



Special Council Meeting Minutes

Date: 18 December 2015

Please Note: These minutes and the decisions recorded therein have not as yet been confirmed by Council as a true and accurate record of the meeting.

The Shire of Moora Vision and Mission Statement

Vision

Our vision is that:

Shire of Moora - a vibrant, affordable Regional Centre with a growing, caring community.

Mission

Our mission is:

To provide the leadership, services and infrastructure that will meet the needs of the community and surrounds.

SHIRE OF MOORA
MINUTES OF THE SPECIAL MEETING OF COUNCIL
HELD IN THE COUNCIL CHAMBERS, MOORA
18 DECEMBER 2015

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* Separate Attachments
Item 3 2014/15 Annual Report

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

1.1 DECLARATION OF OPENING

The Shire President declared the meeting open at 6.00pm.

1.2 DISCLAIMER READING

No responsibility whatsoever is implied or accepted by the Shire of Moora for any act, omission or statement or intimation occurring during this meeting.

It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council's decision, which will be provided within fourteen (14) days of this meeting.

2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

ATTENDANCE

KM Seymour	-	Shire President / Presiding Member
MR Pond	-	Deputy Shire President
CE Gardiner	-	Councillor
TG Humphry	-	Councillor
DV Clydesdale-Gebert	-	Councillor
MR Holliday	-	Councillor
EI Hamilton	-	Councillor
LC House	-	Councillor
AJ Leeson	-	Chief Executive Officer
DK Trevaskis	-	Deputy Chief Executive Officer
PR Williams	-	Manager Development Services

APOLOGIES

PF Nixon	-	Councillor
JL Greay	-	Manager Engineering Services

3. ADOPTION OF THE 2014/15 ANNUAL REPORT

VOTING REQUIREMENTS

Absolute Majority Required

COUNCIL RESOLUTION

176/15 Moved Cr Humphry, seconded Cr Pond that Council;

1. adopt the 2014/15 Annual Report with the inclusion of;

- Shire Presidents Report***
- Chief Executive Officer's Report***
- Deputy Chief Executive Officer's Report***
- 2014/15 Report on the Strategic Community Plan***
- Financial Report for the Period Ended 30 June 2015***
- Independent Audit Report for the Period Ended 30 June 2015;***

And

2. Receive the Management Report for the Year Ended 30 June 2015.

CARRIED by ABSOLUTE MAJORITY 8/0

4. CLOSURE OF MEETING

There being no further business, the President declared the meeting closed at 6.01pm.

CONFIRMED

PRESIDING MEMBER



Annual Report ***2014/2015***

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Contact Details

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Council:

Shire President

Deputy Shire President

Councillors

Cr K S (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 2014/2015

It is with great pride and pleasure that I present to you my first report as President, the Shire of Moora's Annual Report for the year ended 30 June 2015. Over the 2014/15 period Council continued to provide key services, facilities and amenities to the community members within the Shire of Moora.

Moora Frail Aged Lodge Extension - Opening

The official opening of the Frail Aged Lodge Extension was performed by the Honourable Shane Love MLA, Member for Moore on Friday 12 December 2014. This project was the fruits and reward for many hours of hard work and planning from members of the Moora Frail Aged Lodge Committee and the Shire of Moora Council respectively. Of course the project could not have happened without funding from the Royalties for Regions Program, and I wish to formally acknowledge this and thank the State Government of W.A for its critical financial support.

Grain freight – Rail versus Road

This issue is one that remains firmly in the sights of Council with a view to keeping as much grain on rail as possible. To that end Council joined the Wheatbelt Railway Retention Alliance with the simple objective of continuing with lobbying of the State Government to keep open and maintain the Wheatbelt rail networks for the betterment of road conditions and road safety.

Miling Tennis Club – Court Resurfacing

Council was pleased to be able to support the Miling Tennis Club in their effort to upgrade /resurface their club courts. Pleasingly this was achieved during the year with financial assistance from the Department of Sport and Recreation and the Shire of Moora, with also a significant sum being contributed by the Miling Tennis Club itself.

Moora Airfield Upgrade

Pleasingly Council's long term effort in seeking to acquire the Moora Airfield from the Vanzetti family finally got the green light through the W.A Planning Commission with the subdivision/excision being approved. This has come about after many years of planning in cooperation and with the goodwill of the respective parties.

Furthermore, Council has been awarded \$126,750 in funding from the State Government Regional Airports Development Scheme which will be matched with \$126,750 of Council Municipal funds. This will enable construction of a patient transfer facility and hard stand area along with a hangar area for recreational enthusiasts and installation of frequency activated lighting. The entire airfield area will also be secured with vermin proof fencing and a secure gate at the entrance.

I would like to thank my fellow Councillors for their work and support in 2014/15. 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 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.



Councillor Ken Seymour
Shire President

Chief Executive Officer's Report 2014/2015

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

2014/2015 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.

Council management and administration have continued to refine its process's to gain further efficiencies, however it must be said that the fiscal environment that local government finds itself is becoming more challenging each year given the fiscal challenges of both the Federal and State Governments.

Now more about the achievements of the 2014/2015 financial year:

Road Construction/Footpaths

Town Streets

• Tootra Street Footpath	\$64,681
• Dandaragan Street Footpath	\$33,469
• Drainage – McPherson Street	\$117,533
• Construction	\$49,796
• Woolawa Street	\$49,796

Rural Roads

• Moora Miling Road	\$821,903
• Bullbarnet Road	\$353,548
• Gabalong West	\$114,341
• Merewana Road	\$139,568
• Namban East Road	\$60,594

Land and Buildings

Projects included but not limited to

• Executive Home –Atbara Street	\$401,711
• Land Acquisition – Atbara Street	\$57,220
• Caravan Park - Chalet	\$89,172
• Swimming Pool	\$47,000
• Miling Tennis Courts	\$57,306
• Industrial Park - Power	\$252,404

Plant and Equipment (net changeover/costs)

Included but not limited to

• Grader	\$271,000
• Loader	\$246,870
• Cherry Picker	\$74,550
• Skid Steer Loader	\$64,110
• Fire truck Bindi Bindi (ESL funded)	\$350,991
• Works Utilities	\$64,463
• Mosquito Mister	\$12,250
• Travelling irrigator	\$10,637
• Pool Pump	\$10,968
• Speed warning trailer	\$22,000

Other

Projects included but not limited to

- Sewer Scheme –Plant-Equipment \$54,646
- Photocopiers \$20,323
- Computers – general office \$26,300

I would like to formally record my thanks to all shire staff for their efforts and continued hard work over the past 12 months. I am very pleased in the improvement in the level of customer service and in the manner in which this is provided to members of the community who have cause to frequent the Shire office.

Closing

In closing I would like to thank Council for their support. I look forward to continuing to work with Councillors in guiding and setting the pathway for this community over the coming period.



Alan Leeson
Chief Executive Officer

Deputy Chief Executive Officer Report 2014/15

Statement of Comprehensive Income

The Shire of Moora's total operating revenue for the 2014/15 financial year was \$9,026,346 (2013/14: \$7,761,539) which is higher than the previous year due to the timing of receipt of Financial Assistance Grant funds. Total operating expenses for the year were \$7,892,774 (2013/14: \$8,177,963). Other non-operating income items during the year totalled \$1,583,398 (2013/14: \$1,296,651) which contributes to a net operating result of \$2,498,872 (2013/14: \$332,282).

