drivers and relative benefit cost analysis.</p> <p>Undertake a holistic "transpriority" review of local transport modes in the city to improve transport efficiencies, safety and to explore smart transport opportunities.</p> <p>Continue to collaborate with the Department of Transport to realign the existing rail and road corridors.</p> <p>Continue to advocate with State agencies on quality and appropriateness of the Transport network.</p>
ECONOMIC SERVICES	Be a City that is a dynamic, diverse, and attractive place for tourists	<p>Pursue the initiatives outlined in the "Future of Tourism and Tourism Governance" paper.</p> <p>Association and the KBCCI to enhance informal local tourism industry networking opportunities in order to facilitate collaboration and coordination between industry stakeholders and to optimise opportunities to access broader state, national and international markets.</p> <p>Establish a consistent and marketable brand and marketing strategy for Kalgoorlie-Boulder. This should: - Build on the proposed marketing initiative developed in the Strategic Tourism Plan - Identify with regional tourism branding opportunities and promote co-branding and consistency through entry statements and merchandise - Include initiatives to enhance the digital presence of KalgoorlieBoulder and the region to expand its reach to international markets.</p> <p>Collaborate with National, State and regional Stakeholders to establish an integrated state-wide strategy to increase visitation by international tourists to Kalgoorlie-Boulder.</p> <p>Provide information to visitors at the CBD Centre on City owned tourism sites such as the Goldfields War Museum, the Town Halls, Goldfields Arts Centre, Golf Course and other relevant sites.</p> <p>Showcase Kalgoorlie-Boulder gold mining heritage with improved visibility and promotion through initiatives, improve tourism related infrastructure to address current unmet needs including signage and welcome points; multi-lingual interpretation; and attracting private sector investment to develop and manage a resort-style accommodation facility.</p> <p>Take advantage of Kalgoorlie-Boulder's broader tourism potential by supporting the development of quality Aboriginal and cultural tourism, nature based tourism, sporting tourism, astro-tourism, geo-tourism and adventure tourism products as outlined in the Strategic Tourism Plan. This may also include promoting regional tourism trails such as the: Goldfields-Esperance Arts and Culture trail Progressing "On the edge, off the edge" or "Coast to Desert" experiences to showcase the variety of regional assets.</p>
	Foster a growing population	<p>Provide a diverse range of events at the City to highlight the benefits of living in Kalgoorlie-Boulder.</p> <p>Actively promote our facilities and assets that residents and tourists can utilise and enjoy.</p> <p>Improve the perception of liveability and position Kalgoorlie-Boulder as a permanent work destination.</p> <p>Support Goldfields Individual & Family Support Association Inc. (GIFSA) to acquire State land to construct independent living units for special needs people.</p> <p>Build a business-friendly policy and regulatory environment.</p> <p>Support emerging and expanding enterprises to access finance. Key Priorities include: Maintaining a central database of potential funding sources, grants, traditional and non-traditional financing options, as well as sources of government support and advice such as Austrade, and the Department of State Development Providing financial literacy support and assistance with business cases, financial applications and the development of rigorous benefit-cost assessments Establish partnerships with investment brokers with specialist skills.</p> <p>Delivery of the Town Planning Scheme No. 2.</p> <p>Create business and entrepreneurial processes to support Property Developers and Builders.</p>

31. ACTIVITIES/PROGRAMS (Continued)

Support diverse and growing industries

Deliver the key initiatives of the Growing Kalgoorlie Plan.
Promote Innovative Business proposition including: Home businesses Shared use facilities Regionally based online enterprises.
Drive increased Aboriginal employment and business opportunities through the development of meaningful and ambitious Reconciliation Action Plan (RAP) targets and by strengthening local procurement and regulatory approval conditions relating to Aboriginal participation.
Provide a consistent flow of information to local businesses and industry about the many programs, grants and incentives available at a state and national level, through opportunities such as the National Science and Innovation Agenda and the Industry Innovation and Competitiveness Agenda.

Cultivate a strong and vibrant local business environment

Establish a clear gateway and agreed protocols for dealing with potential proponents to ensure a consistent and welcoming message from members of the Growing Kalgoorlie-Boulder Partnership including the Kalgoorlie-Boulder Chamber of Commerce and the Goldfields-Esperance Development Commission.

Continue to develop an Intermodal Transport Terminal in Kalgoorlie.
Identify areas within the Local Planning Strategy to further develop heavy industry often required by the mining sector.

Create an investment prospectus to assist establishment and growth of new businesses in Kalgoorlie-Boulder.
Develop a "Kalgoorlie-Boulder Online Marketplace" to provide a platform to publish project supply opportunities and promote and facilitate communication between protect buyers and suppliers.

Incorporate innovative technology into the City's operations

Provide free Wi-Fi access in central Kalgoorlie and Boulder and consider the provision of additional public access points to facilitate internet access for disadvantaged families.

**OTHER PROPERTY
AND SERVICES**

To continue to maintain and upgrade City Facilities.

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

32. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	1.68	1.60	0.73
Asset sustainability ratio	0.86	0.72	0.42
Debt service cover ratio	9.14	12.98	0.86
Operating surplus ratio	0.12	0.13	(0.27)
Own source revenue coverage ratio	1.03	1.20	0.75
Asset consumption ratio	0.74	0.96	0.97
Asset renewal funding ratio	1.20	1.18	0.52

The above ratios are calculated as follows:

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

Notes:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants.

In addition, three of the ratios were impacted by revenue and expenses associated with flood damage re-instatement, and reversal of prior year loss on revaluation of Infrastructure assets, which are considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,267,918	1,251,233	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,251,233	0	1,200,761
Amount of reimbursement for flood damage received	846,827	0	0
Expenditure on flood damage re-instatement	846,827	0	0
Loss on revaluation of furniture and equipment	0	0	65,980
Reversal of loss on revaluation of plant and equipment	0	0	38,514
Reversal of prior year loss on revaluation of Infrastructure - Parks and Reserves and Parking areas	551,844	0	0

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

31 FINANCIAL RATIOS (Continued)

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

	2018	2017	2016
Current ratio	1.54	1.46	0.73
Debt service cover ratio	8.85	12.12	1.73
Operating surplus ratio	0.11	0.13	(0.25)
Own source revenue coverage ratio	1.03	N/A	0.75



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Council of the City of Kalgoorlie-Boulder

Report on the Audit of the Financial Report

Opinion

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

In my opinion the annual financial report of the City of Kalgoorlie-Boulder:

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

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial report of the City for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 32 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

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



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
29 November 2018