



City of  
Greater Geraldton  
a vibrant future



ANNUAL REPORT

**2016-2017**

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## WELCOME

Located 424 kilometres north of Perth with a thriving population of over 38,000 - Greater Geraldton has been named one of Australia's regional capitals. The City and the Mid West Region are recognised as having the most diversified economy in the State through industries including mining, fishing, aquaculture, agriculture, manufacturing, construction, retail and tourism.

As one of Western Australia's top places to live, work, study or invest, Geraldton is the capital of the Mid West region.

With the best of coastal and rural living, and the stunning weather all-year round, Greater Geraldton makes a truly perfect place to visit and to make home.

Geraldton's coastline is a huge tourist attraction and has a beautiful Foreshore to match. Other attractions include the iconic lighthouse, the *HMAS Sydney II* Memorial and the Houtman Abrolhos Islands which are located 80km off the coast of Geraldton.

Greater Geraldton also incorporates the town of Mullewa, which lies 98kms north east of the City, and the Greenough settlement located 24kms south of Geraldton.

World renowned as an extensive host of water sports, Geraldton lends itself to some of the most spectacular kite surfing, windsurfing, fishing and diving conditions.

# MAYOR'S FOREWORD



Dear Ratepayer

Last year I discussed in this report the need to show financial restraint to reverse the long term projection of deficits and large rate rises. We outlined the changes necessary and I am pleased to say the City is now reporting its first ever fair value accounting operating surplus. The year just ended 30 June 2017 shows an operating surplus of \$3,202,052, though when adjusted for prepaid grants this reduces to \$145,135, a surplus nonetheless.

The City is budgeting for a deficit in the 2017/18 year of \$1.2m. We will continue to work hard to ensure that we reign this in. This is a long way from the inherited \$9.1m deficit in my first report as Mayor.

Whilst the City's finances have been a major focus of Council, it has not all been about slash and burn. We have seen a number of legacy projects completed including the civil component of Beresford Foreshore and the Olive Street Reserve project. Undergrounding of power is soon to be underway along Chapman Road and the CBD footpath renewal project will come to completion. We have also made great inroads into renewing our ageing footpath and road network out in the suburbs and have been pleased to see new developments going ahead in the suburbs like Wandina and Utakarra shopping centres. Another key win will be the extended trading hours trial if approved by the Minister of Commerce in September, which will bring Geraldton inline with modern world trading hours.

Geraldton's reputation as a place to visit and live has continued to grow during the downturn and this Council is committed to ensuring that we do all we can to support the continued development of Geraldton as a destination of choice. Initiatives such as Triple J's One Night Stand, the Western Derby in Geraldton, Mullewa Rodeo and an increasing number of cruise ships and Chinese tourists are seeing Geraldton start to realise its potential as a nationally, even internationally, significant regional city worth visiting.

All of this work completing legacy projects and balancing the finances is aimed at setting up our Council to be the forward thinking, proactive Council ratepayers deserve. I am pleased to say our Council has delivered on projects that in some cases have been on the books for over 50 years and have set a clear path towards financial sustainability. We are now entering a period of consolidation and forward planning which will lead to some very exciting times for Geraldton once the State and national economies have turned around.

Finally I would like to thank our former CEO Ken Diehm for playing a major part in achieving all the projects outlined above. Our Council is committed to ensuring we continue the great work of the last few years.

Yours sincerely



Shane Van Styn  
Mayor, City of Greater Geraldton



## MESSAGE FROM THE ACTING CEO

The 2016/17 financial year was a very successful year and another significant year for the City with a continued focus on improving the City's financial position whilst delivering a wide variety of services and community engagement. I thank the Mayor and Councillors for their cooperation and support and acknowledge the professionalism and commitment of management and staff whose dedication to the community is unwavering. The City completed its new Strategic Community Plan 2017-2027. This plan represents a shared community vision and sets out long term strategies designed to build on Geraldton's unique assets. In keeping with the major goals of the Community Plan, the City also completed its Growth Plan.

The strengthening of the region's economic base and planning future economic growth is a vital issue for the community. In support of this initiative, the City, in consultation with the community, has developed a Growth Plan for Geraldton 'Growing Greater Geraldton'. Cities around the world have demonstrated that growth is possible when communities decide to do something about it together.

The two year construction stage of the \$23.1 million Beresford Foreshore Coastal Protection and Amenity Upgrade project has now commenced. The construction of the first phase of rock coastal protection work is well underway. The engagement of a lead landscape architect and further community consultation will occur early in the 2017/18 financial year.

The construction phase of the legacy \$4.5 million Olive Street Reserve project is nearing completion. The project will see the area returned to the public with the creation of a natural area reserve and ephemeral wetland. Fresh water that currently flows into the ocean will be redirected into the reserve to recharge the area's ground water. 2016/17 saw the completion of the \$3.7 million Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) project that involved the reinstatement of rural roads and drainage systems damaged in the floods.

The City took over the Geraldton Regional Art Gallery operations on 1 January 2017 following negotiations with the State Government on a new funding / operating arrangement. It is pleasing to report that attendances from both the local community and visitors has substantially increased in our first six months of operation. Artdrive was a new initiative that proved to be very popular with many City residents and visitors touring through rural Greater Geraldton to the 22 art installations developed by local community members.

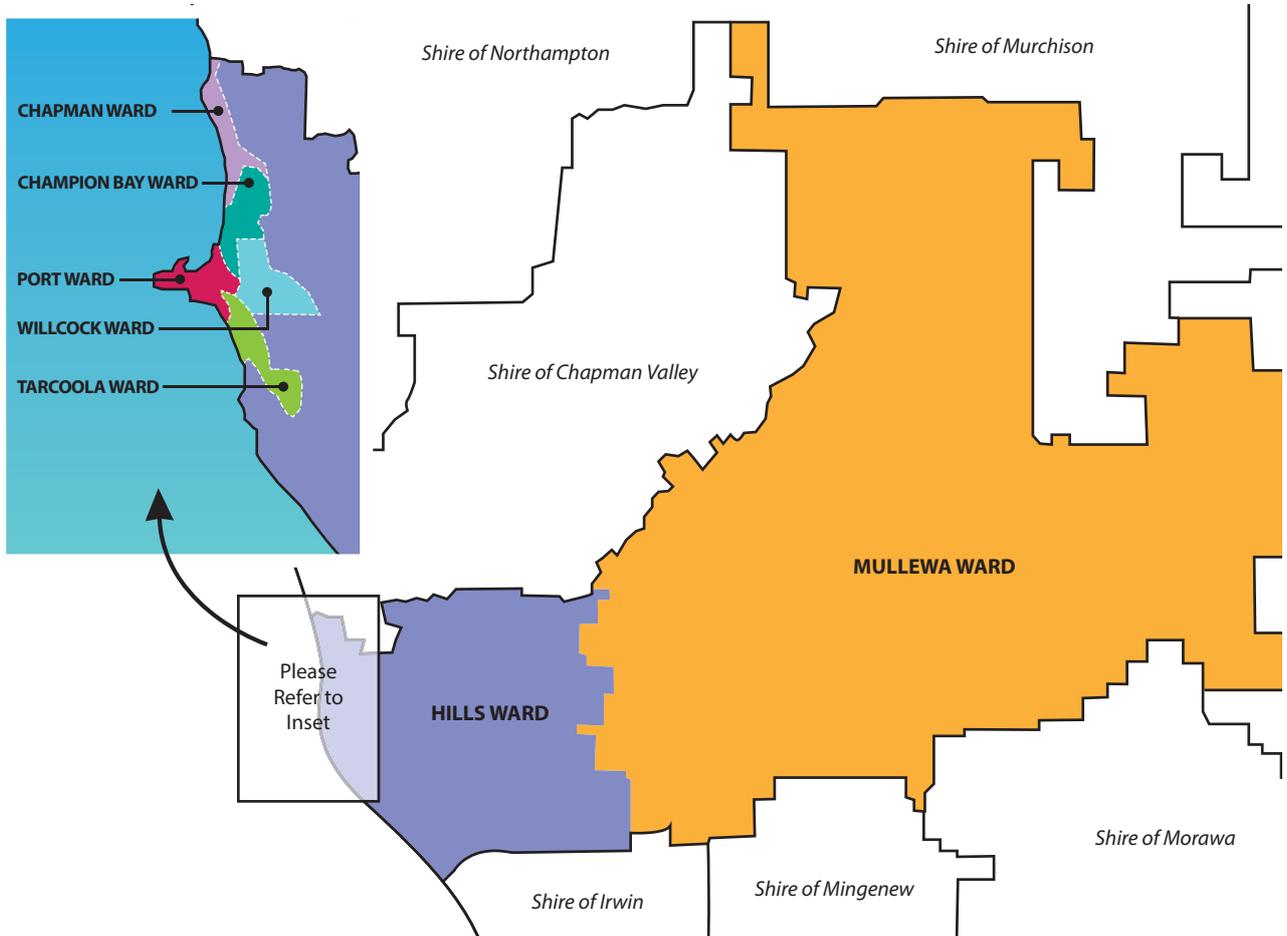
During the year the City was able to sell its former depot site on Eastward Rd. The new owner has already commenced works on the land to service commercial orientated activities.

The coming year will see the transition to a new Chief Executive Officer with Mr Ken Diehm's decision to resign and take up a position with Fraser Coast Council. I would like to take this opportunity to recognise Ken's efforts and significant achievements in his four years with the City.

Yours sincerely

Ross McKim  
Acting CEO, City of Greater Geraldton

# WARDS



## WARDS

### CHAPMAN

- Beresford (part)
- Bluff Point
- Drummond Cove
- Glenfield
- Spalding (part)
- Sunset Beach
- Waggrakine (part)

### CHAMPION BAY

- Beresford (part)
- Spalding (part)
- Wonthella (part)
- Geraldton (part)
- Webberton (part)

### TARCOOLA

- Karloo (part)
- Mahomets Flats (part)
- Mount Tarcoola (part)
- Rangeway (part)
- Rudds Gully (part)
- Tarcoola Beach
- Wandina

### PORT

- Beachlands
- Geraldton (part)
- Mahomets Flats (part)
- Mount Tarcoola (part)

### WILCOCK

- Karloo (part)
- Narngulu (part)
- Rangeway (part)
- Utakarra (part)
- Wonthella (part)

### HILLS

- Bootenal
- Burma Road
- Deepdale
- Ellendale
- Eradu South
- Greenough
- Kojarena
- Minnenooka
- Moresby
- Narngulu (part)
- Rudds Gully (part)
- South Greenough
- Tibbradden
- Waggrakine (part)
- Wicherina
- Wonthella (part)
- Bringo
- Cape Burney
- East Chapman
- Eradu
- Georgina
- Karloo (part)
- Meru
- Moonyoonooka
- Mount Hill
- Northern Gully
- Sandsprings
- Strathalbyn
- Utakarra (part)
- Walkaway
- Wicherina South
- Woorree

### MULLEWA

- Ambania
- Devils Creek
- Mullewa
- Nuniera
- Pindar
- Tenindewa
- Tardun
- West Casuarinas
- Wongoondy

# COUNCILLORS



**City of Greater Geraldton Council (from left to right):**

Cr David Caudwell	Chapman Ward	Term Expires October 2017
Cr Graeme Bylund	Champion Bay Ward	Term Expires October 2019
Cr Natasha Colliver	Tarcoola Ward	Term Expires October 2017
Cr Jennifer Critch	Mullewa Ward	Term Expires October 2017
Cr Steve Douglas	Champion Bay Ward	Term Expires October 2017
Cr Lewis Freer	Chapman Ward	Term Expires October 2019
Cr Robert Hall	Port Ward	Term Expires October 2019
Mayor Shane Van Styn		Term Expires October 2019
Deputy Mayor Neil McIlwaine	Tarcoola Ward	Term Expires October 2019
Cr Tarleah Thomas	Mullewa Ward	Term Expires October 2019
Cr Laurie Graham (resigned March 2017)	Hills Ward	Term Expires October 2017
Cr Michael Reymond	Hills Ward	Term Expires October 2019
Cr Simon Keemink	Willcock Ward	Term Expires October 2017
Cr Victor Tanti	Port Ward	Term Expires October 2017
Cr Renee Ellis (disqualified March 2017)	Willcock Ward	Term Expires October 2019

# MEETING ATTENDANCE

Councillor	Term Commenced	Term Expires	Ward	Council Meetings Attended	Agenda Forums Attended	Concept Forums Attended	Special Concept Forums	Special Council Meetings Attended	Electors Meeting
Mayor S Van Styn	2015	2019	N/A	11	7	11	0	2	1
Cr N McIlwaine (Deputy Mayor)	2015	2019	Tarcoola	11	10	12	0	2	1
Cr D J Caudwell	2013	2017	Chapman	7	10	9	0	2	1
Cr J Critch	2013	2017	Mullewa	11	11	9	0	2	1
Cr S Douglas	2013	2017	Champion Bay	12	11	11	0	2	1
Cr L Graham	2013	2017	Hills	7	7	7	0	2	1
Cr R D Hall	2015	2019	Port	10	10	10	0	2	1
Cr S Keemink	2013	2017	Willcock	9	10	9	0	2	1
Cr V Tanti	2013	2017	Port	12	10	11	0	0	1
Cr T Thomas	2015	2019	Mullewa	11	9	11	0	2	1
Cr G Bylund	2015	2019	Champion Bay	10	10	8	0	2	1
Cr L Freer	2015	2019	Chapman	10	11	9	0	2	1
Cr R Ellis	2015	2019	Willcock	2	2	4	0	2	0
Cr M Reymond	2015	2019	Hills	12	9	10	0	1	1
Cr N Colliver	2015	2017	Tarcoola	12	10	12	0	2	1

Between 1 July 2016 and 30 June 2017 the City held the following meetings:

\* 12 Council Meetings, 2 Special Meetings and 1 Electors Meeting, \*\* 12 Agenda Forums, \*\*\* 12 Concept Forums and 0 Special Concept Forums

# CITY SNAPSHOT

## COUNCIL STATISTICS

Distance from Perth	424km	Length of Sealed Road	800km
Land Area	9,889km <sup>2</sup>	Length of Unsealed Road	1,280km
Suburbs / Localities	56	Estimated Population	38,634
Electors	26,221	Primary Schools	18
Employees	294	Secondary Schools	6
Building Permits Processed	632	Higher Education	2
Planning Applications Received	305		

## CITY VISION

A prosperous, diverse, vibrant and sustainable community

## CITY MISSION

Serving today while building tomorrow

## CITY VALUES

Service | Trust | Accountability | Respect | Solidarity



# ORGANISATION STRUCTURE

## EXECUTIVE MANAGEMENT TEAM



Acting Chief  
Executive Officer  
**Ross McKim**



Director Corporate &  
Commercial Services  
**Bob Davis**



Director Development  
& Community Services  
**Phil Melling**



Acting Director  
Infrastructure Services  
**Chris Lee**

Corporate Services  
Economic  
Development  
& Marketing  
Geraldton Airport  
Human Resources  
ICT Services  
Treasury & Finance

Community &  
Cultural  
Development  
Land & Regulatory  
Services  
Libraries & Heritage  
Services  
Urban & Regional  
Development

Asset Management  
Engineering  
Services  
Fleet Services  
Maintenance  
Operations  
Project Design  
& Delivery  
Sport & Leisure

# PLANNING & REPORTING

## STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN

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.

The Strategic Community Plan must be reviewed every four years, but can also be reviewed at a strategic level every two years. During 2016/17 the Strategic Community Plan underwent a major review, under s5.56 of the Local Government Act, and was adopted by Council in June 2017. The Strategic Community Plan was developed drawing upon extensive community consultation to identify shared community objectives and priorities.

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

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 Corporate Business Plan must also be reviewed every four years, and can be reviewed at a strategic level every two years. It is also reviewed annually, and as the first year achievements are rolled off, a new fourth year is added on.

The City has four key principles which it uses to drive planning and decision making processes:





QUEENS PARK THEATRE

## INFRASTRUCTURE SERVICES

### **Abraham Street Bridge**

In August 2016, stage two of the Karloo Wandina Project which involved the construction of a 65m wide bridge over the Geraldton Mount Magnet Road, also known as the Southern Transport Corridor to connect Verita Road and Abraham Street was opened to traffic. With more than 1600 traffic movements a day on Verita Road, the bridge provides a much needed link from the south to the northern suburbs.

### **RV Friendly Town**

A five-year long Council aspiration for the City to become more RV friendly has been fulfilled with Campervan and Motorhome Club of Australia officially declaring Geraldton an RV Friendly Town.

To qualify for the program, the City had to meet the needs of RV travellers which include easy access to general shopping areas, provision of low cost overnight parking for self-contained vehicles, access to potable water and a free RV dumping point.

Strategically located in the heart of the CBD, in the Francis Street carpark, the site provides ample room for RVs of all shapes and sizes to turn around and park, to visit the nearby Visitor Centre, go shopping, take in the ocean view from the Esplanade or relax on the beautiful beaches of the Geraldton Foreshore.

The RV dumping station was officially unveiled on 11 August 2016 and is now fully operational.

### **Queens Park Theatre Upgrades**

In July 2016 the QPT reopened after refurbishments to the interior and exterior of the building were completed.

During the six month closure, the replacement of the 33 year old air conditioning system and asbestos roof were undertaken. Local air conditioning and refrigeration specialists Cramer and Neill replaced the outdated air conditioning with a new HVAC (heating, ventilation and air conditioning) system.

Interior refurbishments included the replacement of carpets, upgrades to the toilet rooms and technical equipment.

The project was jointly funded with the State Government's Regional Venues Improvement Fund contributing \$102,221 and the City contributing \$4 million.

### **St Georges Beach Foreshore Stabilisation**

Various works to reduce beach erosion and improve community safety at St Georges Beach have been completed. Works included the installation of raised footpaths at the carpark entrances, construction of sub-soil drains and a water detention swale, conversion of the traffic circulation to one-way and a new fence between the playground and the carpark.

Coastal protection works at the beach completed earlier included the installation of a Geotextile Sand Container Groyne and the planting of 200 seedlings on the beach to rehabilitate the area where the groyne was constructed.



# ACHIEVEMENTS 2016/17

## **Flood Damage Works**

In 2016/17, the City completed works to repair, reinstate and restore road infrastructure damaged during the surface trough and associated flooding event that occurred in March 2015. The total value of works undertaken was \$3.72m and were spread over an extensive area (342km), with a large proportion of the work located in the Mullewa Ward.

## **Foreshore Facelift**

After eight years of exposure to the harsh coastal climate, the Geraldton Foreshore received the final stages of a facelift, which included the refurbishment of the picnic shelters.

This involved replacement of rusted roof framing, installation of new roof sheeting, and the cleaning and painting of concrete around the shelters. The work is one of a series of projects on the Foreshore aimed at ensuring this location is maintained and well presented.

## **Sporting Facilities Review**

As part of the City's sporting review the City teamed up with the Mid West Sports Federation to review all sporting facilities and their range and level of services. The review covered the following four aspects of provision of support for operation and maintenance of sporting facilities:

- Grounds managed by Ground Management Committees
- Facilities (land/buildings) leased from the City by sporting groups/clubs
- Cricket pitches
- Floodlighting

As a result the City has implemented a new systematic approach to funding; equitable allocation of support and funding commensurate with a tiered system against which each ground is assessed in terms of its relative use and impact in the community.

## **Installation of Sand Trapping Fencing on Greys Beach**

Approximately 100m of sand trapping fencing has been installed to the west of the existing fencing on Greys Beach in March 2017. The fencing, which was installed to the south of Marine Terrace between Monsoon Lane and the lighthouse, will help trap sand and buffer Greys Beach from winter swells.





## CORPORATE & COMMERCIAL SERVICES

### **eServices**

Following investigations of eServices capability in 2016, the City implemented an eServices portal via the City's website which is expected to go live in September 2017. This portal lays the foundations to bring many more services online in the future. The first new service to take advantage of this portal is the ability to pay for cats and dogs yearly renewals.

Future services anticipated to go online are:

- Animal Registrations
- Planning Application lodgement and tracking
- Health Premise Application lodgement and tracking
- Rates Queries
- Customer Request lodgement and tracking

### **Asset Management in the Field**

Beginning with Building Maintenance, then moving to the Parks team followed by Fleet, the City has mobilised its teams to better manage assets without being constrained to their desks. This capability allows administration staff to allocate works requests to operational staff while they are out in the field. In addition, being mobile affords operational staff the ability to undertake asset inspections and create condition reports while out in the field. This information is then captured into the system as it happens, creating efficiencies and better use of resources.