Fair Value

As per regulation 17A of The Local Government Act (Financial Regulations) it was a requirement of the Shire to measure all other infrastructure assets at 'Fair Value' as at 30 June 2015. This increased the Shire's total asset carrying value by \$87,910,344 and is also represented as a "Revaluation of Non-Current Assets" on the Statement of Comprehensive Income. This calculation has no bearing on the cash position of the Shire however it helps to ensure there is consistency across the Local Government Industry with regards to the carrying value of assets.

Surplus

As per the Rate Setting Statement there was a surplus brought forward on 1 July 2015 of \$1,856,063 (2013/14: \$1,291,673). This higher than budgeted surplus is due to timing differences as a result of significant capital projects being carried forward to the 2015/16 financial period, including purchase of new Water Truck and desludging works at the Sewerage Farm. The Shire also received an advance payment in June 2015 of its 2015/16 Financial Assistance Grant money totalling \$746,917.

Financial Position and Liquidity

Current Ratio

The ratio is calculated by dividing current assets less restricted assets over current liabilities. It is included as part of the annual financial report and is a guide for the immediate financial sustainability of the Shire. As at 30 June 2015 the Shire has a current ratio of **1.806** which is higher than the 2013/14 ratio (1.465). It is also greater than the Department of Local Governments (DLG) minimum level guidelines and indicates that there are unlikely to be any immediate short term funding issues.

Own Source Revenue Coverage Ratio

The own source revenue coverage ratio is calculated by dividing own source revenue by operating expenses. The ratio is used to measure the Shire's ability to cover operating expenses without relying on external grant funding and contributions. The Shires 2014/15 own source revenue coverage ratio is **.764** (2013/14 .729) which is consistent with previous years. A higher ratio is still preferred as it is evidence of a more sustainable and self-reliant organisation. This can be achieved by improved operational efficiencies and creating new revenue generating activities.

Operating Surplus Ratio

The operating surplus ratio is used to highlight the extent of any surplus or deficit in relation to the overall size of the Shire. It is calculated by dividing the end of year net operating result less non-operating grants by the Shire's own source operating revenue. The Shire's operating surplus ratio for 30 June 2015 is **0.145** (2013/14: -.151) which is consistent with the previous two financial periods.

Borrowings and Debt Management

Debt Service Cover Ratio

The ratio is calculated by dividing annual operating surplus before interest and depreciation for the year by the total principal and interest paid on borrowings. It is included as part of the annual financial report and measures the Shires ability to service debt out. For the year 2014/15 the Shire had a debt service cover ratio of **7.934** based on total loan payments for the year of \$376,204 (2013/14:434,800). This ratio figure is above the DLGs recommended figure of 5 and indicates there are no immediate debt management concerns.

I would like to thank the finance and administration team and all staff for their hard work during the year and many thanks to the Councillors for their support.

A handwritten signature in black ink, appearing to read 'David Trevaskis', with a stylized flourish at the end.

David Trevaskis
Deputy Chief Executive Officer

2014/2015 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. As the Strategic Community Plan was only adopted in June 2013, many of the key performance indicators have not yet been measured. These will need to be done to establish a benchmark for future performance.

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	Survey yet to be conducted
Outcome 2.4: Sustainable waste management	Community satisfaction with waste management services	Survey yet to be conducted

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	Survey yet to be conducted
Outcome 3.2: Attractive townscape and streetscapes	Community satisfaction with townscapes and streetscapes	Survey yet to be conducted
Outcome 3.3: A safe and reliable transport system	Community satisfaction with the standard of roads, bridges and footpaths	Survey yet to be conducted
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 2012 0.675 2013 0.271 2014 1.283 2015 1.605

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 2014/15
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 2014/2015 the Shire of Moora had three employees entitled to an annual salary exceeding \$100,000, one in the \$100,000 to \$110,000 band, one in the \$110,000 to \$120,000 band and one in the \$140,000 to \$150,000 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.

National Competition Policy

In 1995 the Council of Australian Government entered into a number of agreements collectively known as the National Competition Policy. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

The Shire of Moora is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principle and review of Local Laws.

Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

The Shire of Moora does not control any business activity with a user pays income in excess of \$200,000.

SHIRE OF MOORA

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

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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 2015

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 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 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 9 day of December 2015



Alan Leeson
Chief Executive Officer

SHIRE OF MOORA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	3,628,452	3,621,699	3,507,123
Operating grants, subsidies and contributions	28	2,864,269	2,082,983	1,405,450
Fees and charges	27	2,263,640	2,199,718	2,533,031
Service charges	24	6,277	6,617	6,617
Interest earnings	2(a)	176,150	174,685	204,000
Other revenue		87,558	89,500	105,318
		<u>9,026,346</u>	<u>8,175,202</u>	<u>7,761,539</u>
Expenses				
Employee costs		(3,148,279)	(2,670,562)	(3,019,946)
Materials and contracts		(1,889,970)	(2,349,016)	(2,309,746)
Utility charges		(393,598)	(347,024)	(384,376)
Depreciation on non-current assets	2(a)	(1,983,091)	(2,001,686)	(2,001,686)
Interest expenses	2(a)	(86,377)	(86,565)	(103,824)
Insurance expenses		(216,231)	(193,996)	(206,734)
Other expenditure		(175,228)	(1,171,912)	(151,651)
		<u>(7,892,774)</u>	<u>(8,820,761)</u>	<u>(8,177,963)</u>
		1,133,572	(645,559)	(416,424)
Non-operating grants, subsidies and contributions	28	1,583,398	1,521,716	1,296,651
Profit on asset disposals	20	144,429	73,200	21,681
Loss on asset disposals	20	(362,527)	(67,152)	(569,626)
Net result		2,498,872	882,205	332,282
Other comprehensive income				
Changes on revaluation of non-current assets	12	87,910,344	0	9,055,988
Total other comprehensive income		87,910,344	0	9,055,988
Total comprehensive income		90,409,216	882,205	9,388,270

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 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		51,309	15,750	118,048
General purpose funding		6,063,451	5,293,497	4,445,638
Law, order, public safety		319,037	268,924	245,922
Health		16,107	20,384	19,688
Education and welfare		359,391	449,700	387,704
Housing		98,379	66,980	19,744
Community amenities		1,163,541	1,082,704	1,023,036
Recreation and culture		234,598	172,946	318,009
Transport		141,557	147,500	131,184
Economic services		485,010	447,817	382,110
Other property and services		93,966	209,000	670,456
		<u>9,026,346</u>	<u>8,175,202</u>	<u>7,761,539</u>
Expenses	2(a)			
Governance		(786,010)	(740,353)	(728,595)
General purpose funding		(300,084)	(171,046)	(275,268)
Law, order, public safety		(438,003)	(480,453)	(427,048)
Health		(85,621)	(131,573)	(74,622)
Education and welfare		(647,264)	(1,240,218)	(460,768)
Housing		(83,865)	(89,861)	(49,178)
Community amenities		(1,128,948)	(1,110,925)	(967,138)
Recreation and culture		(1,480,348)	(1,643,084)	(1,809,228)
Transport		(2,264,851)	(2,327,083)	(2,256,052)
Economic services		(550,962)	(694,464)	(547,696)
Other property and services		(40,441)	(105,136)	(478,576)
		<u>(7,806,397)</u>	<u>(8,734,196)</u>	<u>(8,074,169)</u>
Finance costs	2(a)			
General purpose funding		(1,243)	(86,565)	0
Housing		(12,981)	0	(14,251)
Recreation and culture		(29,224)	0	(34,490)
Transport		(4,963)	0	(8,023)
Economic services		(37,967)	0	(47,029)
		<u>(86,378)</u>	<u>(86,565)</u>	<u>(103,793)</u>
Non-operating grants, subsidies and contributions				
Law, order, public safety		366,412	306,000	0
Education and welfare		59,078	0	37,790
Recreation and culture		131,257	16,000	20,224
Transport		775,177	948,241	1,238,637
Economic services		251,475	251,475	0
	28	<u>1,583,399</u>	<u>1,521,716</u>	<u>1,296,651</u>

