



Annual Report ***2015/2016***

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Contact Details

Shire of Moora
PO Box 211
34 Padbury Street
MOORA WA 6510

Email: moorashire@wn.com.au

Phone: 08 9651 0000

Fax: 08 9651 1722

Website: www.moora.wa.gov.au

Council:

Shire President

Deputy Shire President

Councillors

Cr K M (Ken) Seymour

Cr M R (Merrel) Pond

Cr C E (Colin) Gardiner

Cr T G (Tracy) Humphry

Cr D V (Denise) Clydesdale-Gebert

Cr M R (Marcus) Holliday

Cr E I (Lyn) Hamilton

Cr L C (Louise) House

Cr P F (Peter) Nixon

Senior Officers:

Chief Executive Officer

Deputy Chief Executive Officer

Manager Engineering Services

Manager Development Services

Mr A J (Alan) Leeson

Mr D K (David) Trevaskis

Mr J L (John) Greay

Mr P R (Peter) Williams

President's Report 2015/2016

It is with great pride and pleasure that I present to you the Shire of Moora's Annual Report for the year ended 30 June 2016 being my second report as President. Over the 2015/16 period Council continued to provide key services, facilities and amenities to the community members within the Shire of Moora.

Heavy Vehicle Transport

This topic remains firmly in the sights of Council. Council is adamant there does need to be continued investment into the Tier 2 rail lines, in particular the Miling to Bolgart line. There is already evidence of the adverse impact of having additional trucks on our road networks in the Shire of Moora and greater region. Restricted Access Vehicle Network continues to be a challenge for many of our rural stakeholders, namely farmers and trucking contractors. We are continuing to work very hard on this issue to bring about greater flexibility into the regime.

Mobile Phone Coverage and adequate access to internet

Technology continues to be a challenge across our Shire in terms of limited access to mobile phone networks and very sparse and insufficient capacity of internet across our rural shire areas. Council is conscious of the negative impact this is having on rural based businesses across the Shire. Council will continue to collaborate with other shires in this region to ensure greater capacity is delivered to our community.

Fluoride – Moora Water Supply

This topic was hotly debated throughout our community over the year. Council had representation from those opposed to the fluoridation of Moora's water supply, whilst also having representatives from the Department of Health. The decision to implement the introduction of fluoride was one that was taken by the Department of Health and conveyed to the community throughout the year. Council was happy to listen to both sides and respect the outcome en-balance given Council does not have any jurisdiction over this matter.

Clontarf

Council is working hard to increase access to positive pathways and programs for our indigenous youth in the Moora Shire. Council delegates met with the Clontarf Foundation and have been strongly advocating for the establishment of an academy in Moora. The Clontarf model is one of great success and has changed the lives of so many indigenous at risk youth across rural and regional Australia. This program is a proven success and it is Councils commitment to continue to work closely with the Federal Government, State Government and local community to bring about positive changes to this community.

Roads and access to gravel

Council's road program and network continues to evolve and improve. I am pleased that Councils works crew now have access to the most modern fleet of plant and equipment for many a year. Access and availability of suitable gravel continues to be a challenge. Without suitable gravel Councils rural road network simply cannot be enhanced or maintained. I wish to thank those farmers/landowners whom have willingly given up access to gravel. Council now has a royalty payment per tonne for gravel. This policy will remain in place and will be reviewed annually in terms of the actual royalty level.

Community groups and events

The Shire of Moora community made up of many groups and clubs continued with many highlights over 2015/2016. I wish to acknowledge the many volunteers whom give up so much of their time to provide so much opportunity to our community members. In particular I wish to congratulate the Central Midlands Speedway Association who held the National Production Sedan Title in Moora over the March 2016 long weekend and also the Moora Swimming Club who hosted the 2016 State Country Swimming Championships over the same weekend. It was fantastic to see the town abuzz over this time which does result in a real economic boost to our business community.

I would like to thank my fellow Councillors for their work and support in 2015/2016. We continue to serve the community willingly and I feel confident that we will continue to produce affordable outcomes for each and every resident within the Shire of Moora. Likewise, I must extend my sincere appreciation and thanks to the staff for their continued dedication and professionalism, particularly as the public face representing the Shire.

On behalf of Council, I would also like to thank the community for their on-going support and contribution to the great community we live in.

A handwritten signature in black ink, appearing to read 'K. Seymour', with a long horizontal flourish extending to the right.

Councillor Ken Seymour
Shire President

Chief Executive Officer's Report 2015/2016

It is with pleasure that I present my fifth report as Chief Executive Officer of the Shire of Moora.

2015/2016 financial year resulted in the Shire of Moora continuing solid investment into its heavy plant fleet and road network whilst ensuring that a range of community, health and public services continued to be provided at a high standard.

Of highlight, was the acquisition of a new 21 tonne excavator into the plant fleet fitted with a mulching head. The primary purpose of this acquisition is to enable an extensive program of vegetation reduction on the shires rural road network. In the short time of having the machine it has proved to be invaluable and there have been noticeable improvements in the width of roads. This will make things somewhat easier for farmers to move large machinery across the road network, whilst also importantly improving sightlines for all road users.

Behind the scenes Council and staff are working very hard to acquire external grant funds. During the 2015/2016 financial year three significant funding applications were prepared. These were but not limited to;

- Moora Mens Shed Project; Approximately \$500,000 applied for;
- Central Midlands Hydrotherapy and Dental Space; Approximately \$900,000 applied for;
- CCTV program expansion in Moora; Approximately \$250,000 applied for.

Pleasingly the Shire has been notified in the 2015/2016 financial year that the CCTV expansion program grant application was approved.

During the 2015/2016 financial year areas of significant capital expenditure were;

Road Construction/Footpaths

Town Streets

- | | |
|------------------------------------|-----------|
| • Slurry seal various town streets | \$221,000 |
| • Footpaths | \$124,000 |
| • Dandaragan Street | \$49,000 |
| • McKeever Street | \$82,000 |

Rural Roads

- | | |
|-----------------------------------|-----------|
| • Moora Miling Road | \$906,000 |
| • Old Geraldton Road | \$188,000 |
| • Various Rural Road Reseals | \$293,000 |
| • Wheatbin Road – Corner widening | \$74,000 |
| • Watheroo Miling Road | \$164,000 |

Land and Buildings

Projects included but not limited to

- | | |
|---|-----------|
| • Lots 231/232 Clarke Street, Moora | \$439,000 |
| • Doctors House – Roberts Street, Moora | \$171,000 |

Plant and Equipment

Included but not limited to

- | | |
|------------------------------------|-----------|
| • Excavator | \$327,000 |
| • Water Pump Truck | \$215,000 |
| • Patching Truck | \$197,000 |
| • Jetting machine | \$40,000 |
| • New bulk fuel tank – shire depot | \$60,000 |
| • Light fleet vehicles | \$209,000 |



Other

Projects included but not limited to

- Sewer Scheme upgrade to pond \$215,000

It is very pleasing that through sound financial management and planning collectively between staff and councillors Council can continue to maintain a high level of asset renewal and upgrading balance across the entire Shire. One item that was not planned for was the need to acquire the doctors' residence at 92 Roberts Street, Moora. This house was initially built on a joint funding arrangement between the Wheatbelt GP Network and the Shire of Moora with the assistance of federal government and local government funding. Disappointingly, the Wheatbelt GP Network decided to sell off the house in order to give a cash injection into the Northam Medical Super Clinic, leaving Moora's capacity to house doctors diminished. Council took the responsible decision to acquire the property in order to ensure Moora Medical Services were not affected as a result of this decision by the Wheatbelt GP Network.

Council also purchased Lot 231 and Lot 232 Clarke Street, Moora. This decision was taken in order to give the Moora Shire and Community flexibility in terms of how recreation facilities may develop over the next 20 to 30 years. There is no immediate plan under "recreational terms" in the short to medium term, as such, Council will lease the land/sheds out on a commercial basis. It is anticipated Council will develop an overall long term Recreation Precinct Plan - Vision in the next 12 to 24 months.

Closing

I would like to formally record my thanks to all shire staff for their efforts and continued hard work over the past 12 months. A lot of work goes into sustaining and maintaining this great community in which we live. Their efforts do not go unnoticed.

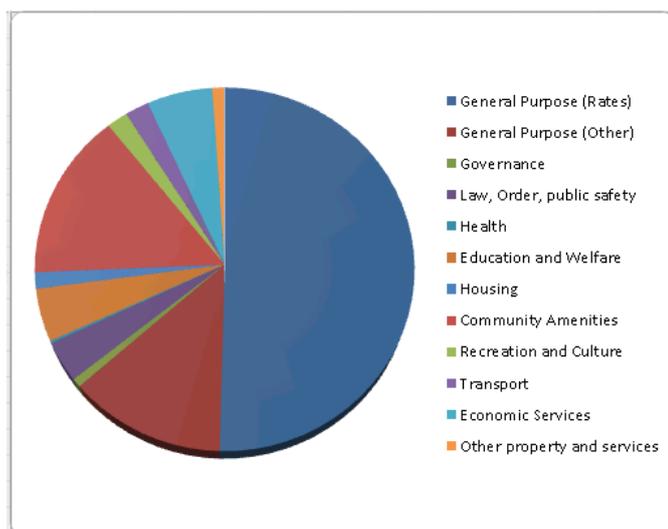
In closing I would like to thank Council for their support. I look forward to continuing to work with Councillors and staff in bringing a number of exciting initiatives to fruition over the coming couple of years.

A handwritten signature in black ink, appearing to read "Alan Leeson".