### **Complete transition of Family Day Care Services to External Provider**

The City's former Bright Stars Family Day Care unit that supported the provision of quality home based child care transitioned its services to Ngala, a specialist business provider of Early Parenting and Early Childhood services. Council recognized this transition as an excellent outcome for the community with services to operate under the same business model.

### **Library Management System**

With the aging Amlib LMS reaching its end of life, the City went out to the market for a replacement. A cloud based LMS called Sirsidynix was implemented. Sirsidynix has afforded council the opportunity to offer the application as a shared service to other local councils under a consortia agreement.

### **Major Review of Strategic Community Plan**

After a period of consultation and engagement with the Community, Council adopted a new Strategic Community Plan 2017-27 on 27 June 2017 that ensures community's vision, aspirations and objectives continue to be understood and reflected in future planning.

# COMMUNITY STRATEGIC PLAN

## 2017-2027



City of  
Greater Geraldton  
a vibrant future



# ACHIEVEMENTS 2016/17

## **Major Review of Corporate Business Plan**

Council adopted a new Corporate Business Plan 2017-21 in June 2017. As part of its major review, the Plan includes the City's priority strategies and actions that will be implemented over the next four years to achieve the City's vision as set out in the Strategic Community Plan.

## **Implement Learning Management System**

At the beginning of the 2016/17 financial year, the City selected ELMO as the preferred provider for the provision of a Talent Management System which included an integrated Learning Management & Performance Management System. ELMO provided staff with the ability to access their learning or performance anywhere, anytime. Some key features of the Learning Management System included an extensive Course Library, the ability to build and design courses from scratch, the ability to design personalised learning plans and comprehensive reporting tools. The Learning Management System was the first module to be released to staff and took several months to develop with the official launch date in December 2016.

## **Taxiway Bravo**

The City received funding from Regional Airports Development Scheme to improve storm water drainage and place a 25mm asphalt overlay on the northern end of Taxiway Bravo. The project was completed in December 2016. The resurfacing of Taxiway Bravo has allowed for ongoing safe all weather general aviation and ground operations at Geraldton Airport.

## **Airport Checked Baggage X-Ray and Explosive Trace Detection Equipment**

In 2016/17, the City was successful in obtaining Regional Airports Development Scheme funding to replace its aging X-Ray and Explosive Trace Detection equipment. This replacement programme valued at \$590,000 will be undertaken in 2017/18 to ensure that the Airport's security screening continues to be compliant with the Office of Transport Security regulated standards in providing safe and secure airport services to passengers.

## **Power Supply Review**

The City undertook a major review of its power supply to reduce energy costs that has resulted in the following:

- A new bundled electricity supply agreement which is expected to provide savings of \$150k per annum; and
- Review of existing tariffs and subsequent changes to these tariffs based on energy usage, which is expected to save the City a further \$50k per annum.

The City identified opportunities to install green energy (solar) initiatives and generate clean energy at key Council sites. These initiatives will commence roll out in 2017/18.

# Instagram



## FOOLS ON THE FORESHORE



#foolsontheforeshore



## DEVELOPMENT & COMMUNITY SERVICES

### **Delivery of Two Signature Events**

The Events Team successfully delivered Festivals on the Foreshore in October 2016 as well as the AFL Derby Pre-Season Match in early 2017. Festivals on the Foreshore ran over a nine day period with an estimated 22,000 attendances across the 9 days. The AFL game attracted about 8,000 people, including a high number of visitors to Geraldton.

### **Deliver a range of youth vibrancy and engagement programs including school holiday program in Geraldton and youth activities in Mullewa**

The Youth Vibrancy Project has had 444 registered attendees, with the following initiatives delivered since the project was funded by Rio Tinto in late 2016; Sunset Yoga, Spawn Point Competitive Gaming Tournaments, Stand Up Paddle Board Workshops, Soccer Tournaments, Three-on-three Basketball Tournaments and Volleyball Tournaments. The Fools on the Foreshore Music Festival was successfully delivered with 2,500 people attending in the 2016/17 financial year. Additionally 1,800 people attended the Films on the Foreshore screenings. This activated the Foreshore and, in particular, the Stow Gardens every school holidays. The Mullewa Youth Centre was open 34 hours per week every Monday to Saturday providing diversionary and engagement activities for at-risk-youth including: cooking classes, music workshops and sports tournaments.

### **Implement the Public Art Strategy**

A total of five public art projects were successfully implemented during the 2016/17 financial year. The City commissioned a mural on the ablution block at Pages Beach. ArtDrive was launched for the first time in July 2016 with resounding success among the community and managed to attract a significant number of visitors from outside of the Midwest. Banners on the Terrace started with a photographic competition which invited local artists to enter photographs within the theme 'I love Gero' or 'I love Mullewa' on Instagram. The winning works were displayed on mall banners in Mullewa and Geraldton. The Bollards Project was a competition inviting local artists to submit an image that would then be replicated on the 170 bollards in the CBD. Twenty designs were chosen and the initiative received very positive feedback.

### **Big Sky Readers & Writers Festival 2017**

Big Sky Readers & Writers Festival spans two and half days with activities, talks, debates, poetry evenings, readings, meet the author and schools outreach. This also provides the people of Greater Geraldton and the surrounding communities the opportunity to participate in an interactive two day workshop, providing tips and tricks on how to become more accomplished in the art of storytelling.

### **Deliver a range of youth diversionary programs**

The U-Turn Youth Crime Prevention Program has engaged 242 at-risk-youth since commencing in November 2016. Program participants are referred to the program by the Police and Youth Justice. The projects delivered since the program commenced in November have included the Midnight Basketball program delivered in conjunction with the Police over eight weeks each school term, Demolition Derby, the Dismantle Bike Rescue program, the Yumatji Yhumbhers (Kids on Country), urban art murals and an Indigenous hip hop music video program.



# ACHIEVEMENTS 2016/17

## **Delivery of Health Promotion Programs**

During the year the City delivered the Indigenous Health Worker program, Foodsafe program, Health Promotion Initiatives and Pest Control program. All 346 food premises within the City are assessed to a 5 star scoring criteria. In 2016 the City had the following number of star ratings: 3 Star = 4%, 4 Star = 51% and 5 Star = 45%. As part of the star rating program all food businesses were invited to attend a free food safety information session highlighting the major areas of noncompliance throughout the year. This session was an opportunity to recognise those going above and beyond in food safety by presenting the food premises with the highest inspection scores with a winner's trophy, free inspections for the year and promotion through media releases.

The Indigenous Health Worker program provided Bundiyarra with equipment such as mowers and trailer for their Aboriginal health workers to attend properties and reduce health risks to the property owners and the community.

## **Land Development Program**

Lot 122, Boyd Street, Webberton Remediation Action Plan (RAP) has been cleared by contaminated sites auditor that will allow remediation works to be completed that will see site clearance and land transfers completed. The City successfully completed the land sale of the former depot site on Eastward Road/NWCH.

Continuation of the statutory framework to enable the acquisition and subsequent disposal of identified surplus 20A Crown reserves is ongoing. This process presents the City with valuable land assets for future disposal at the appropriate time when market conditions presents itself.

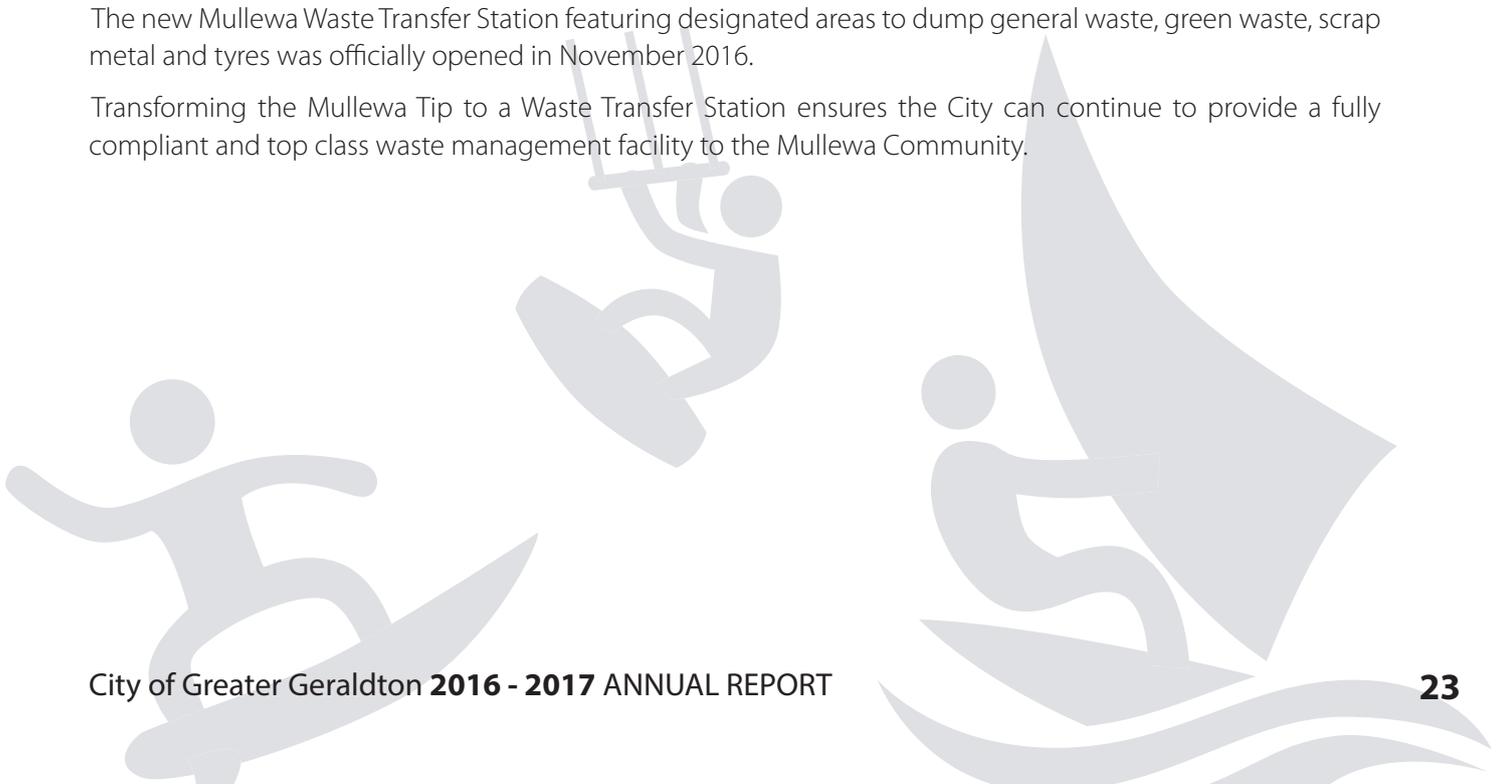
## **Develop Cell 5 and Future Landfill Cells**

Preparatory works commenced in 2016/17 to develop a concept design for a new landfill cell including land-filling of putrescible or industrial waste. Detailed designs will be completed in 2017/18 and it is proposed that construction of the new cell and capping of existing cells will commence in 2018/19. To meet the highest environmental standards, the new cell will be lined with special materials to prevent leachate from contaminating ground and surface water and is expected to handle the City's landfill needs for a future five to seven years

## **Mullewa Waste Transfer Station**

The new Mullewa Waste Transfer Station featuring designated areas to dump general waste, green waste, scrap metal and tyres was officially opened in November 2016.

Transforming the Mullewa Tip to a Waste Transfer Station ensures the City can continue to provide a fully compliant and top class waste management facility to the Mullewa Community.





# PLANNING FOR THE FUTURE

## PROJECTS CONTINUING IN 2017/18

### **Beresford Foreshore Upgrade**

The Beresford Foreshore Upgrade project commenced in 2016/17 and is due for completion in June 2018. The Project is a long term solution to an ongoing and permanent erosion problem which threatens critical infrastructure and liveability along the Beresford Foreshore area in Geraldton. The project will comprise ocean based engineering solutions including:

- A protective 100m breakwater extension to the detached breakwater and an extension of 45m to the existing groyne
- Three revetments

Land based engineering solution including:

- sand renourishment
- environmental restoration and development of recreational amenities to compensate for those lost due to the erosion and engineering works

### **Olive Street Public Open Space Development**

The City allocated \$2.8 million in the 2016/17 Budget for the project which is looking to be completed ahead of schedule and \$1 million under budget in August 2017. The new parkland will feature an ephemeral or temporary wetland and a large grassed recreation area surrounded by landscaped native plantings.

Remediation works began in April 2017 with the relocation of fauna from the site followed by the management of contaminated materials, which had been dumped at the site over the years, in accordance with obligations under the Contaminated Sites Act 2013.

### **Construction of Chapman River Mountain Bike Trail**

In November 2016, Council endorsed the Chapman River Regional Park Mountain Bike Master Plan. The Plan includes making improvements to the well-established 11km long mountain bike trail loop and the closure and rehabilitation of spur tracks, which are causing erosion and vegetation management issues, and the construction of jump lines and a pump and jump track to help build bike-riding skills. Completion is anticipated to be July 2018.



# PLANNING FOR THE FUTURE

## PROJECTS COMMENCING IN 2017/18

### **Construction of the proposed Animal Management Facility**

The City has allocated \$1.9 million in the 2017/18 Budget for the redevelopment of an Animal Management Facility, that will have individual dog and cat holding units constructed to Royal Society for the Prevention of Cruelty to Animals (RSPCA) guidelines. The building will provide an efficient and more comfortable environment with the design of the building being a functional space for both staff and animals. The building will be well lit, well ventilated and secure in accordance with the RSPCA guidelines. It is envisaged that the project will be completed in the 2017/18 Financial Year.

### **Undertake planning and design activities for City centre revitalisation**

The City has allocated \$750,000 in the 2017/18 Budget for CBD revitalisation projects. A comprehensive plan to revitalise the CBD is set to transform the city centre into the retail, commerce and hospitality capital of the Midwest. The Geraldton City Centre Revitalisation Plan puts forward a number of small changes that are likely to have a big impact on the look and feel of the CBD.

### **Nature Playground Derna Park**

The City has received a grant from Mid West Development Commission to develop a nature playground at Derna Park for community and Wandina Primary School use. The Park presents a unique opportunity for the Wandina Primary School and the City to pool funds and build a playground facility which would be used during school hours by students and after hours by the community. The anticipated completion date for the project is April 2018.



# DISABILITY SERVICES

**It is a requirement of the Disability Services Act (WA) that all local government authorities develop and implement a Disability Access and Inclusion Plan that outlines the ways in which the authority will ensure that people with a disability have equal access to its facilities and services and that each is required to lodge its Disability Access and Inclusion Plan with the WA Disability Services Commission and to provide an annual report each year on the progress.**

The City of Greater Geraldton endorsed a new Disability Access and Inclusion Plan for 2013-18 on August 27 2013 and the following report provides a summary of the major achievements for the period July 2016 to June 2017.

- Foreshore recreational area has had additional concrete pathways installed for access to BBQs, picnic tables and drinking fountains
- A number of ACROD parking spaces have been upgraded and additional spaces installed including new access parking spaces in Foreshore Drive and Marine Terrace and the Queen Elizabeth Seniors & Community Centre carpark
- A program of access audits on buildings identifying access improvement needs, capital works requirements and establishing costs has progressed
- An access upgrade of the Queen Elizabeth II Seniors & Community Centre incorporated significant improvements to access toilets, entrances, pathways, car parking and signage from the result of an access audit and the installation of an audio loop
- A new access toilet block with access pathways are under construction in Derna Park, Wandina
- Additional access pathways and improvements at the Wonthella Sports Park and Football Oval
- Design work and costings completed for access improvements pending budget allocations and funding for footpaths in Durlacher Street, Wallabi Drive and Gummer Avenue and pathway improvements at the *HMAS Sydney II Memorial* and connection pathway to Stirling shopping centre from parking stations
- A new finger jetty at the Francis Street boat launch designed to assist people with mobility issues and allow easier access to boats by providing a floating platform deck to align with boat heights was completed
- The City continues to improve community consultation and sector liaison and undertake consultations to establish community needs. The City consults with our disability advisory group on our major projects affecting public access from the design phase through to the evaluation of the project
- The establishment of recharge stations, which is an accessible and designated power point for recharge purposes made available to people who use electric scooters, gophers or wheelchairs located in the Geraldton Regional Library and the Queen Elizabeth II Seniors and Community Centre
- A Media Arts project for people with disability commenced to make films raising community awareness and promoting inclusion
- A range of art program initiatives for people with disability including City hosted or supported exhibitions and partnered projects with DADAA (Disability in the Arts, Disadvantage in the Arts WA).
- The City supported a range of activities and events including International Day for People with Disability in partnership with local service providers.

# STATUTORY REPORTS

## RECORDKEEPING

The City's continued commitment to recordkeeping, in accordance with legislative requirements, facilitates a structured approach to recordkeeping through the use of a corporate system. In addition, the City's Recordkeeping Policy outlines the process for management and disposal of records in accordance with the State Records Act 2000.

The City's Recordkeeping Plan was reviewed and the City's future focus is on digitisation and paper reduction.

The City continued its efforts toward best practice in the area of electronic record keeping with 86,803 corporate records registered. This represents a 4.1 per cent increase from the previous year.

New employees were informed of their recordkeeping responsibilities as part of the City's Induction Program, with hands on training provided on TRIM and recordkeeping.

## FREEDOM OF INFORMATION

The City of Greater Geraldton complies with the Freedom of Information Act 1992 which has as its objectives, to:

- Enable the public to participate more effectively in governing the state; and
- Make the persons and bodies that are responsible for the State and Local Government more accountable to the public.

The Coordinator Governance is the City's Freedom of Information Coordinator. Any formal application for the information that is not already freely available at the City may be made through the Freedom of Information Coordinator.

During 2016/17 the City processed a total of eight Freedom of Information applications, with an average of 26 days to complete each application. The eight applications were completed within the legislative timeframe of 45 days.

## NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy.

Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition.

The City is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

## COMPETITIVE NEUTRALITY

It is the City's responsibility to determine whether it is engaged in "significant business activities" within the context of its operations and therefore whether it is required to apply the competitive neutrality principles.

Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000. Within these criteria the City identified the following business activities:

- Geraldton Airport;
- Geraldton Aquarena;
- Meru Landfill; and
- Waste Operations.

No competitive advantage was identified in the City's operations of the above business activities. The City continues to monitor Council Policies and Local Laws for anti-competitive practices.

## COMPLAINTS REGISTER

The City of Greater Geraldton, in accordance with s5.120 of the Local Government Act 1995, does not have a designated Complaints Officer and the Chief Executive Officer fulfills this role in terms of subsection (2).

As required in accordance with s5.121 'Register of certain complaints of minor breaches' of the Act, the City maintains an electronic register that is managed by the Executive Office. The City reports no complaints as defined under s5.110 (6) (b) or (c) of the Act for the period ending 30 June 2017.

## EMPLOYEE SALARIES

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

SALARY BAND		NUMBER OF EMPLOYEES
\$ From	\$ To	
100,000	109,999	5
120,000	129,999	7
130,000	139,999	3
140,000	149,999	2
150,000	159,999	1
190,000	199,999	1
200,000	209,999	2
320,000	330,000	1
<b>TOTAL</b>		<b>22</b>

# FINANCIAL SUMMARY

2016/2017 FINANCIAL YEAR	2015/2016 FINANCIAL YEAR
TOTAL ASSETS	TOTAL ASSETS
\$915,419,045	\$907,449,840
TOTAL LIABILITIES	TOTAL LIABILITIES
\$59,911,076	\$68,952,804
EQUITY/NET ASSETS	EQUITY/NET ASSETS
\$855,507,969	\$838,497,036
OPERATING REVENUE	OPERATING REVENUE
\$80,682,347	\$71,159,842
OPERATING EXPENDITURE	OPERATING EXPENDITURE
\$76,223,665	\$80,500,940
OPERATING SURPLUS/(DEFICIT)	OPERATING SURPLUS/(DEFICIT)
\$3,202,052	\$(9,128,400)
NON-OPERATING REVENUE	NON-OPERATING REVENUE
\$20,796,455	\$11,600,846
CAPITAL EXPENDITURE	CAPITAL EXPENDITURE
\$28,001,494	\$36,094,165
CASH BACKED RESERVES	CASH BACKED RESERVES
\$22,318,463	\$10,327,731

## FINANCIAL PERFORMANCE

### Revenue:

Operating Revenue generated for 2016-17 of \$80.7 million includes profit of \$1.34m from the sale of land at the Old Depot Site (Eastward Rd). Operating revenue shows overall nominal growth of 13.4%. This is, however inflated due to timing shifts in prepayment of annual Financial Assistance Grants (\$8.8m 2016-17 compared to \$2.8m 2015-16). Fees and Charges revenue grew by 7.5% and interest earnings (including investment income) grew by 17.7% in a low interest rate environment.