Profit/(Loss) on disposal of assets

Governance	(46,305)	(23,000)	(11,952)
Law, order, public safety	(7,253)	27,000	(84)
Health	0	0	(2,657)
Housing	(36,378)	(25,252)	(16,560)
Community amenities	4,091	0	(1,487)
Recreation and culture	(265,645)	500	(529,613)
Transport	134,539	29,300	14,408
Economic services	(1,147)	0	0
Other property and services	0	(2,500)	0
20	<u>(218,098)</u>	<u>6,048</u>	<u>(547,945)</u>

Net result 2,498,872 882,205 332,283

Other comprehensive income

Changes on revaluation of non-current assets 12 87,910,344 0 9,055,988

Total other comprehensive income 87,910,344 0 9,055,988

Total comprehensive income 90,409,216 882,205 9,388,271

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

**SHIRE OF MOORA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,833,114	3,494,787
Trade and other receivables	4	529,654	426,432
Inventories	5	12,236	10,811
TOTAL CURRENT ASSETS		<u>4,375,004</u>	<u>3,932,030</u>
NON-CURRENT ASSETS			
Other receivables	4	123,700	90,205
Inventories	5	419,000	336,212
Property, plant and equipment	6	21,731,211	21,105,490
Infrastructure	7	158,005,068	69,018,369
TOTAL NON-CURRENT ASSETS		<u>180,278,979</u>	<u>90,550,276</u>
TOTAL ASSETS		<u>184,653,983</u>	<u>94,482,306</u>
CURRENT LIABILITIES			
Trade and other payables	8	213,236	262,664
Current portion of long term borrowings	9	297,510	291,069
Provisions	10	525,281	444,048
TOTAL CURRENT LIABILITIES		<u>1,036,027</u>	<u>997,781</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	902,865	1,200,375
Provisions	10	102,715	80,990
TOTAL NON-CURRENT LIABILITIES		<u>1,005,580</u>	<u>1,281,365</u>
TOTAL LIABILITIES		<u>2,041,607</u>	<u>2,279,146</u>
NET ASSETS		<u>182,612,376</u>	<u>92,203,160</u>
EQUITY			
Retained surplus		83,362,577	80,700,035
Reserves - cash backed	11	1,872,299	2,035,969
Revaluation surplus	12	97,377,500	9,467,156
TOTAL EQUITY		<u>182,612,376</u>	<u>92,203,160</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 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		80,249,880	2,153,841	411,168	82,814,889
Comprehensive income					
Net result		332,283	0	0	332,283
Changes on revaluation of non-current assets	12	0	0	9,055,988	9,055,988
Total comprehensive income		332,283	0	9,055,988	9,388,271
Transfers from/(to) reserves		117,872	(117,872)	0	0
		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 non-current assets	12	0	0	87,910,344	87,910,344
Total comprehensive income		2,498,872	0	87,910,344	90,409,216
Transfers from/(to) reserves		163,670	(163,670)	0	0
		83,362,577	1,872,299	97,377,500	182,612,376

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 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,605,183	3,621,699	3,412,532
Operating grants, subsidies and contributions		2,828,373	2,082,983	1,605,130
Fees and charges		2,263,640	2,199,718	2,533,031
Service charges		6,277	6,617	6,617
Interest earnings		176,150	174,685	204,000
Goods and services tax		210,150	0	523,432
Other revenue		87,558	89,500	105,318
		<u>9,177,331</u>	<u>8,175,202</u>	<u>8,390,060</u>
Payments				
Employee costs		(3,057,442)	(2,670,562)	(2,989,356)
Materials and contracts		(1,937,796)	(2,349,016)	(2,371,842)
Utility charges		(393,598)	(347,024)	(384,376)
Interest expenses		(87,806)	(86,565)	(105,428)
Insurance expenses		(216,231)	(193,996)	(206,734)
Goods and services tax		(230,161)	0	(549,774)
Other expenditure		(175,228)	(1,171,912)	(151,651)
		<u>(6,098,262)</u>	<u>(6,819,075)</u>	<u>(6,759,161)</u>
Net cash provided by (used in) operating activities	13(b)	<u>3,079,069</u>	<u>1,356,127</u>	<u>1,630,899</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		0	(257,475)	(32,913)
Payments for purchase of property, plant & equipment		(2,148,427)	(2,758,847)	(1,463,368)
Payments for construction of infrastructure		(2,346,373)	(2,243,261)	(1,566,559)
Advances to community groups		(74,000)	0	0
Non-operating grants, Subsidies and contributions		1,583,398	1,521,716	1,296,651
Proceeds from sale of fixed assets		508,743	494,800	168,498
Proceeds from advances		26,987	0	0
Net cash provided by (used in) investment activities		<u>(2,449,673)</u>	<u>(3,243,067)</u>	<u>(1,597,691)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(291,069)	(291,069)	(331,007)
Proceeds from self supporting loans		0	0	(7,599)
Net cash provided by (used in) financing activities		<u>(291,069)</u>	<u>(291,069)</u>	<u>(338,606)</u>
Net increase (decrease) in cash held		338,327	(2,178,009)	(305,398)
Cash at beginning of year		3,494,787	3,494,790	3,800,185
Cash and cash equivalents at the end of the year	13(a)	<u><u>3,833,114</u></u>	<u><u>1,316,781</u></u>	<u><u>3,494,787</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 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		51,309	15,750	118,048
General purpose funding		2,434,999	1,671,798	938,515
Law, order, public safety		685,449	601,924	245,922
Health		16,107	20,384	19,688
Education and welfare		418,469	449,700	425,494
Housing		98,379	66,980	19,744
Community amenities		1,167,632	1,082,704	1,023,036
Recreation and culture		365,855	189,446	339,824
Transport		1,057,072	1,130,241	1,389,911
Economic services		736,485	699,292	382,110
Other property and services		93,966	209,000	670,456
		<u>7,125,722</u>	<u>6,137,219</u>	<u>5,572,748</u>
Expenses				
Governance		(832,315)	(763,353)	(740,547)
General purpose funding		(301,327)	(257,611)	(275,268)
Law, order, public safety		(445,256)	(480,453)	(427,132)
Health		(85,621)	(131,573)	(77,279)
Education and welfare		(647,264)	(1,240,218)	(460,768)
Housing		(133,224)	(115,113)	(79,989)
Community amenities		(1,128,948)	(1,110,925)	(968,625)
Recreation and culture		(1,775,217)	(1,643,084)	(2,374,922)
Transport		(2,275,613)	(2,332,283)	(2,269,757)
Economic services		(590,076)	(694,464)	(594,725)
Other property and services		(40,441)	(107,636)	(478,576)
		<u>(8,255,302)</u>	<u>(8,876,713)</u>	<u>(8,747,588)</u>
Net result excluding rates		(1,129,580)	(2,739,494)	(3,174,840)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
(Profit)/Loss on asset disposals	20	218,098	(6,048)	547,945
Movement in Non-Current Debtors		0		25,888
Movement in Non-Current Community Loans				(2,000)
Movement in deferred pensioner rates (non-current)		3,074	0	(12,149)
Movement in employee benefit provisions (non-current)		21,725	0	13,848
Depreciation and amortisation on assets	2(a)	1,983,091	2,001,686	2,001,686
Capital Expenditure and Revenue				
Purchase land held for resale		0	(257,475)	(32,913)
Purchase of land and buildings	6(b)	(534,387)	(785,766)	(285,968)
Purchase furniture and equipment	6(b)	(46,623)	(52,000)	(91,641)
Purchase plant and equipment	6(b)	(1,567,417)	(1,921,081)	(1,085,760)
Purchase roads	7(b)	(1,615,294)	(1,809,390)	(1,366,301)
Purchase footpaths	7(b)	(104,869)	0	(82,895)
Purchase drainage	7(b)	(172,200)	0	(86,809)
Purchase parks & ovals	7(b)	(57,306)	(433,871)	(30,554)
Purchase wip - other infrastructure	7(b)	(396,704)	0	0
Advances to community groups		(74,000)	0	0
Repayment of advances to community groups		26,987	0	0
Proceeds from disposal of fixed assets	20	508,743	494,800	168,498
Repayment of debentures	21(a)	(291,069)	(291,069)	(331,007)
Proceeds from self supporting loans		0	0	(5,599)
Transfers to reserves (restricted assets)	11	163,670	(54,000)	(124,250)
Transfers from reserves (restricted assets)	11	0	895,602	242,122
ADD Estimated surplus/(deficit) July 1 b/fwd	22(b)	1,291,673	1,336,406	1,497,249
LESS Estimated surplus/(deficit) June 30 c/fwd	22(b)	1,856,063	0	1,291,673
Total amount raised from general rate	22(a)	<u>(3,628,452)</u>	<u>(3,621,700)</u>	<u>(3,507,123)</u>

