



# BUDGET

**For the Year Ended  
30 June 2016**

**Adopted at the Meeting of Council  
held on Wednesday 15 July 2015**

**Shire of Moora Vision** – *a vibrant, affordable Regional Centre with a growing, caring community*

**Shire of Moora Mission** – *to provide the leadership, services and infrastructure that will meet the needs of the community and surrounds*

**SHIRE OF MOORA**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**TABLE OF CONTENTS**

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	4
Rate Setting Statement	5
Notes to and Forming Part of the Budget	6 to 35
Supplementary Information	36

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Revenue</b>				
Rates	8	3,694,215	3,628,452	3,621,699
Operating Grants, Subsidies and Contributions		1,245,489	2,866,159	2,082,983
Fees and Charges	11	2,249,653	2,227,221	2,199,718
Service Charges	10	0	6,277	6,617
Interest Earnings	2(a)	158,602	176,150	174,685
Other Revenue		88,500	86,857	89,500
		<u>7,436,459</u>	<u>8,991,118</u>	<u>8,175,202</u>
<b>Expenses</b>				
Employee Costs		(2,987,836)	(3,147,288)	(2,670,562)
Materials and Contracts		(2,249,187)	(1,876,815)	(2,349,016)
Utility Charges		(395,799)	(380,754)	(347,024)
Depreciation on Non-Current Assets	2(a)	(2,137,879)	(1,983,164)	(2,001,686)
Interest Expenses	2(a)	(68,601)	(86,377)	(86,565)
Insurance Expenses		(173,371)	(216,231)	(193,996)
Other Expenditure		(48,476)	(174,305)	(1,171,912)
		<u>(8,061,149)</u>	<u>(7,864,934)</u>	<u>(8,820,761)</u>
		(624,690)	1,126,184	(645,559)
Non-Operating Grants, Subsidies and Contributions		2,156,809	1,583,398	1,521,716
Profit on Asset Disposals	4	50,650	138,468	73,200
Loss on Asset Disposals	4	0	(93,761)	(67,152)
		<u>1,582,769</u>	<u>2,754,289</u>	<u>882,205</u>
<b>NET RESULT</b>				
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets				0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>				
		<u><u>1,582,769</u></u>	<u><u>2,754,289</u></u>	<u><u>882,205</u></u>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Revenue (Refer Notes 1,2,8 to 13)</b>				
Governance		25,500	50,608	15,750
General Purpose Funding		4,603,336	6,063,451	5,293,497
Law, Order, Public Safety		276,744	319,037	268,924
Health		22,100	29,095	20,384
Education and Welfare		348,000	324,382	449,700
Housing		109,200	85,391	66,980
Community Amenities		1,172,702	1,163,872	1,082,704
Recreation and Culture		194,536	234,915	172,946
Transport		153,000	141,557	147,500
Economic Services		462,341	484,843	447,817
Other Property and Services		69,000	93,967	209,000
		<u>7,436,459</u>	<u>8,991,118</u>	<u>8,175,202</u>
<b>Expenses Excluding</b>				
<b>Finance Costs (Refer Notes 1,2 &amp; 14)</b>				
Governance		(761,891)	(784,002)	(740,353)
General Purpose Funding		(185,111)	(204,347)	(171,046)
Law, Order, Public Safety		(474,098)	(437,654)	(480,453)
Health		(97,263)	(85,598)	(131,573)
Education and Welfare		(399,535)	(646,864)	(1,240,218)
Housing		(117,920)	(95,694)	(89,861)
Community Amenities		(1,118,751)	(1,126,799)	(1,110,925)
Recreation & Culture		(1,681,002)	(1,506,434)	(1,643,084)
Transport		(2,353,091)	(2,270,673)	(2,327,083)
Economic Services		(761,573)	(582,134)	(694,464)
Other Property and Services		(42,313)	(38,357)	(105,136)
		<u>(7,992,548)</u>	<u>(7,778,557)</u>	<u>(8,734,196)</u>
<b>Finance Costs (Refer Notes 2 &amp; 5)</b>				
General Purpose Funding		(68,601)	(86,377)	(86,565)
<b>Non-operating Grants, Subsidies and Contributions</b>				
Law, Order, Public Safety		28,165	366,412	306,000
Education and Welfare		0	59,078	0
Recreation & Culture		60,000	131,257	16,000
Transport		2,068,644	775,177	948,241
Economic Services		0	251,475	251,475
		<u>2,156,809</u>	<u>1,583,398</u>	<u>1,521,716</u>
<b>Profit/(Loss) On</b>				
<b>Disposal Of Assets (Refer Note 4)</b>				
Governance		0	(46,305)	(23,000)
Law, Order, Public Safety		0	(7,253)	27,000
Housing		0	(36,378)	(25,252)
Community Amenities		30,850	4,091	0
Transport		13,800	131,699	29,300
Economic Services		0	(1,147)	0
Other Property and Services		6,000	0	(2,500)
		<u>50,650</u>	<u>44,707</u>	<u>6,048</u>
<b>NET RESULT</b>		<b>1,582,769</b>	<b>2,754,289</b>	<b>882,205</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,582,769</u></b>	<b><u>2,754,289</u></b>	<b><u>882,205</u></b>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption. Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary. It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		3,694,215	3,605,186	3,621,699
Operating Grants, Subsidies and Contributions		1,245,489	2,819,743	2,082,983
Fees and Charges		2,249,653	2,227,221	2,199,718
Service Charges		0	6,277	6,617
Interest Earnings		158,602	176,150	174,685
Goods and Services Tax		0	0	0
Other Revenue		88,500	86,857	89,500
		<u>7,436,459</u>	<u>8,921,435</u>	<u>8,175,202</u>
<b>Payments</b>				
Employee Costs		(2,987,836)	(3,097,508)	(2,670,562)
Materials and Contracts		(2,249,187)	(1,881,733)	(2,349,016)
Utility Charges		(395,799)	(380,754)	(347,024)
Interest Expenses		(68,601)	(80,628)	(86,565)
Insurance Expenses		(173,371)	(216,231)	(193,996)
Goods and Services Tax		0	0	0
Other Expenditure		(48,476)	(174,305)	(1,171,912)
		<u>(5,923,270)</u>	<u>(5,831,160)</u>	<u>(6,819,075)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>1,513,189</u>	<u>3,090,274</u>	<u>1,356,127</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	(15,000)	0	(257,475)
Payments for Purchase of Property, Plant & Equipment	3	(2,052,852)	(2,212,792)	(2,758,847)
Payments for Construction of Infrastructure	3	(3,814,657)	(2,268,712)	(2,243,261)
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,156,809	(74,000) 1,583,398	0 1,521,716
Proceeds from Sale of Plant & Equipment	4	75,150	508,743	494,800
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>(3,650,550)</u>	<u>(2,463,363)</u>	<u>(3,243,067)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(297,510)	(291,069)	(291,069)
Proceeds from Self Supporting Loans		14,235	9,574	0
Proceeds from New Debentures	5	400,000	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		116,725	(281,495)	(291,069)
<b>Net Increase (Decrease) in Cash Held Cash at Beginning of Year</b>		(2,020,635) 3,831,953	345,416 3,494,787	(2,178,009) 3,494,790
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>1,811,318</u>	<u>3,840,203</u>	<u>1,316,781</u>

