


Annual Report

2016-17





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

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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.

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

I am pleased to present the 2016/17 City of Kalgoorlie-Boulder Annual Report.



2016/17 was definitely a year of extreme highs and lows for our community, as it commenced with the tragic death of a young man that triggered a series of events that brought our community to the attention of the rest of the country, and not for the reasons we would hope. These events lead to the City hosting a Summit to bring together key leaders, including then Premier Colin Barnett, current Premier Mark McGowan, and Federal Minister Nigel Scullion with business and community leaders, to look at how we could take a new approach to make a real difference and improvement in our community.

We have also seen the commencement of a number of long awaited projects, including the Lord Forrest Olympic Pool Redevelopment, as well as the completion of others, like the Ray Finlayson Sporting Complex, which opened in March with a fantastic community open day. This state of the art sporting facility, with cricket pitches, rugby and soccer fields, club rooms, squash courts and function facilities, is definitely a feather in the cap for Kalgoorlie-Boulder – we really do punch above our weight in terms of the facilities we offer.

The opening of the CBD Customer Service Centre was another highlight, making what the City does more accessible to the community, and helping make the community aware of the wide range of services and functions local government takes on.

In April, the City and the GEDC launched the Growing Kalgoorlie-Boulder Plan, which is focused on developing partnerships between the private and public sectors; responding innovatively to barriers to economic growth; and translating visions and aspirations into potential investment, jobs and greater quality of life. Already we have been seeing the positive impact of the actions coming out of Growth Plan steering groups, and I am confident this will continue as these projects and initiatives continue to gain momentum.

2016/17 also saw the first instalment of the Heartwalk project, which has brought a vibrancy and renewal of interest in the Kalgoorlie CBD, and I look forward to seeing the continuation of this



John Bowler, Mayor

project in 2017/18.

I would like to place on record my thanks to all City Staff, led by CEO John Walker, for all their hard work for the past twelve months. I would also like to thank my fellow elected members for their tireless contributions to our City, and pay special tribute to our former Councillors, Kyran O'Donnell, who stepped down in March following the State election, to serve as the Member for Kalgoorlie, and Mick McKay, who retired from Council at the October 2017 Local Government election. Your service to the City of Kalgoorlie-Boulder has not gone unnoticed.

The past 12 months has seen a surge in the local mining and associated service industry, and I believe that trend will continue for the 2017/18 year. Despite the vibrant job market we still face some challenges that your Councillors and City staff are working on with a diligence and passion that makes me proud to be your Mayor. 2016/17 was a very inspiring year for me, as, despite its challenges we have looked together for ways to move forward as a community.

John Bowler

Mayor, City of Kalgoorlie-Boulder

Message from the CEO

2016/17 saw the City of Kalgoorlie-Boulder face and overcome a series of internal and external challenges.



2016/17 was a year of overcoming challenges at the City of Kalgoorlie-Boulder. As an organisation, we had to find a way to move on from being the second lowest ranked local government in the state from a financial perspective. This in itself was not insurmountable, and I am pleased to say that through implementing a range of austerity measures, including staff reductions, a 12 month wage freeze, the adoption of the Long Term Financial Plan, and reduced spending and borrowing, the City is now on a much more positive financial footing moving forward.

Kalgoorlie-Boulder also faced significant social issues during 2016/17, with the death of a teenage boy leading to rioting and extreme outrage by parts of the community. This led to the City calling for urgent action through a bi-partisan Leadership Summit, which was attended by politicians, local Elders, and key local stakeholders covering all sectors, including business, youth, education, police, employment and community services. These social issues remain one of our greatest challenges.

One of the key messages from me was that better coordination and less duplication was required to improve outcomes in the community, and the City has since tried to partner with the State and Federal Governments to ensure a more holistic approach to service provision in Kalgoorlie-Boulder. Whilst there have been some gains, there is still much to do.

Following the initial organisational restructure in 2016, it became evident to me as the year went on just how critical an issue liveability was, and how urgently the City needed to change the negative perceptions and realities that had reached the rest of the world about Kalgoorlie-Boulder into positive ones. The creation of the City Living Unit, which encompasses arts and culture, tourism, the Goldfields Arts Centre, community events, Conferences Conventions & Exhibitions, CBD Revitalisation, social behaviours, sport and recreation, youth and Community Development occurred and will assist in this.

The development of each of these areas is supported by the Growing Kalgoorlie-Boulder Plan, which was adopted by the City and the GEDC in April 2017, and contains strategies and initiatives to develop the City and grow alternate economic development activities



John Walker, CEO

for the City and resolve some of our problems.

From an organisational perspective, 2016/17 saw the introduction of the City's new Performance And Recognition Management System, PARMS. The introduction of PARMS provides a consistent overview of all staff performance management to ensure fairness and equity across the board for all staff and productivity and efficiency gains for our residents.

Another initiative that has been undertaken to help improve business efficiency has been the restructure of the Council committees to refocus on improving the performance of our Commercial Business Units, which include the Airport, Golf Course, Oasis and Arts Centre. This has streamlined the management process and allowed Elected Members to assess how the City's Commercial Business Units are operating and make appropriate changes.

2016/17 was just the start of a medium term project to make the City a leader again. I would like to thank all of the staff of the City for their hard work and support during the year, and the Elected Members for their dedication to their task.

John Walker
CEO, City of Kalgoorlie-Boulder

Councillors

The City has a Mayor and 12 Councillors who are elected for overlapping 4-year terms.



Mayor
John Bowler
Term Expires 2019



Deputy Mayor
Allan Pental
Term Expires 2017



Councillor
Deborah Botica
Term Expires 2019



Councillor
Lisa Malicky
Term Expires 2019



Councillor
Laurie Ayers
Term Expires 2017



Councillor
Mandy Reidy
Term Expires 2019



Councillor
Mick McKay
Term Expires 2017



Councillor
Kyran O'Donnell
Term Expires 2017



Councillor
Gary Brown
Term Expires 2017



Councillor
Suzie Williams
Term Expires 2019



Councillor
Glenn Wilson
Term Expires 2019



Councillor
Natalie Coxon
Term Expires 2019



Councillor
Pam O'Donnell
Term Expires 2017



	Total Number of Meetings 2016/17	OCM 22	APC 7
Mayor John Bowler	Meetings Attended	21	7
Cr Allan Pental	Meetings Attended	18	7
Cr Deborah Botica	Meetings Attended	18	2
Cr Lisa Malicky	Meetings Attended	13	3
Cr Laurie Ayers	Meetings Attended	16	6
Cr Mandy Reidy	Meetings Attended	16	5
Cr Mick McKay	Meetings Attended	4	0
Cr Kyran O'Donnell	Meetings Attended	14	5
Cr Gary Brown	Meetings Attended	22	7
Cr Suzie Williams	Meetings Attended	21	7
Cr Glenn Wilson	Meetings Attended	21	6
Cr Natalie Coxon	Meetings Attended	19	7
Cr Pam O'Donnell	Meetings Attended	19	7

OCM: 11 July 2016 - 26 June 2017 **APC:** 18 July 2016 - 19 June 2017

City Snapshot

The City of Kalgoorlie-Boulder is WA's largest inland city and Australia's largest outback city.



People:
32k



Electors:
15k



Dwellings:
16k



Land Area:
95k km²



Rates Levied:
\$23m



Total Revenue:
\$68.5m



Sealed Roads:
376km



Unsealed Roads:
1000km

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

The City of Kalgoorlie-Boulder is responsible for an area of 95,575km². The town site 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.

The remaining land is utilised for primarily mining and agricultural purposes. The mining industry is the largest sector in Kalgoorlie-Boulder and is pivotal to its financial sustainability. Our lands are rich in minerals, especially gold, nickel and lithium.

As per the 2016 Census, Kalgoorlie-Boulder has a population of 32,638. The population is a young demographic with an influx of young adults into the mining industry with the median population age of 31 years.

Our Organisation

During 2016/17, the City of Kalgoorlie-Boulder employed on average 290 FTE staff across a diverse range of fields to ensure a high level of service provision to the community.

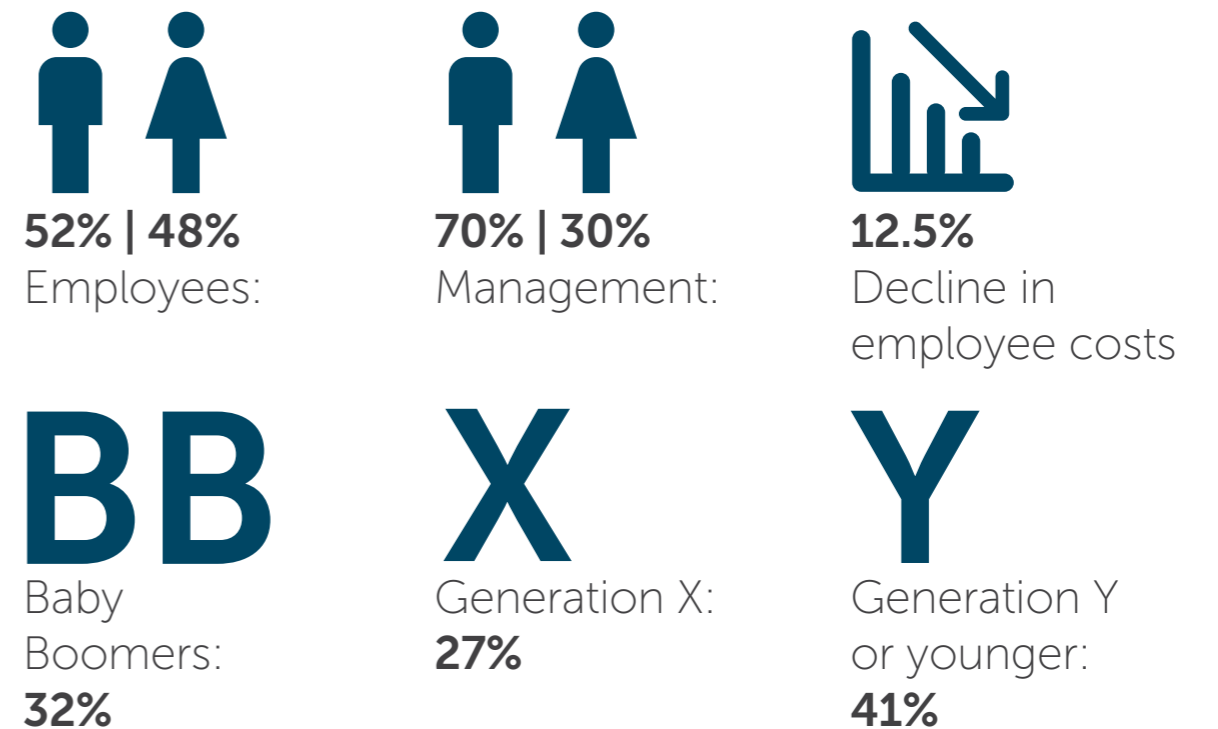


Organisational Structure 2016/17



Key Statistics

During 2016/17, the City of Kalgoorlie-Boulder employed on average 290 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 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:

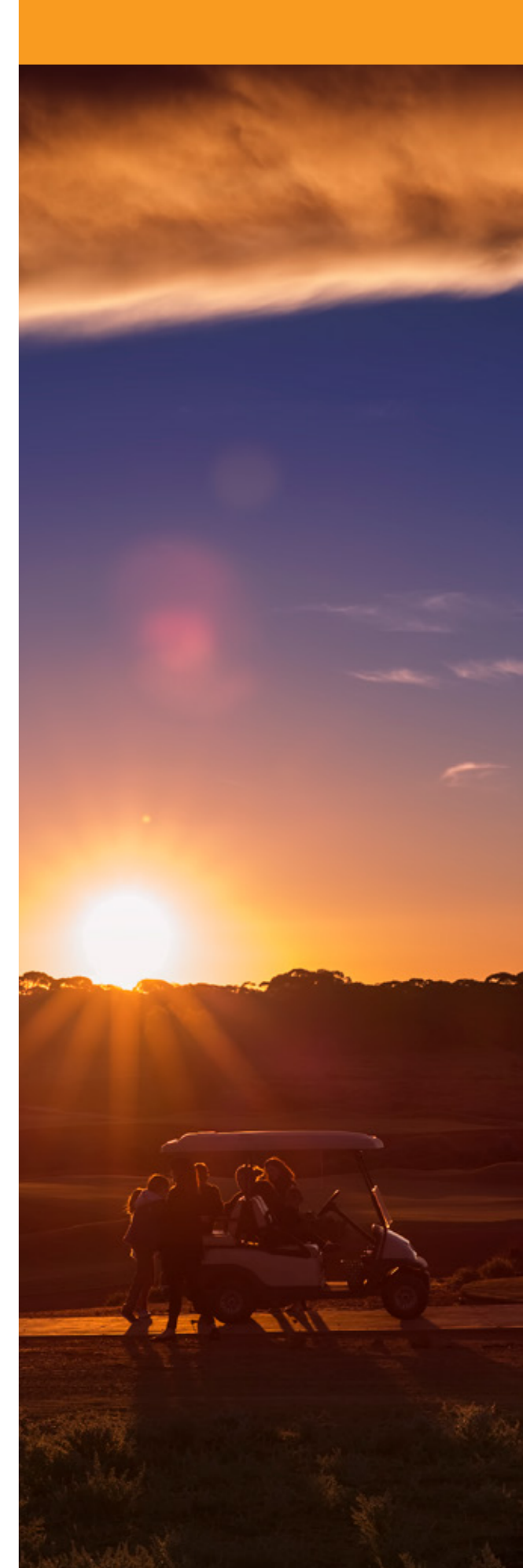
- **Community** - Enhance the quality of life and encourage City wide community development opportunities
- **Economy** - Boost opportunities for economic development and tourism
- **Infrastructure** - Enhance the built environment and provide quality infrastructure
- **Environment** - Protect and where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

CORPORATE BUSINESS PLAN

The Corporate Business Plan is a four year plan, and contains the same objectives and strategies as the Strategic Community Plan, but with the addition of specific operating activities and capital works sub-programs that are to be delivered.

The City of Kalgoorlie-Boulder adopted its Corporate Business Plan in 2015, and it is due for review later this year.

The Corporate Business Plan must also be reviewed every four years, and can be reviewed at a strategic level every two years.





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 LTFP forms an integral part of the City's suite of strategic management plans. It links Council's Corporate Business Plan and Asset Management Plan, and translates the outcomes and strategies into financial terms. The first year of the LTFP aligns with the 2017/18 Budget, with future years being projected from this base year. All programs and projects run by the City of Kalgoorlie-Boulder have been prioritised in accordance with the strategic objectives of Council, with the main focus on current and future service levels while ensuring conservative spend to ensure the City's financial sustainability. In support of this objective, comprehensive service level reviews are planned for both the 2017/18 and 2018/19 financial years.

The City's LTFP demonstrates that Council is working toward a strong financial position, while maintaining an average rate increase of 2.5% in 2017/18, 3.5% in 2018/19 and 3.0% onwards, over the following eight years. Debt levels are diminishing, with the City adopting a "no new borrowings" approach. Critical to achieving this has been the identification of ongoing savings in operational expenditure during the 2016/17 financial year, with wage savings of \$3.5 million achieved through organisational restructure. These savings will continue and are embedded in the LTFP. Other expenditure has also been curtailed. All discretionary spending has remained unchanged for the two years, effectively delivering a 4% efficiency dividend.

The City recognises that its asset base is large and in order to ensure financial sustainability, improved asset management is critical. A two year Asset Management program commenced in October 2016. This review provides more accurate information for the renewal and ongoing maintenance of Council's existing assets. A review of asset useful lives was undertaken by management in December 2016, and was adopted by Council. This has re-aligned depreciation with actual asset consumption, resulting in a \$7.8 million reduction

in non-cash costs for the 2016/17 financial year. This has positively affected the City's asset ratios. Due to the nature of the LTFP, specifically the many assumptions and influences both internal and external, there is an on-going requirement for review. It is envisaged that this will occur bi-annually. This process involves input from Management, Council and the Finance and Audit Committee. The LTFP will continue to be updated as and when new strategic projects are initiated.

GROWING KALGOORLIE-BOULDER PLAN

The City of Kalgoorlie-Boulder and the Goldfields Esperance Development Commission jointly adopted and launched the Growing Kalgoorlie-Boulder Plan in April 2017. This is a guiding strategic document 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 a catalyst for the community to engage in the future of Kalgoorlie-Boulder and to drive improved wellbeing and prosperity. The City of Kalgoorlie-Boulder's Community Strategic Plan, Long Term Financial Plan and Corporate Business Plan should be read in conjunction with the Growing Kalgoorlie-Boulder Plan to gain a full understanding of our plans.

Achievements

Throughout the course of the 2016/17 financial year, the City of Kalgoorlie-Boulder has celebrated many community events, hit strategic goals and completed major projects.

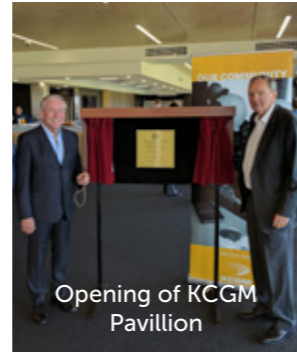


Executive Manager Economy and Growth Alex Wiese and CEO John Walker launch the Investment Prospectus

A Year in the City of Kalgoorlie-Boulder



Governor General Visits



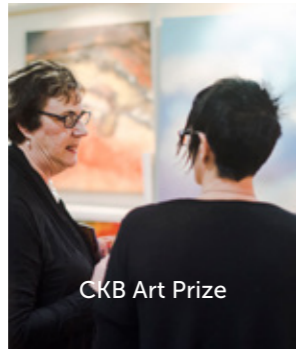
Opening of KCGM Pavillion



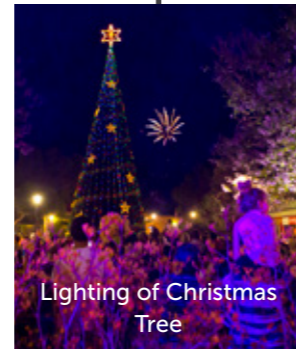
Australia Day



Growth Plan Launch



CKB Art Prize



Lighting of Christmas Tree



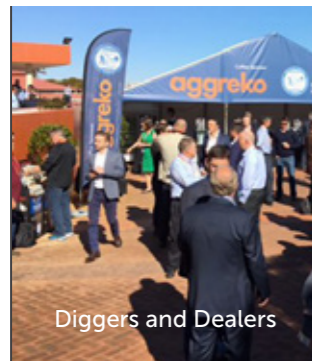
Centenary of ANZAC Exhibition



RFSC Opening



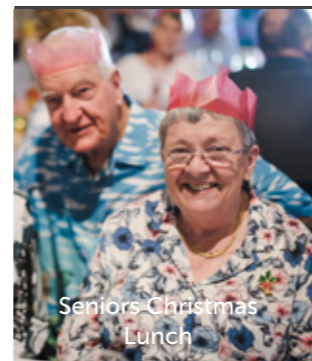
CBD Customer Service Centre Opening



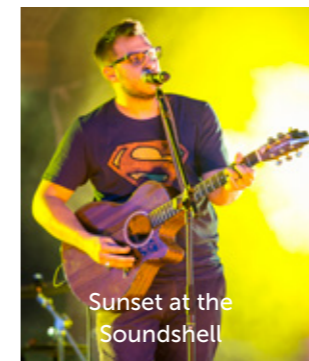
Diggers and Dealers



Garage Sale Trail



Seniors Christmas Lunch



Sunset at the Soundshell



Goldfields KidsFest



WA Ballet at GAC

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

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.

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
FOI Requests Received	17	10	9	10	7	6
Average Processing Time (Days)	16	19	32	29	30	34
3rd Party Consultations	-	-	-	2	2	4
	Outcomes	Outcomes	Outcomes	Outcomes	Outcomes	Outcomes
Access in Full	3	3	1	3	1	-
Access with Redaction (Exemption)	14	6	8	7	6	5
Application Withdrawn	-	1	-	-	-	-
Access Denied	-	-	-	-	-	-
Access Refused	-	-	-	-	-	1
	17	10	9	10	7	6

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 recordkeeping 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 a 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 manual contains 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 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.

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 (DAIP)

The Disability Access and Inclusion Plan 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 2016/17.

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 \$	2017	2016
360,000 - 369,000	1	1
340,000 - 349,000	0	1
250,000 - 259,999	1	0
230,000 - 239,999	1	0
210,000 - 219,999	1	1
200,000 - 209,999	0	2
190,000 - 199,999	1	1
180,000 - 189,999	1	2
170,000 - 179,999	2	2
160,000 - 169,999	3	4
150,000 - 159,999	1	2
140,000 - 149,999	3	6
130,000 - 139,999	3	7
120,000 - 129,999	5	3
110,000 - 119,999	11	13
100,000 - 109,999	22	18



Financial Report

For the year ended 30 June 2017



CITY OF KALGOORLIE-BOULDER

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2017

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Principal place of business:
Address
577 Hannan Street
Kalgoorlie WA 6430

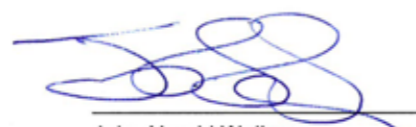
CITY OF KALGOORLIE-BOULDER
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 27th day of November 2017


John Harold Walker
Chief Executive Officer

CITY OF KALGOORLIE-BOULDER
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	24	22,850,745	23,166,661	22,745,868
Operating grants, subsidies and contributions	31	6,687,014	8,044,180	4,087,536
Income from Property		1,911,709	0	2,685,653
Fees and charges	30	33,470,855	31,559,167	29,750,141
Interest earnings	2(a)	1,109,795	833,104	1,244,549
Other revenue	2(a)	2,548,497	7,449,440	2,288,019
		68,578,614	71,052,552	62,801,766
Expenses				
Employee costs		(24,968,439)	(26,231,246)	(28,604,703)
Materials and contracts		(18,157,626)	(21,350,281)	(24,152,661)
Utility charges		(3,146,265)	(3,762,779)	(3,502,752)
Council contributions		(1,820,994)	0	(2,395,306)
Depreciation on non-current assets	2(a)	(9,326,108)	(12,292,216)	(16,491,709)
Interest expenses	2(a)	(491,445)	(905,259)	(528,192)
Insurance expenses		(1,146,966)	(1,311,652)	(1,187,652)
Other expenditure		(702,489)	320,064	(1,053,948)
		(59,760,331)	(65,533,369)	(77,916,923)
		8,818,283	5,519,183	(15,115,157)
Non-operating grants, subsidies and contributions	31	6,233,206	4,537,282	14,145,638
Profit on asset disposals	22	510,707	24,513	7,861
(Loss) on asset disposals	22	(153,183)	(142,892)	(673,859)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(65,980)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	0	0	38,514
Net result		15,409,013	9,938,086	(1,662,983)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	14	12,587,843	0	2,565,227
Total other comprehensive income		12,587,843	0	2,565,227
Total comprehensive income		27,996,856	9,938,086	902,244