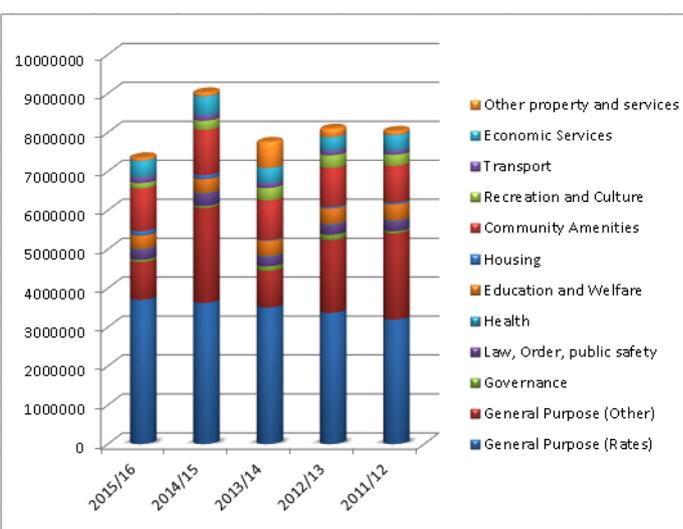
Alan Leeson
Chief Executive Officer

Deputy Chief Executive Officer Report 2015/16

2015/16 Operating Revenue by Program



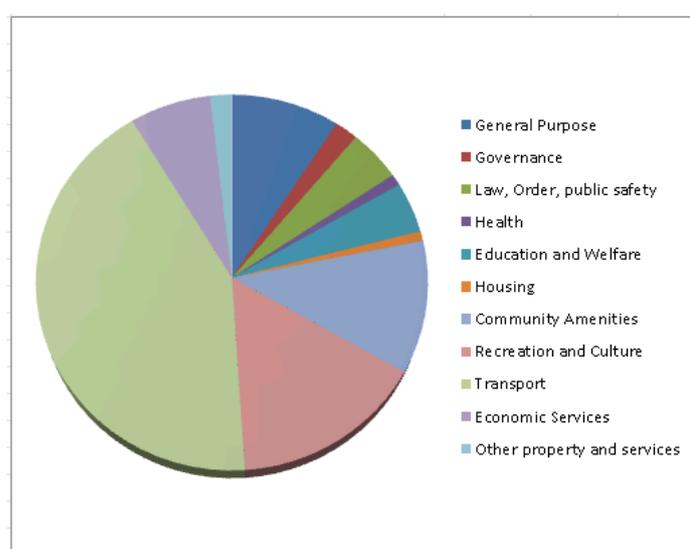
Historical Operating Revenue Received by Program



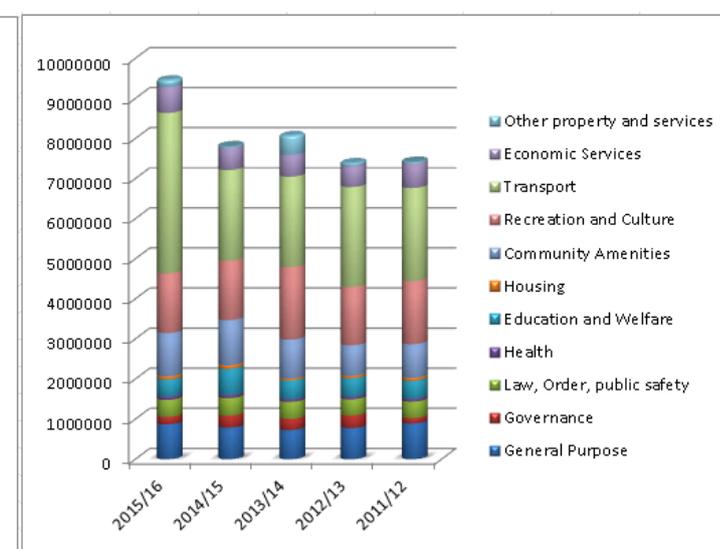
The Shire of Moora total operating revenue for the 2015/16 financial year was \$7,357,191 (2014/15: \$9,026,346). This is less than the previous year due to the timing of receipt of the financial assistant grants which were partly received in the 2014/15 financial year – These grant funds form the majority of revenue in the “General Purpose (Other)” income type in the above graphs.

As per prior years, Shire rates revenue accounted for approximately half of operating income (50%). Other major income sources were financial assistance grants (13%) and Community Amenities income which includes rubbish rate and sewerage service charges (15%). The balance of operating revenue was earned through emergency services levies (6%), operating the Child Care Centre (5%), Caravan Park and Moora Lifestyle Village (6%) and other miscellaneous revenue sources (5%).

2015/16 Operating Expenditure by Program

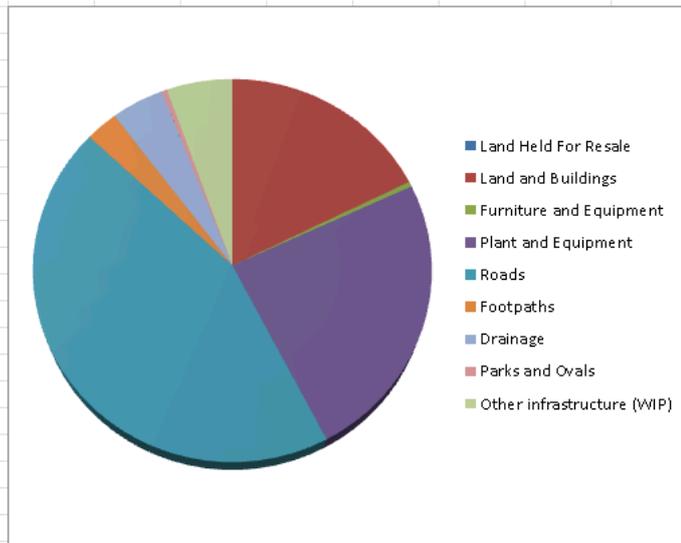


Historical Operating Expenditure Received by Program

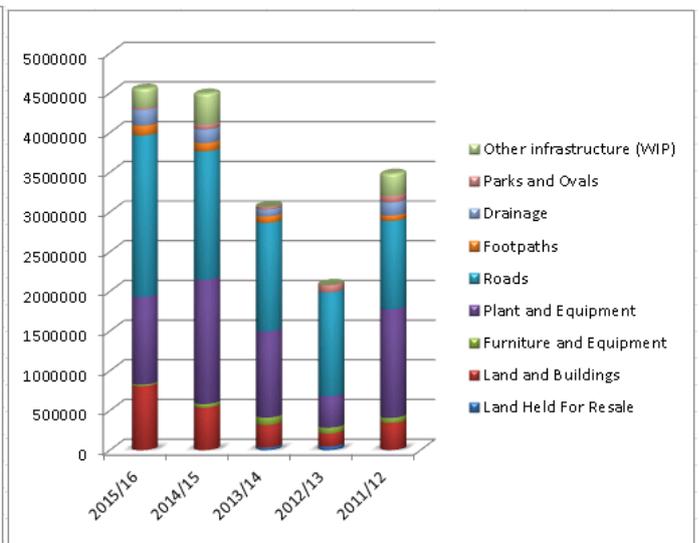


Shire operating expenditure continued to be largely directed towards the maintenance and repairs of the Shire’s most significant assets of road, footpaths and drainage (42%). Other significant expenditure included maintenance of the various parks, ovals and recreational facilities (16%), maintenance of the Shire sewerage scheme and refuse services (11%), tourism and economic services (7%), emergency services (5%), Child Care operations (4%) and administrative and governance procedures (15%).

2015/16 Capital Expenditure by Asset Group

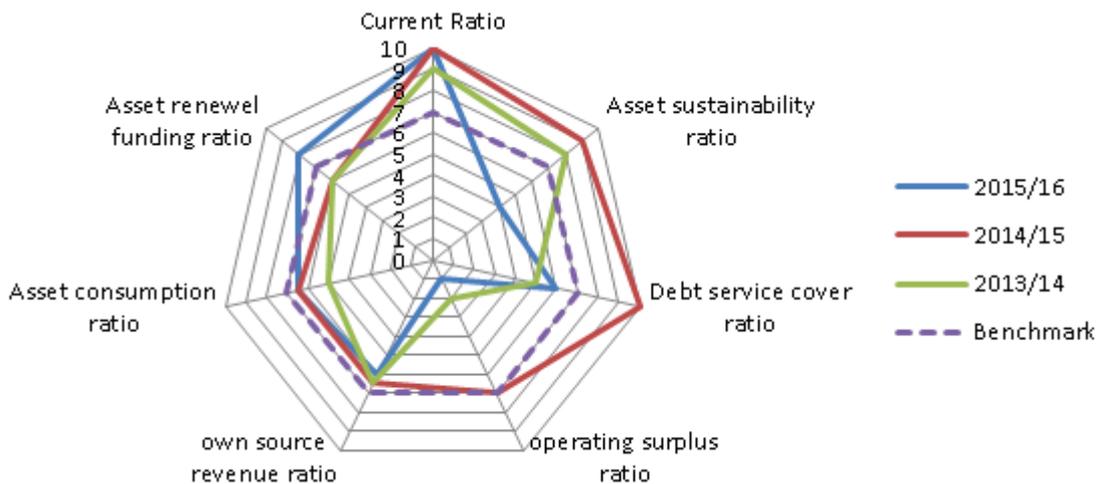


Historical Capital Expenditure by Asset Group



There has been significant investment in the management and renewal of the Shire’s assets over the past two financial years. This has largely been possible due to important non-operating grant income the Shire has received in 2015/16 \$1,625,734 (2014/15: 1,583,399). Major projects undertaken include road improvements on the Moora-Miling, Old Geraldton and Watheroo-Miling Roads; replacement of the water truck and patching truck and the purchase of a 23 tonne excavator; and the acquisition of both a doctors residence and strategic land parcel adjacent to the Moora Sports Oval.