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

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Revenues</b>	1,2			
Governance		25,500	4,303	(7,250)
General Purpose Funding		909,121	2,434,999	1,671,798
Law, Order, Public Safety		304,909	678,197	601,924
Health		22,100	29,095	20,384
Education and Welfare		348,000	383,460	449,700
Housing		109,200	49,013	41,728
Community Amenities		1,203,552	1,167,963	1,082,704
Recreation and Culture		254,536	366,171	189,446
Transport		2,235,444	1,048,433	1,125,041
Economic Services		462,341	735,170	699,292
Other Property and Services		75,000	93,967	206,500
		<u>5,949,703</u>	<u>6,990,771</u>	<u>6,081,267</u>
<b>Expenses</b>	1,2			
Governance		(761,891)	(784,002)	(740,353)
General Purpose Funding		(253,712)	(290,725)	(257,611)
Law, Order, Public Safety		(474,098)	(437,654)	(480,453)
Health		(97,263)	(85,598)	(131,573)
Education and Welfare		(399,535)	(646,864)	(1,240,218)
Housing		(117,920)	(95,694)	(89,861)
Community Amenities		(1,118,751)	(1,126,799)	(1,110,925)
Recreation & Culture		(1,681,002)	(1,506,434)	(1,643,084)
Transport		(2,353,091)	(2,270,673)	(2,327,083)
Economic Services		(761,573)	(582,134)	(694,464)
Other Property and Services		(42,313)	(38,357)	(105,136)
		<u>(8,061,149)</u>	<u>(7,864,934)</u>	<u>(8,820,761)</u>
<b>Net Operating Result Excluding Rates</b>		(2,111,446)	(874,163)	(2,739,494)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	(50,650)	(44,707)	(6,048)
Depreciation on Assets	2(a)	2,137,879	1,983,164	2,001,686
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	(15,000)	0	(257,475)
Purchase Land and Buildings	3	(843,465)	(576,663)	(785,766)
Purchase Infrastructure Assets - Roads	3	(3,269,227)	(1,728,636)	(1,809,390)
Purchase Infrastructure Assets - Parks	3	(545,430)	(540,076)	(433,871)
Purchase Plant and Equipment	3	(1,184,701)	(1,589,506)	(1,921,081)
Purchase Furniture and Equipment	3	(24,686)	(46,623)	(52,000)
Proceeds from Disposal of Assets	4	75,150	508,743	494,800
Repayment of Debentures	5	(297,510)	(291,069)	(291,069)
Proceeds from New Debentures	5	400,000	0	0
Self-Supporting Loan Principal Income		14,235	9,574	0
Advances to community groups			(74,000)	
Transfers to Reserves (Restricted Assets)	6	(44,300)	(77,346)	(54,000)
Transfers from Reserves (Restricted Assets)	6	303,180	241,015	895,602
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,819,822	1,291,673	1,336,406
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	57,976	1,819,822	0
<b>Amount Required to be Raised from General Rate</b>	8	<u>(3,694,125)</u>	<u>(3,628,442)</u>	<u>(3,621,700)</u>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government 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 budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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.