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

All Funds through which the 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 19 to these financial statements.

(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.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;

and

- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

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.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

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.

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.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the 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 at least every 3 years.

(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.

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.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the 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 non-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 2015

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 2015

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 2015

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 16.

(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 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) 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.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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.

(t) Rounding Off Figures

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

(u) 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.

(v) 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.

(w) Other Assets - Easements

Due to legislative changes, easements are required to be recognised as assets in the financial report. They are initially recorded at cost and have an indefinite useful life.

It has been deemed by the Council that as at 30 June 2015, all easements under our control have a nil or insignificant value.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	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. 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.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	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.

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.

**SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<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>
(viii) 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.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) 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	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. 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.

Notes:

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

(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:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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.

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 2015

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 t

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 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
*CLGF - Regional Funding - Moora Aged Care	Welfare	768,652	20,043	(15,386)	773,309	20,739	(247,318)	546,730
DSR - Kids Sports Funding	Rec & Culture	2,220	36,417	(35,611)	3,026	53,054	(55,628)	452
CLGF - Individual Allocation	Housing	464,753	0	(213,496)	251,257	0	(251,257)	0
State NRM - Reserve Rehabilitation	Com. Amenities	16,462	0	(11,510)	4,952	0	(4,952)	0
Main Roads - Koojan Bridge	Transport	0	169,591	0	169,591	0	(169,591)	0
Cat Sterilisation Program	LOPS	0	5,000	0	5,000	0	(318)	4,682
Bike Week Grant	Rec & Culture	636	0	0	636	0	(636)	0
FAGs 2015-16 Advance Payment	Governance	0	0	0	0	746,917	0	746,917
SES Aware Program Grant	LOPS	0	0	0	0	6,364	0	6,364
Dep Vet Affairs - War Memorial Grant	Rec & Culture	0	0	0	0	14,372	0	14,372
WDC - Mens Shed Grant	Rec & Culture	0	0	0	0	8,500	0	8,500
Dept. Communities - Child Care	Welfare	0	0	0	0	15,000	0	15,000
Dept. Communities - Aged Friendly Grant	Welfare	0	0	0	0	44,078	0	44,078
Total		<u><u>1,252,723</u></u>	<u><u>231,051</u></u>	<u><u>(276,003)</u></u>	<u><u>1,207,771</u></u>	<u><u>909,023</u></u>	<u><u>(729,700)</u></u>	<u><u>1,387,094</u></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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,960,815	1,458,818
Restricted		<u>1,872,299</u>	<u>2,035,969</u>
		<u>3,833,114</u>	<u>3,494,787</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	11	115,422	112,593
Plant Reserve	11	126,485	123,393
Council Buildings Reserve	11	30,035	29,299
Community Facilities Reserve	11	129,258	126,090
Waste Management Reserve	11	122,328	119,330
Bridge Reserve	11	65,541	63,935
Community Bus Reserve	11	54,438	53,104
Sewerage Reserve	11	474,411	433,606
Economic Development Reserve	11	754,381	974,619
Unspent grants (Net of Funds Quarantined in Reserve)	2(c)	<u>840,364</u>	<u>434,462</u>
		<u>2,712,663</u>	<u>2,470,431</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		359,408	333,065
Sundry debtors		104,533	82,738
GST receivable		46,255	26,244
Loans - clubs/institutions		20,448	9,999
Accrued Investment Interest		14,101	0
Prepayments		14,015	4,388
Provision for doubtful debts		<u>(29,106)</u>	<u>(30,002)</u>
		<u>529,654</u>	<u>426,432</u>
Non-current			
Rates outstanding - pensioners		28,556	31,630
Loans - clubs/institutions		56,547	7,835
MLSV Relocation Loans		<u>38,597</u>	<u>50,740</u>
		<u>123,700</u>	<u>90,205</u>
5. INVENTORIES			
Current			
Fuel and materials		<u>12,236</u>	<u>10,811</u>
		<u>12,236</u>	<u>10,811</u>
Non-current			
Land held for resale - cost			
Cost of acquisition		82,663	82,663
Development costs		<u>336,337</u>	<u>253,549</u>
		<u>419,000</u>	<u>336,212</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2	1,486,400	1,954,565
- Independent valuation 2014 - level 3	1,611,000	1,259,011
- Additions after valuation - cost	104,094	0
	<u>3,201,494</u>	<u>3,213,576</u>
	<u>3,201,494</u>	<u>3,213,576</u>
Non-specialised buildings at:		
- Management valuation 2014 - level 2	1,273,000	1,494,611
- Additions after valuation - cost	441,711	0
Less: accumulated depreciation	<u>(27,341)</u>	<u>(33,094)</u>
	1,687,370	1,461,517
Specialised buildings at:		
- Management valuation 2014 - level 3	12,835,000	12,931,931
- Additions after valuation - cost	36,192	0
Less: accumulated depreciation	<u>(256,898)</u>	<u>0</u>
	12,614,294	12,931,931
	<u>14,301,664</u>	<u>14,393,448</u>
Total land and buildings	<u>17,503,158</u>	<u>17,607,024</u>
Furniture and Equipment at:		
- Management valuation 2013 - level 3	832,678	939,413
- Additions after valuation - cost	187,460	140,837
Less accumulated depreciation	<u>(595,319)</u>	<u>(585,304)</u>
	424,819	494,946
Plant and Equipment at:		
- Management valuation 2013 - level 2	4,981,212	5,809,919
- Additions after valuation - cost	2,359,383	879,278
Less accumulated depreciation	<u>(3,537,361)</u>	<u>(3,685,677)</u>
	3,803,234	3,003,520
	<u>21,731,211</u>	<u>21,105,490</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. 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 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	3,213,576	104,094	0	0	0	0	(116,176)	3,201,494
Total land	3,213,576	104,094	0	0	0	0	(116,176)	3,201,494
Non-specialised buildings	1,461,517	401,236	(213,677)	0	0	(27,761)	66,056	1,687,371
Specialised buildings	12,931,931	29,057	(1,320)	0	0	(256,898)	(88,476)	12,614,294
Total buildings	14,393,448	430,293	(214,997)	0	0	(284,659)	(22,420)	14,301,665
Total land and buildings	17,607,024	534,387	(214,997)	0	0	(284,659)	(138,596)	17,503,159
Furniture and Equipment	494,946	46,623	0	0	0	(95,214)	(21,536)	424,819
Plant and Equipment	3,003,520	1,567,417	(243,252)	0	0	(519,549)	(4,902)	3,803,234
Total property, plant and equipment	21,105,490	2,148,427	(458,249)	0	0	(899,422)	(165,034)	21,731,212