Financial Health Ratio Indicators



As per the above RADA graph the Shire’s financial health ratio indicators show the Shire is equal to or above the industry benchmark levels, as provided by Moore Stephens guidelines, for the current ratio, own source revenue ratio, asset consumption ratio and asset renewal ratio. Whilst the asset sustainability and operating surplus ratios are low this is reflective of the majority of rural Shires and not considered a risk.

I would like to thank Alan Leeson and Councillor’s for their continued support. Having a stable, progressive and approachable council is a great asset to the community. Also, large thanks to all staff who continue to provide fantastic services and support throughout the Shire.

David Trevaskis
Deputy Chief Executive Officer

2015/2016 Report on Strategic Community Plan

The Shire of Moora Strategic Community Plan was adopted by Council on 19 June 2013 after an 18 month community engagement/consultation program to develop a range of supportive strategies and plans which fed into the Strategic Community Plan before a final consultation period on the draft document. In all, over 435 community members/organisations participated in the consultation activities.

The Strategic Community Plan contains five goals, each of which is supported by a number of outcomes, strategies and key performance indicators. Council will be initiating a review of the Plan in the 2016/2017 financial year.

Strategic Community Goals and their Key Performance Indicators:

Goal 1: A vibrant, healthy and safe community	Key Performance Indicator	Result
Outcome 1.1: A healthy community through participation in sport, recreation and leisure opportunities	Number of participants in Council organised sporting events	No measurement currently available
Outcome 1.3: Opportunities for development and participation of young people	Number of participants in Shire supported youth activities	No measurement currently available
Outcome 1.4: A strong and supportive community	Community satisfaction with Council services and facilities Percentage of adult population who volunteer	There is regular monitoring and opportunity for feedback and access to Council. Council welcomes and encourages community feedback.
Outcome 1.5: A safe community	Community perception of safety in public places	Work in progress. Funding will be sought for expansion of CCTV in Moora and more regular dialogue with relevant agencies with respect to programs such as the Needle and Syringe Program

Goal 2: A protected and enhanced natural environment	Key Performance Indicator	Result
Outcome 2.1: A protected natural environment	Community satisfaction with Shire supported natural environment	Remains a key focus of Council.
Outcome 2.4: Sustainable waste management	Community satisfaction with waste management services	Continued improvements with proposed establishment of Watheroo Transfer Station

Goal 3: A built environment that supports economic and community growth	Key Performance Indicator	Result
Outcome 3.1: Appropriate planning and development	Community satisfaction with planning and development application information and advice	Applications and advice dealt with in a timely fashion.
Outcome 3.2: Attractive townscape and streetscapes	Community satisfaction with townscapes and streetscapes	Programs on going. Padbury Street Plan to be developed in 2016-2017
Outcome 3.3: A safe and reliable transport system	Community satisfaction with the standard of roads, bridges and footpaths	Strong results in this area with roads enhanced and maintained. Maintenance issues dealt with in timely manner
Outcome 3.4: Council buildings and facilities that meet community needs	Community satisfaction with the standard of Council buildings and facilities	Survey yet to be conducted
Outcome 3.5: Sustainable asset and infrastructure base	Asset consumption ratio, asset renewal funding ratio and asset sustainability ratio	Asset Sustainability Ratio 2013 0.271 2014 1.283 2015 1.605 2016 0.776

Goal 4: A thriving and diverse local economy	Key Performance Indicator	Result
Outcome 4.1: A strong and diversified economic base	Number of serviced lots released	No service lots were released in 2015/2016
Outcome 4.2: A dynamic and resilient business sector	Community satisfaction with Council support for business and industry	Survey yet to be conducted

Goal 5: Good governance and an effective and efficient organisation	Key Performance Indicator	Result
Outcome 5.1: Good governance and leadership	Community satisfaction with governance and leadership of the Shire	Council encourages and welcomes feedback. Has had regular contact with key community groups. Communication and consultation is a key performance indicator for Council in this regard.

Outcome 5.2: Professional employees in a supportive environment	Number of Workforce Plan actions implemented in scheduled timeframes	Workforce Plan in process of being developed.
Outcome 5.3: Effective and efficient corporate and administrative services	Percentage of Corporate Business Plan actions implemented in scheduled timeframes Community satisfaction with customer services	Customer Service Charter available to public. Corporate Business Plan implementation a work in progress and is subject to annual fiscal parameters.

Other Legislative Reporting Requirements

Disclosure of Annual Salaries

Local governments are required to include in their annual report the number of employees of the local government entitled to an annual salary of \$100,000 or more, and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000. For the year 2015/2016 the Shire of Moora had three employees entitled to an annual salary exceeding \$100,000, two in the \$120,000 to \$130,000 band and one in the \$150,000 to \$160,000 band.

Disability Service Plan

The Disability Service Act ensures that people with disabilities have the same opportunities as other members of the community. Council aims to progressively improve access to facilities for people with disabilities over time. Significant progress has been made in recent years to improving access, and all new facilities or upgrades to existing facilities have provision for disabled access.

Record Keeping

The Shire of Moora maintains recordkeeping practices in accordance with the requirements of the State Records Act 2000 and its Recordkeeping Plan. The plan encompasses the requirements for capture, control and disposal of records as well as for staff training.

Staff training in records management includes Managers, Administration Staff and induction training for all new staff on their obligations under the State Records Act 2000, and the operation of records management within the Shire of Moora has been undertaken.

Public Interest Disclosure

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Moora has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures, and to provide guidance on investigations.

In the 2015/2016 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred.

Freedom of Information Act 1992

The Shire of Moora is subject to the provisions of the Freedom of Information (FOI) Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act.

The Shire did not receive any FOI applications in the 2015/2016 financial year.

SHIRE OF MOORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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Principal place of business:
34 Padbury Street, Moora, WA, 6510

SHIRE OF MOORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 20 day of October 2016



Alan Leeson
Chief Executive Officer

SHIRE OF MOORA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	23	3,708,516	3,694,215	3,628,452
Operating grants, subsidies and contributions	30	1,111,679	1,245,489	2,864,269
Fees and charges	29	2,193,873	2,249,653	2,263,640
Service charges	26	0	0	6,277
Interest earnings	2(a)	195,050	158,602	176,150
Other revenue	2(a)	148,073	88,500	87,558
		<u>7,357,191</u>	<u>7,436,459</u>	<u>9,026,346</u>
Expenses				
Employee costs		(3,466,137)	(2,987,836)	(3,148,279)
Materials and contracts		(1,813,207)	(2,249,187)	(1,889,970)
Utility charges		(324,500)	(395,799)	(393,598)
Depreciation on non-current assets	2(a)	(3,743,853)	(2,137,879)	(1,983,091)
Interest expenses	2(a)	(69,201)	(68,601)	(86,377)
Insurance expenses		(177,374)	(173,371)	(216,231)
Other expenditure		61,610	(66,851)	(175,229)
		<u>(9,532,662)</u>	<u>(8,079,524)</u>	<u>(7,892,775)</u>
		(2,175,471)	(643,065)	1,133,571
Non-operating grants, subsidies and contributions	30	1,625,734	2,156,809	1,583,399
Profit on asset disposals	21	69,039	50,650	144,429
(Loss) on asset disposals	21	(228,518)	0	(362,527)
Financial assets through profit and loss				
(Loss) on revaluation of furniture and equipment	7(b)	(72,401)	0	0
(Loss) on revaluation of plant and equipment	7(b)	(3,048)	0	0
Net result		<u>(784,665)</u>	<u>1,564,394</u>	<u>2,498,872</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(411,167)	0	87,910,344
Total other comprehensive income		<u>(411,167)</u>	<u>0</u>	<u>87,910,344</u>
Total comprehensive income		<u><u>(1,195,832)</u></u>	<u><u>1,564,394</u></u>	<u><u>90,409,216</u></u>

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

SHIRE OF MOORA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Governance		56,808	25,500	51,309
General purpose funding		4,676,127	4,603,336	6,063,451
Law, order, public safety		266,745	276,744	319,037
Health		16,506	22,100	16,107
Education and welfare		344,649	348,000	359,391
Housing		106,899	109,200	98,379
Community amenities		1,098,672	1,172,702	1,163,541
Recreation and culture		135,100	194,536	234,598
Transport		153,965	153,000	141,557
Economic services		421,740	462,341	485,010
Other property and services		79,980	69,000	93,966
		<u>7,357,191</u>	<u>7,436,459</u>	<u>9,026,346</u>
Expenses				
Governance		(870,243)	(780,266)	(786,010)
General purpose funding		(187,007)	(185,111)	(300,084)
Law, order, public safety		(424,356)	(474,098)	(438,003)
Health		(90,683)	(97,263)	(85,621)
Education and welfare		(414,080)	(399,535)	(647,264)
Housing		(79,813)	(117,920)	(83,865)
Community amenities		(1,080,933)	(1,118,751)	(1,128,948)
Recreation and culture		(1,487,417)	(1,681,002)	(1,480,348)
Transport		(4,005,485)	(2,353,091)	(2,264,851)
Economic services		(648,642)	(761,573)	(550,962)
Other property and services		(174,802)	(42,313)	(40,441)
		<u>(9,463,461)</u>	<u>(8,010,923)</u>	<u>(7,806,396)</u>
Finance costs				
General purpose funding	2(a)	(69,201)	(68,601)	(86,378)
		<u>(69,201)</u>	<u>(68,601)</u>	<u>(86,378)</u>
		(2,175,471)	(643,065)	1,133,572
Non-operating grants, subsidies and contributions	30	1,625,734	2,156,809	1,583,399
Profit on disposal of assets	21	69,039	50,650	144,429
(Loss) on disposal of assets	21	(228,518)	0	(362,527)
Financial assets through profit and loss				
(Loss) on revaluation of furniture and equipment	7(b)	(72,401)	0	0
(Loss) on revaluation of plant and equipment	7(b)	(3,048)	0	0
		<u>(75,449)</u>	<u>0</u>	<u>0</u>
Net result		<u>(784,665)</u>	<u>1,564,394</u>	<u>2,498,872</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(411,167)	0	87,910,344
Total other comprehensive income		<u>(411,167)</u>	<u>0</u>	<u>87,910,344</u>
Total comprehensive income		<u>(1,195,832)</u>	<u>1,564,394</u>	<u>90,409,216</u>