**The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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 16 to this budget document.

**(b) 2014/15 Actual Balances**

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(c) Rounding Off Figures**

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

**(d) 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.

**(e) 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.

**(f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, 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 shown as short term borrowings in current liabilities in the statement of financial position.

**(h) 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.

**(i) 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 Resale***

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 Council's intentions to release for sale.

**(j) 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.



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

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, Council 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 budget as necessary.

***Land Under Control***

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

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014.

***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 Council 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 of the next anniversary date in accordance with the mandatory measurement framework detailed above.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

***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.

***Transitional Arrangement***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

***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 Council.

***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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

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
gravel sheet	12 years
Formed roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping & 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 profit or loss in the period which they arise.

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

***Capitalisation Threshold***

Expenditure on items of equipment under \$2,000 is not capitalised.

**(k) Fair Value of Assets and Liabilities**

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

Fair Value is the price that Council 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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fair Value of Assets and Liabilities (Continued)**

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. 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 (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie 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 Council 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 Council 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 BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) 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 Council 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 and 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.

**(l) Financial Instruments**

**Initial Recognition and Measurement**

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

Amortised cost is calculated as:

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Financial Instruments (Continued)**

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

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

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

*(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 Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

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

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

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

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

*(v) Financial liabilities*

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) 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 has 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 for receipt of cash flows expire or the asset is transferred to another party, whereby the Council 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.

**(m) Impairment of Assets**

In accordance with Australian Accounting Standards the Council'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 revaluation decrease in accordance with that other standard.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Impairment of Assets (Continued)**

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.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2015.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

**(n) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

**(o) Employee Benefits**

**Short-Term Employee Benefits**

Provision is made for the Council'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 Council'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 Council'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 or 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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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.



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) 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.

**(q) Provisions**

Provisions are recognised when the Council has a 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.

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

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
(a) <b>Net Result</b>			
The Net Result includes:			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	24,000	24,100	18,400
Other Services			5,000
<b>Depreciation</b>			
<b>By Program</b>			
Governance	59,294	53,217	42,651
General Purpose Funding	0	0	0
Law, Order, Public Safety	50,400	41,491	62,022
Health	7,470	5,131	5,439
Education and Welfare	26,758	23,254	18,053
Housing	36,027	32,657	32,725
Community Amenities	97,945	87,046	93,959
Recreation and Culture	379,091	349,871	319,369
Transport	1,444,044	1,359,630	1,378,689
Economic Services	36,850	30,867	48,779
Other Property and Services	0	0	0
	<u>2,137,879</u>	<u>1,983,164</u>	<u>2,001,686</u>
<b>By Class</b>			
Land and Buildings	402,319	373,204	366,265
Furniture and Equipment	113,056	104,874	110,892
Plant and Equipment	560,081	519,549	539,783
Roads	887,928	823,670	851,382
Footpaths	34,389	31,900	25,418
Drainage	140,106	129,967	107,946
	<u>2,137,879</u>	<u>1,983,164</u>	<u>2,001,686</u>
<b>Interest Expenses (Finance Costs)</b>			
- Debentures ( <i>refer note 5(a)</i> )	68,601	86,377	86,565
	<u>68,601</u>	<u>86,377</u>	<u>86,565</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	50,000	61,555	54,000
- Other Funds	55,000	57,388	72,000
Other Interest Revenue ( <i>refer note 13</i> )	53,602	57,208	48,685
	<u>158,602</u>	<u>176,150</u>	<u>174,685</u>

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

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, Council 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.

**GOVERNANCE**

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

Activities: All aspects relating to elected members expenses incurred in governing the Council. Other costs relating to administration and 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 ensure a safer community.