### Expenditure:

Operating expenditure of \$76.2 million includes additional depreciation charges that arose from the revaluation of assets in compliance with fair value accounting requirements. Operating expenditure declined by 5.4% in comparison to 2015-16 which was due to core expenditure reductions, namely in employee costs of 5.6% and materials and contracts of 9%. These reductions were the result of the “flow on” effect of cost saving initiatives that Council undertook via a review of its organisational structure, staffing levels and range and level of services.

Capital expenditure was lower than budgeted owing mainly to deferral of the Airport Runway Extension Project and multi-year projects to the following financial year.

### Major areas of capital expenditure included:

INFRASTRUCTURE ROADS	\$11M
INFRASTRUCTURE FOOTPATHS	\$0.9M
INFRASTRUCTURE DRAINAGE	\$0.8M
LAND & BUILDINGS	\$3.4M
PLANT & EQUIPMENT	\$1.7M
MAJOR PROJECTS (BERESFORD FORESHORE)	\$3.8M
PARKS & RECREATION	\$3.6M

### Financial Position:

The City continues via “in house” initiatives to improve existing service levels and achieve efficiency gains whilst being fiscally responsible in progressing towards and maintaining annual operating surpluses each year. These initiatives have resulted in significant improvement to the financial health and sustainability of the City. The Department of Local Government Financial Health Indicator is the current benchmark measurement of a Council's overall financial health. The FHI calculates a weighted average of the seven financial ratios that local governments are required to report annually to establish a score on a scale from 0-100. Council's score progressed from 53 in 2015-16 to 87 in 2016-17. An FHI of 70 and above indicates that a Council is in sound financial health.

# FINANCIAL HIGHLIGHTS

Total Operating Income  
**\$80,682,347**

## REVENUE

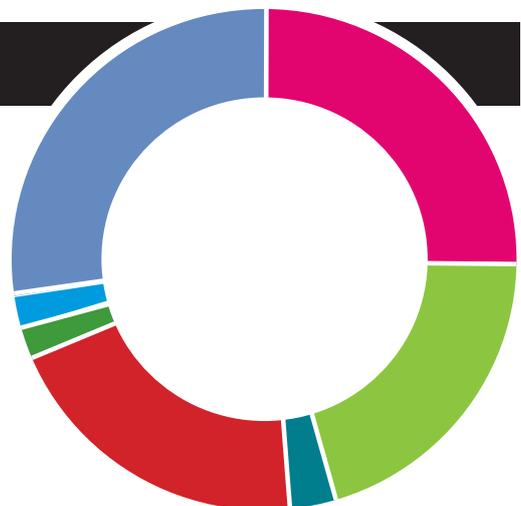
General Rates	42%
Fees and Charges	22%
Capital Grants and Contributions	20%
Operating Grants, Subsidies and Contributions	12%
Interest Earnings	2%
Other Revenue and Profit on Asset Disposal	2%



Total Operating Expenses  
**\$76,223,665**

## EXPENDITURE

Employee Costs	25%
Materials & Contracts	21%
Utilities	3%
Depreciation & Amortisation	20%
Interest Expense and Insurance	2%
Other Expenditure and Loss on Asset Disposal	2%
Capital Expenditure	27%



# COMMUNITY SNAPSHOT

## COMMUNITY BY AGE GROUP

Babies and Primary Schoolers (0-14)	<b>21.4%</b>
Secondary Schoolers, Tertiary Education and Independence (15-24)	<b>13.0%</b>
Young Workforce (25-34)	<b>12.7%</b>
Parents and Homebuilders (35-44)	<b>12.8%</b>
Older Workers and Pre-retirees (45-64)	<b>26.1%</b>
Empty Nesters and Retirees (65-74)	<b>8.0%</b>
Seniors (75+)	<b>6.0%</b>



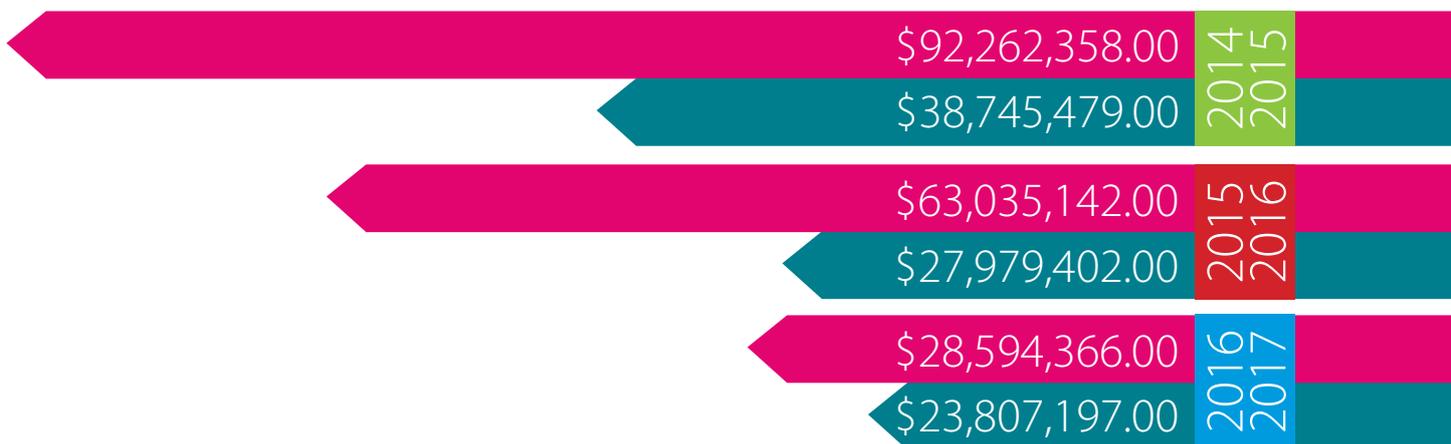
## HOUSEHOLD SIZE

Lone Person	<b>25.3%</b>
Group Households	<b>2.9%</b>
Family Households	<b>71.8%</b>



## VALUE OF BUILDING PERMITS ISSUED

RESIDENTIAL COMMERCIAL





# City of Greater Geraldton

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2017

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# City of Greater Geraldton

## General Purpose Financial Statements for the year ended 30 June 2017

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### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for City of Greater Geraldton.
  - (ii) All figures presented in these financial statements are presented in Australian Currency.
  - (iii) These financial statements were authorised for issue by the Council on 18/09/17. Council has the power to amend and reissue the financial statements.
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## City of Greater Geraldton

### General Purpose Financial Statements for the year ended 30 June 2017

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

### Statement by Chief Executive Officer

The attached financial report of the City of Greater Geraldton 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 of Greater Geraldton at 30 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 on the 18 day of September 2017



Ross McKim

**CHIEF EXECUTIVE OFFICER**

## City of Greater Geraldton

Statement of Comprehensive Income (by Nature or Type)  
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
<b>Revenue</b>				
Rates	24(a)	42,815,227	43,023,783	41,290,743
Operating Grants, Subsidies & Contributions	30	12,141,271	8,304,039	6,701,460
Fees & Charges	29	21,929,775	20,812,260	20,409,467
Interest Earnings	2(a)	1,686,843	1,369,558	1,433,514
Other Revenue		812,566	690,217	1,321,900
		<u>79,385,682</u>	<u>74,199,857</u>	<u>71,157,085</u>
<b>Expenses</b>				
Employee Costs	33	(26,416,916)	(27,053,679)	(27,897,929)
Materials & Contracts		(21,004,487)	(21,700,389)	(22,903,740)
Utilities		(3,119,733)	(3,368,899)	(3,053,752)
Depreciation & Amortisation	2(a)	(21,296,897)	(20,979,104)	(22,567,669)
Interest Expenses	2(a)	(1,167,479)	(1,154,735)	(1,042,382)
Insurance		(753,065)	(893,510)	(778,377)
Other Expenditure		(2,425,053)	(1,269,499)	(2,041,636)
		<u>(76,183,630)</u>	<u>(76,419,815)</u>	<u>(80,285,485)</u>
<b>Operating Result from Continuing Operations</b> <sup>(1)</sup>		<u>3,202,052</u>	<u>(2,219,958)</u>	<u>(9,128,400)</u>
Non-Operating Grants, Subsidies & Contributions	30	20,796,455	42,348,599	11,600,846
Fair Value Adjustments to financial assets at fair value through profit and loss	2(a)	10,532	-	326,046
Profit on Asset Disposals	21	1,296,665	122,452	2,757
Loss on Asset Disposal	21	(40,035)	(50,338)	(215,455)
		<u>22,063,618</u>	<u>42,420,713</u>	<u>11,714,194</u>
<b>Net Result - Surplus (Deficit)</b>		<u>25,265,670</u>	<u>40,200,755</u>	<u>2,585,793</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	(8,254,737)	-	1,951,512
<b>Total Other Comprehensive Income</b>		<u>(8,254,737)</u>	<u>-</u>	<u>1,951,512</u>
<b>Total Comprehensive Income</b>		<u>17,010,933</u>	<u>40,200,755</u>	<u>4,537,305</u>

<sup>(1)</sup> Allowing for or not factoring in the prepayment of Financial Assistance Grants for 2017-18 (\$3,056,917), Council Operating Result from Continuing Operations would amount to a surplus of \$145,135.

## City of Greater Geraldton

Statement of Comprehensive Income (by Program)  
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
<b>Revenue</b>				
Governance		337,238	77,410	436,809
General Purpose Funding		53,721,682	50,771,061	46,024,466
Law, Order, Public Safety		545,722	669,490	669,482
Health		103,176	60,427	58,704
Education & Welfare		351,548	298,840	1,261,671
Community Amenities		11,307,233	10,199,425	10,275,992
Recreation & Culture		2,927,770	2,746,286	3,204,726
Transport		7,195,957	6,940,979	6,944,710
Economic Services		1,386,912	1,031,682	1,057,449
Other Property & Services		1,682,591	1,404,257	1,944,108
		<u>79,559,828</u>	<u>74,199,857</u>	<u>71,878,118</u>
<b>Expenses (excl. Finance Costs)</b>				
Governance		(977,922)	(1,444,297)	(13,126,807)
General Purpose Funding		(762,775)	(658,950)	(763,159)
Law, Order, Public Safety		(737,440)	(1,046,256)	(661,439)
Health		(72,619)	(96,413)	(103,114)
Education & Welfare		(1,513,650)	(1,583,729)	(2,213,469)
Housing		(48,429)	(47,726)	(132,691)
Community Amenities		(9,123,027)	(8,503,491)	(7,268,391)
Recreation & Culture		(15,693,503)	(15,465,422)	(12,807,341)
Transport		(29,753,808)	(30,471,629)	(30,181,973)
Economic Services		(4,234,681)	(4,455,622)	(3,743,796)
Other Property & Services		(12,272,441)	(11,491,545)	(8,961,957)
		<u>(75,190,297)</u>	<u>(75,265,080)</u>	<u>(79,964,135)</u>
<b>Finance Costs</b>				
	2(a)			
Governance		(25,587)	(26,499)	(29,238)
Recreation & Culture		(546,209)	(578,549)	(439,502)
Transport		(303,562)	(313,927)	(342,048)
Economic Services		(185,917)	(163,989)	(1,395)
Other Property & Services		(106,204)	(71,771)	(230,200)
		<u>(1,167,479)</u>	<u>(1,154,735)</u>	<u>(1,042,383)</u>
<b>Operating Result from Continuing Operations</b>		<u>3,202,052</u>	<u>(2,219,958)</u>	<u>(9,128,400)</u>
<b>Non-Operating Grants, Subsidies, Contributions</b>				
Governance		323,524	-	70,000
Law, Order, Public Safety		-	370,000	504,403
Education & Welfare		18,182	-	-
Recreation & Culture		11,590,426	21,537,599	2,363,337
Transport		8,374,323	20,441,000	7,595,243
Economic Services		-	-	12,563
Other Property & Services		490,000	-	1,055,300
	30	<u>20,796,455</u>	<u>42,348,599</u>	<u>11,600,846</u>

## City of Greater Geraldton

Statement of Comprehensive Income (by Program) (continued)  
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
<b>Profit/(Loss) on Disposal of Assets</b>				
Transport		(40,035)	-	-
Other Property & Services		1,296,665	72,114	(212,699)
	21	<u>1,256,630</u>	<u>72,114</u>	<u>(212,699)</u>
<b>Other Income</b>				
Fair Value Adjustments to Financial Assets at Fair Value through Profit & Loss		10,532	-	326,046
	2(a)	<u>10,532</u>	<u>-</u>	<u>326,046</u>
<b>Net Result - Surplus (Deficit)</b>		<u><u>25,265,670</u></u>	<u><u>40,200,755</u></u>	<u><u>2,585,793</u></u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets		(8,254,737)	-	1,951,512
	13	<u>(8,254,737)</u>	<u>-</u>	<u>1,951,512</u>
<b>Total Comprehensive Income</b>		<u><u>17,010,933</u></u>	<u><u>40,200,755</u></u>	<u><u>4,537,305</u></u>

<sup>(1)</sup> Allowing for or not factoring in the prepayment of Financial Assistance Grants for 2017-18 (\$3,056,917), Council Operating Result from Continuing Operations would amount to a surplus of \$145,135.

## City of Greater Geraldton

## Statement of Financial Position

as at 30 June 2017

\$	Notes	2017 Actual	2016 Actual
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	41,963,290	38,100,578
Trade and Other Receivables	5	12,506,007	5,772,216
Inventories	6	644,374	459,643
<b>Total Current Assets</b>		<b><u>55,113,672</u></b>	<b><u>44,332,436</u></b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	5	590,489	599,772
Property, Plant and Equipment Infrastructure	7	199,122,384	207,447,278
	8	660,592,501	655,070,354
<b>Total Non-Current Assets</b>		<b><u>860,305,374</u></b>	<b><u>863,117,404</u></b>
<b>TOTAL ASSETS</b>	19	<b><u>915,419,045</u></b>	<b><u>907,449,840</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	9	17,109,642	27,078,812
Borrowings	10	3,978,382	3,748,422
Provisions	11	4,613,446	4,439,473
<b>Total Current Liabilities</b>		<b><u>25,701,470</u></b>	<b><u>35,266,706</u></b>
<b>Non-Current Liabilities</b>			
Borrowings	10	23,871,942	24,151,530
Provisions	11	10,337,664	9,534,568
<b>Total Non-Current Liabilities</b>		<b><u>34,209,606</u></b>	<b><u>33,686,098</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>59,911,076</u></b>	<b><u>68,952,804</u></b>
<b>Net Assets</b>		<b><u>855,507,969</u></b>	<b><u>838,497,036</u></b>
<b>EQUITY</b>			
Retained Surplus		334,722,057	321,447,119
Reserves - Cash/Investment Backed	12	22,318,463	10,327,731
Reserves - Asset Revaluation	13	498,467,449	506,722,186
<b>Total Equity</b>		<b><u>855,507,969</u></b>	<b><u>838,497,036</u></b>

## City of Greater Geraldton

Statement of Changes in Equity  
for the year ended 30 June 2017

\$	Notes	Retained Surplus	Reserves Cash / Investment Backed	Asset Revaluation Reserve	Total Equity
Balance as at 1 July 2015		312,372,156	16,816,902	504,770,674	<b>833,959,732</b>
Net Result		2,585,793	-	-	<b>2,585,793</b>
Total OCI / Asset Revaluation	13	-	-	1,951,512	<b>1,951,512</b>
Reserve Transfers	12	6,489,170	(6,489,170)	-	-
<b>Balance as at 30 June 2016</b>		<b>321,447,119</b>	<b>10,327,731</b>	<b>506,722,186</b>	<b>838,497,036</b>
Net Result		25,265,670	-	-	<b>25,265,670</b>
Total OCI / Asset Revaluation	13	-	-	(8,254,737)	<b>(8,254,737)</b>
Reserve Transfers	12	(11,990,732)	11,990,732	-	-
<b>Balance as at 30 June 2017</b>		<b>334,722,057</b>	<b>22,318,463</b>	<b>498,467,449</b>	<b>855,507,969</b>

## City of Greater Geraldton

## Statement of Cash Flows

for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
Rates		42,258,721	42,994,387	40,985,351
Operating Grants, Subsidies and Contributions		9,258,056	8,304,039	6,701,460
Fees and Charges		18,901,842	20,812,260	20,759,782
Interest Earnings		1,595,448	1,368,991	1,439,615
Goods and Services Tax		-	-	183,341
Other Revenue		817,176	723,696	1,074,512
		<u>72,831,244</u>	<u>74,203,373</u>	<u>71,144,061</u>
<b>Payments:</b>				
Employee Costs		(26,086,117)	(27,168,304)	(27,832,427)
Materials and Contracts		(21,674,631)	(21,842,259)	(20,938,231)
Utilities		(3,119,733)	(3,368,899)	(3,053,752)
Insurance		(753,065)	(893,510)	(778,377)
Interest		(1,176,825)	(1,154,735)	(1,019,904)
Goods and Services Tax		(256,696)	-	-
Other Expenditure		(2,456,288)	(1,269,499)	(2,384,475)
		<u>(55,523,355)</u>	<u>(55,697,206)</u>	<u>(56,007,166)</u>
<b>Net Cash provided (or used in) Operating Activities</b>	14(b)	<u>17,307,889</u>	<u>18,506,167</u>	<u>15,136,895</u>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
Non-Operating Grants, Subsidies and Contributions	30	20,796,455	42,348,599	11,600,846
Proceeds from Sale of Assets	21	3,329,611	3,773,400	1,031,143
Unexpended Non-Operating Grants		-	-	7,140,673
Proceeds from Investments	4	10,532	-	592,287
<b>Payments:</b>				
Payments for Land Acquisitions		-	(3,150,000)	-
Payments for Purchase of Property, Plant & Equipment	20	(22,118,048)	(6,415,546)	(14,191,446)
Payments for Construction of Infrastructure	20	(5,883,445)	(68,796,028)	(21,902,718)
Unexpended Non-Operating Grants		(9,617,279)	-	-
<b>Net Cash provided (or used in) Investing Activities</b>		<u>(13,482,174)</u>	<u>(32,239,575)</u>	<u>(15,729,214)</u>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
Proceeds from Self Supporting Loans	23(a)	86,625	86,625	81,748
Proceeds from New Loans	23(b)	3,700,000	17,600,000	8,806,000
Proceeds from Council Loans	5	-	-	37,629
<b>Payments:</b>				
Repayment of Debentures	23(a)	(3,749,628)	(3,749,553)	(3,034,463)
<b>Net Cash provided (or used in) Financing Activities</b>		<u>36,997</u>	<u>13,937,072</u>	<u>5,890,914</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		3,862,712	203,664	5,298,594
Cash at the beginning of the year	3	38,100,578	13,493,819	32,801,983
<b>Cash &amp; Cash Equivalents - End of the Year</b>	14(a)	<u>41,963,290</u>	<u>13,697,483</u>	<u>38,100,578</u>