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	2	Sales comparison approach	Independent Registered Valuers	June 2014	Market sales evidence
Non-specialised buildings	2	Sales comparison approach	Independent Registered Valuers	June 2014	Market sales evidence
Specialised buildings	3	Cost approach	Independent Registered Valuers	June 2014	Construction costs and current condition
Furniture and Equipment	3	Sales comparison approach	Management Valuation	June 2013	Market sales evidence
Plant and Equipment	2	Sales comparison approach	Management Valuation	June 2013	Market sales evidence

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 2015

	2015	2014
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Management valuation 2015 - level 3	159,708,413	0
- Cost	0	96,671,307
Less accumulated depreciation	<u>(23,716,529)</u>	<u>(36,387,931)</u>
	135,991,884	60,283,376
Footpaths		
- Management valuation 2015 - level 3	2,451,174	0
- Cost	0	1,353,887
Less accumulated depreciation	<u>(1,196,003)</u>	<u>(378,530)</u>
	1,255,171	975,357
Drainage		
- Management valuation 2015 - level 3	17,709,257	0
- Cost	0	7,526,034
Less accumulated depreciation	<u>(6,963,607)</u>	<u>(4,788,349)</u>
	10,745,650	2,737,685
Parks & Ovals		
- Management valuation 2015 - level 3	3,641,598	0
- Cost	0	2,115,737
Less accumulated depreciation	<u>0</u>	<u>(756,594)</u>
	3,641,598	1,359,143
Bridges		
- Management valuation 2015 - level 3	11,908,410	0
- Cost	0	5,738,154
Less accumulated depreciation	<u>(6,176,693)</u>	<u>(3,532,556)</u>
	5,731,717	2,205,598
Street Lighting and Furniture		
- Management valuation 2015 - level 3	179,401	0
- User defined	0	2,320,735
Less accumulated depreciation	<u>0</u>	<u>(864,689)</u>
	179,401	1,456,046
WIP - Other infrastructure		
- Cost	459,647	1,400
Less accumulated depreciation	<u>0</u>	<u>(236)</u>
	459,647	1,164
	<u>158,005,068</u>	<u>69,018,369</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. 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 2015

7. 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) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads	60,283,376	1,615,294	0	75,362,781	0	(761,855)	(507,712)	135,991,884
Footpaths	975,357	104,869	(1,800)	65,289	0	(31,900)	143,356	1,255,171
Drainage	2,737,685	172,200	0	7,320,520	0	(129,968)	645,213	10,745,650
Parks & Ovals	1,359,143	57,306	(129,652)	1,400,535	0	(88,529)	1,042,796	3,641,599
Bridges	2,205,598	0	(3,360)	3,591,219	0	(61,741)	0	5,731,716
Street Lighting and Furniture	1,456,046	0	(132,634)	170,000	0	(9,660)	(1,304,350)	179,402
WIP - Other infrastructure	1,164	396,704	(1,147)	0	0	(16)	62,943	459,648
Total infrastructure	<u>69,018,369</u>	<u>2,346,373</u>	<u>(268,593)</u>	<u>87,910,344</u>	<u>0</u>	<u>(1,083,669)</u>	<u>82,246</u>	<u>158,005,070</u>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$87,910,344 in the net value of infrastructure. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
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
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
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
Parks & 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
Bridges	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
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
WIP - Other infrastructure				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 2015