Activities: Supervision of various by-laws, fire prevention and animal control. Provision of premises and support for State Emergency Services.

**HEALTH**

Objective: To provide an operational framework for good community health.

Activities: Provision of child health care facilities, food control, pest control, podiatry services, provision of dental care surgery and premises and assistance to local medical practice.

**EDUCATION AND WELFARE**

Objective: To meet the needs of the community in these areas.

Activities: Provision of premises and support for child care centre and play groups. Provision of services for youth and aged care.

**HOUSING**

Objective: Help ensure adequate housing at a high standard.

Activities: Provision and maintenance of staff and rental housing.

**COMMUNITY AMENITIES**

Objective: Provide services required by the community.

Activities: Rubbish collection services and operation of tips. Town sewerage scheme, drainage works, litter control, cemetery administration and administration of the Town Planning Scheme.

**RECREATION AND CULTURE**

Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

Activities: Provision of swimming pool, public library, community halls, performing arts centre, recreation centre, parks and gardens, tennis courts, sporting pavilions and ovals.

**TRANSPORT**

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and airstrip maintenance.

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

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**ECONOMIC SERVICES**

Objective: To help promote the Shire and improve its economic wellbeing.

Activities: The regulation and provision of tourism, area promotion, enterprise development, building control, noxious weeds, vermin control, standpipes and a lifestyle village.

**OTHER PROPERTY & SERVICES**

Activities: Private works operations, plant repairs and operations costs.

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

<b>3. ACQUISITION OF ASSETS</b>	<b>2015/16 Budget \$</b>
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
<b>Governance</b>	
Computer Equipment	24,686
Administration Building Renewal	37,555
<b>Law, Order, Public Safety</b>	
Coomberdale Fire Shed - Grant Funded	29,000
<b>Education and Welfare</b>	
Childcare Centre Renewal	27,500
<b>Housing</b>	
ICM Housing Projects	500,000
<b>Community Amenities</b>	
Waste Water Truck	236,071
Renewal Moora Sewerage Scheme	67,100
Moora Sewerage System Renewal	163,000
Electronic Community Notice Board	20,000
<b>Recreation and Culture</b>	
Swimming Pool Renewal - Partially Grant Funded	32,330
Lions Club Equestrian Park - Community Submission	6,390
Watheroo Skate Park - Community Submission	11,450
Watheroo Pavilion Renewal - Community Submission	14,909
Miling Pavilion Renewal - Community Submission	40,000
War Memorial Wall - Grant Funded	20,000
Gym Security System Upgrade	12,500
Rec Centre - New Playground - Grant Funded	25,000
Mens Shed - Grant Funded	10,000
Practice Cricket Wicket	15,000
<b>Transport</b>	
Moora Airstrip - 50% Grant Funded	253,500
Various Footpaths	250,000
Moora Miling Road - Regional Road Group Funding	911,329
Toodyay - Bindi Bindi Road - Blacksport Funding	436,825
Old Geraldton Road - Roads to Recovery Funding	331,163
McKeever Street	94,393
Dargai Road Footpath	83,747
Town Streets - Slurry Seal	266,237
Dandaragan Street Pedestrian Crossing	60,086
Dandaragan Street	97,911
Rural Roads	318,257
Wheatbin Road	92,991
Watheroo - Miling Road	150,025
Edawa Road	49,374
Barberton West Road	88,231
Creslow Road	38,657
High Pressure Culvert Cleaner	40,000
Patching Truck	216,800
23 Tonne Excavator c/w mulcher head	330,000
2 x Metro Traffic Classifier	10,000
<b>Economic Services</b>	
Caravan Park Double Chalet	102,332
Entry Statements	20,000
Industrial Area Signage	15,000
Moora Lifestyle Village Patio	12,000

**Other Property and Services**

Remediation of Contamination - Depot	32,330
Water Tanker	84,000
Work Ute x 2	76,330
Rotary Hoe	8,000
Bob Cat Attachments	10,000
Cement Mixer	2,500
Tandem Box Trailers	8,000
Fuel Tank Automation	100,000

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**5,882,509**

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**By Class**

Land Held for Resale	15,000
Land and Buildings	843,465
Infrastructure Assets - Roads	3,269,227
Infrastructure Assets - Parks and Ovals	545,430
Plant and Equipment	1,184,701
Furniture and Equipment	24,686

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**5,882,509**

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A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

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

**4. DISPOSALS OF ASSETS**

The following assets are budgeted to be disposed of during the year.