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

**CITY OF KALGOORLIE-BOULDER
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		593	679,300	963,089
General purpose funding		27,819,159	27,126,716	25,349,483
Law, order, public safety		284,063	648,417	322,387
Health		417,229	434,507	392,120
Education and welfare		1,620,385	1,290,091	1,546,613
Housing		41,052	42,500	41,743
Community amenities		18,455,003	15,427,900	14,341,010
Recreation and culture		6,410,972	7,547,065	7,115,160
Transport		10,451,297	12,829,143	10,058,822
Economic services		1,165,626	3,563,624	1,351,124
Other property and services		1,913,235	1,463,289	1,320,215
		<u>68,578,614</u>	<u>71,052,552</u>	<u>62,801,766</u>
Expenses	2(a)			
Governance		(3,162,902)	(3,460,954)	(3,821,484)
General purpose funding		(750,601)	(774,502)	(1,517,321)
Law, order, public safety		(1,246,755)	(1,371,909)	(1,452,663)
Health		(1,074,055)	(1,254,751)	(1,308,867)
Education and welfare		(2,284,617)	(2,581,621)	(2,583,260)
Housing		(27,797)	(62,665)	(65,698)
Community amenities		(10,335,351)	(14,744,470)	(11,769,884)
Recreation and culture		(19,202,702)	(21,966,624)	(25,415,213)
Transport		(15,528,739)	(13,868,708)	(20,182,361)
Economic services		(3,646,091)	(4,075,178)	(7,662,782)
Other property and services		(2,009,277)	(466,728)	(1,609,198)
		<u>(59,268,887)</u>	<u>(64,628,110)</u>	<u>(77,388,731)</u>
Finance costs	2(a)			
Governance		0	(330,000)	0
Law, order, public safety		0	0	(161)
Education and welfare		0	0	(14)
Community amenities		(23,626)	(27,814)	(26,840)
Recreation and culture		(418,127)	(491,084)	(443,446)
Economic services		(24,184)	(26,766)	(30,505)
Other property and services		(25,507)	(29,595)	(27,226)
		<u>(491,444)</u>	<u>(905,259)</u>	<u>(528,192)</u>
Non-operating grants, subsidies and contributions	31	6,233,206	4,537,282	14,145,638
Profit on disposal of assets	22	510,707	24,513	7,861
(Loss) on disposal of assets	22	(153,183)	(142,892)	(673,859)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(65,980)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	0	0	38,514
Net result		<u>15,409,013</u>	<u>9,938,086</u>	<u>(1,662,983)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	14	12,587,843	0	2,565,227
Total other comprehensive income		<u>12,587,843</u>	<u>0</u>	<u>2,565,227</u>
Total comprehensive income		<u>27,996,856</u>	<u>9,938,086</u>	<u>902,244</u>

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

**CITY OF KALGOORLIE-BOULDER
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	28,331,617	24,893,684
Trade and other receivables	4	8,221,797	9,381,716
Inventories	5	1,251,558	2,350,608
TOTAL CURRENT ASSETS		<u>37,804,972</u>	<u>36,626,008</u>
NON-CURRENT ASSETS			
Other receivables	4	684,396	659,936
Inventories	5	80,000	80,000
Investment Property	7	11,335,015	11,902,961
Property, plant and equipment	6	137,189,769	118,567,829
Infrastructure	8	383,121,703	381,512,563
TOTAL NON-CURRENT ASSETS		<u>532,410,883</u>	<u>512,723,289</u>
TOTAL ASSETS		<u>570,215,855</u>	<u>549,349,297</u>
CURRENT LIABILITIES			
Trade and other payables	9	6,091,104	8,447,073
Short Term Borrowings	10	0	3,692,609
Current portion of long term borrowings	11	1,009,614	972,230
Provisions	12	2,907,787	2,610,801
TOTAL CURRENT LIABILITIES		<u>10,008,505</u>	<u>15,722,713</u>
NON-CURRENT LIABILITIES			
Long term borrowings	11	10,067,752	11,077,364
Provisions	12	520,649	927,127
TOTAL NON-CURRENT LIABILITIES		<u>10,588,401</u>	<u>12,004,491</u>
TOTAL LIABILITIES		<u>20,596,906</u>	<u>27,727,204</u>
NET ASSETS		<u>549,618,949</u>	<u>521,622,093</u>
EQUITY			
Retained surplus		244,588,778	227,624,263
Reserves - cash backed	13	23,219,173	24,774,675
Revaluation surplus	14	281,810,998	269,223,155
TOTAL EQUITY		<u>549,618,949</u>	<u>521,622,093</u>

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

**CITY OF KALGOORLIE-BOULDER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017**

**CITY OF KALGOORLIE-BOULDER
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		227,859,658	26,202,263	266,657,928	520,719,849
Comprehensive income			0	0	(1,662,983)
Net result		(1,662,983)			
Changes on revaluation of assets	14	0	0	2,565,227	2,565,227
Total comprehensive income		(1,662,983)	0	2,565,227	902,244
Transfers from/(to) reserves		1,427,588	(1,427,588)	0	0
Balance as at 30 June 2016		227,624,263	24,774,675	269,223,155	521,622,093
Comprehensive income		15,409,013	0	0	15,409,013
Net result		15,409,013			
Changes on revaluation of assets	14	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

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Rates		22,438,141	23,666,661	22,619,532
Operating grants, subsidies and contributions		8,788,769	8,074,180	2,581,368
Fees and charges		33,470,855	31,559,167	32,435,794
Income from property		1,911,709		
Interest earnings		1,109,795	833,104	1,244,549
Goods and services tax		102,804	100,000	968,338
Other revenue		2,548,497	14,356,756	2,288,019
		<u>70,370,571</u>	<u>78,589,868</u>	<u>62,137,600</u>

Payments

Employee costs		(25,981,861)	(26,868,490)	(28,811,794)
Materials and contracts		(19,636,807)	(22,350,281)	(24,985,997)
Council contributions		(1,820,994)		
Utility charges		(3,146,265)	(3,762,779)	(3,502,752)
Interest expenses		(495,393)	(905,259)	(495,016)
Insurance expenses		(1,146,966)	(1,311,652)	(1,187,652)
Goods and services tax		(589,280)	0	(789,889)
Other expenditure		(702,489)	(6,587,252)	(1,053,948)
		<u>(53,520,055)</u>	<u>(61,785,713)</u>	<u>(60,827,048)</u>

**Net cash provided by (used in)
operating activities**

15(b) 16,850,516 16,804,155 1,310,552

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for development of Land held for resale		0	0	(1,107,590)
Payments for purchase of property, plant & equipment		(7,691,404)	(10,230,287)	(8,027,179)
Payments for construction of infrastructure		(9,041,285)	(11,950,243)	(10,693,971)
Non-operating grants, subsidies and contributions		6,233,206	4,537,282	14,145,638
Proceeds from sale of fixed assets		230,388	455,091	526,147
Proceeds from disposal of Land Held for Resale		1,485,763	0	0

**Net cash provided by (used in)
investment activities**

(8,783,332) (17,188,157) (5,156,955)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of debentures		(972,229)	(972,230)	(883,045)
Advances to community groups		0	(260,001)	0
Proceeds from self supporting loans		35,588	111,830	34,013

**Net cash provided by (used in)
financing activities**

(936,641) (1,120,401) (849,032)

Net increase (decrease) in cash held

7,130,543 (1,504,403) (4,695,435)

Cash and cash equivalents

21,201,075 21,678,044 25,896,510

at the end of the year

15(a) 28,331,617 20,173,641 21,201,075

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

**CITY OF KALGOORLIE-BOULDER
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017**

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at 1 July b/fwd- surplus/(deficit)	<u>(2,544,622)</u>	<u>(3,432,148)</u>	<u>1,171,159</u>
	(2,544,622)	(3,432,148)	1,171,159
Revenue from operating activities (excluding rates)			
Governance	593	679,300	963,089
General purpose funding	4,851,274	3,960,055	2,667,034
Law, order, public safety	284,063	648,417	322,387
Health	417,229	434,507	392,120
Education and welfare	1,620,385	1,290,091	1,546,613
Housing	41,052	42,500	41,743
Community amenities	18,455,003	15,427,900	14,341,010
Recreation and culture	6,410,972	7,556,578	7,118,491
Transport	10,474,194	12,844,143	10,063,352
Economic services	1,165,626	3,563,624	1,351,124
Other property and services	2,401,045	1,463,289	1,320,215
	<u>46,121,436</u>	<u>47,910,404</u>	<u>40,127,178</u>
Expenditure from operating activities			
Governance	(3,162,902)	(3,802,684)	(3,821,484)
General purpose funding	(750,601)	(774,502)	(1,517,321)
Law, order, public safety	(1,246,755)	(1,371,909)	(1,452,824)
Health	(1,078,498)	(1,254,751)	(1,319,445)
Education and welfare	(2,296,582)	(2,590,530)	(2,585,661)
Housing	(27,797)	(62,665)	(65,698)
Community amenities	(10,358,977)	(14,772,284)	(11,796,724)
Recreation and culture	(19,638,701)	(22,507,158)	(26,411,523)
Transport	(15,576,926)	(13,941,511)	(20,257,317)
Economic services	(3,680,466)	(4,101,944)	(7,693,801)
Other property and services	(2,095,309)	(496,323)	(1,696,450)
	<u>(59,913,514)</u>	<u>(65,676,261)</u>	<u>(78,618,248)</u>
Operating activities excluded from budget			
Loss on revaluation of Assets	48,494	0	27,466
(Profit) on disposal of assets	22 (510,707)	(24,513)	(7,861)
Loss on disposal of assets	22 153,183	142,892	673,859
Movement in deferred pensioner rates (non-current)	(39,890)	0	(22,192)
Movement in employee benefit provisions (non-current)	(109,492)	0	(491,742)
Depreciation and amortisation on assets	2(a) 9,326,108	12,292,216	16,491,709
Amount attributable to operating activities	<u>(7,469,004)</u>	<u>(8,787,410)</u>	<u>(20,648,672)</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	6,233,206	4,537,282	14,145,638
Proceeds from disposal of assets	22 1,716,151	455,091	526,147
Purchase of Investment property	(141,270)	0	(1,107,590)
Purchase of property, plant and equipment	6(b) (7,550,135)	(10,230,287)	(8,027,179)
Purchase and construction of infrastructure	8(b) (9,041,285)	(11,950,243)	(10,693,971)
Amount attributable to investing activities	<u>(8,783,333)</u>	<u>(17,188,157)</u>	<u>(5,156,955)</u>
FINANCING ACTIVITIES			
Repayment of debentures	23(a) (972,229)	(972,230)	(883,045)
Proceeds from self supporting loans	35,588	111,830	34,013
Transfers to reserves (restricted assets)	13 (6,104,130)	(2,243,650)	(5,294,746)
Transfers from reserves (restricted assets)	13 7,659,632	8,081,012	6,722,334
Amount attributable to financing activities	<u>618,861</u>	<u>4,976,962</u>	<u>578,556</u>
Surplus(deficiency) before general rates	<u>(15,633,476)</u>	<u>(20,998,605)</u>	<u>(25,227,071)</u>
Total amount raised from general rates	24 <u>22,967,885</u>	<u>23,166,661</u>	<u>22,682,449</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	25 <u><u>7,334,409</u></u>	<u><u>2,168,056</u></u>	<u><u>(2,544,622)</u></u>

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

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

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

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

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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 21 to these financial statements.

(a) Goods and Services Tax (GST)

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

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

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

(b) Cash and Cash Equivalents

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

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

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

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

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the 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.

Initial recognition and measurement between mandatory revaluation dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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 detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

Land under roads

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

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

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

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

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.

Capitalisation threshold

Expenditure of a capital nature is recognised as an asset if the threshold value exceeds \$2,000 for Building, Plant & Equipment, Furniture & Equipment. The threshold for Infrastructure is \$5,000. Expenditure of a capital for Home & Community Care (HACC) assets are recognised as an asset if the threshold value exceeds \$1,000, in accordance with State Funded Assets Policy.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the 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.

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

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Other long-term employee benefits

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

The 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.

(k) Borrowing Costs

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

(l) Provisions

Provisions are recognised when the 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.

(m) Leases

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) **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.

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.

(o) **Interests in Joint Arrangements**

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 18.

(p) **Rates, Grants, Donations and Other Contributions**

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

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

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

(q) **Superannuation**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) **Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational 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.

(s) **Rounding Off Figures**

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

(t) **Comparative Figures**

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

When the 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.

(u) **Budget Comparative Figures**

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

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the 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 upon 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 onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.

Notes:

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

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	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.