## City of Greater Geraldton

### Rate Setting Statement (by Nature) for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
<b>Revenue</b>				
Operating Grants, Subsidies & Contributions		12,141,271	8,304,039	6,701,460
Fees & Charges		21,929,775	20,812,260	20,409,467
Interest Earnings		1,686,843	1,369,558	1,433,514
Profit on Disposal of Assets		1,296,665	122,452	2,757
Other Revenue		812,566	690,217	1,321,900
		<u>37,867,120</u>	<u>31,298,526</u>	<u>29,869,098</u>
<b>Expenses</b>				
Employee Costs		(26,416,916)	(27,053,679)	(27,897,929)
Materials & Contracts		(21,004,487)	(21,700,389)	(22,903,740)
Utilities		(3,119,733)	(3,368,899)	(3,053,752)
Depreciation & Amortisation		(21,296,897)	(20,979,104)	(22,567,669)
Interest Expenses		(1,167,479)	(1,154,735)	(1,042,382)
Insurance		(753,065)	(893,510)	(778,377)
Loss on Disposal of Assets		(40,035)	(50,338)	(215,455)
Other Expenditure		(2,425,053)	(1,269,499)	(2,041,636)
		<u>(76,223,665)</u>	<u>(76,470,153)</u>	<u>(80,500,940)</u>
<b>Net Result Excluding Rates</b>		<u>(38,356,544)</u>	<u>(45,171,627)</u>	<u>(50,631,842)</u>
<b>Adjustment for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure &amp; Revenue</b>				
(Profit)/Loss on Asset Disposal	21	(1,256,630)	(72,114)	212,699
Movement in Non-Current Deferred Pensioner Rates		-	-	77,399
Movement in Non-Current Employee Benefit Provisions		-	-	27,398
Movement in Self Supporting Loan Debtors		-	-	(86,741)
Depreciation & Amortisation on Assets	2(a)	21,296,897	20,979,104	22,567,669
Movement of Non-Current Creditors & Provisions		-	-	(69,250)
Other Non-Cash (Revenue)/Expenditure		(51,337)	18,160	193,743
<b>Net Non-Cash Expenditure &amp; Revenue</b>		<u>19,988,930</u>	<u>20,925,150</u>	<u>22,922,915</u>
<b>Capital Expenditure</b>				
Purchase Land and Buildings	20	(3,464,990)	(6,567,846)	(11,726,888)
Purchase Plant and Equipment	20	(1,713,499)	(2,068,000)	(2,183,495)
Purchase Furniture and Equipment	20	(631,707)	(737,700)	(281,064)
Purchase of Other PP&E	20	(33,250)	(20,000)	-
Infrastructure Assets	20	(22,158,048)	(68,968,028)	(21,902,718)
Repayment of Debentures	23(a)	(3,749,628)	(3,749,553)	(3,034,460)
<b>Net Capital Expenditure</b>		<u>(31,751,122)</u>	<u>(82,111,127)</u>	<u>(39,128,625)</u>

## City of Greater Geraldton

Rate Setting Statement (by Nature) (continued)  
for the year ended 30 June 2017

\$	Notes	2017 Actual	2017 Budget	2016 Actual
<b>Capital Revenue</b>				
Proceeds from Disposal of Assets	21	3,329,612	3,773,400	1,031,143
Proceeds from New Debentures	23(b)	3,700,000	17,600,000	8,806,000
Self-Supporting Loan Principal Income	23(a)	86,625	86,625	81,748
Council Loan Principal Income	5	-	-	37,629
Non-Operating Grants, Subsidies and Contributions	30	20,796,455	42,348,599	11,600,846
<b>Net Capital Revenue</b>		<u>27,912,692</u>	<u>63,808,624</u>	<u>21,557,366</u>
<b>Transfers</b>				
Transfers to Reserves (Restricted Assets)	12	(14,946,492)	-	(5,168,900)
Transfers from Reserves (Restricted Assets)	12	2,955,760	2,009,041	11,658,070
<b>Net Transfers</b>		<u>(11,990,732)</u>	<u>2,009,041</u>	<u>6,489,170</u>
Surplus/(Deficit) July 1 B/Fwd	24(b)	2,367,045	922,160	(132,682)
Surplus/(Deficit) June 30 C/Fwd	24(b)	10,985,495	3,406,004	2,367,045
<b>Amount Raised from Rates</b>	24(a)	<u>(42,815,227)</u>	<u>(43,023,783)</u>	<u>(41,290,743)</u>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

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## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

The financial report is a general-purpose financial statement, which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Standards Board, *Local Government Act 1995* and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting 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 the use of certain critical accounting estimates. 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

##### *Restoration and rehabilitation provision*

The Council's accounting policy for the recognition of restoration and rehabilitation provisions requires significant estimates including the magnitude of possible works required for the removal of infrastructure and of rehabilitation works, future cost of performing the work, the inflation and discount rates and the timing of cash flows. These uncertainties may result in future actual expenditure differing from the amounts currently provided. When these factors change or become known in the future, such differences will impact the landfill rehabilitation

provision in the period in which they change or become known.

##### (b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 18 to this financial report.

##### (c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

##### (d) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

##### (e) Trade and Other Receivables

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which 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.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (f) Inventories

###### (i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

###### (ii) Land Held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale. Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

##### (g) Fixed Assets

###### Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour, variable, and fixed overheads.

##### Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits of the asset.

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 charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

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

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

##### 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 that *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 that, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

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

##### (h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

All Land and Art purchases are capitalised. The remaining asset classes will be capitalised if the cost exceeds the following thresholds:

Buildings	\$5,000
Plant, Equipment & Tools	\$2,000
Furniture & Equipment	\$2,000
Computer & Electronic Equipment	\$2,000

Individual items of a similar nature purchased in bulk having an aggregate value of \$ 5,000 or more are capitalized as a fixed asset at the aggregate cost regardless of the individual price of the item.

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

Land	Infinite
Land (Leasehold Interest)	99 years
Airport - Runway, Apron & Car Park	20 to 40 years
Buildings	
Short Useful Life component	8 to 149 years
Long Useful Life component	20 to 260 years
Furniture & Equipment	7 to 13 years
Plant and Major Equipment	5 to 10 years
Minor Plant	3 to 7 years
Sealed Roads and Streets	20 to 50 years
Bridges	60 to 90 years

Car Parks Sealed	20 to 40 years
Culverts	40 to 60 years
Cycle ways	25 to 45 years
Dams, Reservoirs and Weirs	65 to 85 years
Footpaths - Slab	15 to 35 years
Footpaths - Concrete	25 to 45 years
Foundations	40 to 60 years
Kerb & Channels	40 to 60 years
Street Lights	20 to 30 years
Sewerage Piping	70 to 90 years
Water Reticulation/Irrigation	15 to 25 years
Meru Landfill	35 to 40 years
Effluent Scheme	35 to 40 years

The assets residual value 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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

##### (i) Financial Instruments

###### Initial Recognition and Measurement

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

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

##### (i) Financial assets at fair value through profit or loss

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

##### (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. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

##### (iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

##### (v) Financial Liabilities

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

##### Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

determine whether impairment has arisen. Impairment losses recognised in the Statement of Comprehensive Income.

##### (j) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

##### (k) Provisions

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

##### (l) Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The

corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Lease payments under 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.

##### (m) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are tested annually for impairment. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments made. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

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

##### (n) Trade and Other Payables

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (o) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid of the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. 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.

##### (p) Employee Benefits

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

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

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

##### **Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels,

experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

##### (q) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of their employees. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (r) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Statement of Financial Position and Statement of Comprehensive Income. Information about the joint venture is set out in Note 17.

##### (s) 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 at Note 2(d). 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 operation for the current reporting period.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (t) Current and Non-Current Classification

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

##### (u) Rounding Off Figures

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

##### (v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

##### (w) 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.

##### (x) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

##### (y) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of Council that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (z) Intangible Assets

Council has not classified any assets as Intangible.

##### (aa) Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The City of Greater Geraldton has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result, Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note 44.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

##### Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*

- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*

- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

##### Effective for annual reporting periods beginning on or after 13 February 2017

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

##### Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

##### Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*AASB 1057 *Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

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- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

#### **Effective for annual reporting periods beginning on or after 1 January 2019**

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 2. Operating Revenues and Expenses

\$	Notes	2017 Actual	2017 Budget	2016 Actual
<b>(a) Net Result</b>				
The Result includes:				
<b>(i) Charging as an Expense:</b>				
<b>Significant Expense/Revenue</b>				
reduction in the fair value of the Council's investments	4	(10,532)	-	(326,046)
<b>Auditors Remuneration</b>				
- Audit		40,980	45,000	44,441
- Other Services		58,181	-	29,960
<b>Bad &amp; Doubtful Debts</b>				
Rates	27(c)	22,195	-	80,334
General Debtors	27(c)	4,401	-	74,530
<b>Depreciation &amp; Amortisation</b>				
<i>Property, Plant &amp; Equipment</i>				
- Buildings	7(b)	1,820,675	1,791,295	3,071,695
- Furniture and Equipment		357,144	442,706	390,086
- Plant and Equipment		1,706,944	1,763,161	2,218,542
<i>Infrastructure</i>				
- Roads	8(b)	15,310,224	15,035,152	14,919,685
- Recreation		684,936	574,219	592,464
- Car Parks		452,507	-	437,953
- Meru Landfill		365,265	355,547	354,176
- Airport		590,776	1,017,024	575,103
- Effluent Scheme		8,428	-	7,966
		<u>21,296,897</u>	<u>20,979,104</u>	<u>22,567,669</u>
<b>Interest Expenses (Finance Costs)</b>				
Debentures	23(a)	1,167,479	1,154,735	1,042,382
		<u>1,167,479</u>	<u>1,154,735</u>	<u>1,042,382</u>
<b>Rental Charges</b>				
- Operating Leases		73,776	-	73,504
		<u>73,776</u>	<u>-</u>	<u>73,504</u>
<b>(ii) Crediting as Revenue:</b>				
<b>Interest Earnings</b>				
Investments - Reserve Funds		259,041	790,500	438,880
Investments - Other Funds		779,947	17,058	328,885
Other Interest Revenue	28	647,855	562,000	665,749
		<u>1,686,843</u>	<u>1,369,558</u>	<u>1,433,514</u>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 2. Operating Revenues and Expenses (continued)

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\$

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#### (b). Statement of Objectives, Reporting Programs and Nature or Type

City of Greater Geraldton is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

#### REPORTING PROGRAM DESCRIPTIONS

Council operations that are disclosed 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 to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

#### GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants, and interest revenue.

#### LAW, ORDER, PUBLIC SAFETY

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

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

#### HEALTH

Objective: To provide services to achieve community and environmental health.

Activities: Maternal and infant health facilities, immunisation, meat inspection services, inspection of food outlets, noise control and pest control services.

#### EDUCATION AND WELFARE

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

Activities: Pre-school and other education services, child minding facilities, playgroups, senior citizens' centres, meals on wheels and home care services.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 2. Operating Revenues and Expenses (continued)

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\$

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##### (b). Statement of Objectives, Reporting Programs and Nature or Type (continued)

###### **HOUSING**

Objective: To provide and maintain staff housing and elderly residents' housing.

Activities: Provision and maintenance of staff housing and elderly residents' housing.

###### **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, cemeteries and public conveniences.

###### **RECREATION AND CULTURE**

Objective: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Activities: Maintenance of public halls, civic centre, 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 (if not capitalised) and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Aerodromes and water transport facilities, 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, standpipes and building control.

###### **OTHER PROPERTY & SERVICES**

Objective: To monitor and control council's overheads operating accounts.

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 2. Operating Revenues and Expenses (continued)

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##### (c) Nature or Type Classifications

City of Greater Geraldton is required by the Australian Accounting Standards to disclose revenue and expenditure according to its nature or type classification. The following nature or function descriptions are also required by State Government regulations.

##### **REVENUE**

###### **Rates**

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

###### **Operating Grants, Subsidies and Contributions**

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

###### **Non-Operating Grants, Subsidies and Contributions**

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

###### **Profit on Asset Disposal**

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

###### **Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

###### **Service Charges**

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. Excludes rubbish removal and charges for the provision of waste services.

###### **Interest Earnings**

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

###### **Other Revenue**

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

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 2. Operating Revenues and Expenses (continued)

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\$

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##### (c) Nature or Type Classifications (continued)

#### EXPENDITURE

##### Employee Costs

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

##### Material and Contracts

All expenditure on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

##### Utilities (Gas, Electricity, Water, etc.)

Expenditures made to respective agencies for the provision of power, gas or water. Excludes expenditure incurred for the re-instatement of road works on behalf of these agencies.

##### Depreciation & Amortisation on Non-Current Assets

Depreciation and amortisation expense raised on all classes of assets.

##### Loss on Asset Disposal

Loss on the disposal of fixed assets.

##### Interest Expenses

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

##### Insurance

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

##### Other Expenditure

Statutory fees, taxes, provision of bad debts, internal transfers, allocated cost.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-15	Received <sup>2</sup> 2016	Expended <sup>3</sup> 2016	Closing Balance <sup>1</sup> 30-Jun-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance 30-Jun-17
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions</b>							
<b>Grant/Subsidy/Contribution</b>							
Abraham Street Roundabout	-	719,887	-	<b>719,887</b>	-	(719,887)	-
Airport Projects	632,375	116,245	(413,141)	<b>335,479</b>	185,513	(204,350)	<b>316,642</b>
Airport Security Screening & Baggage Handling	-	140,000	-	<b>140,000</b>	-	(76,600)	<b>63,400</b>
Aquarena Renewal Program	-	-	-	-	110,000	-	<b>110,000</b>
Art Gallery- Donation to Lindsay Collection	12,901	-	-	<b>12,901</b>	-	-	<b>12,901</b>
Art Gallery- Community Cultural Development	3,454	-	-	<b>3,454</b>	-	-	<b>3,454</b>
Artwork Acquisitions	-	20,000	-	<b>20,000</b>	-	(13,250)	<b>6,750</b>
Back Beach	40,000	-	(40,000)	-	-	-	-
Beresford Foreshore (Northern Beaches Seawall)	77,106	-	(77,106)	-	-	-	-
Bridgid Road New Access	-	80,000	-	<b>80,000</b>	-	(80,000)	-
Bright Stars Family Day Care	-	15,000	-	<b>15,000</b>	-	(15,000)	-
Building Better Regional Cities	4,758,812	-	(4,758,812)	-	-	-	-
Bushfire Brigade Maintenance	-	7,000	-	<b>7,000</b>	-	(7,000)	-
Call Centre Service	-	-	-	-	70,000	-	<b>70,000</b>
Carpark Works	-	-	-	-	35,000	-	<b>35,000</b>
Caring for Bimarras Pools - Stage 1 - Greenough River	-	20,536	-	<b>20,536</b>	-	(9,000)	<b>11,536</b>
Cathedral Avenue Footpath	-	24,444	-	<b>24,444</b>	-	(24,444)	-
CBD Gardens Parkway Seats	-	26,580	-	<b>26,580</b>	-	(26,580)	-
CCTV Systems	-	3,000	-	<b>3,000</b>	-	(3,000)	-
Cell 3	-	60,000	-	<b>60,000</b>	-	(60,000)	-
Chapman & Greenough River Flood Project	-	125,000	-	<b>125,000</b>	75,000	-	<b>200,000</b>
Chapman River Corridor Project - 13001	5,000	-	(5,000)	-	-	-	-
Chapman River Corridor Capital Works	-	-	-	-	50,000	-	<b>50,000</b>
Chapman River Regional Park CARE Project - Stage 3	-	20,065	-	<b>20,065</b>	-	(20,065)	-

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-15	Received <sup>2</sup> 2016	Expended <sup>3</sup> 2016	Closing Balance <sup>1</sup> 30-Jun-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance 30-Jun-17
\$							
(d). Conditions Over Grants, Subsidies & Contributions (continued)							
<b>Grant/Subsidy/Contribution (continued)</b>							
Chapman Road Footpath	-	26,582	-	<b>26,582</b>	-	(26,582)	-
Chapman Road Foreshore	-	1,552,947	-	<b>1,552,947</b>	6,803,670	-	<b>8,356,617</b>
Chapman Wildlife Corridor CARE Stage 2	-	12,100	-	<b>12,100</b>	-	-	<b>12,100</b>
CHRMAP Project	-	-	-	-	137,500	-	<b>137,500</b>
CLGF Regional Funding - Wonthella Lights	229,141	-	(229,141)	-	-	-	-
Community Grants Round 10	2,735	-	(2,735)	-	-	-	-
Community Grants Round 13	7,393	-	(5,250)	<b>2,143</b>	-	(2,143)	-
Community Grants Round 14	35,176	-	(32,119)	<b>3,057</b>	-	(3,057)	-
Community Grants Round 15	12,901	-	(10,101)	<b>2,800</b>	-	(2,800)	-
Community Grants Round 16	23,195	-	(16,932)	<b>6,263</b>	-	(2,800)	<b>3,463</b>
Community Grants Round 17	-	19,417	-	<b>19,417</b>	600	(15,287)	<b>4,730</b>
Community Grants Round 18	-	-	-	-	28,069	-	<b>28,069</b>
Community Nursery - New Shed	-	-	-	-	120,000	-	<b>120,000</b>
CSRFF - Netball Association	48,659	-	(48,659)	-	-	-	-
Depot Main	80,410	-	(80,410)	-	-	-	-
Derna Parade Toilet	-	-	-	-	200,000	-	<b>200,000</b>
Detailed Mountain Bike Plan - Chapman Valley Wildlife Corridor Project	-	12,736	-	<b>12,736</b>	-	(12,736)	-
Drainage Works	180,847	-	-	<b>180,847</b>	290,000	-	<b>470,847</b>
Dual Use Pathways- Bikewest (Champion Bay)	7,000	-	-	<b>7,000</b>	-	-	<b>7,000</b>
Eastern Breakwater	130,000	-	-	<b>130,000</b>	-	-	<b>130,000</b>
Eastward Road (Old Depot Site)	-	-	-	-	1,836,655	-	<b>1,836,655</b>
Ellendale Pool Honesty Box	26,776	-	-	<b>26,776</b>	-	(13,045)	<b>13,731</b>

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-15	Received <sup>2</sup> 2016	Expended <sup>3</sup> 2016	Closing Balance <sup>1</sup> 30-Jun-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance 30-Jun-17
\$							
(d). Conditions Over Grants, Subsidies & Contributions (continued)							
<b>Grant/Subsidy/Contribution (continued)</b>							
Environmental Projects - Signage	50,000	-	-	<b>50,000</b>	-	-	<b>50,000</b>
Financial Assistance Grants	2,965,584	-	(2,965,584)	-	-	-	-
Feasibility Geraldton Laser Light Project	-	40,000	-	<b>40,000</b>	-	(40,000)	-
Fitzgerald Street Footpath	-	24,159	-	<b>24,159</b>	-	(24,159)	-
Fleet Replacement	430,000	371,250	-	<b>801,250</b>	150,000	-	<b>951,250</b>
Foreshore Stabilisation	806,661	-	-	<b>806,661</b>	-	(258,238)	<b>548,423</b>
Furniture & Equipment	-	-	-	-	50,000	-	<b>50,000</b>
Geraldton Regional Visitor Centre Sustainability Grant - Signage	-	-	-	-	6,528	-	<b>6,528</b>
Glendinning Road Foreshore Bollards	-	19,435	-	<b>19,435</b>	-	(19,435)	-
Grave Restoration Works Greenough Pioneer/Old Walkaway Cemetery	-	-	-	-	22,567	-	<b>22,567</b>
Greater Geraldton Rural Art Tour	-	13,050	-	<b>13,050</b>	-	(13,050)	-
Green Army Programme	-	10,000	-	<b>10,000</b>	-	-	<b>10,000</b>
Greenough River Estuary Nature Walk Trail - Stage 1	-	23,296	-	<b>23,296</b>	-	(19,030)	<b>4,266</b>
Groundwater Monitoring Bore - Meru Landfill	-	39,935	-	<b>39,935</b>	-	(39,935)	-
HMAS Memorial	9,204	-	-	<b>9,204</b>	-	-	<b>9,204</b>
Implementation of the Chapman River Estuary Management Plan	-	22,248	-	<b>22,248</b>	-	(17,364)	<b>4,884</b>
IT Projects/Equipment	-	27,000	-	<b>27,000</b>	225,000	(27,000)	<b>225,000</b>
Kerbing Renewals	-	-	-	-	150,000	-	<b>150,000</b>
KidSport	-	-	-	-	16,562	-	<b>16,562</b>
Land Developments	-	-	-	-	385,000	-	<b>385,000</b>
Library Regional Activity Plan	2,290	-	-	<b>2,290</b>	19,132	-	<b>21,422</b>
Library SirsiDynix Project	-	-	-	-	2,900	-	<b>2,900</b>
Lighting Renewal	-	126,799	-	<b>126,799</b>	573,201	-	<b>700,000</b>