<b><u>By Program</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2015/16 BUDGET \$</b>	<b>2015/16 BUDGET \$</b>	<b>2015/16 BUDGET \$</b>
<b>Community Amenities</b>			
Water Truck	7,500	38,350	38,350
<b>Transport</b>			
Patching Truck	12,000	24,800	24,800
Metro Traffic Classifier x 2	0	1,000	1,000
<b>Other Property</b>			
Work Ute	5,000	11,000	11,000
	<b>24,500</b>	<b>75,150</b>	<b>75,150</b>

<b><u>By Class</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2015/16 BUDGET \$</b>	<b>2015/16 BUDGET \$</b>	<b>2015/16 BUDGET \$</b>
<b>Plant and Equipment</b>			
Patching Truck	12,000	24,800	12,800
Metro Traffic Classifier x 2	0	1,000	1,000
Water Truck	7,500	38,350	30,850
Work Ute	5,000	11,000	6,000
	<b>24,500</b>	<b>75,150</b>	<b>50,650</b>

**Summary**

	<b>2015/16 BUDGET \$</b>
Profit on Asset Disposals	50,650
Loss on Asset Disposals	0
	<u>50,650</u>

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

**5. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

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

Particulars	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Housing</b>								
317 Housing Executive Loan	174,650		20,170	18,847	154,480	174,650	11,709	12,981
ICM Housing Project		400,000	0	0	400,000	0	0	0
<b>Recreation &amp; Culture</b>								
314 Moora Town Hall Upgrade	178,967		40,499	37,963	138,468	178,967	10,692	12,819
315 Town Hall Upgrade	246,591		52,493	49,433	194,098	246,591	13,743	16,404
<b>Transport</b>								
320 Tip and Rubbish Truck	61,845		61,845	58,633	0	61,845	2,090	4,963
<b>Economic Development</b>								
323 Moora Lifestyle Village	538,322		122,503	115,238	415,819	538,322	30,367	37,409
316 Gardiner Street Power	0		0	10,955	0	0	0	558
	1,200,375	400,000	297,510	291,069	1,302,865	1,200,375	68,601	85,135

All debenture repayments are to be financed by general purpose revenue.



SHIRE OF MOORA

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>6. RESERVES</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	115,422	112,593	112,593
Amount Set Aside / Transfer to Reserve	3,000	2,829	270
Amount Used / Transfer from Reserve			
	<u>118,422</u>	<u>115,422</u>	<u>112,863</u>
<b>(b) Community Facilities Reserve</b>			
Opening Balance	129,258	126,090	126,090
Amount Set Aside / Transfer to Reserve	4,200	3,168	655
Amount Used / Transfer from Reserve			
	<u>133,458</u>	<u>129,258</u>	<u>126,745</u>
<b>(c) Waste Management Reserve</b>			
Opening Balance	122,328	119,330	119,330
Amount Set Aside / Transfer to Reserve	4,000	2,998	286
Amount Used / Transfer from Reserve			
	<u>126,328</u>	<u>122,328</u>	<u>119,616</u>
<b>(d) Bridge Reserve</b>			
Opening Balance	65,541	63,935	63,935
Amount Set Aside / Transfer to Reserve	2,000	1,606	153
Amount Used / Transfer from Reserve			
	<u>67,541</u>	<u>65,541</u>	<u>64,088</u>
<b>(e) Council Buildings Reserve</b>			
Opening Balance	30,035	29,299	29,299
Amount Set Aside / Transfer to Reserve	1,000	736	70
Amount Used / Transfer from Reserve			
	<u>31,035</u>	<u>30,035</u>	<u>29,369</u>
<b>(f) Plant Reserve</b>			
Opening Balance	126,485	123,393	123,393
Amount Set Aside / Transfer to Reserve	4,000	3,092	518
Amount Used / Transfer from Reserve			
	<u>130,485</u>	<u>126,485</u>	<u>123,911</u>
<b>(g) Community Bus Reserve</b>			
Opening Balance	54,438	53,104	53,104
Amount Set Aside / Transfer to Reserve	1,800	1,334	127
Amount Used / Transfer from Reserve			
	<u>56,238</u>	<u>54,438</u>	<u>53,231</u>
<b>(h) Sewerage Reserve</b>			
Opening Balance	474,411	433,606	433,606
Amount Set Aside / Transfer to Reserve	10,000	40,805	20,921
Amount Used / Transfer from Reserve	(203,180)		(135,200)
	<u>281,231</u>	<u>474,411</u>	<u>319,327</u>
<b>Total Reserves C/Fwd</b>	<u>944,738</u>	<u>1,117,918</u>	<u>949,150</u>

**SHIRE OF MOORA**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2016**

	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
<b>6. RESERVES (Continued)</b>			
<b>Total Reserves B/Fwd</b>	<u>944,738</u>	<u>1,117,918</u>	<u>949,150</u>
<b>(i) Economic Development Reserve</b>			
Opening Balance	754,381	974,619	974,619
Amount Set Aside / Transfer to Reserve	14,300	20,777	31,000
Amount Used / Transfer from Reserve	<u>(100,000)</u>	<u>(241,015)</u>	<u>(760,402)</u>
	<u>668,681</u>	<u>754,381</u>	<u>245,217</u>
<b>Total Reserves</b>	<u><u>1,613,420</u></u>	<u><u>1,872,300</u></u>	<u><u>1,194,367</u></u>

All of the above reserve accounts are to be supported by money held in financial institutions.