(w) Adoption of New and Revised Accounting Standards

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 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES

(a) Net Result

The Net result includes:

(i) Charging as an expense:

Auditors remuneration

- Audit of the Annual Financial Report	52,503	51,973
- Assistance with finalisation for the annual financial report	1,430	8,647
- Other Services	28,891	18,658

Depreciation

Buildings - non-specialised	1,887	1,888
Buildings - specialised	951,015	2,944,196
Construction Other than Buildings	0	52,601
Furniture and equipment	210,781	412,536
Plant and equipment	891,723	1,159,722
Light Vehicles	308,006	351,246
Investment Property	565,775	570,146
Infrastructure - Roads	3,617,024	5,627,752
Bus Shelters	2,011	8,334
Water Conservation	127,143	127,143
Footpaths	248,271	380,513
Drainage	208,573	654,798
Parks and Reserves	827,633	1,705,993
Laneways	15,979	35,736
Parking Areas	17,669	39,213
Street Lights	8,053	23,801
Sewerage	816,003	942,304
Effluent	129,782	624,100
Airport	378,779	829,687
	<u>9,326,108</u>	<u>16,491,709</u>

Interest expenses (finance costs)

Debentures (refer Note 23 (a))	491,445	528,192
	<u>491,445</u>	<u>528,192</u>

Rental charges

- Operating leases	447,429	332,733
	<u>447,429</u>	<u>332,733</u>

(ii) Crediting as revenue:

Other revenue

Reimbursements and recoveries	1,618,378	1,624,374
Other	930,119	663,645
	<u>2,548,497</u>	<u>2,288,019</u>

	2017 Actual \$	2017 Budget \$	2016 Actual \$
Interest earnings			
- Loans receivable - clubs/institutions	15,934	0	17,696
- Reserve funds	539,787	199,104	623,478
- Other funds	13,359	120,000	88,000
Other interest revenue (refer note 29)	540,715	514,000	515,375
	<u>1,109,795</u>	<u>833,104</u>	<u>1,244,549</u>

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

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

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community. other aspects of public safety including emergency services.

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the City and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control City's overheads operating accounts.

Activities:

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

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
	1/07/15	2015/16	2015/16	30/06/16	2016/17	2016/17	30/06/17
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
Cat Act Implementation Grant	10,335	110	(10,445)	0	0	0	0
Community Safety Initiatives: CCTV Oasis Clubrooms	25,000	240	(25,240)	0	0	0	0
Health							
Indigenous Environmental Health Projects	23,526	269	0	23,795	50,044	0	73,839
Education and welfare							
HACC Non-Recurrent Funding	0	117,190	0	117,190	22,553	(115,185)	24,558
Regional Youth Collaboration Project	25,000	240	(25,240)	0	4,482	0	4,482
Lord Forrest Olympic Pool	0	114,756	0	114,756	1,460	(114,756)	1,460
Community amenities							
St Barbara's Square Toilet	0	0	0	0	70,000	0	70,000
Recreation and culture							
DSR Motorsport Feasibility Study	14,091	135	(14,226)	0	0	0	0
Goldfields War Museum Anzac Exhibition	3,399	32	(3,431)	0	0	0	0
DSR Silversports	0	47,500	0	47,500	42	(42,593)	4,949
Ray Finlayson Sporting Complex	0	6,500,000	(5,260,944)	1,239,056	0	(1,239,056)	(0)
Kidsport	0	0	0	0	6,890	0	6,890
Book Week	0	0	0	0	3,541	0	3,541
Transport							
Roads to Recovery Intermodal Hub	3,894,025	96,959	0	3,990,984	26,343	(98,465)	3,918,862
Roadwise	0	0	0	0	8,483	0	8,483
Roads to Recovery - Roads	111,598	67,158	(112,671)	66,085	122,843	0	188,928
WA Police Graffiti Removal and Recording	6,250	60	(6,310)	0	0	0	0
Regional Road Projects	0	33,802	0	33,802	618	0	34,420
Blackspot (State)	0	0	0	0	29,783	0	29,783
State Road Project	0	0	0	0	120,000	0	120,000
Economic services							
Goldfields Esp Regional Energy Project	3,790,982	928,454	(3,772,027)	947,409	10,220	(389,925)	567,704
Safer Street Program	0	0	0	0	129,600	0	129,600
Total	7,904,206	7,906,905	(9,230,534)	6,580,577	606,902	(1,999,980)	5,187,499

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.
- (4) - All unspent grants/contributions are held in Unspent Grants, Contributions, & loan reserve.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	5,112,443	119,009
Restricted	23,219,174	24,774,675
	<u>28,331,617</u>	<u>24,893,684</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	13 820,338	802,924
Plant Reserve	13 33,386	32,677
Building Reserve	13 1,252,569	1,917,101
Computer Facilities Reserve	13 1,235,194	1,286,122
Sewerage Construction Reserve	13 259,815	272,004
Recreation Reserve	13 593,706	2,568,552
Parking Facilities Reserve	13 675,708	663,407
Senior Citizens Reserve	13 762,159	749,046
Airport Movement Area Reserve	13 4,744,486	4,643,263
Oasis Reserve	13 191,344	187,860
Aerodrome Reserve	13 2,974,297	3,087,273
Valuations Equalisation Reserve	13 127,493	125,299
Insurance Equalisation Reserve	13 279,095	273,576
Town Halls Refurbishment Reserve	13 96,375	94,469
Waste Initiatives Reserve	13 67,748	97,451
Airport and City Promotions Reserve	13 556,340	546,769
Staff Retention and Attraction Reserve	13 4,700	4,607
HACC Asset Management Reserve	13 21,496	21,070
Future Projects Reserve	13 2,500,000	0
Unspent Grants, Contributions & Loans Reserve	13 6,022,925	7,401,205
	<u>23,219,174</u>	<u>24,774,675</u>

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	2,750,813	2,541,938
Provision for Doubtful Debts	(718,354)	(882,193)
Sundry debtors	5,226,429	7,649,188
Provision for Doubtful Debts	(5,764)	(44,406)
GST receivable	589,280	0
Loans receivable - clubs/institutions	23,209	43,367
Prepayments	356,184	73,822
	<u>8,221,797</u>	<u>9,381,716</u>
Non-current		
Rates outstanding - pensioners	465,884	425,994
Loans receivable - clubs/institutions	218,512	233,942
	<u>684,396</u>	<u>659,936</u>
Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	<u>2,750,813</u>	<u>2,541,938</u>
Includes:		
Past due and not impaired	2,032,459	1,659,745
Impaired	718,354	882,193
	<u>5,226,429</u>	<u>7,649,188</u>
Sundry debtors		
Includes:		
Past due and not impaired	1,244,318	1,560,155
Impaired	5,764	44,406
	<u>1,250,082</u>	<u>1,604,561</u>
5. INVENTORIES		
Current		
Fuel and Materials	21,792	33,747
Goldfields Oasis	12,716	13,731
Kalgoorlie Golf Course	76,286	84,745
Goldfields Arts Centre	3,685	5,479
Land held for resale - cost		
Cost of acquisition	0	1,027,590
Development costs	1,137,079	1,185,316
	<u>1,251,558</u>	<u>2,350,608</u>
Non-current		
Land held for resale - cost		
Cost of acquisition	80,000	80,000
	<u>80,000</u>	<u>80,000</u>

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land vested in and under the control of the Council at		
- Management valuation 2014	0	8,109,417
- Management valuation 2017	3,822,460	0
	<u>3,822,460</u>	<u>8,109,417</u>
Land - Freehold at:		
- Independent valuation 2014 - level 2	0	14,620,169
- Independent valuation 2014 - level 3	0	7,650,951
- Independent valuation 2017 - level 2	33,451,300	0
- Independent valuation 2017 - level 3	40,000	0
	<u>33,491,300</u>	<u>22,271,120</u>
	<u>37,313,760</u>	<u>30,380,537</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	75,500
- Independent valuation 2017 - level 2	72,500	0
Less: accumulated depreciation	0	(3,775)
	<u>72,500</u>	<u>71,725</u>
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	68,682,344
- Management valuation 2014 - level 3	0	1,579,500
- Independent valuation 2017 - level 3	83,135,000	0
- Independent valuation 2017 - level 2	435,000	0
- Management valuation 2017 - level 3	375,113	0
- Additions after valuation - cost	0	7,398,280
Less: accumulated depreciation	0	(5,833,869)
	<u>83,945,113</u>	<u>71,826,255</u>
	<u>84,017,613</u>	<u>71,897,980</u>
Total land and buildings	<u>121,331,373</u>	<u>102,278,517</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	561,743	0
Less: accumulated depreciation	(245,247)	0
	<u>2,013,278</u>	<u>1,696,782</u>

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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

	2017 \$	2016 \$
Plant and equipment at:		
- Management valuation 2016 - level 3	11,151,004	11,183,324
- Management valuation 2016 - level 2	539,356	556,356
- Additions after valuation - cost	500,652	0
Less: accumulated depreciation	(913,633)	0
	<u>11,277,379</u>	<u>11,739,680</u>
Light Vehicles at:		
- Management valuation 2016 - level 3	515,347	536,947
- Management valuation 2016 - level 2	2,037,303	2,315,903
- Additions after valuation - cost	299,698	0
Less: accumulated depreciation	(284,609)	0
	<u>2,567,739</u>	<u>2,852,850</u>
	<u>137,189,769</u>	<u>118,567,829</u>

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

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Losses)/ Reversals Through Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
- Management valuation 2014	8,109,417	0	0	(4,286,957)	0	0	0	0	3,822,460
Land vested in and under the control of Council at:	22,271,120	0	0	11,220,180	0	0	0	0	33,491,300
Total land	30,380,537	0	0	6,933,223	0	0	0	0	37,313,760
-Buildings - non-specialised	71,725	0	0	2,662	0	0	(1,887)	0	72,500
Buildings - specialised	71,826,255	6,307,073	(10,667)	6,643,922	0	0	(951,015)	129,545	83,945,113
Total buildings	71,897,980	6,307,073	(10,667)	6,646,584	0	0	(952,902)	129,545	84,017,613
Total land and buildings	102,278,517	6,307,073	(10,667)	13,579,807	0	0	(952,902)	129,545	121,331,373
Furniture and equipment	1,696,782	471,536	0	0	0	0	(210,781)	55,741	2,013,278
Plant and equipment	11,739,680	471,828	(43,823)	0	0	0	(891,723)	1,417	11,277,379
Light Vehicles	2,852,850	299,698	(276,802)	0	0	0	(308,006)	0	2,567,739
Total property, plant and equipment	118,567,829	7,550,135	(331,292)	13,579,807	0	0	(2,363,413)	186,703	137,189,769

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
- Land - freehold land	Level 3	Market approach using estimated market data for similar items	Independent registered Valuer	June 2017	Estimated market price per hectare
- Land - freehold land	Level 2	Market approach using recent observable market data for similar items	Independent registered Valuer	June 2017	Market price per hectare
- Land - vested in and under the control of Council	Level 3	Cost approach using depreciated replacement cost	Independent registered Valuer	June 2017	Improvement to land using construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
- Buildings - non-specialised	Level 2	Market approach using recent observable market data for similar items	Independent registered Valuer	June 2017	Market price per square metre
- Buildings - non-specialised	Level 3	Cost approach using depreciated replacement cost	Independent registered Valuer	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
- Buildings - non-specialised	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
- Buildings - specialised	Level 2	Market approach using recent observable market data for similar items	Independent registered Valuer	June 2017	Market price per square metre
Furniture and equipment					
- Management valuation 2016	Level 3	Cost approach using depreciated replacement cost	Independent registered Valuer/ Management Valuation	June 2016	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
- Management valuation 2016	Level 2	Market approach using recent observable market data for similar items	Management Valuation	June 2016	Market Price per item

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Plant and equipment					
- Management valuation 2016	Level 2	Market approach using recent observable market data for similar items	Management Valuation	June 2016	Market Price per item
Light Vehicles					
- Management valuation 2016	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (level 2), residual values and remaining useful life assessments Level 3
- Management valuation 2016	Level 2	Market approach using recent observable market data for similar items	Management Valuation	June 2016	Market Price per item
Investment Property					
- Freehold land 2017	Level 2	Market approach using recent observable market data for similar items	Independent registered Valuer	June 2017	Market Price per hectare
- Buildings	Level 2	Market approach using recent observable market data for similar items	Independent registered Valuer	June 2017	Market 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

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.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

7 INVESTMENT PROPERTY

(a).