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

SHIRE OF MOORA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,451,426	3,833,114
Investments	4	100,000	0
Trade and other receivables	5	496,998	529,654
Inventories	6	37,231	12,236
TOTAL CURRENT ASSETS		<u>4,085,655</u>	<u>4,375,004</u>
NON-CURRENT ASSETS			
Other receivables	5	195,034	123,700
Inventories	6	704,317	419,000
Property, plant and equipment	7	21,931,122	21,731,211
Infrastructure	8	157,505,447	158,005,068
TOTAL NON-CURRENT ASSETS		<u>180,335,920</u>	<u>180,278,979</u>
TOTAL ASSETS		<u>184,421,575</u>	<u>184,653,983</u>
CURRENT LIABILITIES			
Trade and other payables	9	698,573	213,236
Current portion of long term borrowings	10	311,933	297,510
Provisions	11	615,529	525,281
TOTAL CURRENT LIABILITIES		<u>1,626,035</u>	<u>1,036,027</u>
NON-CURRENT LIABILITIES			
Long term borrowings	10	1,277,505	902,865
Provisions	11	101,491	102,715
TOTAL NON-CURRENT LIABILITIES		<u>1,378,996</u>	<u>1,005,580</u>
TOTAL LIABILITIES		<u>3,005,031</u>	<u>2,041,607</u>
NET ASSETS		<u>181,416,544</u>	<u>182,612,376</u>
EQUITY			
Retained surplus		82,820,494	83,362,577
Reserves - cash backed	12	1,629,717	1,872,299
Revaluation surplus	13	96,966,333	97,377,500
TOTAL EQUITY		<u>181,416,544</u>	<u>182,612,376</u>

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

**SHIRE OF MOORA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		80,700,035	2,035,969	9,467,156	92,203,160
Comprehensive income					
Net result		2,498,872	0	0	2,498,872
Changes on revaluation of assets	13	0	0	87,910,344	87,910,344
Total comprehensive income		<u>2,498,872</u>	<u>0</u>	<u>87,910,344</u>	<u>90,409,216</u>
Transfers from/(to) reserves		163,670	(163,670)	0	0
		<u>163,670</u>	<u>(163,670)</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2015		83,362,577	1,872,299	97,377,500	182,612,376
Comprehensive income					
Net result		(784,665)	0	0	(784,665)
Changes on revaluation of assets	13	0	0	(411,167)	(411,167)
Total comprehensive income		<u>(784,665)</u>	<u>0</u>	<u>(411,167)</u>	<u>(1,195,832)</u>
Transfers from/(to) reserves		242,582	(242,582)	0	0
		<u>242,582</u>	<u>(242,582)</u>	<u>0</u>	<u>0</u>
Balance as at 30 June 2016		<u>82,820,494</u>	<u>1,629,717</u>	<u>96,966,333</u>	<u>181,416,544</u>

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

SHIRE OF MOORA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,665,304	3,694,215	3,605,183
Operating grants, subsidies and contributions		1,173,651	1,245,489	2,828,373
Fees and charges		2,193,873	2,249,653	2,263,640
Service charges		0	0	6,277
Interest earnings		195,050	158,602	176,150
Goods and services tax		534,328	0	210,150
Other revenue		148,073	88,500	87,558
		<u>7,910,279</u>	<u>7,436,459</u>	<u>9,177,331</u>
Payments				
Employee costs		(3,377,013)	(2,987,836)	(3,057,442)
Materials and contracts		(1,352,083)	(2,249,187)	(1,937,796)
Utility charges		(324,500)	(395,799)	(393,598)
Interest expenses		(70,083)	(68,601)	(87,806)
Insurance expenses		(177,374)	(173,371)	(216,231)
Goods and services tax		(516,821)	0	(230,161)
Other expenditure		61,610	(66,851)	(175,228)
		<u>(5,756,264)</u>	<u>(5,941,645)</u>	<u>(6,098,262)</u>
Net cash provided by (used in) operating activities	14(b)	<u>2,154,015</u>	<u>1,494,814</u>	<u>3,079,069</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		0	(15,000)	0
Payments for purchase of property, plant & equipment		(1,930,717)	(2,052,852)	(2,148,427)
Payments for construction of infrastructure		(2,626,572)	(3,814,657)	(2,346,373)
Payment for investment		(100,000)	0	0
Advances to community groups		(100,000)	0	(74,000)
Non-operating grants, subsidies and contributions		1,625,734	2,156,809	1,583,398
Proceeds from sale of fixed assets		181,736	75,150	508,743
Proceeds from advances		21,626	0	26,987
Net cash provided by (used in) investment activities		<u>(2,928,193)</u>	<u>(3,650,550)</u>	<u>(2,449,672)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(300,937)	(297,510)	(291,069)
Proceeds from self supporting loans		3,427	14,235	0
Proceeds from new debentures		690,000	400,000	0
Net cash provided by (used in) financing activities		<u>392,490</u>	<u>116,725</u>	<u>(291,069)</u>
Net increase (decrease) in cash held		(381,688)	(2,039,010)	338,328
Cash at beginning of year		3,833,114	3,831,953	3,494,786
Cash and cash equivalents at the end of the year	14(a)	<u><u>3,451,426</u></u>	<u><u>1,792,943</u></u>	<u><u>3,833,114</u></u>

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

**SHIRE OF MOORA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net current assets at start of financial year - surplus/(deficit)	<u>1,856,063</u> 1,856,063	<u>1,819,822</u> 1,819,822	<u>1,291,673</u> 1,291,673
Revenue from operating activities (excluding rates)			
Governance	56,838	25,500	51,309
General purpose funding	967,611	909,121	2,434,999
Law, order, public safety	266,745	276,744	319,037
Health	16,506	22,100	16,107
Education and welfare	344,649	348,000	359,391
Housing	141,763	140,050	98,379
Community amenities	1,098,672	1,172,702	1,167,632
Recreation and culture	135,100	194,536	234,598
Transport	178,110	166,800	287,694
Economic services	421,740	462,341	485,010
Other property and services	89,980	75,000	93,966
	<u>3,717,714</u>	<u>3,792,894</u>	<u>5,548,122</u>
Expenditure from operating activities			
Governance	(910,569)	(780,266)	(832,315)
General purpose funding	(265,773)	(253,712)	(301,327)
Law, order, public safety	(424,356)	(474,098)	(445,256)
Health	(90,683)	(97,263)	(85,621)
Education and welfare	(414,080)	(399,535)	(647,264)
Housing	(149,936)	(117,920)	(133,224)
Community amenities	(1,082,852)	(1,118,751)	(1,128,948)
Recreation and culture	(1,574,254)	(1,681,002)	(1,775,217)
Transport	(4,017,394)	(2,353,091)	(2,281,412)
Economic services	(648,784)	(761,573)	(590,076)
Other property and services	(182,499)	(42,313)	(40,441)
	<u>(9,761,180)</u>	<u>(8,079,524)</u>	<u>(8,261,101)</u>
Operating activities excluded from budget			
(Profit) on disposal of assets	21 (69,039)	(50,650)	(144,429)
Loss on disposal of assets	21 228,518	0	362,527
Movement in deferred pensioner rates (non-current)	0	0	3,074
Movement in employee benefit provisions (non-current)	(1,224)	0	21,725
Depreciation and amortisation on assets	2(a) 3,743,853	2,137,879	1,983,091
Amount attributable to operating activities	<u>(285,295)</u>	<u>(379,579)</u>	<u>804,682</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	1,625,734	2,156,809	1,583,399
Proceeds from disposal of assets	21 181,736	75,150	508,743
Purchase of land held for resale	0	(15,000)	0
Purchase of property, plant and equipment	7(b) (1,930,717)	(2,052,852)	(2,148,427)
Purchase and construction of infrastructure	8(b) (2,626,572)	(3,814,657)	(2,346,373)
Amount attributable to investing activities	<u>(2,749,819)</u>	<u>(3,650,550)</u>	<u>(2,402,658)</u>
FINANCING ACTIVITIES			
Advances to community groups	(100,000)	0	(74,000)
Repayment of advances to community groups	21,626	0	26,987
Repayment of debentures	22(a) (300,937)	(297,510)	(291,069)
Proceeds from new debentures	22(a) 690,000	400,000	0
Proceeds from self supporting loans	3,427	14,145	0
Transfers to reserves (restricted assets)	12 (60,598)	(44,300)	(77,345)
Transfers from reserves (restricted assets)	12 303,180	303,180	241,015
Amount attributable to financing activities	<u>556,698</u>	<u>375,515</u>	<u>(174,412)</u>
Surplus(deficiency) before general rates	<u>(2,478,415)</u>	<u>(3,654,614)</u>	<u>(1,772,388)</u>
Total amount raised from general rates	23 3,708,516	3,694,215	3,628,452
Net current assets at June 30 c/fwd - surplus/(deficit)	24 <u>1,230,101</u>	<u>39,601</u>	<u>1,856,063</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent revenue experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent revenue experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and infrastructure. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(c) Cash and Cash Equivalents

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

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

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

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

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under roads

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

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

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

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

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

Depreciation

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

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

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

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

Capitalisation threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

Revenue

(q) 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 of non operating grants arises when the Shire can benefit from funds transferred to it and deny or regulate the access of others to those benefits. Therefore, control arises when the Shire can use funds granted or transferred to purchase goods and services or retain those funds for future purchases.