**SHIRE OF MOORA**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2016**

6. RESERVES (Continued)	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>SUMMARY OF RESERVE TRANSFERS</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	3,000	2,829	270
Community Facilities Reserve	4,200	3,168	655
Waste Management Reserve	4,000	2,998	286
Bridge Reserve	2,000	1,606	153
Council Buildings Reserve	1,000	736	70
Plant Reserve	4,000	3,092	518
Community Bus Reserve	1,800	1,334	127
Sewerage Reserve	10,000	40,805	20,921
Economic Development Reserve	14,300	20,777	31,000
	44,300	77,346	54,000
<b>Transfers from Reserves</b>			
Sewerage Reserve	(203,180)	0	(135,200)
Economic Development Reserve	(100,000)	(241,015)	(760,402)
	(303,180)	(241,015)	(895,602)
<b>Total Transfer to/(from) Reserves</b>	<b>(258,880)</b>	<b>(163,669)</b>	<b>(841,602)</b>

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

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

**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 Moora Lifestyle Village Relocation Loans.

**Waste Management Reserve** - to be used for major projects relating to waste management including future rubbish site development and waste management plant items. This Reserve was previously known as the Refuse Site Reserve.

**Bridge Reserve** - funds held for funding Bridge work maintenance. This Reserve was previously known as the MRWA Bridge Reserve.

**Council Buildings Reserve** - to be used for major projects relating to Council Buildings including renovations and construction of new facilities. This Reserve was previously known as the Administration Building Reserve.

**Plant Reserve** - to be used for the purchase of items of plant and equipment.

**Community Bus Reserve** - to provide for repairs and upgrade of a Community Bus.

**Leave Reserve** - to be used to fund outstanding annual and long service leave requirements.

**Sewerage Reserve** - to be used for future sewerage infrastructure works.

**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 BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2015/16 Budget \$	2014/15 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	197,898	1,959,650
Cash - Restricted Reserves	15(a)	1,613,420	1,872,300
Receivables		533,022	533,022
Inventories		13,215	13,215
		2,357,555	4,378,187
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions		(686,159)	(686,065)
<b>NET CURRENT ASSET POSITION</b>		1,671,396	3,692,122
Less: Cash - Restricted Reserves	15(a)	(1,613,420)	(1,872,300)
Less: Cash - Restricted Municipal		-	-
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		57,976	1,819,822

The estimated surplus/(deficiency) c/fwd in the 2014/15 actual column represents the surplus (deficit) brought forward as at 1 July 2015.

The estimated surplus/(deficiency) c/fwd in the 2015/16 budget column represents the surplus (deficit) carried forward as at 30 June 2016.

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

**8. RATING INFORMATION - 2015/16 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	2015/16 Budgeted Interim Rates \$	2015/16 Budgeted Back Rates \$	2015/16 Budgeted Total Revenue \$	2014/15 Actual \$
<b>Differential General Rate/General Rate</b>								
GRV Residential - Moora Townsite	8.8611	693	7,125,923	631,435	0	0	631,435	604,483
GRV Commerical/Industrial - Moora Townsite	8.8611	112	2,734,572	242,313	0	0	242,313	229,993
GRV Residential - Other Townsite	8.8611	137	215,332	19,081	0	0	19,081	11,630
GRV Commerical/Industrial - Other Townsite	8.8611	6	90,740	8,041	0	0	8,041	7,775
UV Rural	1.1381	413	222,456,507	2,531,778	0	0	2,531,778	2,503,424
UV Urban Farmland	1.1381	61	8,262,501	94,036	0	0	94,036	90,898
<b>Sub-Totals</b>		1,422	240,885,575	3,526,683	0	0	3,526,683	3,448,203
<b>Minimum Payment</b>	<b>Minimum \$</b>							
GRV Residential - Moora Townsite	607	82	187,321	49,774	0	0	49,774	57,703
GRV Commerical/Industrial - Moora Townsite	607	22	51,750	13,354	0	0	13,354	15,467
GRV Residential - Other Townsite	607	112	366,440	67,984	0	0	67,984	73,170
GRV Commerical/Industrial - Other Townsite	607	4	7,594	2,428	0	0	2,428	2,380
UV Rural	607	55	990,975	33,385	0	0	33,385	30,934
UV Urban Farmland	607	1	49,999	607	0	0	607	595
<b>Sub-Totals</b>		276	1,654,079	167,532	0	0	167,532	180,249
Discounts (Note 12)							0	0
<b>Total Amount Raised from General Rate</b>							3,694,215	3,628,452
<b>Total Rates</b>							3,694,215	3,628,452

All land except exempt land in the Shire of Moora is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

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

**8(a). RATING INFORMATION - 2014/15 FINANCIAL YEAR  
(continued)**

**OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING**

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of Differential Rating.