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-15	Received <sup>2</sup> 2016	Expended <sup>3</sup> 2016	Closing Balance <sup>1</sup> 30-Jun-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance 30-Jun-17
\$							
(d). Conditions Over Grants, Subsidies & Contributions (continued)							
<b>Grant/Subsidy/Contribution (continued)</b>							
Lighting Up Lester Avenue	-	19,970	-	<b>19,970</b>	-	(19,516)	<b>454</b>
Local Planning Strategy and Scheme	37,476	-	(37,476)	-	-	-	-
Local Profile and Context Report Northern Planning Program	-	80,000	-	<b>80,000</b>	-	-	<b>80,000</b>
Mahomets Beach Bollards	-	9,438	-	<b>9,438</b>	-	(9,438)	-
Menshed Community Grants Round 13 and 14 for new building	-	-	-	-	41,897	-	<b>41,897</b>
Meru Landfill	150,000	-	-	<b>150,000</b>	60,000	-	<b>210,000</b>
Mid West Gascoyne District Recovery Project	90,000	-	(81,402)	<b>8,598</b>	-	-	<b>8,598</b>
Mid West China Connect Website	39,150	-	(31,200)	<b>7,950</b>	35,600	-	<b>43,550</b>
Mid West Estuaries - Creating Corridors for Wildlife - Project 1	-	9,091	-	<b>9,091</b>	-	(9,091)	-
Mid West Estuaries - Creating Corridors for Wildlife (Round 2)	-	59,500	-	<b>59,500</b>	-	(59,500)	-
Morris Street Sump (a/c 7090113)	111,000	-	(83,655)	<b>27,345</b>	-	(27,345)	-
Mullewa Building - Insurance Payment	450,000	-	-	<b>450,000</b>	-	-	<b>450,000</b>
Mullewa Community Trust	1,000	-	(1,000)	-	-	-	-
Mullewa Community Projects	40,000	-	-	<b>40,000</b>	-	-	<b>40,000</b>
Mullewa Landfill Transfer Station	-	504,000	-	<b>504,000</b>	-	(504,000)	-
Mullewa Sewerage System (CLGF Direct 2011-12)	55,000	-	(55,000)	-	-	-	-
Mullewa Sewerage Pumping Mains	-	13,000	-	<b>13,000</b>	87,000	-	<b>100,000</b>
Mullewa Sewer System - Brookfield Rail	49,450	-	-	<b>49,450</b>	-	-	<b>49,450</b>
Mullewa Youth Precinct	-	23,000	-	<b>23,000</b>	-	(23,000)	-
NACC Biodiversity Grant	-	11,000	-	<b>11,000</b>	-	-	<b>11,000</b>
National Tree Day	-	485	-	<b>485</b>	-	-	<b>485</b>

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-15	Received <sup>2</sup> 2016	Expended <sup>3</sup> 2016	Closing Balance <sup>1</sup> 30-Jun-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance 30-Jun-17
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
New Animal Facility Design	50,000	-	-	<b>50,000</b>	-	(50,000)	-
Olympic Torch Relay	2,821	-	-	<b>2,821</b>	-	(2,821)	-
Olive Street POS	-	-	-	-	1,456,927	-	<b>1,456,927</b>
Park Renewals	-	-	-	-	390,000	-	<b>390,000</b>
Pathway Renewals	-	-	-	-	400,000	-	<b>400,000</b>
Public Arts Initiatives	-	-	-	-	40,000	-	<b>40,000</b>
QPT Line Array System	100,060	-	(100,060)	-	-	-	-
QPT New Building	-	59,680	-	<b>59,680</b>	-	(59,680)	-
QPT Renewal	-	28,615	-	<b>28,615</b>	-	(28,615)	-
Parking Facilities Replace Modems	-	11,400	-	<b>11,400</b>	-	-	<b>11,400</b>
Point Moore Study	-	86,000	-	<b>86,000</b>	-	(86,000)	-
Randolf Stow Young Writers Awards	1,625	2,773	(1,625)	<b>2,773</b>	1,100	(2,773)	<b>1,100</b>
Recurrent Grants	54,680	-	(53,380)	<b>1,300</b>	-	(1,300)	-
Regional Venues Improvement Funds - QPT	-	9,013	-	<b>9,013</b>	-	(9,013)	-
Restoring the Chapman & Greenough - Estuaries of the Mid West - Stage 2 (Project 1)	-	10,000	-	<b>10,000</b>	-	-	<b>10,000</b>
Restoring the Chapman & Greenough - Estuaries of the Mid West - Stage 2 (Project 2)	-	9,091	-	<b>9,091</b>	-	-	<b>9,091</b>
Retention Amounts (EVO, Convic and Mitchell & Brown, WACB & RDH)	32,209	40,034	-	<b>72,243</b>	76,818	-	<b>149,061</b>
Road Renewals	-	-	-	-	530,000	-	<b>530,000</b>
RoadWise - Strengthening Communities	-	4,452	-	<b>4,452</b>	-	-	<b>4,452</b>
Roadwise Safe Routes To Schools - Bike Map	367	-	-	<b>367</b>	-	-	<b>367</b>

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-15	Received <sup>2</sup> 2016	Expended <sup>3</sup> 2016	Closing Balance <sup>1</sup> 30-Jun-16	Received <sup>2</sup> 2017	Expended <sup>3</sup> 2017	Closing Balance 30-Jun-17
\$							
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions (continued)</b>							
<b>Grant/Subsidy/Contribution (continued)</b>							
Roadwise Safe Routes To Schools- Surplus	689	-	-	689	-	-	689
Roadwise Committee One Year Action Plan	-	-	-	-	4,619	-	4,619
Rundle Park Bollards	-	9,993	-	9,993	-	(9,993)	-
Stillwater Ave Asphalt Overlay	-	14,573	-	14,573	-	(14,573)	-
RV Waste Dump Point	-	106,928	-	106,928	-	(106,928)	-
Seniors User-Friendly Business Program	-	-	-	-	9,000	-	9,000
South Tomi Project	8,000	-	-	8,000	-	-	8,000
Sport & Leisure Renewals	-	-	-	-	220,000	-	220,000
State Emergency Services	-	-	-	-	22,786	-	22,786
Sumfun	2,635	-	(2,635)	-	-	-	-
Town Foreshore Playground Softfall	-	22,760	-	22,760	-	(22,760)	-
Verita Road Bridge	-	201,816	-	201,816	-	-	201,816
Walkaway Recreation Centre Roof Upgrade	-	-	-	-	25,000	-	25,000
West End Recreation	1,914,523	67,355	(1,914,523)	67,355	-	(67,355)	-
Whitfield Street Asphalt Overlay	-	11,050	-	11,050	-	(11,050)	-
Wonthella Football Oval - Carpark Linemarking	-	25,172	-	25,172	-	(25,172)	-
Wonthella Skate Park	54,734	-	(54,734)	-	-	-	-
Youth Development Program	-	-	-	-	2,848	-	2,848
Youth Friendly Communities Project - Stage 2	10,000	-	-	10,000	-	(10,000)	-
<b>Total Unexpended Capital Works and Grants</b>	<b>13,833,039</b>	<b>5,168,900</b>	<b>(11,101,680)</b>	<b>7,900,259</b>	<b>14,946,492</b>	<b>(2,955,760)</b>	<b>19,890,991</b>
Beresford Foreshore Coastal Protection and Enhancement <sup>(5)</sup>	5,857,500	13,179,702	(1,708,242)	17,328,960	-	(8,336,766)	8,992,194
Building Better Regional Cities: Karloo - Wandina Project <sup>(5)</sup>	4,962,300	208,074	(4,492,300)	678,074	-	(678,074)	-
Wonthella Oval Lighting <sup>(5)</sup>	649,000	12,440	(59,000)	602,440	-	(602,440)	-
<b>Total Unspent Grants, Subsidies &amp; Contributions (WATC)</b>	<b>11,468,800</b>	<b>13,400,215</b>	<b>(6,259,542)</b>	<b>18,609,473</b>	<b>-</b>	<b>(9,617,279)</b>	<b>8,992,194</b>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 2. Operating Revenues and Expenses (continued)

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##### (d). Conditions Over Grants, Subsidies & Contributions (continued)

###### Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous period.
- (2) - New grants/contributions which were recognised as revenue 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 revenue 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) - Grants received but not expected to be fully expended in the next financial year.
- (5) - Funding is provided under a Royalties for Region - Financial Assistance Agreement between the Department of Regional Development and the City of Greater Geraldton. The full amount of the Funding provided under this Agreement is required to be invested by the City of Greater Geraldton with the Western Australian Treasury Corporation (WATC) until expended as per agreed and approved budget. Under the conditions of the agreement the City has opened a separate Overnight Cash Deposit Facility (OCDF) that gives the City access to the funds at call. The Department of Regional Development is joint signatory to the WATC ODCF account related to the funding and all withdrawals/drawdowns will require the approved signatures of both the Department and the City before WATC will release the funds. Interest received on the ODCF is recognised as liability and added to the Unexpended Non-Operating Grants account to be utilised for the Project in accordance with the Financial Assistance Agreement.
- (6) - Economic Dependency  
A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed within the Statement of Comprehensive Income.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 3. Cash and Cash Equivalents

\$	Notes	2017 Actual	2016 Actual
Cash - Unrestricted		10,652,633	9,163,374
Cash - Restricted		31,310,657	28,937,204
<b>Total Cash and Cash Equivalents</b>	14(a)	<u><u>41,963,290</u></u>	<u><u>38,100,578</u></u>
<b>The following restrictions have been imposed by regulations or other externally imposed requirements:</b>			
Mullewa Reseal Reserve	12	1,891,285	1,891,285
Parking Land Reserve	12	536,187	536,187
Unexpended Capital Works & Restricted Grant Reserve	12	19,890,991	7,900,259
<b>Total Reserves</b>		<u><u>22,318,463</u></u>	<u><u>10,327,731</u></u>
Unspent Grants	2(d)	8,992,194	18,609,473
<b>Total Unspent Grants and Loans</b>		<u><u>8,992,194</u></u>	<u><u>18,609,473</u></u>
<b>Total Restricted Cash</b>		<u><u>31,310,657</u></u>	<u><u>28,937,204</u></u>

## Note 4. Investments

<b>Financial Assets at Fair Value through Profit and Loss</b>		-	-
<b>Movements in Financial Assets at Fair Value through Profit and Loss</b>			
<b>At beginning of the year</b>		-	266,241
Revaluation to Statement of Comprehensive Income	2(a)	10,532	326,046
Additions		-	-
Disposals		(10,532)	(592,287)
<b>At end of the year</b>		-	-
<b>Total Investments</b>		<u><u>-</u></u>	<u><u>-</u></u>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 5. Trade &amp; Other Receivables

\$	Notes	2017 Actual	2016 Actual
<b>Current</b>			
Rates		3,830,487	3,335,668
Sundry Debtors		4,650,000	1,622,068
GST Net Position		544,607	287,911
Interest		55,266	19,137
Self Supporting Loan Debtors		71,087	86,741
Accrued Income		2,976,532	383,982
Prepayments		406,613	109,484
Provision for Doubtful Debts		(28,583)	(72,776)
<b>Total Current Trade &amp; Other Receivables</b>		<b><u>12,506,007</u></b>	<b><u>5,772,216</u></b>
<b>Non-Current</b>			
Rates Outstanding - Pensioners		422,302	360,615
Self Supporting Loan Debtors		168,188	239,158
<b>Total Non-Current Trade &amp; Other Receivables</b>		<b><u>590,489</u></b>	<b><u>599,772</u></b>

## Note 6. Inventories

<b>Current</b>			
Fuel and Materials		479,721	308,394
Resalable Merchandise		164,653	151,249
<b>Total Current Inventories</b>		<b><u>644,374</u></b>	<b><u>459,643</u></b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 7a. Property, Plant and Equipment

\$	Notes	2017 Actual	2016 Actual
Land - Fair Value		81,491,000	81,825,607
Land - Cost (Additions at fair value)		-	8,135,585
		<u>81,491,000</u>	<u>89,961,192</u>
Buildings - Fair Value		105,796,735	97,734,052
Buildings - Cost (Additions at fair value)		-	10,864,266
Less Accumulated Depreciation		-	(3,062,183)
		<u>105,796,735</u>	<u>105,536,134</u>
Furniture and Equipment - Fair Value		1,231,620	950,556
Furniture and Equipment - Cost (Additions at fair value)		631,707	281,064
Less Accumulated Depreciation		(383,935)	(26,791)
		<u>1,479,392</u>	<u>1,204,828</u>
Plant and Equipment - Fair Value		9,823,214	8,113,531
Plant and Equipment - Cost (Additions at fair value)		1,713,499	2,183,495
Less Accumulated Depreciation		(1,823,632)	(160,829)
		<u>9,713,081</u>	<u>10,136,197</u>
Artwork - Fair Value		608,926	608,926
Artwork - Cost (Additions at fair value)		33,250	-
Less Accumulated Depreciation		-	-
		<u>642,176</u>	<u>608,926</u>
<b>Total Property, Plant &amp; Equipment</b>	7(b)	<u><u>199,122,384</u></u>	<u><u>207,447,278</u></u>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2017

## Note 7b. Property, Plant and Equipment (continued)

## Movements in Carrying Amounts

		Land	Buildings	Furniture and Equipment	Plant and Equipment	Artwork	Total
\$	Notes	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Balance as at 1 July 2016		89,961,192	105,536,134	1,204,828	10,136,197	608,926	207,447,278
Additions							
- Renewal	20	-	608,297	309,639	1,619,989	-	2,537,925
- New	20	1,792,105	1,064,588	322,068	93,510	33,250	3,305,521
Disposals	21	(1,599,170)	-	-	(473,811)	-	(2,072,981)
Revaluation - Increments	13	-	408,390	-	-	-	408,390
Revaluation - (Decrements)	13	(8,663,128)	-	-	-	-	(8,663,128)
Depreciation	2(a)	-	(1,820,675)	(357,144)	(1,706,944)	-	(3,884,762)
Depreciation on Disposal		-	-	-	44,140	-	44,140
<b>Property, Plant &amp; Equipment at 30 June 2017</b>		<b>81,491,000</b>	<b>105,796,735</b>	<b>1,479,392</b>	<b>9,713,081</b>	<b>642,176</b>	<b>199,122,384</b>
Balance as at 1 July 2015		80,488,168	97,924,353	1,506,600	10,413,751	619,690	190,952,562
Additions							
- Renewal	20	-	1,603,753	54,809	2,183,495	-	3,842,056
- New	20	862,622	9,260,513	226,255	-	-	10,349,390
Disposals	21	(624,514)	(52,822)	(699,579)	(903,540)	(7,175)	(2,287,630)
Revaluation - Increments	13	1,961,953	-	-	121,332	-	2,083,285
Revaluation - (Decrements)	13	-	(128,184)	-	-	(3,590)	(131,774)
Depreciation	2(a)	-	(3,071,695)	(390,086)	(2,218,542)	-	(5,680,323)
Reclassification Land Held for Resale		7,272,963	-	-	-	-	7,272,963
Transfers		-	-	(190,506)	190,506	-	-
Depreciation on Disposal		-	216	697,336	349,195	-	1,046,748
<b>Property, Plant &amp; Equipment at 30 June 2016</b>		<b>89,961,192</b>	<b>105,536,134</b>	<b>1,204,829</b>	<b>10,136,197</b>	<b>608,926</b>	<b>207,447,278</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 8a. Infrastructure

\$	Notes	2017 Actual	2016 Actual
Roads - Fair Value		582,759,554	567,776,619
Roads - Cost (Additions at fair value)		12,773,589	14,982,935
Less Accumulated Depreciation		<u>(30,229,909)</u>	<u>(14,919,685)</u>
		565,303,234	567,839,869
Recreation - Fair Value		36,118,777	30,552,746
Recreation - Cost (Additions at fair value)		8,048,872	5,566,031
Less Accumulated Depreciation		<u>(1,277,400)</u>	<u>(592,464)</u>
		42,890,249	35,526,313
Car Parks - Fair Value		11,422,745	11,044,634
Car Parks - Cost (Additions at fair value)		229,965	378,111
Less Accumulated Depreciation		<u>(890,459)</u>	<u>(437,953)</u>
		10,762,251	10,984,792
Meru Landfill - Fair Value		14,629,517	13,650,547
Meru Landfill - Cost (Additions at fair value)		541,438	202,736
Less Accumulated Depreciation		<u>(719,440)</u>	<u>(354,176)</u>
		14,451,515	13,499,106
Airport - Fair Value		27,565,132	26,834,300
Airport - Cost (Additions at fair value)		541,024	730,832
Less Accumulated Depreciation		<u>(1,165,878)</u>	<u>(575,103)</u>
		26,940,278	26,990,030
Effluent Scheme - Cost		310,552	268,477
Effluent Scheme - Cost (Additions)		23,159	42,075
Less Accumulated Amortisation		<u>(88,736)</u>	<u>(80,308)</u>
		244,975	230,244
<b>Total Infrastructure</b>	8(b)	<u><u>660,592,501</u></u>	<u><u>655,070,354</u></u>

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2017

## Note 8b. Infrastructure (continued)

## Movements in Carrying Amounts

		Roads	Recreation	Car Parks	Meru Landfill	Airport	Effluent Scheme	Total
\$	Notes	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Balance as at 1 July 2016		567,839,869	35,526,313	10,984,792	13,499,106	26,990,030	230,244	655,070,354
Additions								
- Renewal	20	11,559,177	1,667,408	221,639	40,891	460,854	23,159	13,973,128
- New	20	1,214,412	6,381,464	8,326	500,548	80,170	-	8,184,920
Depreciation (Expense)	2(a)	(15,310,224)	(684,936)	(452,507)	(365,265)	(590,776)	(8,428)	(17,412,135)
Other Movements		-	-	-	776,234	-	-	776,234
<b>Infrastructure at 30 June 2017</b>		<b>565,303,234</b>	<b>42,890,249</b>	<b>10,762,251</b>	<b>14,451,515</b>	<b>26,940,278</b>	<b>244,975</b>	<b>660,592,501</b>
Balance as at 1 July 2015		567,776,619	30,552,746	11,044,634	13,719,797	26,834,300	196,136	650,124,232
Additions								
- Renewal	20	9,326,461	913,976	257,077	64,408	149,714	42,075	10,753,710
- New	20	5,656,474	4,652,055	121,034	138,327	581,118	-	11,149,008
Depreciation (Expense)	2(a)	(14,919,685)	(592,464)	(437,953)	(354,176)	(575,103)	(7,966)	(16,887,347)
Other Movements		-	-	-	(69,250)	-	-	(69,250)
<b>Infrastructure at 30 June 2016</b>		<b>567,839,869</b>	<b>35,526,313</b>	<b>10,984,792</b>	<b>13,499,106</b>	<b>26,990,029</b>	<b>230,244</b>	<b>655,070,354</b>

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 9. Trade and Other Payables

\$	2017 Actual	2016 Actual
<b>Current</b>		
Sundry Creditors	7,554,537	8,039,950
Accrued Interest on Debentures	155,437	164,783
Accrued Salaries and Wages	407,474	264,606
Unexpended Non-Operating Grants (WATC)	8,992,194	18,609,473
<b>Total Current Trade and Other Payables</b>	<b><u>17,109,642</u></b>	<b><u>27,078,812</u></b>

#### Note 10. Borrowings

<b>Current</b>		
Secured by Floating Charge		
- Debentures	23(a) <u>3,978,382</u>	<u>3,748,422</u>
<b>Total Current Borrowings</b>	<b><u>3,978,382</u></b>	<b><u>3,748,422</u></b>
<b>Non-Current</b>		
Secured by Floating Charge		
- Debentures	23(a) <u>23,871,942</u>	<u>24,151,530</u>
<b>Total Non-Current Borrowings</b>	<b><u>23,871,942</u></b>	<b><u>24,151,530</u></b>

Additional detail on borrowings is provided in Note 23.

#### Note 11. Provisions

<b>Current</b>		
Annual Leave	2,306,469	2,257,339
Long Service Leave	1,813,764	1,701,826
Sick Leave	448,289	435,932
Accrued RDO's	44,924	44,376
<b>Total Current Provisions</b>	<b><u>4,613,446</u></b>	<b><u>4,439,473</u></b>
<b>Non-Current</b>		
Long Service Leave	366,122	339,260
Provision for Infrastructure Meru - Rehabilitation	9,971,542	9,195,308
<b>Total Non-Current Provisions</b>	<b><u>10,337,664</u></b>	<b><u>9,534,568</u></b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 12. Reserves - Cash/Investment Backed

\$	2017 Actual	2017 Budget	2016 Actual
<b>(a). Mullewa Community Reserve</b>			
Opening Balance	-	-	556,390
Amount Used / Transfer from Reserve	-	-	(556,390)
	-	-	-
<b>(b). Mullewa Reseal Reserve</b>			
Opening Balance	1,891,285	1,891,285	1,891,285
	1,891,285	1,891,285	1,891,285
<b>(c). Parking Land Reserve</b>			
Opening Balance	536,187	536,187	536,187
	536,187	536,187	536,187
<b>(d). Unexpended Capital Works &amp; Restricted Grant Reserve</b>			
Opening Balance	7,900,259	6,389,430	13,833,040
Amount Set Aside / Transfer to Reserve	14,946,492	-	5,168,900
Amount Used / Transfer from Reserve	(2,955,760)	(2,009,041)	(11,101,680)
	19,890,991	4,380,389	7,900,259
<b>Total Reserves</b>	<b>22,318,463</b>	<b>6,807,861</b>	<b>10,327,731</b>
<b><u>Summary of Reserve Transfers</u></b>			
<b>Transfers to Reserves</b>			
Mullewa Community Reserve	-	-	-
Mullewa Reseal Reserve	-	-	-
Parking Land Reserve	-	-	-
Unexpended Capital Works & Restricted Grant Reserve	14,946,492	-	5,168,900
<b>Total Transfers to Reserves</b>	<b>14,946,492</b>	<b>-</b>	<b>5,168,900</b>
<b>Transfers from Reserves</b>			
Mullewa Community Reserve	-	-	(556,390)
Mullewa Reseal Reserve	-	-	-
Parking Land Reserve	-	-	-
Unexpended Capital Works & Restricted Grant Reserve	(2,955,760)	(2,009,041)	(11,101,680)
<b>Total Transfers from Reserves</b>	<b>(2,955,760)</b>	<b>(2,009,041)</b>	<b>(11,658,070)</b>
<b>Total Net Transfer to/(from) Reserves</b>	<b>11,990,732</b>	<b>(2,009,041)</b>	<b>(6,489,170)</b>

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 12. Reserves - Cash/Investment Backed (continued)

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All of the cash backed reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3 and 4 to this financial report.