Freehold land at:

- Independent Valuation 2014 - Level 2
- Independent Valuation 2017 - Level 2

	2017 \$	2016 \$
- Independent Valuation 2014 - Level 2	0	3,405,000
- Independent Valuation 2017 - Level 2	3,496,000	0
	<u>3,496,000</u>	<u>3,405,000</u>

Buildings at:

- Management Valuation 2014 - Level 3
- Independent Valuation 2014 - Level 2
- Additions after Valuation - cost
- Independent Valuation 2017 - Level 2
- Management Valuation 2017 - Level 3

- Management Valuation 2014 - Level 3	0	1,250,000
- Independent Valuation 2014 - Level 2	0	7,955,000
- Additions after Valuation - cost	0	414,174
- Independent Valuation 2017 - Level 2	7,770,000	0
- Management Valuation 2017 - Level 3	69,015	0

Less Accumulated Depreciation

	0	(1,121,213)
	<u>7,839,015</u>	<u>8,497,961</u>

Total Investment Property

	<u>11,335,015</u>	<u>11,902,961</u>
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(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	3,405,000	7,305,509	1,192,452	11,902,961
Additions	0	71,207	70,062	141,269
Transfer	0	1,192,452	(1,192,452)	0
Revaluation Increment/(Decrement)	91,000	(234,440)	0	(143,440)
Depreciation (Expense)	0	(564,728)	(1,047)	(565,775)
Carrying amount at the end of year	<u>3,496,000</u>	<u>7,769,999</u>	<u>69,015</u>	<u>11,335,015</u>

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
8 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management Valuation 2015 - level 3	241,327,576	241,327,576
- Additions after valuation - cost	13,416,148	8,014,979
Less: accumulated depreciation	<u>(9,276,829)</u>	<u>(5,627,752)</u>
	245,466,895	243,714,803
Footpaths		
- Management Valuation 2015 - level 3	19,030,638	19,030,638
- Additions after valuation - cost	809,175	311,676
Less: accumulated depreciation	<u>(628,784)</u>	<u>(380,513)</u>
	19,211,029	18,961,801
Drainage		
- Management Valuation 2015 - level 3	15,975,691	15,975,691
- Additions after valuation - cost	374,924	73,142
Less: accumulated depreciation	<u>(863,372)</u>	<u>(654,798)</u>
	15,487,243	15,394,035
Parks and Reserves		
- Independent Valuation 2015 - level 3	14,531,700	14,531,700
- Additions after valuation - cost	11,526,531	9,966,272
Less: accumulated depreciation	<u>(2,627,103)</u>	<u>(1,705,993)</u>
	23,431,128	22,791,979
Laneways		
- Management Valuation 2015 - level 3	861,449	861,449
Less: accumulated depreciation	<u>(51,715)</u>	<u>(35,736)</u>
	809,734	825,713
Parking Areas		
- Management Valuation 2015 - level 3	1,278,968	1,278,968
- Additions after valuation - cost	165	0
Less: accumulated depreciation	<u>(56,882)</u>	<u>(39,213)</u>
	1,222,251	1,239,755
Street Lights		
- Management Valuation 2015 - level 3	375,228	375,228
Less: accumulated depreciation	<u>(31,854)</u>	<u>(23,801)</u>
	343,374	351,427
Sewerage		
- Independent Valuation 2015 - level 3	46,078,280	46,078,280
- Additions after valuation - cost	134,943	128,574
Less: accumulated depreciation	<u>(1,758,307)</u>	<u>(942,304)</u>
	44,454,916	45,264,550
Effluent		
- Independent Valuation 2015 - level 3	6,715,000	6,715,000
- Additions after valuation - cost	1,473,912	384,640
Less: accumulated depreciation	<u>(1,042,209)</u>	<u>(624,100)</u>
	7,146,703	6,475,540

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

8 (a). INFRASTRUCTURE (Continued)	2017	2016
	\$	\$
Construction other than buildings		
- Independent Valuation 2015 - level 3	0	1,628,140
- Additions after valuation - cost	0	7,629
Less: accumulated depreciation	<u>0</u>	<u>(534,456)</u>
	0	1,101,313
Airport		
- Independent Valuation 2015 - level 3	22,125,000	22,125,000
- Additions after valuation - cost	1,231,532	566,816
Less: accumulated depreciation	<u>(1,208,466)</u>	<u>(829,687)</u>
	22,148,066	21,862,129
Water Conservation		
- Independent Valuation 2015 - level 3	3,557,000	3,557,000
- Additions after valuation - cost	9,422	9,422
Less: accumulated depreciation	<u>(254,286)</u>	<u>(127,143)</u>
	3,312,136	3,439,279
Bus Shelters		
- Management Valuation 2015 - level 3	98,573	98,573
Less: accumulated depreciation	<u>(10,345)</u>	<u>(8,334)</u>
	88,228	90,239
	<u>383,121,703</u>	<u>381,512,563</u>

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

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	243,714,803	6,044,601	0	0	0	(848,523)	(3,617,024)	173,038	245,466,895
Footpaths	18,961,801	497,499	0	0	0	0	(248,271)	0	19,211,029
Drainage	15,394,035	301,782	0	0	0	0	(208,573)	0	15,487,243
Parks and Reserves	22,791,979	722,375	0	0	0	0	(827,633)	744,407	23,431,128
Laneways	825,713	0	0	0	0	0	(15,979)	0	809,734
Construction other than buildings	1,101,313	2,835	0	0	0	0	0	(1,104,148)	0
Parking Areas	1,239,755	165	0	0	0	0	(17,669)	0	1,222,251
Street Lights	351,427	0	0	0	0	0	(8,053)	0	343,374
Airport	21,862,129	664,716	0	0	0	0	(378,779)	0	22,148,066
Water Conservation	3,439,279	0	0	0	0	0	(127,143)	0	3,312,136
Bus Shelters	90,239	0	0	0	0	0	(2,011)	0	88,228
Sewerage	45,264,550	6,369	0	0	0	0	(816,003)	0	44,454,916
Effluent	6,475,540	800,944	0	0	0	0	(129,782)	0	7,146,703
Total Infrastructure	381,512,563	9,041,285	0	0	0	(848,523)	(6,396,919)	(186,703)	383,121,703

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Management Valuation	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Footpaths	Level 3	Cost approach using depreciated replacement cost	Management Valuation	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Drainage	Level 3	Cost approach using depreciated replacement cost	Management Valuation	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Parks and Reserves	Level 3	Cost approach using depreciated replacement cost	Independent registered Valuer	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Laneways	Level 3	Cost approach using depreciated replacement cost	Management Valuation	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Parking Areas	Level 3	Cost approach using depreciated replacement cost	Management Valuation	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Street Lights	Level 3	Cost approach using depreciated replacement cost	Management Valuation	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Sewerage	Level 3	Cost approach using depreciated replacement cost	Independent registered Valuer	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3
Effluent	Level 3	Cost approach using depreciated replacement cost	Management Valuation	Jun-15	Construction costs and current condition (level 2), residual values and remaining useful life assessments Level 3

Level 3 inputs are based on 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.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	5,251,632	5,386,951
Creditor Accruals	138,920	1,801,042
Sundry Accrual	246,545	0
GST Payable	400,848	298,044
Accrued Interest on Debentures	53,159	57,108
Accrued Salaries and Wages	0	903,928
	<u>6,091,104</u>	<u>8,447,073</u>

10. SHORT TERM BORROWINGS		
Unsecured		
Bank Overdraft	0	3,692,609
Represented by:		
Unrestricted - Municipal bank overdraft	0	4,513,237
Restricted funds held	0	(820,628)
	<u>0</u>	<u>3,692,609</u>

11. LONG-TERM BORROWINGS		
Current		
Secured by floating charge		
Debentures	1,009,614	972,230
	<u>1,009,614</u>	<u>972,230</u>
Non-current		
Secured by floating charge		
Debentures	10,067,752	11,077,364
	<u>10,067,752</u>	<u>11,077,364</u>

Additional detail on borrowings is provided in Note 23.

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	1,872,035	738,766	2,610,801
Non-current provisions	0	927,127	927,127
	<u>1,872,035</u>	<u>1,665,893</u>	<u>3,537,928</u>
Amounts used	(84,737)	(24,755)	(109,492)
Balance at 30 June 2017	<u>1,787,298</u>	<u>1,641,138</u>	<u>3,428,436</u>
Comprises			
Current	1,787,298	1,120,489	2,907,787
Non-current	0	520,649	520,649
	<u>1,787,298</u>	<u>1,641,138</u>	<u>3,428,436</u>

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

13. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Leave Reserve	802,923	17,416	820,339	802,925	0	821,393	783,949	18,974	802,923
Plant Reserve	32,677	709	33,386	32,677	1,000,000	100,177	10,600	1,022,077	32,677
Building Reserve	1,917,101	41,112	1,252,570	1,917,101	43,995	1,961,096	1,718,508	198,593	1,917,101
Computer Facilities Reserve	1,286,122	39,422	1,235,194	1,286,122	29,559	1,315,681	1,253,183	32,939	1,286,122
Sewerage Construction Reserve	272,004	4,762	259,815	272,004	(45,000)	233,261	265,374	6,630	272,004
Recreation Reserve	2,568,552	52,237	593,706	1,240,552	66,251	1,236,803	3,160,208	80,344	2,568,552
Parking Facilities Reserve	663,407	12,302	675,709	663,405	15,259	678,664	725,623	17,784	663,407
Senior Citizens Reserve	749,047	13,113	762,160	749,046	17,192	766,238	768,852	21,265	749,047
Airport Movement Area Reserve	4,643,263	101,222	4,744,485	4,643,263	116,160	4,759,423	4,978,094	130,169	4,643,263
Oasis Reserve	187,860	3,484	191,344	187,860	4,310	192,170	176,503	11,357	187,860
Aerodrome Reserve	3,087,273	65,075	2,974,297	3,087,273	70,894	2,980,116	2,976,636	110,637	3,087,273
Valuations Equalisation Reserve	125,299	2,193	127,492	125,299	106,563	231,862	278,805	126,494	125,299
Insurance Equalisation Reserve	273,577	5,518	279,095	273,577	11,231	284,808	476,572	11,677	273,577
Town Halls Refurbishment Reserve	94,469	1,906	96,375	94,469	2,171	96,640	92,067	2,402	94,469
Waste Initiatives Reserve	97,451	1,965	67,747	97,451	2,242	64,693	95,085	0	97,451
Airport and City Promotions Reserve	546,768	9,571	556,339	546,769	12,577	559,346	533,512	13,256	546,768
Staff Retention and Attraction Reserve	4,607	93	4,700	4,607	106	4,713	4,486	121	4,607
HACC Asset Management Reserve	21,070	425	21,495	21,070	485	21,555	0	0	21,070
Future Projects Reserve	0	2,500,000	2,500,000	0	500,000	500,000	0	0	0
Unspent Grants, Contributions & Loans Reserve	7,401,205	3,231,606	6,022,924	9,354,668	219,930	2,754,137	7,904,206	3,466,591	7,401,205
	<u>24,774,675</u>	<u>6,104,130</u>	<u>23,219,173</u>	<u>25,400,138</u>	<u>(8,081,012)</u>	<u>19,562,776</u>	<u>26,202,263</u>	<u>(6,722,334)</u>	<u>24,774,675</u>