**GRV - Residential**

Properties within the townsite boundaries with a predominant residential use. This is considered to be the base rate by which all other GRV rated properties are assessed.

**GRV Residential Vacant**

Vacant properties located within the townsite boundaries excepting land zoned as Commercial and Industrial. The rate for this category is designed to encourage land owners to develop their vacant land and also reflects the different method used for the valuation of vacant residential land by the Valuer General.

**GRV Commercial**

Properties used for commercial and industrial purposed and non - residential land. The higher rate reflects the additional cost of servicing commercial activity including car parking, landscaping and other amenities.

**UV Rural**

Consists of properties exclusively for rural use. This is considered the base rate for which all other UV rated properties are assessed.

**UV Commercial Rural**

Consists of properties outside the townsite having a commercial use. This category is rated higher to reflect the higher infrastructure maintenance to Council.

**Minimum Rates**

The setting of minimum rates within the categories is an important method of ensuring all properties contribute an equitable rate amount.

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

**9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

Nil

**SEWERAGE RATES & CHARGES - 2015/16 FINANCIAL YEAR**

Description	General Sewerage Rates				Minimum Sewerage Rates				
	Rate in \$	No of Prop	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	Minimum Charge \$	No of Prop or Charges	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	2015/16 Budgeted Total Revenue \$
<b>Sewerage Rates</b>									
Sewerage - Residential	7.1798	497	5,419,724	357,009	345	3	1,545	1,035	358,044
Sewerage - Vacant Residential	7.1798	49	-	-	345	49	47,446	16,905	16,905
Sewerage - Industrial/Commercial	7.1798	55	1,737,180	111,977	345	1	5,235	345	112,322
Sewerage - Vacant Industrial/Commercial	7.1798	2	-	-	345	2	-	690	690
<b>Total Sewerage Rates</b>				<b>468,986</b>				<b>18,975</b>	<b>487,961</b>
<b>Sewerage Charges</b>									
Sewerage - Class 1					222	13		2,886	2,886
Sewerage - Class 2					1,236	4		4,944	4,944
Sewerage Fixtures					94	94		8,836	8,836
<b>Total Sewerage Charges</b>								<b>16,666</b>	<b>16,666</b>
<b>Total Sewerage Rates &amp; Charges Levied</b>									<b>504,627</b>

**10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

	Amount of Charge \$	2015/16 Budgeted Revenue \$	Budget Applied to Costs \$	2014/15 Actual \$
<b>Power Upgrade Loan</b>				
Industrial/Commercial Levy	339	0	0	6,277
Residential Levy	170	0	0	
		0	0	6,277

The Shire of Moora levied a service charge on 21 lots in Gardiner Street Moora for the purposes of a power upgrade

The upgrade was funded by a \$10,000 contribution by McIntosh & Sons, service charges levied in 2005/06 and a loan of \$77,760. A service charge will be levied each year for the life of the loan to service that debt (ie June 2015).

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

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>
Governance	1,000	44,791
General Purpose Funding	11,000	10,698
Law, Order, Public Safety	121,374	116,127
Health	19,800	16,107
Education and Welfare	200,000	174,453
Housing	109,200	85,391
Community Amenities	1,168,702	1,160,251
Recreation & Culture	139,536	102,456
Transport	0	227
Economic Services	454,041	469,848
Other Property & Services	<u>25,000</u>	<u>46,874</u>
	<u><u>2,249,653</u></u>	<u><u>2,227,221</u></u>

**12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS  
- 2015/16 FINANCIAL YEAR**

Council is offering a \$500 cash prize to ratepayers who pay their 2015/16 rates and charges in full within 21 days of issue.

A discount/incentive payment will be offered to all employees of the Shire of Moora who own their own residences. The payment will be \$500 for a full time employee with a pro-rata payment for part-time employees, subject to Council policy.



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

**13. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR**

An overdue interest rate of 11.0% will be charged on all rate payments from any option which are late. It is estimated this will generate an income of \$30,000.

Three Separate option plans will be available to ratepayers for payment of their rates. Instalment options are not available to ratepayers having arrears of rates at the due date of payment. Administration charges are expected to generate an income of \$6,000.