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

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

(r) 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.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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.

(t) 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.

(u) Other Revenue

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

(v) Superannuation

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

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

(x) Rounding Off Figures

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

(y) Comparative Figures

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

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

(z) Budget Comparative Figures

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii) AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
<p>(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations</p> <p>[AASB 1 & AASB 11]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>
<p>(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation</p> <p>[AASB 116 & 138]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
<p>(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</p>	<p>December 2014</p>	<p>1 January 2017</p>	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES	2016	2015	
	\$	\$	
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the Annual Financial Report	13,195	24,100	
Depreciation			
Buildings - non-specialised	22,363	27,761	
Buildings - specialised	257,307	256,898	
Furniture and equipment	80,243	95,214	
Plant and equipment	542,461	519,549	
Infrastructure - roads	2,166,137	761,855	
Infrastructure - footpaths	37,337	31,900	
Infrastructure - drainage	378,641	129,968	
Infrastructure - parks and ovals	118,120	88,529	
Infrastructure - bridges	119,084	61,741	
Infrastructure - street lighting and furniture	22,160	9,660	
Other Infrastructure - WIP	0	16	
	<u>3,743,853</u>	<u>1,983,091</u>	
Interest expenses (finance costs)			
Debentures (refer Note 22 (a))	68,829	85,135	
Overdraft	372	1,242	
	<u>69,201</u>	<u>86,377</u>	
Rental charges			
- Operating lease (Gym)	5,454	0	
- 6 Dix Street Rental	18,900	8,050	
	<u>24,354</u>	<u>8,050</u>	
(ii) Crediting as revenue:			
Other revenue			
Reimbursements and recoveries	148,073	87,558	
	<u>148,073</u>	<u>87,558</u>	
	2016	2016	2015
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Loans receivable - clubs/institutions	3,477	2,102	1,661
- Reserve funds	51,197	50,000	61,555
- Other funds	66,981	55,000	57,388
Other interest revenue (refer note 28)	73,395	51,500	55,546
	<u>195,050</u>	<u>158,602</u>	<u>176,150</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life. Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Provision of child health care facilities, food control, pest control, podiatry services and provision of dental care surgery and premises.

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

Help ensure adequate housing at a high standard.

Activities:

Provision and maintenance of staff and rental housing.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

Maintenance of public halls, swimming pool, recreation centre and various sporting facilities
Provision and maintenance of parks, gardens and playgrounds. Operation of library and support of other cultural facilities.

TRANSPORT

Objective:

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

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance ⁽¹⁾ 30/06/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance 30/06/16 \$
@*CLGF - Regional Funding - Moora Aged Car	Welfare	773,309	20,739	(247,318)	546,730	16,586	0	563,316
DSR - Kids Sports Funding	Rec & Culture	3,026	53,054	(55,628)	452	11,945	(5,929)	6,468
CLGF - Individual Allocation	Housing	251,257	0	(251,257)	0	0	0	0
State NRM - Reserve Rehabilitation	Com. Amenities	4,952	0	(4,952)	0	0	0	0
Main Roads - Koojan Bridge	Transport	169,591	0	(169,591)	0	0	0	0
Cat Sterilisation Program	LOPS	5,000	0	(318)	4,682	0	(4,682)	0
Bike Week Grant	Rec & Culture	636	0	(636)	0	0	0	0
FAGs 2015-16 Advance Payment	Governance	0	746,917	0	746,917	714,144	(1,461,061)	0
SES Aware Program Grant	LOPS	0	6,364	0	6,364	0	(6,364)	0
Dep Vet Affairs - War Memorial Grant	Rec & Culture	0	14,372	0	14,372	0	0	14,372
WDC - Mens Shed Grant	Rec & Culture	0	8,500	0	8,500	0	(8,500)	0
Dept. Communities - Child Care	Welfare	0	15,000	0	15,000	0	(15,000)	0
Dept. Communities - Aged Friendly Grant	Welfare	0	44,078	0	44,078	0	(44,078)	0
2016-17 DFES advanced payment	LOPS	0	0	0	0	61,740	(46,058)	15,682
DSR - Swimming pool capital grant	Rec & Culture	0	30,000	(30,000)	0	29,091	(29,091)	0
Total		<u>1,207,771</u>	<u>939,024</u>	<u>(759,700)</u>	<u>1,387,095</u>	<u>833,506</u>	<u>(1,620,763)</u>	<u>599,838</u>

Notes:

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

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

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

(*) Please note the CLGF - Regional Funding Grant money is quarantined in the Shire of Moora Economic Development Reserve Account

(@) At 30 June 2016 the Shire had committed this funding for use in accordance with the funding agreement

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	Note	2016 \$	2015 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,785,187	1,960,815
Restricted		1,666,239	1,872,299
		<u>3,451,426</u>	<u>3,833,114</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	12	119,204	115,422
Plant reserve	12	130,629	126,485
Council building reserve	12	31,019	30,035
Community facilities reserve	12	133,493	129,258
Waste management reserve	12	126,336	122,328
Bridge reserve	12	67,688	65,541
Community bus reserve	12	56,222	54,438
Sewerage reserve	12	286,028	474,411
Economic development reserve	12	679,098	754,381
Unspent grants (Net of Funds Quarantined in Reserve)	2(c)	36,522	840,364
		<u>1,666,239</u>	<u>2,712,663</u>
4. INVESTMENTS			
CMC Pty Ltd - 100,000 shares @ \$1 per share		<u>100,000</u>	<u>0</u>
5. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		402,620	359,408
Sundry debtors		32,329	104,533
GST receivable		28,748	46,255
Loans receivable - clubs/institutions		17,038	20,448
Self supporting loans receivable - clubs/institutions		7,021	0
Accrued term deposit interest		4,685	14,101
Prepayments		31,008	14,015
Provision for doubtful debts		(26,451)	(29,106)
		<u>496,998</u>	<u>529,654</u>
Non-current			
Rates outstanding - pensioners		28,556	28,556
Loans receivable - clubs/institutions		64,651	56,547
Self supporting loans receivable - clubs/institutions		69,552	0
MLSV Relocation Loans		32,275	38,597
		<u>195,034</u>	<u>123,700</u>
Debtors Age Analysis			
The ageing of the past due but not impaired receivables (Rates Outstanding and Sundry Debtors) are as follows:			
0 to 3 months overdue		2,139	6,997
3 to 6 months overdue		0	0
Over 6 months overdue		379,464	361,755
		<u>381,603</u>	<u>368,752</u>
6. INVENTORIES			
Current			
Fuel and materials		<u>37,231</u>	<u>12,236</u>
		<u>37,231</u>	<u>12,236</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

6 INVENTORIES (Continued)

	2016	2015
	\$	\$
Non-current		
Land held for resale - cost		
Cost of acquisition	82,663	82,663
Development costs	621,654	336,337
	704,317	419,000

7 (a). PROPERTY, PLANT AND EQUIPMENT

Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	1,486,400	1,486,400
- Independent valuation 2014 - level 3	1,611,000	1,611,000
- Additions after valuation - cost	543,185	104,094
	3,640,585	3,201,494
	3,640,585	3,201,494
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	1,273,000	1,273,000
- Additions after valuation - cost	628,930	441,711
Less: accumulated depreciation	(49,704)	(27,341)
	1,852,226	1,687,370
Buildings - specialised at:		
- Independent valuation 2014 - level 3	12,931,931	12,835,000
- Additions after valuation - cost	209,700	36,192
Less: accumulated depreciation	(514,206)	(256,898)
	12,627,425	12,614,294
	14,479,651	14,301,664
Total land and buildings	18,120,236	17,503,158
Furniture and equipment at:		
- Management valuation 2016 - level 3	106,103	0
- Management valuation 2013 - level 3	0	832,678
- Additions after valuation - cost	0	187,460
Less accumulated depreciation	0	(595,319)
	106,103	424,819
Plant and equipment at:		
- Management valuation 2016 - level 2	1,166,832	0
- Management valuation 2016 - level 3	2,537,951	0
- Management valuation 2013 - level 3	0	4,981,212
- Additions after valuation - cost	0	2,359,383
Less accumulated depreciation	0	(3,537,361)
	3,704,783	3,803,234
	21,931,122	21,731,211

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	3,201,494	439,091	0	0	0	0	0	0	3,640,585
Total land	3,201,494	439,091	0	0	0	0	0	0	3,640,585
Buildings - non-specialised	1,687,371	187,219	0	0	0	0	(22,363)	0	1,852,227
Buildings - specialised	12,614,294	181,265	0	0	0	0	(257,307)	89,172	12,627,424
Total buildings	14,301,665	368,484	0	0	0	0	(279,670)	89,172	14,479,651
Total land and buildings	17,503,159	807,575	0	0	0	0	(279,670)	89,172	18,120,236
Furniture and equipment	424,819	19,379	(138,173)	0	(72,401)	0	(80,243)	(47,278)	106,103
Plant and equipment	3,803,234	1,103,763	(203,041)	(411,167)	(3,048)	0	(542,461)	(42,497)	3,704,783
Total property, plant and equipment	21,731,212	1,930,717	(341,214)	(411,167)	(75,449)	0	(902,374)	(603)	21,931,122