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

##### **Mullewa Reseal Reserve**

The purpose of this reserve is to comply with clause 14.2 of the public road access agreement between the former Shire of Mullewa (now the City of Greater Geraldton) and Mount Gibson Mining Ltd.

##### **Parking Land Reserve**

The purpose of this reserve is to build up funds that can then be used for the acquisition of land for car parking and provision of parking bays within the City.

##### **Unexpended Capital Works & Restricted Grant Reserve**

The purpose of this reserve is to restrict grant funds received that were unspent in the financial year including any tied contribution from the City plus any unexpended capital works to be carried over to the next financial

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 13. Reserves - Asset Revaluation

\$	Notes	2017 Actual	2016 Actual
Asset revaluation reserves have arisen on revaluation of the following classes of assets:			
<b>(a). Land</b>			
Opening Balance		55,142,739	53,180,786
Revaluation Increment	7(b)	-	1,961,953
Revaluation Decrement	7(b)	(8,663,128)	-
		<u>46,479,611</u>	<u>55,142,739</u>
<b>(b). Buildings</b>			
Opening Balance		48,772,084	48,900,268
Revaluation Increment	7(b)	408,390	-
Revaluation Decrement	7(b)	-	(128,184)
		<u>49,180,474</u>	<u>48,772,084</u>
<b>(c). Plant and Equipment</b>			
Opening Balance		1,601,370	1,480,038
Revaluation Increment	7(b)	-	121,332
		<u>1,601,370</u>	<u>1,601,370</u>
<b>(d). Artwork</b>			
Opening Balance		152,071	155,660
Revaluation Decrement	7(b)	-	(3,590)
		<u>152,071</u>	<u>152,071</u>
<b>(e). Roads</b>			
Opening Balance		373,003,794	373,003,794
Revaluation Increment	8(b)	-	-
		<u>373,003,794</u>	<u>373,003,794</u>
<b>(f). Car Parks</b>			
Opening Balance		10,830,969	10,830,969
Revaluation Increment	8(b)	-	-
		<u>10,830,969</u>	<u>10,830,969</u>
<b>(g). Meru Landfill</b>			
Opening Balance		1,142,037	1,142,037
Revaluation Increment	8(b)	-	-
		<u>1,142,037</u>	<u>1,142,037</u>
<b>(h). Airport</b>			
Opening Balance		16,077,123	16,077,123
Revaluation Increment	8(b)	-	-
		<u>16,077,123</u>	<u>16,077,123</u>
<b>Total Asset Revaluation Reserves</b>		<u>498,467,449</u>	<u>506,722,186</u>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 14. Notes to the Statement of Cash flows

\$	Notes	2017 Actual	2017 Budget	2016 Actual
----	-------	----------------	----------------	----------------

## (a). Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand 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:

Cash and Cash Equivalents	3	<u>41,963,290</u>	<u>13,697,483</u>	<u>38,100,578</u>
---------------------------	---	-------------------	-------------------	-------------------

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

Net Result		25,265,670	40,200,755	2,585,793
Depreciation		21,296,897	20,979,104	22,567,669
Write Down (Up) in Fair Value of Investments		(10,532)	-	(326,046)
(Profit)/Loss on Sale of Assets		(1,256,630)	(72,114)	212,699
Other Non Cash Movements		8,796,905	-	(7,178,302)
Decrease/(Increase) in Receivables		(6,766,941)	39,833	(39,512)
Increase/(Decrease) in Provision for Doubtful Debts		(44,193)	-	64,117
Decrease/(Increase) in Inventories		(184,731)	29,618	(6,944)
Increase/(Decrease) in Payables & Accruals		(9,959,823)	-	9,104,055
Increase/(Decrease) in Accrued Interest Payable		(9,346)	(222,430)	22,478
Increase/(Decrease) in Employee Leave Entitlements		187,930	(100,000)	(163,415)
Increase/(Decrease) in Other Provisions		789,139	-	(104,850)
Grants/Contributions for the Development of Assets		(20,796,455)	(42,348,599)	(11,600,846)
<b>Net Cash from Operating Activities</b>		<u>17,307,889</u>	<u>18,506,167</u>	<u>15,136,895</u>

(c). Undrawn Borrowing Facilities  
Credit Standby Arrangements

Group Credit Facility		6,000,000	6,000,000	6,000,000
Bank Overdraft Limit		750,000	750,000	750,000
Credit Card Limit		115,000	115,000	115,000
Credit Card Balance at Balance Date		(12,581)	(15,000)	(12,242)
<b>Total Amount of Credit Unused</b>		<u>6,852,419</u>	<u>6,850,000</u>	<u>6,852,758</u>

Security

The Commonwealth Bank of Australia holds a mortgage over Council's rates revenue.

**Loan Facilities**

Loan Facilities - Current	10	3,978,382		3,748,422
Loan Facilities - Non-Current	10	23,871,942		24,151,530
<b>Total Facilities in Use at Balance Date</b>		<u>27,850,324</u>		<u>27,899,951</u>

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 15. Contingent Liabilities

\$

1) The City of Geraldton has entered into an agreement with the Public Transport Authority to indemnify Brookfield Rail for 40% of the cost of modification to the Rail Bridge No. 5371 (Abraham Street) contingent on changes to container heights (double stacking). The term of the indemnity expires on the date of expiry of the current lease Brookfield Rail holds over the Rail Corridor (2049).

The likelihood of such an event to occur is considered to be remote.

2) After the Financial Year 2015-2016 a contractor has made a claim against the City of Greater Geraldton concerning events related to past financial years.

The City has retained legal services and disputes the claim, and at this stage no reliable estimate can be made of the amount involved.

#### Note 16. 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	73,776	77,624
- later than one year but not later than five years	100,146	173,922
- later than five years	-	-
<b>Total Operating Lease Commitments</b>	<b>173,922</b>	<b>251,546</b>

##### (b). Capital Expenditure Commitments

###### Contracted for:

- capital expenditure projects	5,246,686	3,157,825
- land and buildings	237,905	-
- plant & equipment purchases	670,908	371,520
<b>Total Capital Expenditure Commitments</b>	<b>6,155,499</b>	<b>3,529,345</b>

###### Payable:

- not later than one year	6,155,499	3,529,345
- later than one year but not later than five years	-	-
- later than five years	-	-
<b>Total Capital Expenditure Commitments</b>	<b>6,155,499</b>	<b>3,529,345</b>

#### Note 17. Subsidiaries, Joint Arrangements & Associates

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 18. Trust Funds

\$	Balance 1-Jul-16	Amounts Received	Amounts Paid	Balance 30-Jun-17
BCITF	20,305	136,786	(135,292)	21,798
BSL - Building Services Levy (BRB)	18,926	130,359	(127,648)	21,637
Refundable Bonds	197,584	70,293	(82,936)	184,941
Verge/Footpath Bonds	117,915	37,400	(17,150)	138,165
Subdivision & Road Deposits	1,452,174	131,000	(274,810)	1,308,364
Unclaimed Monies	10,314	237	-	10,551
Roadwise Community Grants	134	-	-	134
Sundry	35,379	-	-	35,379
DUP Contributions - Cape Burney	27,931	806	-	28,737
DUP Contributions - Drummond Cove	394,620	11,390	-	406,009
DUP Contributions - Spalding	33,802	976	-	34,778
DUP Contributions - Strathalbyn	134,855	3,892	-	138,747
DUP Contributions - Mt Tarcoola	39,715	1,146	-	40,861
DUP Contributions - Wandina	97,525	2,815	-	100,340
DUP Contributions - Waggrakine	196,010	5,657	-	201,667
DUP Contributions - Webberton	9,355	270	-	9,625
DUP Contributions - Geraldton	6,432	6,317	-	12,749
POS Cash in Lieu	1,759,233	50,063	-	1,809,296
POS Cash in Lieu - Drummond Cove	80,686	2,329	-	83,015
POS Cash in Lieu - Glenfield	61,767	7,812	-	69,579
POS Cash in Lieu - Strathalbyn	222,813	6,432	-	229,245
POS Cash in Lieu - Utakarra	237,371	6,852	-	244,223
POS Cash in Lieu - Wandina	74,556	2,705	-	77,261
POS Cash in Lieu - Waggrakine Rural Residential	79,895	2,306	-	82,201
Contributions Received WARCA	84,013	514,848	(535,603)	63,258
20A/152 Reserve 41879	42,900	-	-	42,900
	<b><u>5,436,210</u></b>	<b><u>1,132,692</u></b>	<b><u>(1,173,439)</u></b>	<b><u>5,395,462</u></b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 19. Total Assets Classified by Function and Activity

\$	2017 Actual	2016 Actual
Governance	32,166,211	32,323,177
Law, Order, Public Safety	1,651,378	1,452,471
Health	113,687	102,794
Education & Welfare	6,647,430	6,798,824
Housing	1,273,070	1,302,064
Community Amenities	13,121,144	12,671,656
Recreation & Culture	136,817,420	131,281,243
Transport	556,878,276	555,295,717
Economic Services	294,054	288,057
Other Property & Services	48,861,304	45,660,557
Unallocated	117,595,071	120,273,280
	<u>915,419,045</u>	<u>907,449,840</u>

## Note 20. Acquisition of Assets

\$	2017 Actual	2017 Budget
<b>By Program</b>		
<b>Governance</b>		
Asset acquisition	575,615	784,700
<b>Law, Order, Public Safety</b>		
Asset acquisition	236,518	1,280,000
<b>Health</b>		
Asset acquisition	13,482	-
<b>Community Amenities</b>		
Asset acquisition	748,321	177,250
<b>Recreation &amp; Culture</b>		
Asset acquisition	8,652,172	30,547,870
<b>Transport</b>		
Asset acquisition	13,489,137	38,747,908
<b>Economic Services</b>		
Asset acquisition	12,694	15,000
<b>Other Property &amp; Services</b>		
Asset acquisition	4,273,554	6,808,846
	<u>28,001,493</u>	<u>78,361,574</u>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 20. Acquisition of Assets (continued)

\$			2017 Actual	2017 Budget
<b>By Class</b>				
<i>Property, Plant &amp; Equipment</i>				
		7(b)		
- Land			1,792,105	3,150,000
- Buildings			1,672,885	3,417,846
- Furniture and Equipment			631,707	737,700
- Plant and Equipment			1,713,499	2,068,000
- Artwork			33,250	20,000
<i>Infrastructure</i>				
		8(b)		
- Roads			12,773,589	15,357,908
- Recreation			8,048,872	29,822,870
- Car Parks			229,965	-
- Meru Landfill			541,439	172,000
- Airport			541,024	23,360,000
- Effluent Scheme			23,159	-
- Other Infrastructure			-	255,250
			<u>28,001,493</u>	<u>78,361,574</u>

## Note 21. Disposal of Assets

\$	Notes	Net Book Value		Sale Price		Profit/(Loss)	
		Actual	Budget	Actual	Budget	Actual	Budget
The following assets were disposed of during the year.							
<b>By Asset Class</b>							
<i>Property, Plant &amp; Equipment</i>							
			7(b)				
Land		1,599,170	3,150,000	2,895,835	3,150,000	1,296,665	-
Plant and Equipment		473,811	551,286	433,777	623,400	(40,035)	72,114
<b>Total</b>		<u>2,072,981</u>	<u>3,701,286</u>	<u>3,329,612</u>	<u>3,773,400</u>	<u>1,256,630</u>	<u>72,114</u>

\$	2017 Actual	2017 Budget	2016 Actual
<b>Summary</b>			
Profit on Asset Disposals	1,296,665	122,452	2,757
Loss on Asset Disposals	(40,035)	(50,338)	(215,455)
<b>Net Profit/(Loss) on Disposal of Assets</b>	<u>1,256,630</u>	<u>72,114</u>	<u>(212,699)</u>

# City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

### Note 22. Financial Ratios

\$	Amounts 2017	Indicator 2017	Target	Prior Periods 2016      2015	
<i>Liquidity Ratio</i>					
<b>1. Current Ratio</b> <sup>(1)</sup>					
Current Assets less Restricted Current Assets	23,803,014	<b>1.42 : 1</b>	> 1.00 : 1	0.92	0.78
Current Liabilities less Liabilities Associated with Restricted Assets	16,709,276				
<i>Debt Ratio</i>					
<b>2. Debt Service Cover Ratio</b> <sup>(2)</sup>					
Operating Surplus before Interest and Depreciation Exp	26,933,590	<b>5.48 : 1</b>	> 2.00 : 1	3.58	3.62
Principal and Interest Repayments	4,917,107				
<i>Coverage Ratio</i>					
<b>3. Own Source Revenue Coverage Ratio</b> <sup>(3)</sup>					
Own Source Operating Revenue	69,591,265	<b>91.31%</b>	> 40%	82.13%	85.55%
Operating Expense	76,213,133				
<i>Financial Performance Ratio</i>					
<b>4. Operating Surplus Ratio</b> <sup>(4)</sup>					
Operating Revenue less Operating Expense	4,469,214	<b>6.42%</b>	> 1%	-13.69%	2.31%
Own Source Operating Revenue	69,591,265				
<i>Asset Management Ratios</i>					
<b>5. Asset Consumption Ratio</b> <sup>(5)</sup>					
Depreciated Replacement Cost of Depreciable Assets	777,490,640	<b>70.92%</b>	> 50%	70.80%	73.13%
Current Replacement Cost of Depreciable Assets	1,096,329,216				
<b>6. Asset Sustainability Ratio</b> <sup>(6)</sup>					
Capital Renewal and Replacement Expenditure	16,511,052	<b>77.53%</b>	90-110%	64.68%	65.20%
Depreciation Expense	21,296,897				
<b>7. Asset Renewal Funding Ratio</b> <sup>(7)</sup>					
NPV of Planned Capital Renewals over 10 years	218,210,359	<b>104.11%</b>	75-95%	93.25%	91.32%
NPV of Required Capital Expenditure over 10 years	209,602,601				

#### Notes

(1) This is a modified commercial ratio designed to focus on the liquidity position of the Council that has arisen from past year's transactions.

(2) This ratio is the measurement of Council's ability to repay its debt including lease payments.

(3) This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.

(4) This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.

(5) This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

(6) This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

(7) This ratio is a measure of the ability of Council to fund its projected asset renewal / replacements in the future.

# City of Greater Geraldton

## Notes to the Financial Statements for the year ended 30 June 2017

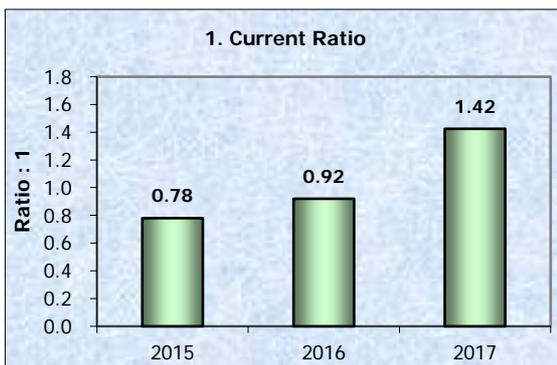
### Note 22. Financial Ratios (continued)

The Current Ratio, Debt Service Coverage Ratio and Operating Surplus Ratio are distorted by the early payment of Financial Assistance Grants (FAGS) for the financial year 2017-2018 in the amount of \$ 3,056,917 on the 8th of June 2017.

These Financial Assistance Grants are in accordance with AASB 1004 recognised in the Operating Revenue of the financial year 2016-2017.

The table below shows the impact on the disclosure of ratios comparing both scenarios:

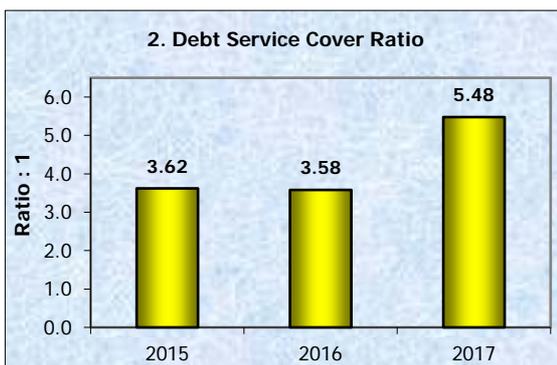
	Current Ratio	Debt Service Coverage Ratio	Operating Surplus Ratio
FAGS included	1.42	5.48	6.42%
FAGS excluded	1.24	4.86	2.03%



**Purpose of Current Ratio**

To assess the liquidity position of the Council that has arisen from past year's transactions.

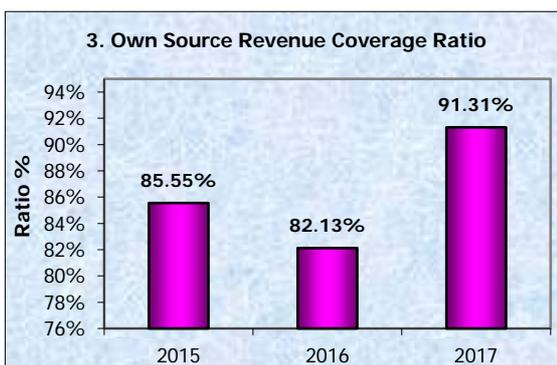
<b>2016/17 Ratio</b>	<b>1.42 : 1</b>
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**Purpose of Debt Service Cover Ratio**

To assess Council's ability to repay its debt including lease payments.

<b>2016/17 Ratio</b>	<b>5.48 : 1</b>
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**Purpose of Own Source Revenue Coverage Ratio**

To assess Council's ability to cover its costs through its own revenue efforts.