(Section 6.51 of the Local Government Act 1995 and Regulation 70 & 59 of the Local Government (Financial Management) Regulations 1996 refers).

The rate notice contains information that Council offers an instalment option for the payment of rates and this can be put in place by paying the first instalment by the due date (ie 9 September 2015).

(Section 6.45 of the Local Government Act 1995 and Regulation 60 of the Local Government (Financial Management) Regulations 1996 refers).

The cost of instalment plans will comprise of simple interest of 5.5% pa calculated from the date the first instalment is due, together with an administration fee of \$6.90 for each instalment notice (ie \$13.80 for Option 2 and \$20.7 for Option 3). It is estimated that the revenue obtained from instalment interest will be \$18,000.

(Section 6.45 of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996 refers).

**Option 1 (Full Payment)**

Full amount of rates and charges including arrears to be paid 35 days after the date of service appearing on the rate notice, without penalty (ie 9 September 2015).

(Section 6.50(2) of the Local Government Act 1995 refers).

**Option 2 (Two Instalments)**

The first instalment to be received 35 days after the date of service appearing on the rate notice and including all arrears and 50% of the current rates and service charges (ie 9 September 2015).

Second instalment of 50% of the current rates and charges to be made by 11 November 2015.

**Option 3 (Four Instalments)**

The first instalment to be received 35 days after the date of service appearing on the rate notice and including all arrears and 25% of the current rates and service charges (ie 9 September 2015).

Subsequent instalments of 25% of the current rates to be made by 11 November 2015, 13 January 2016 and 16 March 2016.

**14. ELECTED MEMBERS REMUNERATION**

	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>
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The following fees, expenses and allowances were paid to council members and/or the president.

Meeting Fees	28,930	27,796
President's Allowance	6,000	6,000
Deputy President's Allowance	1,500	1,500
Travelling Expenses	6,336	5,351
Telecommunications Allowance		
	<b>42,766</b>	<b>40,647</b>

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

**15. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
Cash - Unrestricted	197,898	1,959,650	122,414
Cash - Restricted	<u>1,613,420</u>	<u>1,872,303</u>	<u>1,194,367</u>
	<u><u>1,811,318</u></u>	<u><u>3,831,953</u></u>	<u><u>1,316,781</u></u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Leave Reserve	118,422	115,422	112,863
Community Facilities Reserve	133,458	129,258	126,745
Waste Management Reserve	126,328	122,328	119,616
Bridge Reserve	67,541	65,541	64,088
Council Buildings Reserve	31,035	30,035	29,369
Plant Reserve	130,485	126,485	123,911
Community Bus Reserve	56,238	54,438	53,231
Sewerage Reserve	281,231	474,411	319,327
Economic Development Reserve	668,681	754,381	245,217
	<u>1,613,420</u>	<u>1,872,300</u>	<u>1,194,367</u>

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

Net Result	1,582,769	2,754,289	882,205
Depreciation	2,137,879	1,983,164	2,001,686
(Profit)/Loss on Sale of Asset	(50,650)	(44,707)	(6,048)
(Increase)/Decrease in Receivables	0	(35,479)	0
(Increase)/Decrease in Inventories	0	(2,404)	0
Increase/(Decrease) in Payables	0	(84,149)	0
Increase/(Decrease) in Employee Provisions	0	102,958	0
Grants/Contributions for the Development of Assets	(2,156,809)	(1,583,398)	(1,521,716)
<b>Net Cash from Operating Activities</b>	<u><u>1,513,189</u></u>	<u><u>3,090,274</u></u>	<u><u>1,356,127</u></u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	1,000,000	1,000,000	1,000,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	35,000	35,000	35,000
Credit Card Balance at Balance Date	(1,000)	(1,000)	(1,000)
<b>Total Amount of Credit Unused</b>	<u><u>1,034,000</u></u>	<u><u>1,034,000</u></u>	<u><u>1,034,000</u></u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u><u>1,302,865</u></u>	<u><u>1,200,375</u></u>	<u><u>1,200,375</u></u>
Unused Loan Facilities at Balance Date	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

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

**16. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1-Jul-15 \$</b>	<b>Estimated Amounts Received \$</b>	<b>Estimated Amounts Paid (\$)</b>	<b>Estimated Balance 30-Jun-16 \$</b>
Housing Bonds	7,600			7,600
Community Bus Bonds	200			200
BCITF	1,455			1,455
BRB	1,327			1,327
Moora Repertory Club	5,345			5,345
Other General Trust	12,900			12,900
	<u>28,827</u>	<u>0</u>	<u>0</u>	<u>28,827</u>

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

**17. MAJOR LAND TRANSACTIONS**

It is not anticipated any major land transactions will occur in 2015/16.

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2015/16.