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold	2	Sales comparison approach	Independent Registered Valuers	June 2014	Market sales evidence
Land - freehold	3	Cost approach	Independent Registered Valuers	June 2014	Costs and current condition
Buildings - non-specialised	2	Sales comparison approach	Independent Registered Valuers	June 2014	Market sales evidence
Buildings - specialised	3	Cost approach	Independent Registered Valuers	June 2014	Construction costs and current condition
Furniture and equipment					
	3	Sales comparison approach	Management Valuation	June 2016	Market sales evidence
Plant and equipment					
- Management valuation 2016	2	Sales comparison approach	Management Valuation	June 2016	Market sales evidence
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Costs and current condition, residual values and remaining useful life assessments

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

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016 \$	2015 \$
8 (a). INFRASTRUCTURE		
Infrastructure - roads		
- Independent valuation 2015 - level 3	159,708,413	159,708,413
- Additions after valuation - cost	2,033,317	0
Less accumulated depreciation	<u>(25,882,666)</u>	<u>(23,716,529)</u>
	135,859,064	135,991,884
Infrastructure - footpaths		
- Independent valuation 2015 - level 3	2,451,174	2,451,174
- Additions after valuation - cost	123,720	0
Less accumulated depreciation	<u>(1,233,343)</u>	<u>(1,196,003)</u>
	1,341,551	1,255,171
Infrastructure - drainage		
- Independent valuation 2015 - level 3	17,709,257	17,709,257
- Cost	250,087	0
Less accumulated depreciation	<u>(7,342,248)</u>	<u>(6,963,607)</u>
	10,617,096	10,745,650
Infrastructure - parks and ovals		
- Independent valuation 2015 - level 3	3,641,598	3,641,598
- Additions after valuation - cost	20,928	0
Less accumulated depreciation	<u>(118,119)</u>	<u>0</u>
	3,544,407	3,641,598
Infrastructure - bridges		
- Independent valuation 2015 - level 3	11,908,410	11,908,410
Less accumulated depreciation	<u>(6,295,778)</u>	<u>(6,176,693)</u>
	5,612,632	5,731,717
Infrastructure - street lighting and furniture		
- Independent valuation 2015 - level 3	179,401	179,401
- Additions after valuation - cost	165,807	0
Less accumulated depreciation	<u>(98,192)</u>	<u>0</u>
	247,016	179,401
Other Infrastructure - WIP		
- Additions after valuation - cost	283,681	459,647
Less accumulated depreciation	<u>0</u>	<u>0</u>
	283,681	459,647
	<u>157,505,447</u>	<u>158,005,068</u>

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - roads	135,991,884	2,033,317	0	0	0	0	(2,166,137)	0	135,859,064
Infrastructure - footpaths	1,255,171	123,717	0	0	0	0	(37,337)	0	1,341,551
Infrastructure - drainage	10,745,650	199,323	0	0	0	0	(378,641)	50,764	10,617,096
Infrastructure - parks and ovals	3,641,599	20,928	0	0	0	0	(118,120)	0	3,544,407
Infrastructure - bridges	5,731,716	0	0	0	0	0	(119,084)	0	5,612,632
Infrastructure - street lighting and furnitur	179,401	0	0	0	0	0	(22,160)	89,775	247,016
Other Infrastructure - WIP	459,647	249,287	0	0	0	0	0	(425,253)	283,681
Total infrastructure	158,005,068	2,626,572	0	0	0	0	(2,841,479)	(284,714)	157,505,447

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent Valuers and Management Valuations	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - bridges	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - street lighting and furniture	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
Other Infrastructure - WIP				NA	

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

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	620,617	134,498
Accrued interest on debentures	4,867	5,749
Accrued salaries and wages	22,568	0
ATO liabilities	50,521	72,989
	<u>698,573</u>	<u>213,236</u>

10. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	304,913	297,510
Debentures self-supporting	7,020	0
	<u>311,933</u>	<u>297,510</u>
Non-current		
Secured by floating charge		
Debentures	1,207,952	902,865
Debentures self-supporting	69,553	0
	<u>1,277,505</u>	<u>902,865</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2015			
Current provisions	311,606	213,675	525,281
Non-current provisions	0	102,715	102,715
	<u>311,606</u>	<u>316,390</u>	<u>627,996</u>
Additional provision	28,608	60,416	89,024
Balance at 30 June 2016	<u>340,214</u>	<u>376,806</u>	<u>717,020</u>
Comprises			
Current	340,214	275,315	615,529
Non-current	0	101,491	101,491
	<u>340,214</u>	<u>376,806</u>	<u>717,020</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. RESERVES - CASH BACKED

	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$	Budget 2016 Opening Balance \$	Budget 2016 Transfer to \$	Budget 2016 Transfer (from) \$	Budget 2016 Closing Balance \$	Actual 2015 Opening Balance \$	Actual 2015 Transfer to \$	Actual 2015 Transfer (from) \$	Actual 2015 Closing Balance \$
Leave reserve	115,422	3,782	0	119,204	115,422	3,000	0	118,422	112,593	2,829	0	115,422
Plant reserve	126,485	4,144	0	130,629	126,485	4,000	0	130,485	123,393	3,092	0	126,485
Council building reserve	30,035	984	0	31,019	30,035	1,000	0	31,035	29,299	736	0	30,035
Community facilities reserve	129,258	4,235	0	133,493	129,258	4,200	0	133,458	126,090	3,168	0	129,258
Waste management reserve	122,328	4,008	0	126,336	122,328	4,000	0	126,328	119,330	2,998	0	122,328
Bridge reserve	65,541	2,147	0	67,688	65,541	2,000	0	67,541	63,935	1,606	0	65,541
Community bus reserve	54,438	1,784	0	56,222	54,438	1,800	0	56,238	53,104	1,334	0	54,438
Sewerage reserve	474,411	14,797	(203,180)	286,028	474,411	10,000	(203,180)	281,231	433,606	40,805	0	474,411
Economic development reserve	754,381	24,717	(100,000)	679,098	754,381	14,300	(100,000)	668,681	974,619	20,777	(241,015)	754,381
	<u>1,872,299</u>	<u>60,598</u>	<u>(303,180)</u>	<u>1,629,717</u>	<u>1,872,299</u>	<u>44,300</u>	<u>(303,180)</u>	<u>1,613,419</u>	<u>2,035,969</u>	<u>77,345</u>	<u>(241,015)</u>	<u>1,872,299</u>

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

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

Name of Reseve	Anticipated date of use	Purpose of the reserve
Leave reserve	30/06/2017	To be used to fund annual and long service leave requirements
Plant reserve	30/06/2017	To be used for the purchase of major plant
Council building reserve	30/06/2017	To be used for major projects relating to council buildings including renovations and construction of new facilities. To provide funds to eligible community organisations for approved projects. Maximum loan is \$15,000 repayable over terms of 3-7 years under certain conditions. Also to fund relocation loans for the Moora Lifestyle Village.
Community facilities reserve	30/06/2017	To be used for major projects relating to waste management including future rubbish site development and waste management plant items.
Waste management reserve	30/06/2017	To be used to fund bridge maintenance works.
Bridge reserve	30/06/2017	To be used for repairs and replacement of the Community Bus.
Community bus reserve	30/06/2017	To be used for sewerage infrastructure works. To be used for future economic development services within the Shire of Moora. These include land development relating to residential, commercial and industrial use.
Sewerage reserve	30/06/2017	
Economic development reserve	30/06/2017	

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

13. REVALUATION SURPLUS

	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	Opening	Revaluation	Revaluation	Movement on	Closing	Opening	Revaluation	Revaluation	Movement on	Closing
	Balance	Increment	Decrement	Revaluation	Balance	Balance	Increment	Decrement	Revaluation	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings	9,055,989	0	0	0	9,055,989	9,055,989	0	0	0	9,055,989
Plant and equipment	411,167	0	(411,167)	(411,167)	0	411,167	0	0	0	411,167
Infrastructure - roads	75,362,781	0	0	0	75,362,781	0	75,362,781	0	75,362,781	75,362,781
Infrastructure - footpaths	65,289	0	0	0	65,289	0	65,289	0	65,289	65,289
Infrastructure - drainage	7,320,520	0	0	0	7,320,520	0	7,320,520	0	7,320,520	7,320,520
Infrastructure - parks and ovals	1,400,535	0	0	0	1,400,535	0	1,400,535	0	1,400,535	1,400,535
Infrastructure - bridges	3,591,219	0	0	0	3,591,219	0	3,591,219	0	3,591,219	3,591,219
Infrastructure - street lighting and furniture	170,000	0	0	0	170,000	0	170,000	0	170,000	170,000
	<u>97,377,500</u>	<u>0</u>	<u>(411,167)</u>	<u>(411,167)</u>	<u>96,966,333</u>	<u>9,467,156</u>	<u>87,910,344</u>	<u>0</u>	<u>87,910,344</u>	<u>97,377,500</u>

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2016	2016	2015
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>3,451,426</u>	<u>1,792,943</u>	<u>3,833,114</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(784,665)	1,564,394	2,498,872
Non-cash flows in Net result:			
Depreciation	3,743,853	2,137,879	1,983,091
(Profit)/Loss on sale of asset	159,479	(50,650)	218,098
Loss on revaluation of fixed assets	75,449	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	36,267	0	(89,699)
(Increase)/Decrease in inventories	(24,995)	0	(1,425)
Increase/(Decrease) in payables	485,337	0	(49,428)
Increase/(Decrease) in provisions	89,024	0	102,958
Grants contributions for the development of assets	<u>(1,625,734)</u>	<u>(2,156,809)</u>	<u>(1,583,398)</u>
Net cash from operating activities	<u>2,154,015</u>	<u>1,494,814</u>	<u>3,079,068</u>
(c) Undrawn Borrowing Facilities			
	2016		2015
	\$		\$
Credit Standby Arrangements			
Bank overdraft limit	1,000,000		1,000,000
Bank overdraft at balance date	0		0
Credit card limit	38,750		38,750
Credit card balance at balance date	0		0
Total amount of credit unused	<u>1,038,750</u>		<u>1,038,750</u>
Loan facilities			
Loan facilities - current	311,933		297,510
Loan facilities - non-current	1,277,505		902,865
Total facilities in use at balance date	<u>1,589,438</u>		<u>1,200,375</u>
Unused loan facilities at balance date	<u>NIL</u>		<u>NIL</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

15. CONTINGENT LIABILITIES

The Shire has no contingent liabilities.