<b>2016/17 Ratio</b>	<b>91.31%</b>
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City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2017

Note 22. Financial Ratios (continued)

<p><b>4. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>2.31%</td> </tr> <tr> <td>2016</td> <td>-13.69%</td> </tr> <tr> <td>2017</td> <td>6.42%</td> </tr> </tbody> </table>	Year	Ratio %	2015	2.31%	2016	-13.69%	2017	6.42%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>To assess Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.</p>	<p><b>2016/17 Ratio 6.42%</b></p>
Year	Ratio %									
2015	2.31%									
2016	-13.69%									
2017	6.42%									
<p><b>5. Asset Consumption Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>73.13%</td> </tr> <tr> <td>2016</td> <td>70.80%</td> </tr> <tr> <td>2017</td> <td>70.92%</td> </tr> </tbody> </table>	Year	Ratio %	2015	73.13%	2016	70.80%	2017	70.92%	<p><b>Purpose of Asset Consumption Ratio</b></p> <p>To assess the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.</p>	<p><b>2016/17 Ratio 70.92%</b></p>
Year	Ratio %									
2015	73.13%									
2016	70.80%									
2017	70.92%									
<p><b>6. Asset Sustainability Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>65.20%</td> </tr> <tr> <td>2016</td> <td>64.68%</td> </tr> <tr> <td>2017</td> <td>77.53%</td> </tr> </tbody> </table>	Year	Ratio %	2015	65.20%	2016	64.68%	2017	77.53%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>To indicate whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.</p>	<p><b>2016/17 Ratio 77.53%</b></p>
Year	Ratio %									
2015	65.20%									
2016	64.68%									
2017	77.53%									
<p><b>7. Asset Renewal Funding Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>91.32%</td> </tr> <tr> <td>2016</td> <td>93.25%</td> </tr> <tr> <td>2017</td> <td>104.11%</td> </tr> </tbody> </table>	Year	Ratio %	2015	91.32%	2016	93.25%	2017	104.11%	<p><b>Purpose Asset Renewal Funding Ratio</b></p> <p>To assess the ability of Council to fund its projected asset renewal / replacements in the future.</p>	<p><b>2016/17 Ratio 104.11%</b></p>
Year	Ratio %									
2015	91.32%									
2016	93.25%									
2017	104.11%									

## City of Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2017

## Note 23. Information on Borrowings

\$	Borrowing Institution	Interest Rate %	Principal 1-Jul-16	New Loans	Principal Repayments		Principal 30-Jun-17		Interest Repayments		
					Actual	Budget	Actual	Budget	Actual	Budget	
<b>(a). Debenture Repayments</b>											
<b>Governance</b>											
- 262 Office Redevelopment	WATC	3.89%	716,392	-	94,690	94,690	621,702	621,702	25,587	26,497	
<b>Recreation &amp; Culture</b>											
- 82 Tarcoola Park Tennis Club SSL	*	WATC	7.36%	10,999	-	3,111	3,111	7,888	7,888	698	725
- 268 Foreshore Stabilisation & Protection	WATC	3.09%	1,095,871	-	107,371	107,371	988,500	988,500	32,516	33,039	
- 264 Aquarena Upgrade	WATC	4.36%	1,665,877	-	178,186	178,186	1,487,691	1,487,691	69,119	70,711	
- 271 QPT Air-Conditioning Replacement	WATC	2.92%	3,250,000	-	284,266	284,170	2,965,734	2,965,830	91,366	92,840	
- 263 Recreation Ground Grandstand	WATC	4.36%	1,041,173	-	111,366	111,366	929,807	929,807	43,191	44,194	
- 272 MUF, Youth Precinct, Beach Access Ramp	WATC	3.21%	4,056,000	-	214,335	214,335	3,841,665	3,841,665	105,369	128,491	
- 259 Verita Road	WATC	4.72%	2,731,624	-	445,985	445,985	2,285,639	2,285,639	122,466	123,731	
- 257 Geraldton Hockey Association	*	WATC	4.81%	152,021	-	24,769	24,769	127,252	127,252	6,908	7,018
- 253 Geraldton Yacht Club SSL	*	WATC	6.26%	44,911	-	10,973	10,974	33,938	33,937	2,411	2,556
- 251 Geraldton Hockey Association	*	WATC	6.14%	98,435	-	28,239	28,242	70,196	70,193	5,300	5,399
- 228 Geraldton Surf Life Saving	*	WATC	6.42%	19,533	-	19,533	-	-	348	952	
- 260 Aquarena Renewal Stage 1	WATC	3.89%	1,862,617	-	246,193	246,193	1,616,424	1,616,424	66,518	68,893	
<b>Transport</b>											
- 269 Airport Projects	WATC	3.09%	2,757,942	-	270,218	270,218	2,487,724	2,487,724	81,833	83,149	
- 261 Airport Paid Parking Facilities	WATC	3.89%	1,074,587	-	142,035	142,035	932,553	932,552	38,380	39,746	
- 258 Airport Buffer Land	WATC	4.72%	789,136	-	128,840	128,840	660,296	660,296	35,379	35,745	
- 234 Lot 8 Chapman Road - Car Park	WATC	5.09%	392,529	-	136,463	136,475	256,066	256,054	16,673	17,390	
- 230 Airport Buffer Land	WATC	8.93%	323,571	-	211,919	211,919	111,652	111,652	16,014	17,315	
- 229 SGIO Car Park	WATC	6.47%	88,984	-	88,984	88,984	-	-	1,695	4,321	
- 252 Plant Purchases for 2009/2010	WATC	6.06%	536,085	-	131,351	131,351	404,735	404,734	28,074	29,539	
- 273 Verita Road Stage 1	WATC	2.45%	1,500,000	-	198,953	198,953	1,301,047	1,301,047	35,115	35,539	
- 270 (New) Airport Technology Park	WATC	2.74%	1,986,300	-	476,492	476,492	1,509,808	1,509,808	50,398	51,183	

(continued on next page)

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 23. Information on Borrowings (continued)

\$	Borrowing Institution	Interest Rate %	Principal 1-Jul-16	New Loans	Principal Repayments		Principal 30-Jun-17		Interest Repayments	
					Actual	Budget	Actual	Budget	Actual	Budget
<b>(a). Debenture Repayments (continued)</b>										
<b>Economic Services</b>										
- 95 Hamlet	WATC	6.99%	14,501	-	14,501	14,501	-	-	428	639
<b>Other Property &amp; Services</b>										
- 265 Old Works Depot	WATC	4.36%	832,939	-	89,093	89,093	743,846	743,846	34,546	35,355
- 274 Olive Street Development	WATC	3.13%	-	3,700,000	-	-	3,700,000	3,700,000	36,062	-
- 266 Old Railway Building	WATC	4.36%	857,923	-	91,762	91,766	766,161	766,157	35,596	36,416
WATC Loan Guarantee Fee			-	-	-	-	-	-	185,489	163,352
			<b>27,899,952</b>	<b>3,700,000</b>	<b>3,749,628</b>	<b>3,749,553</b>	<b>27,850,323</b>	<b>27,850,399</b>	<b>1,167,479</b>	<b>1,154,735</b>

**Funding of Borrowings** All loan repayments were funded by general purpose income.

1 Self-Supporting Loan \* Those loans denoted with "\*" are subject of a repayment agreement that secured the reimbursement from a community organisation of all costs associated with the loan.

2 WATC = WA Treasury Corporation

**Security**

The general funds of the Borrower as defined in section 6.21 (4) of the Local Government Act 1995 are charged in favour of Treasury Corporation to secure all principal interest and other amounts payable by the Borrower from time to time.



## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 24(a). Rating Information (2016/17 Financial Year)

\$	Notes	Rate in \$	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
<b>Rate Type</b>												
<b>Differential General Rate</b>												
CGG Residential		11.4991	15,356	240,011,200	27,599,128	214,228	(7,651)	27,805,705	27,599,128	300,000	7,000	27,906,128
CGG Non Residential		10.9956	1,235	89,714,489	9,864,646	94,665	6,886	9,966,197	9,864,646	120,000	1,000	9,985,646
CGG UV		0.7236	890	385,594,999	2,790,165	(6,110)	(573)	2,783,482	2,790,165	30,000	2,000	2,822,165
<b>Sub-Total</b>			<b>17,481</b>	<b>715,320,688</b>	<b>40,253,939</b>	<b>302,783</b>	<b>(1,338)</b>	<b>40,555,384</b>	<b>40,253,939</b>	<b>450,000</b>	<b>10,000</b>	<b>40,713,939</b>
<b>Minimum Rates</b>												
		<b>Minimum</b>										
CGG Residential		1,010	2,196	10,213,431	2,217,960	-	-	2,217,960	2,217,960	-	-	2,217,960
CGG Non Residential		1,010	200	1,042,594	202,000	-	-	202,000	202,000	-	-	202,000
CGG UV		1,010	322	24,296,570	325,220	-	-	325,220	325,220	-	-	325,220
<b>Sub-Total</b>			<b>2,718</b>	<b>35,552,595</b>	<b>2,745,180</b>	<b>-</b>	<b>-</b>	<b>2,745,180</b>	<b>2,745,180</b>	<b>-</b>	<b>-</b>	<b>2,745,180</b>
								43,300,564				43,459,119
Discounts/Concessions	27							(485,337)				(435,336)
								<b>42,815,227</b>				<b>43,023,783</b>
Specified Area Rate	25							-				-
<b>Totals</b>								<b>42,815,227</b>				<b>43,023,783</b>

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 24(b). Surplus/(Deficit) B/Fwd and C/Fwd

\$	Notes	2017 Carried Fwd Actual	2016 Brought Fwd Actual
<b>Current Assets</b>			
Cash - Unrestricted	3	10,652,633	9,163,374
Cash - Restricted Reserves	3	22,318,463	10,327,731
Cash - Restricted Unspent Grants	2(d)	8,992,194	18,609,473
Rates - Current	5	3,830,487	3,335,668
Sundry Debtors	5	4,621,417	1,549,292
GST Receivable	5	544,607	287,911
Other Receivables	5	3,509,497	599,344
Inventories			
- Fuel and Materials	6	479,721	308,394
- Other	6	164,653	151,249
		<b>55,113,672</b>	<b>44,332,437</b>
<b>Current Liabilities</b>			
Sundry Creditors	9	7,554,537	8,039,950
Accrued Interest on Debentures	9	155,437	164,783
Accrued Salaries and Wages	9	407,474	264,606
Other Current Trade and Other Payables	9	8,992,194	18,609,473
Current Employee Benefits Provision	11	4,120,233	3,959,165
Other Current Provisions	11	493,213	480,308
Current Loan Liability	10	3,978,382	3,748,422
		<b>25,701,470</b>	<b>35,266,706</b>
<b>Net Current Assets</b>		<b>29,412,202</b>	<b>9,065,731</b>
<b>Less:</b>			
Reserves - Restricted Cash	3	(22,318,463)	(10,327,731)
Self Supporting Loan Principal Repayments		(86,625)	(81,748)
Council Loan Principal Repayments		-	(37,629)
<b>Add Back:</b>			
Current Loan Liability	10	3,978,382	3,748,422
<b>Surplus/(Deficit)</b>		<b>10,985,495</b>	<b>2,367,045</b>

(1) Restricted Grants &amp; Contributions that are not expected to be spent in the next 12 months.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 25. Specified Area Rate (2016/17 Financial Year)

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The City has abolished the Specified Area Rate from 1st of July, 2015.

#### Note 26. Service Charges (2016/17 Financial Year)

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The City of Greater Geraldton does not have any Service Charges.

#### Note 27. Discounts, Incentives, Concessions & Write-offs (2016/17 Financial Year)

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	<b>Total</b>	<b>Budget</b>
\$	<b>Cost / Value</b>	<b>Cost / Value</b>

---

##### (a) Discounts/Concessions

General Rates	485,337	435,336
	<b>485,337</b>	<b>435,336</b>

A concession will be available to Persons owning rateable properties within the City district that:

- a) Are rateable on the basis of Gross Rental Value (GRV), and are rated under the CGG Residential Differential General rate: and
- b) Are subject to an increase in GRV Valuation of their CGG Residential property as a consequence of the periodic (currently 3-Yearly) General Valuation by the State Valuer-General which takes effect from 1 July 2015;
- c) Have rates imposed that are higher than the Minimum Payment for the CGG Residential GRV differential general rate.

The Council offers no discounts for the early payment of rates or any other debts to Council.

##### (b). Incentives

The Council offers no incentives for the early payment of rates.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 27. Discounts, Incentives, Concessions & Write-offs (2016/17 Financial Year)

\$	Notes	Total Cost / Value	Budget Cost / Value
<b>(c). Write-Offs</b>			
Rate Assessment	2(a)	22,195	-
General Debtors	2(a)	4,401	-
		<u><b>26,596</b></u>	<u><b>-</b></u>

#### (d). Waivers

The City of Greater Geraldton does not offer any standard waivers or write offs of Rates and Charges or any other debts of ratepayers unless specifically approved by Council.

Individuals may approach Council for an extension of time to pay off their debt.

#### Note 28. Interest Charges and Instalments (2016/17 Financial Year)

\$	Interest Rate %	Admin. Charge	Actual Revenue	Budgeted Revenue
Interest on Unpaid Rates	11.00%	-	485,382	370,000
Interest on Instalments Plan	5.50%	-	153,028	180,000
Pensioner Deferred Interest	0.00%	-	9,445	12,000
			<u><b>647,855</b></u>	<u><b>562,000</b></u>

Council offers three (3) payment options by which ratepayers can make their payments.

Option 1: To pay their rates in full by the 35th day after the rates notice has been issued

Option 2: To pay their rates in two (2) equal instalments

Option 3: To pay their rates in four (4) equal instalments

For ratepayers electing to pay their rates by 2 or 4 instalments, a charge of \$10.50 per instalment is charged. For ratepayers making an arrangement with Council to pay their rates in more than 4 instalments, a one off charge of \$40 is charged.

The total amount of revenue from the imposition of interest and instalments charges is \$ 789,354.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 29. Fees & Charges

\$	2017 Actual	2017 Budget	2016 Actual
Governance	11,315	14,983	10,311
General Purpose Funding	254,983	254,000	215,594
Law, Order, Public Safety	336,957	349,958	343,017
Health	103,176	57,265	58,177
Education and Welfare	52,326	55,597	189,047
Community Amenities	10,945,036	9,839,234	9,731,657
Recreation and Culture	1,929,280	1,945,377	1,652,136
Transport	6,395,699	6,407,635	6,403,354
Economic Services	764,253	825,355	833,310
Other Property and Services	1,136,750	1,062,856	972,865
	<u>21,929,775</u>	<u>20,812,260</u>	<u>20,409,467</u>

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

#### Note 30. Grants, Subsidies & Contributions

\$	2017 Actual	2016 Actual
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
<b>(a). By Nature &amp; Type</b>		
Operating Grants, Subsidies and Contributions	12,141,271	6,701,460
Non-Operating Grants, Subsidies and Contributions	20,796,455	11,600,846
	<u>32,937,727</u>	<u>18,302,306</u>

#### **(b). By Program**

Governance	612,114	404,473
General Purpose Funding	9,168,331	3,080,265
Law, Order, Public Safety	207,195	828,856
Health	-	500
Education & Welfare	317,715	1,066,114
Community Amenities	354,323	526,876
Recreation & Culture	12,134,625	2,848,602
Transport	8,956,406	7,947,023
Economic Services	476,062	197,419
Other Property & Services	710,956	1,402,178
	<u>32,937,727</u>	<u>18,302,306</u>

Included within the Operating Grants, Subsidies and Contributions total of \$ 12,141,272 is \$ 1,050,189 in reimbursements and recoveries.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 31. Employee Numbers

\$	2017 Actual	2016 Actual	2015 Actual
The number of full-time equivalent employees at balance date	282	254	292

Council endorsed establishment end of the reporting year: 294 FTE (2016: 291 FTE).

#### Note 32. Councillor Remuneration

\$	2017 Actual	2017 Budget	2016 Actual
The following fees, expenses and allowances were paid to council members and the mayor.			
Meeting Fees	336,167	354,664	339,180
Members Allowance	120,616	122,550	118,836
Members IT and Telephone Allowance	50,495	52,500	52,041
Travelling Expenses	16,194	25,000	23,970
Conference Expenses	24,394	30,750	30,102
Childcare Expenses	2,075	-	2,800
Councillor Training	4,005	20,500	20,487
	<u>553,946</u>	<u>605,964</u>	<u>587,416</u>

#### Note 33. Employee Costs

Wages and Salaries	18,258,728	22,685,600	18,224,482
Employee Leave Entitlements	4,336,218	414,804	5,664,403
Superannuation	2,809,714	2,873,007	2,881,069
Workers' Compensation Insurance	389,169	623,449	710,436
Protective Clothing & Uniforms	84,963	25,416	94,316
Recruitment Costs	186,558	175,000	84,010
Training Costs (other than Salaries & Wages)	205,583	84,403	111,125
Other	145,983	172,000	128,088
	<u>26,416,916</u>	<u>27,053,679</u>	<u>27,897,929</u>

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 33. Employee Costs (continued)

\$	Salary Range	2017 Actual	2016 Actual
<b>Employee Remuneration</b>			
Set out below, in bands of \$10,000 is the number of employees entitled to an annual salary of 100,000 or more.			
<b>Details</b>			
LG Administration Regulations 19 B	100,000 - 109,999	5	4
	110,000 - 119,999	-	6
	120,000 - 129,999	7	3
	130,000 - 139,999	3	3
	140,000 - 149,999	2	1
	150,000 - 159,999	1	-
	160,000 - 169,999	-	3
	190,000 - 200,999	1	-
	200,000 - 210,000	2	-
	270,000 - 279,999	-	1
	320,000 - 330,000	1	-

#### Note 34. Major Land Transactions

There were no Major Land Transactions during 2016/17.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 35. Trading and Major Trading Undertakings

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##### **Airport**

The Geraldton Airport is owned freehold by and is run as a business unit of the City of Greater Geraldton, generating an operating income of approximately \$5.5M in 2016-2017.

Operating surpluses from airport operations are utilised to maintain and improve existing airport infrastructure, and provide for development of future infrastructure. During 2016-17, capital outlays on Airport Infrastructure (including buildings) amounted to nearly \$0.6M.

The City of Greater Geraldton endeavours to operate the aerodrome in an environmentally sensitive manner in accordance with aviation best practice, in compliance with Federal statutory requirements for aviation operations, airports, and transport security.

The airport is planned and managed to provide a satisfactory return on investment to the ratepayers of the City of Greater Geraldton, while having regard to the airport as a key regional transport infrastructure asset.

Geraldton Airport is serviced by Virgin and QantasLink, providing Regular Public Transport (RPT) services on the Geraldton-Perth route. Virgin and QantasLink both provide services utilising 100-seat Fokker F100 jet aircraft.

An aircraft maintenance and service business is well established in a large hangar leased from the City. Shine Aviation and Geraldton Air Charter provide General Aviation services based at the airport, servicing the Abrolhos Islands, FIFO mining workforce logistics, and general charter operations.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 35. Trading and Major Trading Undertakings (continued)

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\$

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##### **Meru Landfill Facility**

The Meru Landfill Facility is run as a business unit of the City of Greater Geraldton and generated operating income of approximately \$5.4M in 2016-17. During 2016-17, capital outlays on Meru Infrastructure amounted to around \$ 0.2M.

This facility was established to provide a regional approach to Waste Management here in the Midwest. Originally managed by the Geraldton Greenough Regional Council (GGRC), this Regional Council was disbanded following the first amalgamation between the City of Geraldton and the Shire of Greenough. The main purpose of establishing a Regional Council was to have a planned and co-ordinated regional approach to the collection, removal, processing, treatment, recycling and disposal of waste in the mid-west region, enabling sharing of benefits of scale where possible. This will continue to be the purpose of this trading undertaking as a function of the City of Greater Geraldton.

The vision of City of Greater Geraldton is to lead the community to an improved level of sustainability - to encourage waste avoidance, maximise the recovery of materials and provide efficient, yet cost effective waste management and resource recovery services to the region. These objectives are achievable by actively engaging the community in sustainable waste practices, by supporting and promoting waste minimisation principles and implementing the objectives of the various Strategic documents.

The 2016/17 financial year saw many changes in the delivery of waste services designed to improve operational efficiencies while maintaining effectiveness. Providing a verge side pickup program was a priority in the 2016/17 budget as the City recognises how important the program is to our residents. Residents are able to request one skip bin a year which will be dropped off at their property and have it collected a week later. This service replaced the traditional verge pickup system that saw residents place rubbish on their verges for collection. The City was pleased to be able to introduce the revitalised program that will allow for people to remove unwanted waste from their property in a tidier manner. With this new program, those who don't have a trailer or can't make it to the landfill can have rubbish removed from their property without unsightly piles littering our suburbs.

Some of the other operational initiatives included further installation of CCTV cameras on the site, installation of additional groundwater monitoring bores and water source bores for firefighting and dust suppression.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 36. Financial Risk Management

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Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

The City held the following financial instruments at balance date.

	Notes	Carrying Value		Fair Value	
		2017	2016	2017	2016
<b>Financial Assets</b>					
Cash and Cash Equivalents	3	41,963,290	38,100,578	41,963,290	38,100,578
Receivables (Current & Non-Current)	5	13,096,497	6,371,988	13,096,497	6,371,988
		<u>55,059,787</u>	<u>44,472,566</u>	<u>55,059,787</u>	<u>44,472,566</u>
<b>Financial Liabilities</b>					
Payables (Current & Non-Current)	9	17,109,642	27,078,812	17,109,642	27,078,812
Borrowings (Current & Non-Current)	10	27,850,324	27,899,951	27,850,324	27,899,951
		<u>44,959,966</u>	<u>54,978,763</u>	<u>44,959,966</u>	<u>54,978,763</u>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market value.
- **Borrowings & Held to Maturity Investments** - estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles.
- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - based on quoted market prices at the reporting date or independent valuation.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 36. Financial Risk Management (continued)

\$

##### (a). Cash & Cash Equivalents, Financial assets "at Fair Value through the Profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance Section manages the Cash & Investments portfolio.