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

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

13. RESERVES - CASH BACKED

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

Name of Reserve	Purpose of the reserve
Leave Reserve	This Reserve is maintained to finance payments to staff for accrued Leave and/or unbudgeted leave. It is funded from allocations in Annual Budgets by amounts calculated to be necessary from time to time.
Plant Reserve	As part of Council's forward planning, a ten (10) year Plant Replacement Program is maintained and amounts calculated as necessary to ensure the funding of replacements are transferred annually.
Building Reserve	Established to assist funding of building projects and any major structural repairs to existing assets, it is generally replenished from the sale of Council owned land and buildings.
Computer Facilities Reserve	Established to enable emergency funding of IT requirements and is replenished from time to time.
Sewerage Construction Reserve	As part of the Sewerage Rate, Council has provided for the ongoing construction and future replacement of the sewerage lines as well as any other initiatives that may present themselves.
Recreation Reserve	Annual allocations to provide for future recreational needs of residents has allowed a substantial Reserve to be created. It may be utilised for future reserves, ovals, or any recreational projects Council deems necessary.
Parking Facilities Reserve	The parking needs of the City are becoming more obvious and this Reserve is maintained to meet opportunities as they arise. It has been funded by developer payments and a one-off contribution by the City.
Senior Citizens Reserve	Established to meet any requirements the Community Centre may have from time to time.
Airport Movement Area Reserve	This Reserve is funded from Airport Operations and was established for the replacement/replenishment of the Movement Area Infrastructure.
Oasis Reserve	Established in 1999/2000 by contributions from various sources to improve the Goldfields Oasis.
Aerodrome Reserve	Established in 2002/2003 to facilitate the replacement of assets and the subsidisation of operations at the Airport which are not included in the Airport Movement Area Replacement Reserve.
Valuations Equalisation Reserve	Established in 2009/2010 to assist in the 4 yearly expense of revaluations (GRV). Government subsidy of 50% has now been removed.
Insurance Equalisation Reserve	Established in 2003/2004 from the surplus of budget to actual for the City's Workers Compensation policy.
Town Halls Refurbishment Reserve	Established in 2004/2005 to allow for future maintenance, refurbishment upgrading and heritage development of the Kalgoorlie and Boulder Town Halls.
Waste Initiatives Reserve	Established in 2004/2005 to allow Council to develop and introduce alternatives or modified waste collection treatment and disposal options.
Airport and City Promotions Reserve	Established in 2005/2006 to allow council to promote the City of Kalgoorlie-Boulder and the Kalgoorlie Boulder Airport.
Staff Retention and Attraction Reserve	Established in 2006/2007 to assist the council in the implementation of the Workplace agreement adopted and introduced in December 2006
HACC Asset Management Reserve	Established in 2015/2016 to hold surplus annual grant funds received in accordance with the HACC funding agreement. These funds are then used to replace existing assets at the Eastern Goldfields Community Centre.
Future Projects Reserve	Established in 2016/2017 to allow for renewal, upgrade and new asset purchases associated with major future projects.
Unspent Grants, Contributions & Loans Reserve	Established in 2007/2008 to transfer unspent grants and contributions as at 30th June each year in order to keep more control over these restricted funds. In 2016 the fund was updated to include unspent loans.

**CITY OF KALGOORLIE-BOULDER
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	2017			2017			2016			2016		
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance	Total Revaluation Movement	Revaluation (Decrement)	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement	Closing Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
20,749,284	6,933,223	0	0	27,682,507	6,933,223	0	20,749,284	0	0	0	20,749,284	
24,682,798	6,646,584	0	31,329,382	31,329,382	6,646,584	0	24,682,798	0	0	0	24,682,798	
0	0	0	0	0	0	0	0	0	0	0	0	
2,337,523	0	0	2,337,523	2,337,523	0	0	137,555	2,199,968	0	2,199,968	2,337,523	
365,259	0	0	365,259	365,259	0	0	0	365,259	0	365,259	365,259	
6,669,053	0	(143,440)	6,525,613	(143,440)	6,669,053	0	6,669,053	0	0	0	6,669,053	
2,370,919	0	0	2,370,919	2,370,919	0	0	2,370,919	0	0	0	2,370,919	
16,016,010	0	(848,523)	15,167,487	(848,523)	16,016,010	0	16,016,010	0	0	0	16,016,010	
2,164,484	0	0	2,164,484	0	2,164,484	0	2,164,484	0	0	0	2,164,484	
53,022	0	0	53,022	0	53,022	0	53,022	0	0	0	53,022	
147,117,260	0	0	147,117,260	0	147,117,260	0	147,117,260	0	0	0	147,117,260	
11,105,510	0	0	11,105,510	0	11,105,510	0	11,105,510	0	0	0	11,105,510	
11,623,030	0	0	11,623,030	0	11,623,030	0	11,623,030	0	0	0	11,623,030	
0	0	0	0	0	0	0	0	0	0	0	0	
852,179	0	0	852,179	0	852,179	0	852,179	0	0	0	852,179	
0	0	0	0	0	0	0	0	0	0	0	0	
202,877	0	0	202,877	0	202,877	0	202,877	0	0	0	202,877	
22,913,947	0	0	22,913,947	0	22,913,947	0	22,913,947	0	0	0	22,913,947	
269,223,155	13,579,807	(991,963)	281,810,998	12,587,843	266,657,928	2,565,227	266,657,928	2,565,227	0	2,565,227	269,223,155	

ie to be reliably attributed to a program as the assets were revalued by class

CITY OF KALGOORLIE-BOULDER
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FOR THE YEAR ENDED 30TH JUNE 2017

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017	2017	2016
	\$	Budget	\$
Cash and cash equivalents	28,331,617	20,173,641	24,893,684
Short term borrowings	0	0	(3,692,609)
	<u>28,331,617</u>	<u>20,173,641</u>	<u>21,201,075</u>

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

Net result	15,409,013	9,938,086	(1,662,983)
Non-cash flows in Net result:			
Depreciation	9,326,108	12,292,216	16,491,709
(Profit)/Loss on sale of asset	(357,524)	118,379	665,998
Loss on revaluation of fixed assets	48,494	0	27,466
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(2,592,739)	630,000	(1,454,053)
(Increase)/Decrease in inventories	23,224	0	34,017
Increase/(Decrease) in payables	1,336,638	(1,637,244)	1,845,778
Increase/(Decrease) in provisions	(109,492)	0	(491,742)
Grants contributions for the development of assets	(6,233,206)	(4,537,282)	(14,145,638)
Net cash from operating activities	<u>16,850,516</u>	<u>16,804,155</u>	<u>1,310,552</u>

	2017	2016
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	3,000,000	5,000,000
Bank overdraft at balance date	0	(3,692,609)
Credit card limit	40,000	40,000
Credit card balance at balance date	(1,040)	(613)
Total amount of credit unused	<u>3,038,960</u>	<u>1,346,778</u>
Loan facilities		
Loan facilities - current	1,009,614	972,230
Loan facilities - non-current	10,067,752	11,077,364
Total facilities in use at balance date	<u>11,077,366</u>	<u>12,049,594</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

16. CONTINGENT LIABILITIES

The City did not have any contingent liabilities at the reporting date.

	2017	2016
	\$	\$
17. CAPITAL AND LEASING COMMITMENTS		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	485,667	379,502
- later than one year but not later than five years	664,172	445,741
- later than five years	40,980	0
	<u>1,190,820</u>	<u>825,243</u>

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	1,818,258	8,641,921
- plant & equipment purchases	279,885	0
Payable:		
- not later than one year	2,098,143	8,641,921

The capital expenditure projects outstanding at the end of the current reporting period include the redevelopment of the Lord Forrest Olympic Pool site, various road construction works and the purchase of replacement plant items.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

18. JOINT VENTURE ARRANGEMENTS

The City together with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies Ngaanyatjarraku, 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:

	2017	2016
	\$	\$
Non-current assets		
Land and buildings	72,500	75,500
Less: accumulated depreciation	<u>0</u>	<u>(3,775)</u>
	<u>72,500</u>	<u>71,725</u>
Plant and machinery	8,204	12,109
Less: accumulated depreciation	<u>(902)</u>	<u>(3,905)</u>
	<u>7,302</u>	<u>8,204</u>
Plant and equipment	4,182	8,247
Less: accumulated depreciation	<u>(504)</u>	<u>(4,065)</u>
	<u>3,678</u>	<u>4,182</u>
Light vehicles	3,200	3,549
Less: accumulated depreciation	<u>(480)</u>	<u>(349)</u>
	<u>2,720</u>	<u>3,200</u>

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	4,143	6,676,497
General purpose funding	8,600,889	0
Law, order, public safety	887,473	949,026
Health	1,142,073	909,667
Education and welfare	4,632,152	3,581,750
Housing	865,365	682,132
Community amenities	45,934,660	46,173,129
Recreation and culture	124,898,363	117,847,950
Transport	308,842,927	296,427,327
Economic services	8,538,233	6,437,517
Other property and services	54,318,036	15,397,966
Unallocated	<u>11,551,541</u>	<u>54,266,336</u>
	<u>570,215,855</u>	<u>549,349,297</u>

CITY OF KALGOORLIE-BOULDER
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20. FINANCIAL RATIOS

	2017	2016	2015
Current ratio	1.60	0.73	0.82
Asset sustainability ratio	0.72	0.42	0.88
Debt service cover ratio	12.98	0.86	(0.62)
Operating surplus ratio	0.15	(0.27)	(0.24)
Own source revenue coverage ratio	1.04	0.75	0.70

The above ratios are calculated as follows:

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

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 66 of this document.

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

The early payment of the grant increased operating revenue in 2017 by \$1,251,233.

For 2016, the Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios were distorted by the early receipt of half of the allocation of the 2015/16 Financial Assistance Grants (FAGs) of \$1,200,761 which was received on 30 June 2015, loss on revaluation of furniture and equipment of \$65,980 and reversal of prior year loss on revaluation of plant and equipment of \$38,514.

For 2015, the Current, Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios were distorted by an item of significant revenue relating to the early payment of 2015/16 FAGs of \$1,200,761 which was received prior to year end and the loss on revaluation of Parks and Reserves of \$10,704,069 and Parking Areas of \$218,688.

Items mentioned above are considered 'one-off' timing/non cash in nature and, if they are ignored, the calculations disclosed in the columns above would be as follows:

	2017	2016	2015
Current ratio	1.46	0.73	0.70
Debt service cover ratio	12.12	1.73	4.98
Operating surplus ratio	0.13	(0.25)	(0.07)
Own source revenue coverage ratio	1.04	0.75	0.80

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

21. 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 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Bond Ground Hire	3,650	10,711	(8,511)	5,850
Deposits Footpaths	2,580	0	0	2,580
Deposits Halls & Buildings	1,728	11,400	(8,900)	4,228
Deposits Demolitions	38,990	29,674	(20,431)	48,233
Deposits Keys	2,800	6,385	(5,050)	4,135
Deposits Cat Traps	2,040	8,250	(8,700)	1,590
Deposits General	2,228	1,000	(900)	2,328
Bonds Landscaping	12,000	0	0	12,000
Cash in Lieu Parking	176,647	0	0	176,647
Cash in Lieu POS	435,923	38,000	0	473,923
Deposits Long Term Hall	2,800	0	0	2,800
Deposits Goldfields Art Centre	53,931	(4,160)	0	49,771
Subdivision Bonds	29,320	0	0	29,320
Unclaimed Wages	1,346	0	0	1,346
Unclaimed Monies	10,732	252	0	10,985
Sundry Trust	25,442,163	(198,860)	(16,948,941)	8,294,362
Cash in Lieu Footpaths	71,265	0	0	71,265
Sale of Land Non Payment Rates	39,133	0	0	39,133
Deposits Security Access	50	0	0	50
Endowment Block Bonds/Variables	68,473	1,566,652	(1,583,568)	51,557
	<u>26,397,797</u>			<u>9,282,101</u>