	2015 \$	2014 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	134,498	129,646
Accrued interest on debentures	5,749	7,178
Accrued salaries and wages	0	85,110
ATO liabilities	72,989	0
Proceeds Received in Advance	0	40,730
	<u>213,236</u>	<u>262,664</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	297,510	291,069
	<u>297,510</u>	<u>291,069</u>
 Non-current		
Secured by floating charge		
Debentures	902,865	1,200,375
	<u>902,865</u>	<u>1,200,375</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014	242,543	201,505	444,048
Non-current provisions	0	80,990	80,990
	<u>242,543</u>	<u>282,495</u>	<u>525,038</u>
Additional provision	69,063	33,895	102,958
Balance at 30 June 2015	<u>311,606</u>	<u>316,390</u>	<u>627,996</u>
 Comprises			
Current	311,606	213,675	525,281
Non-current	0	102,715	102,715
	<u>311,606</u>	<u>316,390</u>	<u>627,996</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening balance	112,593	112,593	112,323
Amount set aside / transfer to reserve	2,829	270	270
Amount used / transfer from reserve	0	0	0
	<u>115,422</u>	<u>112,863</u>	<u>112,593</u>
(b) Plant Reserve			
Opening balance	123,393	123,393	217,875
Amount set aside / transfer to reserve	3,092	518	518
Amount used / transfer from reserve	0	0	(95,000)
	<u>126,485</u>	<u>123,911</u>	<u>123,393</u>
(c) Council Buildings Reserve			
Opening balance	29,299	29,299	29,229
Amount set aside / transfer to reserve	736	70	70
Amount used / transfer from reserve	0	0	0
	<u>30,035</u>	<u>29,369</u>	<u>29,299</u>
(d) Community Facilities Reserve			
Opening balance	126,090	126,090	272,557
Amount set aside / transfer to reserve	3,168	655	655
Amount used / transfer from reserve	0	0	(147,122)
	<u>129,258</u>	<u>126,745</u>	<u>126,090</u>
(e) Waste Management Reserve			
Opening balance	119,330	119,330	119,043
Amount set aside / transfer to reserve	2,998	286	287
Amount used / transfer from reserve	0	0	0
	<u>122,328</u>	<u>119,616</u>	<u>119,330</u>
(f) Bridge Reserve			
Opening balance	63,935	63,935	63,782
Amount set aside / transfer to reserve	1,606	153	153
Amount used / transfer from reserve	0	0	0
	<u>65,541</u>	<u>64,088</u>	<u>63,935</u>
(g) Community Bus Reserve			
Opening balance	53,104	53,104	52,977
Amount set aside / transfer to reserve	1,334	127	127
Amount used / transfer from reserve	0	0	0
	<u>54,438</u>	<u>53,231</u>	<u>53,104</u>
(h) Sewerage Reserve			
Opening balance	433,606	433,606	387,685
Amount set aside / transfer to reserve	40,805	20,921	45,921
Amount used / transfer from reserve	0	(135,200)	0
	<u>474,411</u>	<u>319,327</u>	<u>433,606</u>
(i) Economic Development Reserve			
Opening balance	974,619	974,619	898,370
Amount set aside / transfer to reserve	(220,238)	31,000	76,249
Amount used / transfer from reserve	0	(760,402)	0
	<u>754,381</u>	<u>245,217</u>	<u>974,619</u>
TOTAL RESERVES	<u>1,872,299</u>	<u>1,194,367</u>	<u>2,035,969</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening balance	112,593	112,593	112,323
Amount set aside / transfer to reserve	2,829	270	270
Amount used / transfer from reserve	0	0	0
	<u>115,422</u>	<u>112,863</u>	<u>112,593</u>
(b) Plant Reserve			
Opening balance	123,393	123,393	217,875
Amount set aside / transfer to reserve	3,092	518	518
Amount used / transfer from reserve	0	0	(95,000)
	<u>126,485</u>	<u>123,911</u>	<u>123,393</u>
(c) Council Buildings Reserve			
Opening balance	29,299	29,299	29,229
Amount set aside / transfer to reserve	736	70	70
Amount used / transfer from reserve	0	0	0
	<u>30,035</u>	<u>29,369</u>	<u>29,299</u>
(d) Communitiy Facilities Reserve			
Opening balance	126,090	126,090	272,557
Amount set aside / transfer to reserve	3,168	655	655
Amount used / transfer from reserve	0	0	(147,122)
	<u>129,258</u>	<u>126,745</u>	<u>126,090</u>
(e) Waste Management Reserve			
Opening balance	119,330	119,330	119,043
Amount set aside / transfer to reserve	2,998	286	287
Amount used / transfer from reserve	0	0	0
	<u>122,328</u>	<u>119,616</u>	<u>119,330</u>
(f) Bridge Reserve			
Opening balance	63,935	63,935	63,782
Amount set aside / transfer to reserve	1,606	153	153
Amount used / transfer from reserve	0	0	0
	<u>65,541</u>	<u>64,088</u>	<u>63,935</u>
(g) Community Bus Reserve			
Opening balance	53,104	53,104	52,977
Amount set aside / transfer to reserve	1,334	127	127
Amount used / transfer from reserve	0	0	0
	<u>54,438</u>	<u>53,231</u>	<u>53,104</u>
(h) Sewerage Reserve			
Opening balance	433,606	433,606	387,685
Amount set aside / transfer to reserve	40,805	20,921	45,921
Amount used / transfer from reserve	0	(135,200)	0
	<u>474,411</u>	<u>319,327</u>	<u>433,606</u>
(i) Economic Development Reserve			
Opening balance	974,619	974,619	898,370
Amount set aside / transfer to reserve	(220,238)	31,000	76,249
Amount used / transfer from reserve	0	(760,402)	0
	<u>754,381</u>	<u>245,217</u>	<u>974,619</u>
TOTAL RESERVES	<u>1,872,299</u>	<u>1,194,367</u>	<u>2,035,969</u>

Total Opening balance	2,035,969	2,035,969	2,153,841
Total Amount set aside / transfer to reserve	(163,670)	54,000	124,250
Total Amount used / transfer from reserve	0	(895,602)	(242,122)
TOTAL RESERVES	<u>1,872,299</u>	<u>1,194,367</u>	<u>2,035,969</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 funds are set aside are as follows:

- (a) Leave Reserve**
To be used to fund annual and long service leave requirements
- (b) Plant Reserve**
To be used for the purchase of major plant
- (c) Council Buildings Reserve**
To be used for major projects relating to council buildings including renovations and construction of new facilities.
- (d) Community Facilities Reserve**
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.
- (e) Waste Management Reserve**
To be used for major projects relating to waste management including future rubbish site development and waste management plant items.
- (f) Bridge Reserve**
To be used to fund bridge maintenance works.
- (g) Community Bus Reserve**
To be used for repairs and replacement of the Community Bus.
- (h) Sewerage Reserve**
To be used for sewerage infrastructure works.
- (i) Economic Development Reserve**
To be used for future economic development services within the Shire of Moora. These include land development relating to residential, commercial and industrial use.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

13. 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:

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>3,833,114</u>	<u>1,316,781</u>	<u>3,494,787</u>

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

Net result	2,498,872	882,205	332,282
Non-cash flows in Net result:			
Depreciation	1,983,091	2,001,686	2,001,686
(Profit)/Loss on sale of asset	218,098	(6,048)	547,945
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(89,699)	0	78,747
(Increase)/Decrease in inventories	(1,425)	0	(5,992)
Increase/(Decrease) in payables	(49,428)	0	(41,570)
Increase/(Decrease) in provisions	102,958	0	14,452
Grants contributions for the development of assets	<u>(1,583,398)</u>	<u>(1,521,716)</u>	<u>(1,296,651)</u>
Net cash from operating activities	<u>3,079,068</u>	<u>1,356,127</u>	<u>1,630,899</u>

	2015 \$	2014 \$
(c) Undrawn Borrowing Facilities		
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	297,510	291,069
Loan facilities - non-current	902,865	1,200,375
Total facilities in use at balance date	<u>1,200,375</u>	<u>1,491,444</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 2015

14. CONTINGENT LIABILITIES

The Shire has no contingent liabilities.

15. CAPITAL AND LEASING COMMITMENTS	2015	2014
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but		
Payable:		
- not later than one year	18,200	0
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>18,200</u>	<u>0</u>

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	1,122,985	1,044,845
General purpose funding	4,958,353	4,011,424
Law, order, public safety	788,571	814,251
Health	260,516	266,305
Education and welfare	813,347	768,308
Housing	2,273,863	2,078,782
Community amenities	5,092,824	1,669,710
Recreation and culture	12,771,706	10,978,848
Transport	156,124,504	69,985,030
Economic services	1,712,375	2,853,991
Other property and services	1,234,203	10,812
	<u>184,653,983</u>	<u>94,482,306</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

18. FINANCIAL RATIOS	2015	2014	2013
Current ratio	1.806	1.465	1.381
Asset sustainability ratio	1.605	1.283	0.271
Debt service cover ratio	7.934	2.625	3.859
Operating surplus ratio	0.145	(0.151)	(0.082)
Own source revenue coverage ratio	0.764	0.729	0.754

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 59 of this document.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

19. 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:

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Housing Bonds	5,500	1,600	0	7,100
Community Bus Bond	200	0	(200)	0
BCITF	1,564	6,503	(6,612)	1,455
BRB	1,435	4,270	(4,378)	1,327
Moora Repertory Club	5,345	0	0	5,345
GYM Card Bond	2,886	1,158	0	4,044
Standpipe Card Bond	1,860	555	0	2,415
Moora Lifestyle Village Bond	1,748	1,240	0	2,988
Facility Hire Bond	500	0	(500)	0
Community Group Funds	2,455	0	0	2,455
Other General Trust	2,674	5,213	(6,887)	1,000
	<u>26,167</u>			<u>28,129</u>