16. CAPITAL AND LEASING COMMITMENTS	2016	2015
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	18,200	18,200
	<u>18,200</u>	<u>18,200</u>

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date, except for the restrictions imposed by regulations and other externally imposed requirements disclosed in note 3.

17. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016	2015
	\$	\$
Governance	1,091,969	1,122,985
General purpose funding	4,280,684	4,958,353
Law, order, public safety	725,521	788,571
Health	237,939	260,516
Education and welfare	793,031	813,347
Housing	2,365,746	2,273,863
Community amenities	5,027,839	5,092,824
Recreation and culture	12,308,840	12,771,706
Transport	153,915,639	153,625,240
Economic services	1,877,364	1,712,375
Other property and services	1,797,003	1,234,203
	<u>184,421,575</u>	<u>184,653,983</u>

SHIRE OF MOORA
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	2016	2015	2014
19. FINANCIAL RATIOS			
Current ratio	1.606	1.806	1.465
Asset sustainability ratio	0.776	1.605	1.283
Debt service cover ratio	3.793	7.934	2.625
Operating surplus ratio	(0.382)	0.145	(0.151)
Own source revenue coverage ratio	0.647	0.764	0.729

The above ratios are calculated as follows:

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

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 57 of this document.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

20. TRUST FUNDS

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

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Housing Bonds	7,100	3,000	(4,400)	5,700
BCITF	1,455	39,205	(39,266)	1,394
BRB	1,327	19,915	(20,102)	1,140
Moora Repertory Club	5,345	0	(5,345)	0
Gym Card Bond	4,044	1,740	(4,904)	880
Standpipe Card Bond	2,415	250	(650)	2,015
Moora Lifestyle Village Bond	2,988	0	0	2,988
Facility Hire Bond	0	6,000	(3,500)	2,500
Community Group Funds	2,455	6,138	0	8,593
Other General Trust	1,000	32,980	(3,980)	30,000
	<u>28,129</u>			<u>55,210</u>

21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Plant and Equipment								
Governance								
Toyota Landcruiser	70,879	70,909	30	0	0	0	0	0
Toyota Prado	50,593	41,818	0	(8,775)	0	0	0	0
Various Scrapped assets	31,551	0	0	(31,551)	0	0	0	0
General purpose funding								
Various Scrapped assets	9,565	0	0	(9,565)	0	0	0	0
Housing								
Various Scrapped assets	70,123	0	0	(70,123)	0	0	0	0
Community amenities								
Sewerage Truck	0	34,864	34,864	0	7,500	38,350	30,850	0
Various Scrapped assets	1,919	0	0	(1,919)	0	0	0	0
Recreation and culture								
Various Scrapped assets	86,837	0	0	(86,837)	0	0	0	0
Transport								
Patching Truck	0	22,545	22,545	0	12,000	24,800	12,800	0
Metro Traffic Classifiers	0	1,600	1,600	0	0	1,000	1,000	0
Various Scrapped assets	11,909	0	0	(11,909)	0	0	0	0
Economic services								
Various Scrapped assets	142	0	0	(142)	0	0	0	0
Other property and services								
Work Ute	0	10,000	10,000	0	5,000	11,000	6,000	0
Various Scrapped assets	7,697	0	0	(7,697)	0	0	0	0
	<u>341,215</u>	<u>181,736</u>	<u>69,039</u>	<u>(228,518)</u>	<u>24,500</u>	<u>75,150</u>	<u>50,650</u>	<u>0</u>

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22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July		Loans	Repayments	Repayments	30 June 2016	Repayments	Repayments
	2015		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Housing								
Housing Executive Home (317)	174,650	0	20,170	20,170	154,480	154,480	11,694	11,709
Housing 92 Roberts Street (325)	0	200,000	0	0	200,000	0	43	0
ICM Housing Loan	0	0	0	0	0	400,000	0	0
Recreation and culture								
Moora Town Hall (314)	178,967	0	40,499	40,499	138,468	138,468	10,058	10,692
Town Hall Upgrade (315)	246,591	0	52,493	52,493	194,098	194,098	13,299	13,743
Transport								
Tip and Rubbish Trucks (320)	61,845	0	61,845	61,845	(0)	(0)	1,726	2,090
Economic services								
Moora Lifestyle Village (323)	538,322	0	122,503	122,503	415,819	415,819	30,119	30,367
Lots 231 & 232 Roberts St (326)	0	410,000	0	0	410,000	0	88	0
Other property and services								
	1,200,375	610,000	297,509	297,509	1,512,866	1,302,866	67,025	68,600
Self Supporting Loans								
Housing								
Recreation and culture								
Moora Bowling Club	0	80,000	3,427	0	76,573	0	1,805	0
	0	80,000	3,427	0	76,573	0	1,805	0
	1,200,375	690,000	300,937	297,509	1,589,438	1,302,865	68,829	68,600

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2015/16

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Moora Bowling Club - Self Supporting	80,000	0	WATC	Debenture	10	14,086	3.19%	(80,000)	0	0
92 Roberts Street - Doctors House	200,000	0	WATC	Debenture	10	28,415	2.60%	(200,000)	0	0
Lot 231 & 232 Roberts Street	410,000	0	WATC	Debenture	10	58,252	2.60%	(410,000)	0	0
	<u>690,000</u>	<u>0</u>				<u>100,753</u>		<u>(690,000)</u>	<u>0</u>	<u>0</u>

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 15	Borrowed	Expended	Balance 30 June 16
			During Year	During Year	
		\$	\$	\$	\$
Lots 231 and 232 Roberts Street (Settlement Jul 2016)	Jun 2016	0	410,000	(410,000)	0
		<u>0</u>	<u>410,000</u>	<u>(410,000)</u>	<u>0</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	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 \$
Differential general rate / general rate											
Gross rental value valuations											
GRV Residential - Moora Townsite	0.088611	611	7,125,923	631,435	965	0	632,400	631,435	0	0	631,435
GRV Commercial Industrial - Moora	0.088611	90	2,734,572	242,313	1,031	0	243,344	242,313	0	0	242,313
GRV Residential - Other Townsite	0.088611	25	215,332	19,081	0	0	19,081	19,081	0	0	19,081
GRV Commercial Industrial - Other	0.088611	2	90,740	8,041	0	0	8,041	8,041	0	0	8,041
Unimproved value valuations											
UV Rural	0.011381	358	222,456,507	2,531,778	(1,029)	(1,196)	2,529,553	2,531,778	0	0	2,531,778
UV Urban Farmland	0.011381	60	8,262,501	94,036			94,036	94,036	0	0	94,036
Sub-Total		1,146	240,885,575	3,526,684	967	(1,196)	3,526,455	3,526,684	0	0	3,526,683
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV Residential - Moora Townsite	607	82	187,321	49,774	0	0	49,774	49,774	0	0	49,774
GRV Commercial Industrial - Moora	607	22	51,750	13,354	0	0	13,354	13,354	0	0	13,354
GRV Residential - Other Townsite	607	112	366,440	67,984	510	0	68,494	67,984	0	0	67,984
GRV Commercial Industrial - Other	607	4	7,594	2,428	0	0	2,428	2,428	0	0	2,428
Unimproved value valuations											
UV Rural	607	55	990,975	33,385	1,459	262	35,106	33,385	0	0	33,385
UV Urban Farmland	607	1	49,999	607	484	0	1,091	607	0	0	607
Sub-Total		276	1,654,079	167,532	2,453	262	170,247	167,532	0	0	167,532
		1,422	242,539,654	3,694,216	3,420	(934)	3,696,702	3,694,216	0	0	3,694,215
Discounts/concessions (refer note 27)							(11,207)				(11,207)
Total amount raised from general rate							3,696,702				3,694,215
Movement in rates received in advance							11,814				0
Totals							3,708,516				3,694,215