**CITY OF KALGOORLIE-BOULDER
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FOR THE YEAR ENDED 30TH JUNE 2017**

22. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Transport								
JOHN DEERE 1435 SERIES II PESTICIDE SPRAYER	10,760	10,100	0	(660)	11,200	5,000	0	(6,200)
JOHN DEERE 1435 SERIES II PESTICIDE SPRAYER	10,760	9,928	0	(832)	11,200	5,000	0	(6,200)
DINGO K9-4 PRO SKID STEER LOADER	16,600	5,000	0	(11,600)	14,000	15,000	1,000	0
JOHN DEERE 1445 SERIES II MOWER	5,702	28,600	22,898	0	0	0	0	0
Recreation & Culture								
FAN TECH 800MM EXHAUST FANS	0	0	0	0	0	5,000	5,000	0
GIANNI FERRARI TG 922 MOWER	0	0	0	0	18,000	12,000	0	(6,000)
Record not found	0	0	0	0	26,250	10,000	0	(16,250)
GIANNI FERRARI TG 922 MOWER	0	0	0	0	15,000	12,000	0	(3,000)
GIANNI FERRARI TG 922 MOWER	0	0	0	0	15,000	12,000	0	(3,000)
JOHN DEERE 1445 SERIES II MOWER	0	0	0	0	0	15,000	15,000	0
Road Sweeper VT651 Series Truck	0	0	0	0	160,000	105,000	0	(55,000)
Light Vehicles								
Health								
2015 SUZUKI SWIFT GL HATCH	13125	8682	0	(4,443)	0	0	0	0
Governance								
Holden Colorado LX CrewCab RG 2013	33,000	21,364	0	(11,636)	26,730	15,000	0	(11,730)
Education and Welfare								
IVECO DAILY AGILE BUS	21,056	9,091	0	(11,965)	18,000	9,091	0	(8,909)
Recreation & Culture								
ISUZU D-MAX SX TRAY TOP UTILITY	16,575	11,364	0	(5,211)	14,820	15,000	180	0
RG Holden Colorado LX Crew Cab Utility	0	0	0	0	20,400	16,000	0	(4,400)
HINO 300 SERIES 716 MEDIUM TRUCK					26,667	30,000	3,333	0
Holden Commodore SV6 VF Spotswagon	28114	20909	0	(7,205)	0	0	0	0
Transport								
TOYOTA HILUX 4X2 SR 3. 0L TURBO DIESEL	19,975	11,818	0	(8,157)	18,565	14,000	0	0
RG Holden Colorado LX Crew Cab Utility	21,675	14,924	0	(6,751)	20,400	16,000	0	(4,400)
Holden Colorado LX 2WD Crew Cab Utility	24,365	15,909	0	(8,456)				
2014 RG HOLDEN COLORADO LX CREWCAB UTILITY 4WD	28,475	16,743	0	(11,732)	27,470	19,000	0	(8,470)
HINO FG8JSKB SHORT AUTO	0	0	0	0	53,333	50,000	0	(3,333)
HINO FM500 FM1J SERIES 2 TRUCK	0	0	0	0	81,000	75,000	0	(6,000)
Economic services								
2014 Nissan Pulsar ST Sedan	14,525	9,545	0	(4,980)	0	0	0	0
Other property and services								
2014 NISSAN NAVARA RX D/CAB	31,577	17,273	0	(14,304)	0	0	0	0
Nissan Xtrail Station Sedan	24,340	19,136	0	(5,204)	0	0	0	0
Furniture and Equipment								
Education and Welfare								
LOT 1140 - MACDONALD STREET - LFOP GRANDSTAND	10,667	0	0	(10,667)	0	0	0	0
Inventory Land Held for Resale								
Other property and services								
O'Connor Subdivision								
Lot 4	38,333	74,545	36,212	0	0	0	0	0
Lot 5	38,442	76,364	37,922	0	0	0	0	0
Lot 6	38,442	76,590	38,149	0	0	0	0	0
Lot 7	38,442	79,091	40,649	0	0	0	0	0
Lot 8	38,442	76,548	38,106	0	0	0	0	0
Lot 10	54,605	114,091	59,486	0	0	0	0	0
Lot 11	55,151	109,545	54,395	0	0	0	0	0
Lot 17	68,802	129,757	60,955	0	0	0	0	0
Lot 18	68,693	129,545	60,853	0	0	0	0	0
Lot 19	57,553	118,636	61,083	0	0	0	0	0
Lot 22	530,430	501,050	0	(29,380)	0	0	0	0
	<u>1,358,626</u>	<u>1,716,150</u>	<u>510,707</u>	<u>(153,183)</u>	<u>578,035</u>	<u>455,091</u>	<u>24,513</u>	<u>(142,892)</u>

23. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments 30 June 2017		Interest Repayments 30 June 2017	
			Actual \$	Budget \$	Actual \$	Budget \$
Recreation and culture						
Loan 336 Library Extensions	700,861	0	36,179	36,179	664,682	42,789
Loan 339 Oasis Alternative Energy	626,154	0	82,837	82,837	543,317	22,954
Loan 341 Ray Finlayson Complex	2,809,959	0	101,895	101,895	2,708,064	131,444
Loan 343 War Museum Relocation	901,894	0	49,940	49,940	851,954	32,988
Loan 344 Oasis Alternative Energy	524,318	0	30,556	30,556	493,762	22,918
Loan 345 Shepherdson Oval Lighting	712,022	0	39,427	39,427	672,595	26,043
Loan 346 Golf Course Plant & Equip	480,580	0	154,824	154,824	325,756	14,733
Loan 350 Ray Finlayson Complex	2,730,796	0	95,603	95,603	2,635,193	108,724
Economic services						
Loan 349 Burt Street Façade	1,030,240	0	231,803	231,803	798,437	24,184
Other property and services						
Loan 340 Endowment Block Roof	644,474	0	85,261	85,261	559,213	23,625
Loan 342 Endowment Block Roof	624,748	0	42,079	42,079	582,669	25,507
	11,786,046	0	950,404	950,404	10,835,643	475,909
Self Supporting Loans						
Recreation and culture						
Loan 326 Goldfields Tennis Club	83,771	0	8,234	8,234	75,537	5,202
Loan 338 Kalgoorlie Bowling Club	179,777	0	13,592	13,592	166,185	10,334
	263,548	0	21,826	21,826	241,722	15,536
	12,049,594	0	972,230	972,230	11,077,365	491,445

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

23. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

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

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 16 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 17 \$
		820,628	0	0	820,628

Unspent debenture together with interest earned are held in Unspent Grants and Contributions Reserves.

(d) Overdraft

A three million dollar overdraft facility was obtained on 30 June 2017.

Please refer to Note 15(c) for Bank Overdraft balance as at 30 June 2017.

24. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate										
Gross rental value valuations										
01 GRV Residential	6,332	125,945,490	7,864,162	(344,745)	(3,993)	7,515,423	7,860,510	120,000	10,000	7,990,510
02 GRV Central Business	240	23,749,905	1,556,996	182,028	0	1,739,025	1,556,996	10,000	2,000	1,568,996
03 GRV General Industry	320	23,117,821	1,636,464	2,106	0	1,638,570	1,636,464	10,000	2,000	1,648,464
04 GRV Mining	7	5,875,000	264,457	0	0	264,457	264,457	20,000	6,000	290,457
08 GRV Other Properties	618	36,579,020	2,557,678	(1,347)	0	2,556,331	2,556,342	0	0	2,556,342
Unimproved value valuations										
05 UV Pastoral	45	2,206,482	163,604	0	0	163,604	163,604	0	0	163,604
09 & 11 UV Mining Operations	512	16,851,644	2,979,725	43,041	0	3,022,766	2,979,725	15,000	5,000	2,999,725
10 UV Exploration / Prospecting	919	3,497,066	651,003	123,805	0	774,808	651,003	0	0	651,003
Sub-Total	8,993	237,822,428	17,674,089	4,888	(3,993)	17,674,984	17,669,101	175,000	25,000	17,869,101
Minimum payment										
Minimum \$										
Gross rental value valuations										
01 GRV Residential	5,555	0	4,849,515	0	0	4,849,515	4,851,261	0	0	4,851,261
02 GRV Central Business	74	0	64,602	0	0	64,602	64,602	0	0	64,602
03 GRV General Industry	12	0	10,476	0	0	10,476	10,476	0	0	10,476
04 GRV Mining	6	0	5,238	0	0	5,238	5,238	0	0	5,238
08 GRV Other Properties	149	0	130,077	0	0	130,077	130,077	0	0	130,077
Unimproved value valuations										
05 UV Pastoral	21	0	5,691	0	0	5,691	5,691	0	0	5,691
09 & 11 UV Mining Operations	348	0	131,544	0	0	131,544	131,544	0	0	131,544
10 UV Exploration / Prospecting	401	0	108,671	0	0	108,671	108,671	0	0	108,671
Sub-Total	6,566	0	5,305,814	0	0	5,305,814	5,307,560	0	0	5,307,560
Totals	15,559	237,822,428	22,979,903	4,888	(3,993)	22,980,798	22,976,661	175,000	25,000	23,176,661
Discounts/concessions (refer note 28)										(10,000)
Total amount raised from general rate										23,166,661
Specified Area Rate (refer note 26)										0
Ex-gratia rates										0
Totals										23,166,661

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

25. NET CURRENT ASSETS

Composition of net current assets

	2017 (30 June 2017 Carried Forward) \$	2017 (1 July 2016 Brought Forward) \$	2016 (30 June 2016 Carried Forward) \$
Surplus/(Deficit)	7,334,409	(2,544,622)	(2,544,622)
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	5,112,443	(4,394,228)	(4,394,228)
Restricted	23,219,174	25,595,303	25,595,303
Receivables			
Rates outstanding	2,032,459	1,659,745	1,659,745
Sundry debtors	5,220,665	7,604,782	7,604,782
GST receivable	589,280	0	0
Loans receivable - clubs/institutions	23,209	43,367	43,367
Prepayments	356,184	73,822	73,822
Inventories			
Fuel and Materials	21,792	33,747	33,747
Goldfields Oasis	12,716	13,731	13,731
Kalgoorlie Golf Course	76,286	84,745	84,745
Goldfields Arts Centre	3,685	5,479	5,479
Cost of acquisition	1,137,079	2,212,906	2,212,906
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry Creditors	(5,251,632)	(5,386,951)	(5,386,951)
Creditor Accruals	(138,920)	(1,801,042)	(1,801,042)
Sundry Accrual	(246,545)	0	0
GST Payable	(400,848)	(298,044)	(298,044)
Accrued Interest on Debentures	(53,159)	(57,108)	(57,108)
Accrued Salaries and Wages	0	(903,928)	(903,928)
Current portion of long term borrowings			
Secured by floating charge	(1,009,614)	(972,230)	(972,230)
Provisions			
Provision for annual leave	(1,787,298)	(1,872,035)	(1,872,035)
Provision for long service leave	(1,120,489)	(738,766)	(738,766)
Unadjusted net current assets	27,796,469	20,903,295	20,903,295
Adjustments			
Less: Reserves - restricted cash	(23,219,173)	(24,774,675)	(24,774,675)
Development costs	(1,137,079)	(2,212,906)	(2,212,906)
Less: Loans receivable - clubs/institutions	(23,209)	(43,367)	(43,367)
Provision for annual leave	1,787,298	1,872,035	1,872,035
Provision for long service leave	1,120,489	738,766	738,766
Add: Secured by floating charge	1,009,614	972,230	972,230
Adjusted net current assets - surplus/(deficit)	7,334,409	(2,544,622)	(2,544,622)

Difference

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

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

26. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

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

27. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the City during the year ended 2017.

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
Incentives	N/A	N/A	10,500	10,000	
Write-Off	N/A	N/A	12,913	11,000	
			<u>23,413</u>	<u>21,000</u>	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$	Reasons for the Waiver or Concession
General Land Rates	Concession	100%		8,255	0	
General Land Rates	Concession	50.00%		3,185	0	
				<u>11,440</u>	<u>0</u>	

Rate or Fee and Charge to which the Waiver or Concession is Granted

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.