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Property, Plant and Equipment						
Prado 4x4(2013)	54,471	50,000	42,364	47,000	(12,108)	(3,000)
Ford XR6 (2012)	18,592	18,000	13,636	15,500	(4,956)	(2,500)
Ford XR6 (2013)	29,042	29,000	18,182	17,500	(10,860)	(11,500)
Nissan X - Trail (2012) 4x4	20,705	20,000	13,636	16,500	(7,069)	(3,500)
Ford Kuga (2012) 4x4	20,673	20,000	14,545	17,500	(6,128)	(2,500)
Toyota Rav 4 (2012) 4x4	15,184	16,000	10,000	16,000	(5,184)	0
(FESA) 4x4 Ranger (2011)	23,616	0	16,364	27,000	(7,252)	27,000
6 Lefroy Street	213,677	210,252	177,300	185,000	(36,377)	(25,252)
Reel Mower (1)	0	0	0	500	0	500
Caterpillar Grader (2005)	49,311	63,000	84,000	55,000	34,689	(8,000)
Caterpillar Loader (2003)	0	19,000	60,000	42,500	60,000	23,500
Mitsubishi W/ Water Truck(2001)	0	9,000	0	21,000	0	12,000
2003 Iveco Powerstar Truck	1,041	0	40,730	0	39,689	0
Isuzu Patching Truck (2001)	0	8,000	0	15,000	0	7,000
Metrocount traffic classifiers	0	2,500	550	550	550	(1,950)
Metrocount traffic classifiers	0	3,000	550	550	550	(2,450)
Elevated Work Platform (2006)	3,390	9,000	8,250	8,000	4,860	(1,000)
Tandem box trailer	0	0	0	100	0	100
Tandem box trailer	0	0	0	100	0	100
Cleaners ute Courier(2005)	0	0	4,091	3,000	4,091	3,000
Work ute Courier 4x4(2005)	7,225	12,000	4,545	6,500	(2,680)	(5,500)
Miscellaneous Scrapped	269,914	0	0	0	(269,914)	0
	<u>726,841</u>	<u>488,752</u>	<u>508,743</u>	<u>494,800</u>	<u>(218,099)</u>	<u>6,048</u>

Profit	144,429	73,200
Loss	(362,527)	(67,152)
	<u>(218,098)</u>	<u>6,048</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Housing executive home	193,497	0	18,847	18,847	174,650	174,650	12,981	13,032
Recreation and culture								
Moora Town Hall Upgrade	216,930	0	37,963	37,963	178,967	178,967	12,819	13,228
Town Hall Upgrade	296,024	0	49,433	49,433	246,591	246,591	16,404	16,802
Tip and Rubbish Trucks	120,478	0	58,633	58,633	61,845	61,845	4,963	5,302
Gardiner Street Power Upgrade	10,955	0	10,955	10,955	(0)	0	558	568
Moora Lifestyle Village	653,560	0	115,238	115,238	538,322	538,322	37,409	44,465
	1,491,444	0	291,069	291,069	1,200,375	1,200,375	85,135	93,397

(*) 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 2015**

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

The Shire did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

SHIRE OF MOORA
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22. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates

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	0.0857	598	6,976,314	597,731	7,024	101	604,856	597,731	0	0	597,731
GRV Commercial Industrial - Moora	0.0857	87	2,684,320	229,993	1,153	0	231,146	229,993	0	0	229,993
GRV Residential - Other Townsite	0.0857	14	135,740	11,630	209	0	11,839	11,630	0	0	11,630
GRV Commercial Industrial - Other	0.0857	2	90,746	7,775	0	0	7,775	7,775	0	0	7,775
Unimproved value valuations											
UV Rural	0.0112	361	222,724,555	2,503,423	5,698	(677)	2,508,444	2,503,423	0	0	2,503,423
UV Urban Farmland	0.0112	60	8,087,011	90,898	(6,755)	0	84,143	90,898	0	0	90,898
Sub-Totals		1,122	240,698,686	3,441,450	7,329	(576)	3,448,203	3,441,450	0	0	3,441,450
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV Residential - Moora Townsite	595	97	233,726	57,703	0	0	57,703	57,703	0	0	57,703
GRV Commercial Industrial - Moora	595	26	68,337	15,467	0	0	15,467	15,467	0	0	15,467
GRV Residential - Other Townsite	595	123	429,305	73,170	0	0	73,170	73,170	0	0	73,170
GRV Commercial Industrial - Other	595	4	7,588	2,380	0	0	2,380	2,380	0	0	2,380
Unimproved value valuations											
UV Rural	595	52	943,171	30,934	0	0	30,934	30,934	0	0	30,934
UV Urban Farmland	595	1	49,989	595	0	0	595	595	0	0	595
Sub-Totals		303	1,732,116	180,249	0	0	180,249	180,249	0	0	180,249
Discounts/concessions (refer note 25)							3,628,452				3,621,699
Total amount raised from general rate							(12,081)				(14,000)
Specified Area Rate (refer note 23)							3,616,371				3,607,699
Totals							493,575				488,907
							4,109,946				4,096,606

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>1,856,063</u>	<u>1,291,673</u>	<u>1,291,673</u>
Comprises:			
Cash and cash equivalents			
Unrestricted	1,960,815	1,458,818	1,458,818
Restricted	1,872,299	2,035,969	2,035,969
Receivables			
Rates outstanding	359,408	333,065	333,065
Sundry debtors	75,427	52,736	52,736
GST receivable	46,255	26,244	26,244
Loans - clubs/institutions	20,448	9,999	9,999
Accrued Investment Interest	14,101	0	0
Prepayments	14,015	4,388	4,388
Inventories			
Fuel and materials	12,236	10,811	10,811
Less:			
Trade and other payables			
Sundry creditors	(134,498)	(129,646)	(129,646)
Accrued interest on debentures	(5,749)	(7,178)	(7,178)
Accrued salaries and wages	0	(85,110)	(85,110)
ATO liabilities	(72,989)	0	0
Proceeds Received in Advance	0	(40,730)	(40,730)
Current portion of long term borrowings			
Secured by floating charge	(297,510)	(291,069)	(291,069)
Provisions			
Provision for annual leave	(311,606)	(242,543)	(242,543)
Provision for long service leave	(213,675)	(201,505)	(201,505)
Net current assets	<u>3,338,977</u>	<u>2,934,249</u>	<u>2,934,249</u>
Less:			
Reserves - restricted cash	(1,872,299)	(2,035,969)	(2,035,969)
Loans - Clubs/Institutions	(20,448)	(9,999)	(9,999)
Add:			
Secured by floating charge	297,510	291,069	291,069
Component of Leave Liab not req to be funded	112,323	112,323	112,323
Surplus/(deficit)	<u>1,856,063</u>	<u>1,291,673</u>	<u>1,291,673</u>