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

24. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit) 1 July 15 brought forward	<u>1,230,101</u>	<u>1,856,063</u>	<u>1,856,063</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,785,187	1,960,815	1,960,815
Restricted	1,666,239	1,872,299	1,872,299
Investments			
CMC Pty Ltd - 100,000 shares @ \$1 per share	100,000	0	0
Receivables			
Rates outstanding	402,620	359,408	359,408
Sundry debtors	5,878	75,427	75,427
GST receivable	28,748	46,255	46,255
Loans receivable - clubs/institutions	17,038	20,448	20,448
Self supporting loans receivable - clubs/institutions	7,021	0	0
Accrued term deposit interest	4,685	14,101	14,101
Prepayments	31,008	14,015	14,015
Inventories			
Fuel and materials	37,231	12,236	12,236
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(620,617)	(134,498)	(134,498)
Accrued interest on debentures	(4,867)	(5,749)	(5,749)
Accrued salaries and wages	(22,568)	0	0
ATO liabilities	(50,521)	(72,989)	(72,989)
Current portion of long term borrowings			
Secured by floating charge	(304,913)	(297,510)	(297,510)
Debentures self-supporting	(7,020)	0	0
Provisions			
Provision for annual leave	(340,214)	(311,606)	(311,606)
Provision for long service leave	(275,315)	(213,675)	(213,675)
Unadjusted net current assets	<u>2,459,620</u>	<u>3,338,977</u>	<u>3,338,977</u>
Adjustments			
Less: Reserves - restricted cash	(1,629,717)	(1,872,299)	(1,872,299)
Less: Loans receivable - clubs/institutions	(17,038)	(20,448)	(20,448)
Add: Secured by floating charge	304,913	297,510	297,510
Add: Component of leave liability not required to be funded	112,323	112,323	112,323
Adjusted net current assets - surplus/(deficit)	<u><u>1,230,101</u></u>	<u><u>1,856,063</u></u>	<u><u>1,856,063</u></u>

Difference

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

Specified Area Rate	Basis of Valuation	Number of properties	Rate in \$	Rateable Value \$	Rate Revenue \$	Interim Rate Revenue \$	Back Rate Revenue \$	Total Specified Area Rate Revenue	Budget Rate Revenue \$
Sewerage Rates - General									
Sewerage - Residential	GRV	495	7.1798	5,419,724	357,009	0	0	357,009	357,009
Sewerage - Vacant Residential	GRV	0	7.1798	0	0	0	0	0	0
Sewerage - Industrial/Commercial	GRV	54	7.1798	1,737,180	111,977	0	0	111,977	111,977
Sewerage - Vacant Industrial/Commercial	GRV	0	7.1798	0	0	0	0	0	0
Sewerage - Ex Gratia Ind/Commercial	GRV	0	7.1798	0	0	0	0	0	0
		549			468,986	0	0	468,986	468,986
Sewerage Rates - Minimum									
Sewerage - Residential	GRV	2	345	2,310	1,035	19	0	1,054	1,035
Sewerage - Vacant Residential	GRV	49	345	47,230	16,905	0	0	16,905	16,905
Sewerage - Industrial/Commercial	GRV	1	345	2,500	345	0	0	345	345
Sewerage - Vacant Industrial/Commercial	GRV	2	345	3,025	690	0	0	690	690
Sewerage - Ex Gratia Ind/Commercial	GRV	0	345	0	0	0	0	0	0
		54			18,975	19	0	18,994	18,975
Sewerage Rates - Minimum									
Sewerage - Class 1	NA	13	222	NA	2,886	0	0	2,886	2,886
Sewerage - Class 2	NA	4	1,236	NA	4,944	0	0	4,944	4,944
Sewerage Fittings	NA	94	94	NA	8,836	0	0	8,836	8,836
		111			16,666	0	0	16,666	16,666
					504,627	19	0	504,646	504,627

26. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Shire did not impose any service charges.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2015/16 FINANCIAL YEAR

Rates Discounts

Rate or Fee Discount Granted	Discount % or \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
General rates - staff	NA	10,707	10,707	\$500 discount offered to full time Shire staff. Pro-rata payment for part time employees.
General rates - rate payer	NA	500	500	\$500 cash prize to a ratepayer who paid their rates in full within 21 days of issue
		<u>11,207</u>	<u>11,207</u>	

28. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	09-Sep-15	6.90	5.50%	11.00%
Option Two				
First Instalment	09-Sep-15	6.90	5.50%	11.00%
Second Instalment	11-Nov-15	6.90	5.50%	11.00%
Option Three				
First Instalment	09-Sep-15	6.90	5.50%	11.00%
Second Instalment	11-Nov-15	6.90	5.50%	11.00%
Third Instalment	13-Jan-16	6.90	5.50%	11.00%
Fourth Instalment	16-Mar-16	6.90	5.50%	11.00%

	Budgeted	
	Revenue \$	Revenue \$
Interest on unpaid rates	55,581	35,000
Interest on instalment plan	17,393	16,000
Interest deferred pensioner rates	422	500
	<u>73,396</u>	<u>51,500</u>
Charges on instalment plan	<u>7,189</u>	<u>6,500</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

29. FEES & CHARGES	2016	2015
	\$	\$
Governance	443	44,790
General purpose funding	11,168	10,698
Law, order, public safety	120,037	116,127
Health	16,506	16,107
Education and welfare	291,401	211,352
Housing	106,899	85,391
Community amenities	1,097,925	1,159,920
Recreation and culture	121,435	102,139
Transport	0	227
Economic services	411,520	470,015
Other property and services	16,539	46,874
	<u>2,193,873</u>	<u>2,263,640</u>

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

30. GRANT REVENUE

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

	2016	2016	2015
	Actual	Budget	Actual
	\$	\$	\$
By Nature or Type:			
Operating grants, subsidies and contributions			
General purpose funding	733,580	719,519	2,212,946
Law, order, public safety	146,709	155,370	202,911
Health	0	2,300	0
Education and welfare	53,248	148,000	148,039
Housing	0	0	12,988
Community amenities	746	4,000	3,621
Recreation and culture	13,481	55,000	132,375
Transport	153,965	153,000	141,330
Economic services	9,950	8,300	8,421
Other property and services	0	0	1,638
	<u>1,111,679</u>	<u>1,245,489</u>	<u>2,864,269</u>
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	28,165	366,412
Education and welfare	0	0	59,078
Recreation and culture	40,013	60,000	131,257
Transport	1,585,721	2,068,644	775,177
Economic services	0	0	251,475
	<u>1,625,734</u>	<u>2,156,809</u>	<u>1,583,399</u>
	<u>2,737,413</u>	<u>3,402,298</u>	<u>4,447,668</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>50</u>	<u>49</u>
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SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

32. ELECTED MEMBERS REMUNERATION	2016	2016	2015
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	44,620	45,430	27,796
President's allowance	7,500	7,500	6,000
Deputy President's allowance	1,875	1,875	1,500
Travelling expenses	7,820	6,336	5,351
	<u>61,815</u>	<u>61,141</u>	<u>40,647</u>

33. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2015/16 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Shire did participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

35. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,451,426	3,833,114	3,451,426	3,833,114
Investments	100,000	0	100,000	0
Receivables	692,032	653,354	692,032	653,354
	<u>4,243,458</u>	<u>4,486,468</u>	<u>4,243,458</u>	<u>4,486,468</u>
Financial liabilities				
Payables	698,573	213,236	698,573	213,236
Borrowings	1,589,438	1,200,375	1,669,248	1,200,375
	<u>2,288,011</u>	<u>1,413,611</u>	<u>2,367,821</u>	<u>1,413,611</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2016	2015
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	34,514	38,331
- Statement of Comprehensive Income	34,514	38,331

Notes:

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

35. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

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

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

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

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

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

	2016	2015
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	83%	59%
- Overdue	17%	41%

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2016</u>					
Payables	698,573	0	0	698,573	698,573
Borrowings	381,248	1,000,958	422,543	1,804,749	1,589,438
	<u>1,079,821</u>	<u>1,000,958</u>	<u>422,543</u>	<u>2,503,322</u>	<u>2,288,011</u>
<u>2015</u>					
Payables	213,236	0	0	213,236	213,236
Borrowings	366,109	954,960	63,757	1,384,826	1,200,375
	<u>579,345</u>	<u>954,960</u>	<u>63,757</u>	<u>1,598,062</u>	<u>1,413,611</u>

**SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016**

35. FINANCIAL RISK MANAGEMENT (Continued)

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

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

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

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2016</u>								
Borrowings								
Fixed rate								
Debentures	0	0	(554,287)	(194,098)	(154,480)	(686,573)	(1,589,438)	5.41%
Weighted average Effective interest rate	0.00%	0.00%	6.25%	6.05%	6.90%	4.22%		
<u>Year ended 30 June 2015</u>								
Borrowings								
Fixed rate								
Debentures	(61,845)	0	0	(717,289)	(246,591)	(174,650)	(1,200,375)	6.26%
Weighted average Effective interest rate	6.88%	0.00%	0.00%	6.25%	6.05%	6.90%		



RSM Australia Pty Ltd

8 St Georges Terrace Perth WA 6000

GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100

F +61(0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE RATEPAYERS OF

SHIRE OF MOORA

Report on the financial report

We have audited the financial report of Shire of Moora, which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date, the summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Chief Executive Officer's responsibility for the financial report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. Those standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

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RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1995* Part 6, the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Shire of Moora's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion on the financial report

In our opinion, the financial report of Shire of Moora:

- (i) Gives a true and fair view of the financial position of Shire of Moora as at 30 June 2016 and of its financial performance for the year ended on that date;
- (ii) Complies with the *Local Government Act 1995* Part 6 and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) In relation to the Supplementary Ratio Information presented in the financial report, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and reasonable assumptions.

Report on statutory compliance

We did not during the course of our audit, become aware of any instances where the Shire of Moora did not comply with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* as they relate to the financial report.



RSM AUSTRALIA PTY LTD



D J WALL

Director

Perth, WA

Dated: 20 October 2016

**SHIRE OF MOORA
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016**

RATIO INFORMATION

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

	2016	2015	2014
Asset consumption ratio	0.721	0.710	0.554
Asset renewal funding ratio	1.011	0.763	0.821

The above ratios are calculated as follows:

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