Objects of the Waiver or Concession

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

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.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

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

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %	Budgeted Revenue \$
Option One Single full payment	30 September 16	N/A	N/A	10.00%	381,451
Option Two First Instalment	30 September 16	7,1000	5.00%	10.00%	143,528
Second Instalment	02 December 16	7,1000	5.00%	10.00%	15,736
Option Three First Instalment	30 September 16	7,1000	5.00%	10.00%	95,083
Second Instalment	02 December 16	7,1000	5.00%	10.00%	10,268
Third Instalment	03 February 17	7,1000	5.00%	10.00%	646,066
Fourth Instalment	07 April 17	7,1000	5.00%	10.00%	500,000
Interest on unpaid rates				10.00%	0
Interest on instalment plan				5.00%	14,000
ESL Penalty Interest on unpaid rates				10.00%	96,000
Charges on instalment plan				N/A	10,000
Pensioner/Deferred Rate Interest 16/17				2.48%	620,000
					<u>646,066</u>

Ratepayers had the option of paying rates in four instalments, due on 30/9/16, 2/12/2016, 3/2/2017 and 7/4/2017. Administration charges and interest applied for the final three instalments.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
30. FEES & CHARGES		
Governance	593	16
General purpose funding	153,991	155,138
Law, order, public safety	233,319	253,728
Health	164,537	164,467
Education and welfare	196,022	176,237
Community amenities	18,138,744	14,260,118
Recreation and culture	5,223,251	5,596,123
Transport	9,199,975	8,953,214
Economic services	92,595	184,052
Other property and services	67,828	7,048
	<u>33,470,855</u>	<u>29,750,141</u>

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

31. GRANT REVENUE

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

	2017	2016
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
Governance	0	148,918
General purpose funding	3,615,181	1,149,257
Law, order, public safety	31,697	45,880
Health	227,652	227,653
Education and welfare	1,425,668	1,370,376
Community amenities	98,000	16,507
Recreation and culture	865,919	880,423
Transport	91,346	66,828
Economic services	152,551	181,694
Other property and services	179,000	0
	<u>6,687,014</u>	<u>4,087,536</u>
Non-operating grants, subsidies and contributions		
Law, order, public safety	264,000	0
Education and welfare	327,106	137,846
Recreation and culture	826,308	6,364,756
Transport	4,717,094	6,177,246
Economic services	0	1,465,790
Other property and services	98,698	0
	<u>6,233,206</u>	<u>14,145,638</u>

32. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2017	2016
<u>267</u>	<u>266</u>

33. ELECTED MEMBERS REMUNERATION

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

	2017	2017	2016
	\$	Budget	\$
Meeting Fees	305,625	316,680	312,000
Mayoral allowance	69,807	50,750	67,500
Deputy Mayor's allowance	17,455	12,688	16,875
Travelling expenses	103	8,500	6,559
Telecommunications allowance	11,375	6,500	13,000
	<u>404,365</u>	<u>395,118</u>	<u>415,934</u>

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

34. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the City during the year are as follows:	
Short-term employee benefits	653,617
Post-employment benefits	103,238
Other long-term benefits	16,685
Termination benefits	55,400
	<u>828,938</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 33.

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).

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.

iii. Joint venture entities accounted for under the equity method

The City has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 18.

34. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:

	2017
	\$
Associated companies/individuals:	
Sale of goods and services	17,298
Purchase of goods and services	71,480
Joint venture entities:	
Distributions received from joint venture entities	0
Amounts outstanding from related parties:	
Trade and other receivables	2,294
Loans to associated entities	0
Loans to key management personnel	0
Amounts payable to related parties:	
Trade and other payables	17,985
Loans from associated entities	0

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

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. MAJOR LAND TRANSACTIONS

O'Connor Subdivision

(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	2017 \$	2017 Budget \$	2016 \$
Operating income			
- Profit on sale	458,430	0	0
Capital income			
- Sale proceeds	1,485,763	2,570,142	0
Capital expenditure			
- Development costs	(4,824)	0	(834,729)
	<u>(4,824)</u>	<u>0</u>	<u>(834,729)</u>

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

As discussed elsewhere in the financial report, there are no liability in relation to this land transaction as at 30 June 2017.

(c) Expected Future Cash Flows

	2018 \$	2019 \$	2020 \$	2021 \$	Total \$
Cash outflows					
- Development costs	(696,000)	0	0	0	(696,000)
- Loan repayments					0
	<u>(696,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(696,000)</u>
Cash inflows					
- Loan proceeds					0
- Sale proceeds	1,200,000	0	0	0	1,200,000
	<u>1,200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200,000</u>
Net cash flows	<u>504,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>504,000</u>

The net cash flow to 30 June 2017 in relation to this subdivision is an outflow / (cost) of \$1,505,459.

The net cash flows of the entire land transactions is expected to result in an outflow / (cost) of \$1,001,459.

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	2017 \$	2017 Budget \$	2016 \$
Operating income			
- Profit on sale	0	0	0
Capital income			
- Sale proceeds	0	630,000	0
Capital expenditure			
- Development costs	(43,592)	(300,616)	(192,862)
	<u>(43,592)</u>	<u>(300,616)</u>	<u>(192,862)</u>

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

As discussed elsewhere in the financial report, there are no liability in relation to this land transaction as at 30 June 2017.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. MAJOR LAND TRANSACTIONS (Continued)

Lot 501 Phoenix Place Subdivision (Continued)

(c) Expected Future Cash Flows

	2018 \$	2019 \$	2020 \$	2021 \$	Total \$
Cash outflows					
- Development costs	(100,000)	0	0	0	(100,000)
- Loan repayments					0
	<u>(100,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(100,000)</u>
Cash inflows					
- Loan proceeds					0
- Sale proceeds	200,000	0	0	0	200,000
	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
Net cash flows	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>

The net cash flow to 30 June 2017 in relation to this subdivision is an outflow / (cost) of \$544,561.

The net cash flow of the entire land transaction is expected to result in an outflow / (cost) of \$444,561.

36. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

KALGOORLIE BOULDER AIRPORT
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2017 Budget \$	2016 \$
Operating Income	10,409,810	0	9,947,792
Operating Expenditure	(8,076,733)	0	(5,206,590)
Depreciation Expense	(626,121)	0	0
Operating Result	<u>1,706,957</u>	<u>0</u>	<u>4,741,202</u>
Capital Income	178,051	0	465,000
Capital Expenditure	(834,013)	0	(706,683)
Non Operating Result	<u>(655,962)</u>	<u>0</u>	<u>(241,683)</u>
Total Net Trading Undertaking	<u>1,050,995</u>	<u>0</u>	<u>4,499,519</u>

	2017 \$	2016 \$
CURRENT ASSETS		
Cash at Bank	9,835,521	12,230,055
Receivables	2,558,051	1,298,940
	<u>12,393,572</u>	<u>13,528,995</u>

	2017 \$	2016 \$
NON-CURRENT ASSETS		
Land	300	50,120
Buildings	7,745,500	7,689,974
Less Accumulated Depreciation	0	(582,787)
Furniture & Equipment	250,113	247,113
Less Accumulated Depreciation	(37,696)	0
Plant & Machinery	1,657,508	1,601,428
Less Accumulated Depreciation	(155,222)	0
Light Vehicles	68,700	68,700
Less Accumulated Depreciation	(3,556)	0
Airport Area Infrastructure	23,356,532	22,691,816
Less Accumulated Depreciation	(1,208,466)	(829,687)
	<u>31,673,714</u>	<u>30,936,677</u>
NET ASSETS	<u>44,067,286</u>	<u>44,465,672</u>

	2017 \$	2016 \$
EQUITY		
Reserves - Cash Backed	8,277,304	7,730,536
Retained Surplus	35,789,982	36,735,136
	<u>44,067,286</u>	<u>44,465,672</u>

36. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS (Continued)

ENDOWMENT BLOCK
 OPERATING STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016 Budget	2016
	\$	\$	\$
Operating Income	797,368		812,085
Operating Expenditure	(418,762)		(454,402)
Operating Result	378,606		357,683
CURRENT ASSETS			
Cash at Bank	6,852,068		6,473,462
	6,852,068		6,473,462
NON-CURRENT ASSETS			
Land	3,496,000		3,405,000
Buildings	7,770,000		9,619,174
Less Accumulated Depreciation	0		(1,121,213)
	11,266,000		11,902,961
NET ASSETS	18,118,068		18,376,423
EQUITY			
Retained Surplus	18,118,068		18,376,423
	18,118,068		18,376,423

37. 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	28,331,617	24,893,684	28,331,617	24,893,684
Receivables	8,906,193	10,041,652	8,906,193	10,041,652
	37,237,810	34,935,336	37,237,810	34,935,336
Financial liabilities				
Payables	6,091,104	8,447,073	6,091,104	8,447,073
Borrowings	11,077,364	12,049,594	11,945,505	12,049,594
Short Term Borrowings	0	3,692,609	0	3,692,609
	17,168,468	24,189,276	18,036,609	24,189,276

Fair value is determined as follows:

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

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

37. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio with the assistance of independent advisers (where applicable). 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.

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*. The City also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2017	2016
	\$	\$
- Equity	283,290	248,937
- Statement of Comprehensive Income	283,290	248,937

Notes:

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

37. 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:

	2017	2016
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	80%	79%
- Overdue	20%	21%

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

37. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. 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:

	<u>2017</u>				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	6,091,104	0	0	6,091,104	6,091,104
Borrowings	1,467,705	4,910,497	8,315,646	14,693,848	11,077,366
	<u>7,558,809</u>	<u>4,910,497</u>	<u>8,315,646</u>	<u>20,784,952</u>	<u>17,168,470</u>
Payables	8,447,073	0	0	8,447,073	8,447,073
Short Term Borrowings	3,692,609	0	0	3,692,609	3,692,609
Long Term Borrowings	1,467,664	5,337,925	9,355,922	16,161,511	12,049,594
	<u>13,607,346</u>	<u>5,337,925</u>	<u>9,355,922</u>	<u>28,301,193</u>	<u>24,189,276</u>

2016

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

37. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings (continued)**

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:

	<u>Year ended 30 June 2017</u>					Weighted Average Effective Interest Rate %	
	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$
Borrowings							
Fixed rate							
Debentures	0	325,756	0	798,436	0	9,953,172	11,077,364
Weighted average Effective interest rate		3.40%		2.73%		4.44%	4.25%
Year ended 30 June 2016							
Borrowings							
Fixed rate							
Short Term Borrowings	3,692,609	0	0	0	0	0	3,692,609
Debentures	0	0	480,580	0	1,030,240	10,538,774	12,049,594
Weighted average Effective interest rate			3.40%		2.73%	4.44%	6.25%
							4.21%

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**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF KALGOORLIE-BOULDER**

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the City of Kalgoorlie-Boulder (the City), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the City of Kalgoorlie-Boulder is in accordance with the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)*, including:

- a) giving a true and fair view of the City's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the City in accordance with the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Other Legal and Regulatory Requirements

During the course of the audit we became aware of the following instances where the City did not comply with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996 (as amended)*:

Budget Deficiency

Ministerial approval was not obtained for budgeted income from general rates of more than 110% of the budgeted deficiency prior to approval of the 2016/2017 budget as required by Section 6.34 of the *Local Government Act*.

List of Accounts Paid

The monthly list of accounts paid in relation to the months of August 2016, November 2016, February 2017, March 2017 and May 2017 were not presented to Council within the timeframe as required by *Local Government (Financial Management) Regulation 13*.

Differential General Rates

With respect to differential rates imposed for 2016/2017,

- The details of the original rates set forth in the public notice were not included in the annual statutory budget as required by *Local Government (Financial Management) Regulation 23(b)(i)*; and
- The reasons the final rates differed from those set forth in the public notice were not included in the annual statutory budget and the rate notice or accompanying information as required by *Local Government (Financial Management) Regulation 23(b)(ii)* and *56(4)(b)*.

Monthly Statement of Financial Activity

The monthly Statement of Financial Activity for July and August 2016 were not presented to Council within the timeframe as required by *Local Government (Financial Management) Regulation 34(4)(a)*.

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**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF KALGOORLIE-BOULDER (CONTINUED)**

Report on Other Legal and Regulatory Requirements (continued)

In accordance with the *Local Government (Audit) Regulations 1996*, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 66 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not supported by:
 - i. verifiable information; and
 - ii. reasonable assumptions.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

Other Information

Management is responsible for the other information. The other information comprises the information included in the City's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

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

Responsibilities of Management and Council for the Financial Report

Management is responsible for the preparation of this financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS

WEN-SHIEN CHAI
PARTNER

Date: 27 November 2017
Perth, WA

**CITY OF KALGOORLIE-BOULDER
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

RATIO INFORMATION

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

	2017	2016	2015
Asset consumption ratio	0.96	0.97	0.73
Asset renewal funding ratio	1.18	0.52	0.48

The above ratios are calculated as follows:

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