Difference

There was no difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

	Rate in \$ or Minimum \$	Number of Properties	Basis of Rate	Rate Value \$	Rate Revenue \$	Budget Rate Revenue \$	Budget Applied to Costs \$
Sewerage Rates - General							
Sewerage - Residential	7.0390	494	GRV	5,419,724	349,440	344,992	
Sewerage - Vacant Residential	7.0390	0	GRV	0	0	0	
Sewerage - Industrial/Commercial	7.0390	54	GRV	1,737,180	109,215	108,319	
Sewerage - Vacant Industrial/Commercial	7.0390	0	GRV	0	0	0	
Sewerage - Ex Gratia Ind/Commercial	7.0390	0	GRV	0	0	0	
Sewerage Rates - Minimum							
Sewerage - Residential	338	3	GRV	2,310	1,014	676	
Sewerage - Vacant Residential	338	49	GRV	47,230	16,562	16,900	
Sewerage - Industrial/Commercial	338	1	GRV	2,500	338	1,014	
Sewerage - Vacant Industrial/Commercial	338	2	GRV	3,025	676	0	
Sewerage - Ex Gratia Ind/Commercial	338	0	GRV	0	0	676	
Sewerage Rates - Minimum							
Sewerage - Class 1	218	13	NA	NA	2,834	2,834	
Sewerage - Class 2	1,212	4	NA	NA	4,848	4,848	
Sewerage Fittings	92	94	NA	NA	8,648	8,648	
					493,575	488,907	

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Industrial/Commercial Levy	339	6,107	6,447	6,107	6,447
Residential Levy	170	170	170	170	170
		6,277	6,617	6,277	6,617

The Shire of Moora levied a service charge on 21 lots in Gardiner Street, Moora for the purposes of a power upgrade. The power upgrade was funded by a \$10,000 contribution from McIntosh and Sons, service charges levied in 2005/06 and a loan of \$77,760. A service charge was levied each year for the life of the loan to service the debt. The loan was paid out June 2015.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates - Staff	Incentive	NA	9,457	11,500
General Rates - Rate Payer	Type	NA	500	500
Sundry Debtor	Write-off	NA	2,123	2,000
			12,081	14,000

Council offered a \$500 cash prize to ratepayers who paid their 2014/15 rates and charges in full within 21 days of issue.

Council resolved to write-off the following sundry debts:

- B K Stirling - legal costs \$421.92
- G Russel - Cleaning fees Shire of Moora caravan park \$115
- Briklay Pty Ltd - Crossover \$900
- C Geerlings - Slash clean up 42 Gradiner Street \$220
- Coates Hire - Repairs to concrete sander \$99
- Coomberdake Badminton Club - annual fees 2013/14 \$176
- J McNamara - Cleaning of Chalet \$59
- L Prior - Dog infringement \$200
- Trackmaster Pest and Weed \$25
- R & E Jovanovic - Moora show food stall \$50

26. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%	0	40,244	30,000
Interest on instalments plan	5.50%	0	15,302	18,000
Charges on instalment plan		6.50	6,070	7,500
Pensioner deferred rate interest		0	0	500
			61,616	56,000

Rate payers had the option of paying rates in four equal instalments, due on 9 September 2014, 11 November 2014, 13 January 2015 and 13 March 2015. Administration charges and interest was applied for the final three instalments.

27. FEES & CHARGES	2015 \$	2014 \$
Governance	44,791	76,378
General purpose funding	10,698	12,079
Law, order, public safety	116,127	106,846
Health	16,107	17,384
Education and welfare	211,352	183,281
Housing	85,391	19,744
Community amenities	1,159,920	1,021,656
Recreation and culture	102,139	103,326
Transport	227	0
Economic services	470,015	368,926
Other property and services	46,874	623,412
	<u>2,263,640</u>	<u>2,533,031</u>

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

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

28. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions	2,864,269	1,405,450
Non-operating grants, subsidies and contributions	1,583,398	1,296,651
	<u>4,447,667</u>	<u>2,702,101</u>
By Program:		
Governance	0	12,656
General purpose funding	2,212,946	689,693
Law, order, public safety	569,323	139,076
Health	0	2,304
Education and welfare	207,117	242,214
Housing	12,988	0
Community amenities	3,621	1,380
Recreation and culture	263,632	234,827
Transport	916,507	1,369,821
Economic services	259,896	6,359
Other property and services	1,638	3,771
	<u>4,447,667</u>	<u>2,702,101</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>49</u>	<u>47</u>
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30. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	27,796	28,930	25,262
President's allowance	6,000	6,000	6,000
Deputy President's allowance	1,500	1,500	1,500
Travelling expenses	5,351	6,336	5,043
	<u>40,647</u>	<u>42,766</u>	<u>37,805</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

31. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2014/15.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. 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	
	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets				
Cash and cash equivalents	3,833,114	3,494,787	3,833,114	3,494,790
Receivables	653,354	516,637	653,354	516,879
	<u>4,486,468</u>	<u>4,011,424</u>	<u>4,486,468</u>	<u>4,011,669</u>
Financial liabilities				
Payables	213,236	262,664	213,236	262,664
Borrowings	1,200,375	1,491,444	1,200,375	1,491,444
	<u>1,413,611</u>	<u>1,754,108</u>	<u>1,413,611</u>	<u>1,754,108</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 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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.

	2015	2014
	\$	\$
Impact of a 10% ⁽¹⁾ movement in price of investments		
- Equity	0	0
- Statement of Comprehensive Income	0	0
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	38,331	34,948
- Statement of Comprehensive Income	38,331	34,948

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 2015

33. 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:

	2015	2014
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	59%	54%
- Overdue	41%	46%

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. 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>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>
<u>2014</u>					
Payables	262,664	0	0	262,664	262,664
Borrowings	377,633	1,272,631	112,195	1,762,459	1,491,444
	<u>640,297</u>	<u>1,272,631</u>	<u>112,195</u>	<u>2,025,123</u>	<u>1,754,108</u>

SHIRE OF MOORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. 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 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	5.37%	0.00%	0.00%	6.25%	6.05%	6.90%		
<u>Year ended 30 June 2014</u>								
Borrowings								
Fixed rate								
Debentures	(10,955)	(120,478)	0	0	(870,490)	(489,521)	(1,491,444)	6.23%
Weighted average Effective interest rate	6.88%	5.37%	0.00%	0.00%	6.25%	6.39%		

**SHIRE OF MOORA
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

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

	2015	2014	2013
Asset consumption ratio	0.71	0.55	N/A
Asset renewal funding ratio	0.76	0.82	N/A

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
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Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
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INDEPENDENT AUDIT REPORT TO THE SHIRE OF MOORA

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Moora which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date, and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal control 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. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with 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 judgment, 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 committee, as well as evaluating the overall presentation of the financial report.

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 have complied with the independence requirements of Australian professional ethical pronouncements.

Byfields Pty Ltd ACN 150 608 398

DIRECTORS: Andrew Northcott B.Com CPA • Craig Lane B.Com CPA • Dale Woodruff B.Bus CPA • Jon Bush B.Com CPA • Leanne Oliver B.Com CPA
Neil Hooper B.Com CPA • Simon Northey B.Bus CPA • Glenn Waldoock B.Bus CPA • Roger Thomson B.Bus CA • Brant Jansen B.Bus CPA

ASSOCIATES: Ian Jones B.Com CPA • Lea Williams B.Com CA • Ryan Naughton B.Com CPA • Tony Umbrello B.Bus CA

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Statutory Compliance

During the course of our audit we did not become aware of any matters which did not comply with the Local Government (Financial Management) Regulations 1996 (as amended) or the Local Government Act 1995.

Auditor's Opinion

In our opinion, other than the issues matters noted above;

The financial report of Shire of Moora is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) including:

- i) giving a true and fair view of the Shire's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



LEANNE OLIVER RCA
Director

BYFIELDS BUSINESS ADVISERS
BELMONT WA

Date: 9 December 2015