Council has an Investment Policy which complies with the relevant legislation. The policy is regularly reviewed by Council and an Investment Report is tabled before Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees in accordance with investment restrictions prescribed in the Local Government (*Financial Management) Regulations 1996*.

	30-Jun-17	30-Jun-16
<b>Impact of a 1% <sup>(1)</sup> movement in interest rates on cash and investments</b>		
Equity	419,633	381,006
Statement of Comprehensive Income	419,633	381,006

#### Notes:

- Sensitivity percentages based on management's expectations of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents and managed funds.)
- Maximum impact.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 36. Financial Risk Management (continued)

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##### (b). Receivables

Council's major receivables comprise **(i)** Rates & Annual charges and **(ii)** User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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

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

A profile of Council's receivables credit risk at balance date follows:

	30-Jun-17	30-Jun-16
	%	%
<b>Percentage of Rates and Annual Charges</b>		
Current	93.74%	94.28%
Overdue	6.26%	5.72%
<b>Percentage of Other Receivables</b>		
Current	94.77%	83.43%
Overdue	5.23%	16.57%

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 36. Financial Risk Management (continued)

\$

##### (c). Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can be extended & overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying Values
<b>2017</b>					
Payables	17,059,642	-	-	17,059,642	17,109,642
Borrowings	3,978,382	14,469,449	9,402,493	27,850,324	27,850,324
	<b>21,038,024</b>	<b>14,469,449</b>	<b>9,402,493</b>	<b>44,909,966</b>	<b>44,959,966</b>
<b>2016</b>					
Payables	27,078,812	-	-	27,078,812	27,078,812
Borrowings	3,748,422	13,951,223	10,200,307	27,899,951	27,899,951
	<b>30,827,234</b>	<b>13,951,223</b>	<b>10,200,307</b>	<b>54,978,763</b>	<b>54,978,763</b>

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a basis that is most suitable for the circumstance. Council officers regularly review interest rate movements to determine if it would be advantageous to refinance or renegotiate part, or all of the loan portfolio.

The following interest rates were applicable to the Council's Borrowings at balance date:

	30-Jun-17		30-Jun-16	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank Loans - Fixed	3.59%	27,850,324	3.81%	27,899,951
		<u>27,850,324</u>		<u>27,899,951</u>

##### Notes:

1. The interest rate risk applicable to Variable Rate Bank Loan is not considered significant.

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 37. Fair Value Measurements

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The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, Property, Plant and Equipment
- Investment Property
- Financial Assets & Liabilities

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(1) The following table presents all assets and liabilities that have been measured & recognised at fair values:**

2017	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Financial Assets</b>					
Receivables		-	-	13,096,497	13,096,497
<b>Total Financial Assets</b>		-	-	13,096,497	13,096,497
<b>Financial Liabilities</b>					
Payables		-	-	17,109,642	17,109,642
Loans / Advances		-	-	27,850,324	27,850,324
<b>Total Financial Liabilities</b>		-	-	44,959,966	44,959,966
<b>Property, Plant &amp; Equipment</b>					
- Land		-	81,491,000	-	81,491,000
- Buildings		-	1,338,000	104,458,735	105,796,735
- Furniture & Equipment		-	-	1,479,392	1,479,392
- Plant & Equipment		-	9,713,081	-	9,713,081
- Artwork		-	642,176	-	642,176
<b>Total Property, Plant &amp; Equipment</b>		-	93,184,257	105,938,127	199,122,384
<b>Infrastructure</b>					
- Roads		-	-	565,303,234	565,303,234
- Recreation		-	-	42,890,249	42,890,249
- Car Parks		-	-	10,762,251	10,762,251
- Meru Landfill		-	-	14,696,490	14,696,490
- Airport		-	-	26,940,278	26,940,278
<b>Total Infrastructure</b>		-	-	660,592,501	660,592,501

## City of Greater Geraldton

## Notes to the Financial Statements

for the year ended 30 June 2017

## Note 37. Fair Value Measurements (continued)

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(1) The following table presents all assets and liabilities that have been measured & recognised at fair values: (continued)

2016	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Financial Assets</b>					
Receivables		-	-	6,371,988	6,371,988
<b>Total Financial Assets</b>		-	-	6,371,988	6,371,988
<b>Financial Liabilities</b>					
Payables	30/06/16	-	-	27,078,812	27,078,812
Loans / Advances	30/06/16	-	-	27,899,951	27,899,951
<b>Total Financial Liabilities</b>		-	-	54,978,763	54,978,763
<b>Property, Plant &amp; Equipment</b>					
- Land	30/06/15	-	86,505,192	3,456,000	89,961,192
- Buildings	30/06/15	-	959,000	104,577,134	105,536,134
- Furniture & Equipment	30/06/16	-	-	1,204,828	1,204,828
- Plant & Equipment	30/06/16	-	10,136,197	-	10,136,197
- Artwork	14/11/14	-	608,926	-	608,926
<b>Total Property, Plant &amp; Equipment</b>		-	98,209,315	109,237,963	207,447,278
<b>Infrastructure</b>					
- Roads	30/06/15	-	-	567,839,869	567,839,869
- Recreation	30/06/15	-	-	35,526,313	35,526,313
- Car Parks	30/06/15	-	-	10,984,792	10,984,792
- Meru Landfill	30/06/15	-	-	13,499,106	13,499,106
- Airport	30/06/15	-	-	26,990,030	26,990,030
<b>Total Infrastructure</b>		-	-	654,840,109	654,840,109

## (2) Transfers between Level 1 &amp; Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 37. Fair Value Measurements (continued)

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##### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (ie. Level 1 inputs) Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

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##### Property, Plant & Equipment

###### **LAND AND BUILDINGS**

APV valuers & Asset Management completed a valuation of the Land & Buildings with the effective date of valuation 30th of June 2017.

APV has undertaken the financial reporting valuation for City of Greater Geraldton in accordance with the Australian Accounting Standards. The valuation reporting has involved the confirmation of completeness of asset registers, physical inspection of the assets and capturing data such as the asset age, type, condition and then compiling information and assessing the value of the assets. Further to this, APV has provided the Insurance Value where requested. Throughout this process, APV ensured quality management procedures were implemented to achieve the most accurate asset valuation reporting.

###### Comparison to Previous Valuation

The following table provides a summary of changes between the values reported in the previous financial statements and this valuation:

- Australian Accounting Standards Board has clarified the requirements for the definition of Residual Value. This in turn has had implications for the determination of depreciation expense.
- As the AASB's May 2015 decision has now removed the perceived link between valuation and depreciation expense APV took the opportunity to simplify the depreciation by adopting a straight-line approach. This has led to a number of asset written down values (Fair Value) decreasing.
- It has been determined that except in rare circumstances, the Residual Value is nil for all asset components. This has led to an increase in the overall depreciation expense.
- In accordance with the AASB decision components are now split into long life and short life apportionments and depreciated separately.
- The Useful Life of the long life portion if the components are now split into long life and short life account the normal range of time between major renewals.

The valuation and associated depreciation expense calculations have been prepared in accordance accounting standards at Fair Value. Fair Value is defined as:

*"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date"*

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 37. Fair Value Measurements (continued)

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#### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

##### Property, Plant & Equipment (continued)

Depending upon the nature of the specific asset the valuation approach may have included the of a singular or multiple techniques:

- 1) The Market Approach has been applied where there is a principal market which provides evidence of the Fair Value of the asset.
- 2) The Income Approach has been applied for assets where the income generating capability of the asset provides the best estimate of the asset's Fair Value.
- 3) The Cost Approach is used for assets which are not commonly traded. Typically these include that public and not-for-profit sectors entities use to provide to the public for no or minimal charge.
- 4) In rare circumstances the valuation may also include a combination of approaches.

The levels of the valuation hierarchy are defined in relation to the inputs used to determine the The valuation hierarchy is determined by the lowest level of input used (except where the impact of lowest level is deemed to be insignificant). The inputs are defined as:

- A) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- B) Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- C) Level 3 inputs are unobservable inputs for the asset or liability.

#### **PLANT & EQUIPMENT**

A fair value valuation of Plant and Equipment has been completed 30/06/2016 by the City's fleet manager. All of the valuations were made on the basis of open market values of similar assets (based on figures supplied by auction groups, council sales records, vehicle valuation guides and the IPWEA Plant and Vehicle Management Manual) adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

#### **FURNITURE & EQUIPMENT**

Management conducted a valuation of furniture and equipment effective 30/06/2016 actualising the asset register and aligning the asset class with the capitalisation thresholds outlined in the Significant Accounting Policies. Using level 3 valuation inputs ensured no material variance in existing balance sheet values for this asset class was observed with the carrying amount of each asset fairly stated at reporting date.

#### **ARTWORK**

A valuation of Artwork was conducted by Banziger Hulme Fine Art Consultants P/L 14th November 2014. David Hulme is an approved valuer for the Australian Government's Cultural Gifts Program. The valuation of the collection is based on market value with market value defined as "what a willing buyer would pay a willing seller in an arm's length transaction after proper marketing" of similar assets adjusted for condition and for condition and comparability (Level 2 inputs in the fair value hierarchy).

All property, plant and equipment classes are carried at fair value and subject to revaluation only every 3 years as well as an annual assessment as to whether there is an indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets".

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 37. Fair Value Measurements (continued)

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#### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

##### Infrastructure

###### **AIRPORT**

AVP valuers & Asset Management have completed a valuation of Infrastructure assets with the effective date of valuation 30th of June 2015.

###### Road, Equipment and Civil Assets

All road, equipment and civil assets were valued using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

###### **MERU LANDFILL**

AVP valuers & Asset Management have completed a valuation of Infrastructure assets with the effective date of 30th of June 2015.

###### Road, Equipment and Civil Assets

All road, equipment and civil assets were valued using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

###### Landfill

Landfill comprises both the cells and capping and is classified as a land improvement which is recorded separate to the land. The underlying land is valued independently of the land improvements. The valuation has been determined using the cost approach. This included disaggregating the overall land improvements into a range of different components based on each component providing a different purpose and as a result exhibiting a different useful life. Day to day operating costs (such as minor maintenance and monitoring) has been excluded from the valuation. To provide consistency, any associated day to day revenues have also been excluded from the valuation.

Observable inputs to the valuation included the dimensions and design of the assets, the average unit rate for similar construction based on recent projects undertaken by the entity and the amount of remaining volume in each cell. Unobservable inputs included estimates of the estimated remaining life of the site. This has been based on council's statutory requirement to continue monitoring the site post complete consumption of the landfill. All calculations assume a zero residual value and a constant pattern of consumption. The approach applied for each component was -

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 37. Fair Value Measurements (continued)

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#### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

##### Infrastructure (continued)

##### **MERU LANDFILL (continued)**

##### Landfill (continued)

- Cost to prepare site - based on current costs and depreciate to nil over remaining life of site. These costs were negligible and therefore have not been included as a separate component
- Cost to prepare each cell - based on current cost and depreciated to nil as cell is filled.
- Cost to prepare leachate and overflow ponds - based on current cost and depreciated to nil over period till statutory monitoring is no longer required

Council established a rehabilitation provision for estimated future capping expenditure that is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the amortisation charge. The discounted present value of the future capping expenditure is capitalised as part of the Landfill asset (2016-2017: \$ 9,971,542) and is amortised on a straight-line basis.

At each reporting date the restoration and rehabilitation liability is re-measured to account for any new disturbance, updated cost estimates, inflation, changes to the estimated reserves and lives of operations, new regulatory requirements, environmental policies and revised discount rates. Changes to the restoration and rehabilitation liability are added to or deducted from the related rehabilitation asset and amortised accordingly.

##### **OTHER INFRASTRUCTURE**

##### **Roads (Drainage, Bridges, Roundabouts, Medians and Islands, Streetlighting, Bus Shelters, Footpaths)**

Assets revalued and reviewed by Management with data sourced from the ROMAN database, Intramaps, CadCorp and extensive field audits conducted by the Asset Management Team and the ARRB (Australian Road Research Board).

##### **Car Parks**

Assets revalued and reviewed by Management with data sourced from MyData, Roman and condition assessments undertaken by ARRB on sealed carparks.

A reasonably flat rate asset condition distribution has been applied with an average RUL (Remaining Useful Life) of 60% of Design Life being applied across the portfolio.

##### **Recreation (Parks)**

Recreation (Parks) assets was revalued and reviewed by Management through its myData register 30/06/2015. MyData is based on asset lifecycle costing with automated valuations complying with Australian Accounting Standards.

Valuation is based on a combination of age and condition of the asset. Certain valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy) and certain valuations were made having regard for current replacement cost and residual values (cost based approach, which are Level 3 inputs in the fair value hierarchy). Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs. These Level 3 inputs are based on the assumptions with regard 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 Greater Geraldton

Notes to the Financial Statements  
for the year ended 30 June 2017

## Note 37. Fair Value Measurements (continued)

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## (4). Fair value measurements using significant unobservable inputs (Level 3)

## a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Land	Buildings	Furniture & Equipment	Roads	Total
<b>Opening Balance - 1/7/15</b>	3,456,000	96,965,353	1,506,600	567,776,619	669,704,572
Purchases (GBV)	-	10,864,266	281,064	14,982,935	26,128,265
Disposals (WDV)	-	(52,606)	(2,243)	-	(54,849)
Depreciation & Impairment	-	(3,071,695)	(390,086)	(14,919,685)	(18,381,466)
FV Gains - Other Comprehensive Income	-	(128,184)	-	-	(128,184)
Transfer between Asset Classes	-	-	(190,506)	-	(190,506)
<b>Closing Balance - 30/6/16</b>	<b>3,456,000</b>	<b>104,577,134</b>	<b>1,204,829</b>	<b>567,839,869</b>	<b>677,077,832</b>
Purchases (GBV)	-	1,672,885	631,707	12,773,589	15,078,181
Disposals (WDV)	(3,456,000)	-	-	-	(3,456,000)
Depreciation & Impairment	-	(1,820,675)	(357,144)	(15,310,224)	(17,488,043)
FV Gains - Other Comprehensive Income	-	29,391	-	-	29,391
<b>Closing Balance - 30/6/17</b>	<b>-</b>	<b>104,458,735</b>	<b>1,479,392</b>	<b>565,303,234</b>	<b>671,241,361</b>
	Recreation	Car Parks	Meru Landfill	Airport	Total
<b>Opening Balance - 1/7/15</b>	30,552,746	11,044,634	13,719,797	26,834,300	82,151,477
Purchases (GBV)	5,566,031	378,111	202,735	730,832	6,877,709
Depreciation & Impairment	(592,464)	(437,953)	(354,176)	(575,103)	(1,959,696)
Other movement	-	-	(69,250)	-	(69,250)
<b>Closing Balance - 30/6/16</b>	<b>35,526,313</b>	<b>10,984,792</b>	<b>13,499,106</b>	<b>26,990,029</b>	<b>87,000,240</b>
Purchases (GBV)	8,048,872	229,966	794,843	541,025	9,614,706
Depreciation & Impairment	(684,936)	(452,507)	(373,693)	(590,776)	(2,101,912)
Other movement	-	-	776,234	-	776,234
<b>Closing Balance - 30/6/17</b>	<b>42,890,249</b>	<b>10,762,251</b>	<b>14,696,490</b>	<b>26,940,278</b>	<b>95,289,268</b>

## (5). Highest and best use

All of Council's non financial assets are considered to being utilised for their highest and best use.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 38. "Held for Sale" Non Current Assets & Disposal Groups

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Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

#### Note 39. Investment Properties

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Council has not classified any Land or Buildings as "Investment Properties"

#### Note 40. Intangible Assets

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Intangible Assets represent identifiable non-monetary assets without physical substance.

Council is unaware of any control over Intangible Assets that warrant recognition in the Financial Statements, including either internally generated and developed assets or purchased assets.

#### Note 41. Equity - Retained Earnings and Reserves Adjustments

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##### (a). Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

##### (b). Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

#### Note 42. Discontinued Operations

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Council has not classified any of its Operations as "Discontinued".

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 43. Events occurring after the Reporting Period

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Events that occur between the end of the reporting period (ending 30 June 2017) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 18/09/17.

Events that occur after the Reporting Period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the Reporting Period**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2017.

##### **(ii) Events that provide evidence of conditions that arose after the Reporting Period**

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2017 and which are only indicative of conditions that arose after 30 June 2017.

Council is unaware of any material or significant "non-adjusting events" that should be disclosed.

## City of Greater Geraldton

### Notes to the Financial Statements

for the year ended 30 June 2017

#### Note 44. Transactions with Related Parties

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##### (a) Subsidiaries (ie. Entities and Operations controlled by Council)

Council has no interest in any Subsidiaries.

##### (b) Associates

Council has no interest in any Associates.

##### (c) Joint Ventures

Council has no interest in any Joint Ventures.

##### (d) Key Management Personnel

###### Transactions with Key Management Personnel

Key management personnel include the Mayor, Councillors, Chief Executive and other members of the senior management team.

Related parties include Council's key management personnel (KMP), their close family members, and any entities that they or any of their close family members control or jointly control.

The compensation paid to Key Management Personnel comprises:

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	2017
Short-Term Employee Benefits	1,518,139
Post-Employment Benefits	109,587
Long-Term Benefits	9,578
<b>Total</b>	<b><u>1,637,304</u></b>

##### (e) Transactions with Related Parties that have not been disclosed

Council has assessed the materiality of disclosure of transactions with related parties on the following criteria:

- 1) The potential effect of the relationship on the financial statements;
- 2) Whether the transaction occurred as:
  - a) part of a public service provider relationship with a taxpayer on terms no different to that of a transaction with the general public or
  - b) part of an ordinary operational transaction within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Council would have adopted with the party at arm's length in the same circumstances.

Council has determined that no material transactions with related parties have occurred during the financial year 2016-2017.

## City of Greater Geraldton

### Notes to the Financial Statements for the year ended 30 June 2017

#### Note 45. Council Information & Contact Details

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**Principal Place of Business:**

63 Cathedral Avenue  
Geraldton WA 6530

**Contact Details****Mailing Address:**

63 Cathedral Avenue  
Geraldton WA 6530

**Opening Hours:**

Monday - Friday  
8.30am to 5.00pm

**Telephone:** 08 9956 6600

**Facsimile:** 08 9956 6674

**Internet:** [www.cgg.wa.gov.au](http://www.cgg.wa.gov.au)

**Email:** [council@cgg.wa.gov.au](mailto:council@cgg.wa.gov.au)

**Officers****CHIEF EXECUTIVE OFFICER**

Ross McKim

**Elected Members****MAYOR**

Shane Van Styn

**AUDITORS**

AMD Chartered Accountants  
Unit 1, 28 Wellington Street  
Bunbury WA 6230

**COUNCILLORS**

Graeme Bylund  
Steve Douglas  
Lewis Freer  
David Caudwell  
Michael Reymond  
Tarleah Thomas  
Jennifer Critch  
Robert Hall  
Victor Tanti  
Neil McIlwaine  
Natasha Colliver  
Simon Keemink

**Other Information**

**ABN:** 55 907 677 173



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CHARTERED ACCOUNTANTS

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Bunbury, WA 6230  
PO Box 1306, Bunbury WA 6231

## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE CITY OF GREATER GERALDTON

### **Opinion**

We have audited the accompanying financial report of the City of Greater Geraldton which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

In our opinion, the accompanying financial report of the City of Greater Geraldton:

- (i) gives a true and fair view, in all material respects, of the financial position of the City of Greater Geraldton as at 30 June 2017, and of its financial performance and its cash flows for the year then ended;
- (ii) complies with Australian Accounting Standards; and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

### **Report on Other Legal and Regulatory Requirements**

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

- (i) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City of Greater Geraldton;
- (ii) There are 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 noted during the course of our audit;
- (iii) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions;
- (iv) All necessary information and explanations were obtained by us; and
- (v) All audit procedures were satisfactorily completed during our audit.

### **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 company in accordance with the ethical requirements 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.

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

In preparing the financial report, management is responsible for assessing the ability of the City to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting.

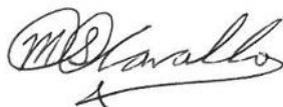
Council is responsible for overseeing the company's financial reporting process.

### ***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 the financial report.

A further description of our responsibility for the audit of the financial report is located at the Auditing and Assurance Standard Board website at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our audit report.

### **AMD Chartered Accountants**



**MARIA CAVALLO**  
Partner

28-30 Wellington Street, Bunbury, Western Australia

Dated this 20<sup>th</sup> day of September 2017



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63 Cathedral Avenue  
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**MULLEWA:**

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[www.cgg.wa.gov.au](http://www.cgg.wa.gov.au)