



# ***Annual Report*** ***2018/2019***

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### **Contact Details**

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### **Council:**

Shire President  
Deputy Shire President  
Councillors

Cr K M (Ken) Seymour  
Cr T L (Tracy) Lefroy  
Cr D V (Denise) Clydesdale-Gebert  
Cr E I (Lyn) Hamilton  
Cr P J (Phil) Bellamy  
Cr J M (Julie) Thomas  
Cr S J (Steve) Gilbert  
Cr M R (Marcus) Holliday

### **Senior Officers:**

Chief Executive Officer	Mr A J (Alan) Leeson
Deputy Chief Executive Officer	Mr D K (David) Trevaskis
Manager Engineering Services	Mr J L (John) Greay
Manager Community Development and Visitor Services	Mrs N M (Nicole) Beard

## **President's Report 2018/2019**

It is with great pride and pleasure that I present to you the Shire of Moora's Annual Report for the year ended 30 June 2019 being my fifth report as President. Over the 2018/2019 period Council continued to provide key services, facilities and amenities to the community members within the Shire of Moora.

### **Roadworks and funding**

Wednesday 27<sup>th</sup> March 2019 saw an announcement of the Federal Government's \$70 million commitment through the Roads of Strategic Importance (ROSI) initiative for the Wheatbelt Secondary Freight Route (WSFR). The Deputy Prime Minister Michael McCormack MP joined representatives of the WSFR in Bindoon to mark the funding announcement. The Deputy PM, who is also the Minister for Infrastructure, Transport and Regional Development, has been very receptive to what the project group is trying to achieve with the WSFR network. This will fund road improvements which will enhance productivity and driver safety across the Wheatbelt.

The WSFR encompasses 80 connecting routes with over 4,400km of roads across the Wheatbelt comprising 42 local governments. The WSFR Working Group has been working for the past three years to secure funding for a project of strategic importance for the agricultural and transport sectors. The announcement will bring together the 42 Wheatbelt shires and the Federal Government to identify and prioritise projects across this network.

These roads are local government managed roads, identified as 'secondary freight routes' and are essential for supporting key freight supply chains that support grain, mining, general freight and the tourism industry. This means they carry a significant and highly valued freight task but are not located on a state or federal road.

ROSI will deliver works such as road realignments, road sealing, strengthening and widening, flood immunity, pavement rehabilitation and bridge and culvert upgrades, creating a more reliable and safer road network and improve access for higher capacity vehicles. The road upgrades are part of the Australian Government's \$3.5 billion nationwide investment over the next decade through ROSI, to ensure the nation's key freight roads efficiently connect agricultural and mining regions to ports, airports and other transport hubs.

### **Restricted Access Vehicle Network**

Restricted Access Vehicle Network continues to be a focus for Council based on feedback from industry stakeholders. The Midlands Road is now rated RAV 7 all the way down from Dongara through to Walebing. As a result of this, Council has worked closely with industry stakeholders to upgrade RAV ratings on a number of local shire roads. Main Roads and the Shire will work collaboratively across this issue with all stakeholders to ensure the movement of produce can occur in a safe and efficient manner.

### **Miling Bypass**

The Miling Bypass was officially opened on the 5<sup>th</sup> June 2019. The Miling Bypass provides an alternative route for heavy vehicles around the town of Miling, improving freight efficiency and creating safer passage for all road users. It also separates local and heavy vehicle traffic, minimising noise and vibration in the Miling townsite. The upgrade to the Miling main street is expected to occur in March/April 2020 prior to it being formally handed over to the care and control of the Shire of Moora.



### **Hydrotherapy Pool and Dental Centre**

Construction of the new hydrotherapy pool and dental centre was completed in April 2019. There have been a number of hurdles in bringing the project to fruition which have delayed the opening of the new centre. It is anticipated the new centre will open its doors to the public in March/April 2020 with official opening ceremony scheduled for March 11<sup>th</sup>, 2020.





### **Community groups and events**

Throughout the year, Council was pleased to be able to continue support of many community events across the Shire. Once again highlights were the continued success of the Moora Triathlon and the Gravel Grinder. Both events attract participants from afar and from within our community. The events have really grown in status. I wish to thank everyone involved from participants to organisers in ensuring these community events are a success.

I wish to also formally acknowledge the critical contributions from our wide network of volunteers associated with fire, emergency, health and service organisations across the Shire of Moora. Such contributions are truly appreciated by the Shire of Moora and community alike.

I would like to thank my fellow Councillors for their work and support in 2018/2019. We continue to serve the community willingly and I feel confident that we will continue to provide strong and cohesive governance on behalf of the Shire of Moora community. Likewise, I must extend my sincere appreciation and thanks to the staff for their continued dedication and professionalism, particularly as the public face representing the Shire.

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

A handwritten signature in black ink, appearing to read 'K. Seymour'.

**Councillor Ken Seymour**  
**Shire President**

## **Chief Executive Officer's Report 2018/2019**

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

The 2018/2019 financial year was very busy for shire staff completing a number of important projects for the long term benefit and enjoyment of the Moora Shire community.

The new Hydrotherapy Pool and Dental Centre and the new Moora Men's Shed were constructed to the point of "practical completion". Over the course of the ensuing months final tasks associated with overall completion will be undertaken. It is fair to say the completion of the hydrotherapy pool and dental centre has taken far longer than we would have hoped. A major part of this delay was associated with getting access to the power supply from the Moora Hospital site main switch board which supplies power to the Moora Frail Aged Lodge. After many months of negotiations with WA Country Health approval was finally granted in October 2019.

Though there were many hurdles and frustrations with this project, the benefits will be long term for the community in being able to access the state-of-the-art heated pool. The pool will be suitable for rehabilitation needs and passive needs such as water aerobics and infant aquatics.

During the 2018/2019 financial year areas of significant capital expenditure were:

### **Road Construction**

•	Moora Caro Road	\$934,133
•	Clarke Street	\$ 53,064
•	Old Geraldton Road	\$307,328
•	Old Geraldton Road	\$114,977
•	Dalwallinu West Road	\$553,888
•	McPherson Street	\$ 52,164

### **Land and Buildings**

Projects included but not limited to

•	Watheroo Hall Roof	\$ 37,060
•	Miling Pavilion	\$ 9,093
•	Moora Lifestyle Display Home	\$112,449
•	Moora Pool Refurbishment Works	\$ 89,212
•	Miling Tennis Courts	\$ 43,700
•	Mens' Shed	\$446,959
•	Hydrotherapy/Dental Centre	\$2,133,648
•	Moora Performing Arts Centre	\$ 28,633

### **Plant and Equipment**

Included but not limited to

•	Multi Tyre Roller	\$110,000
•	Side tipper	\$ 50,000
•	Mini Excavator	\$ 59,700
•	Hino 700 Truck	\$208,300
•	Small truck fleet	\$191,656

### **Public Infrastructure**

•	Sewerage Scheme renewal	\$ 95,189
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**Social Media**

Social media continues to challenge the way we go about our business. In 2019/2020 I hope to review the way in which we communicate what we do to the community to ensure we engage in the most positive way possible. I would like to assure the community that all shire staff and councillors do their very best for the community every day to improve facilities, amenities and services to make this community a great place to live. I would encourage any community member who has a concern, a suggestion or simply feedback about any facet of the shires operations to contact the shire in a positive and constructive manner. It may be that we can't appease everyone, however we will certainly ensure all matters brought to our attention are given fair and just consideration.

**Closing**

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

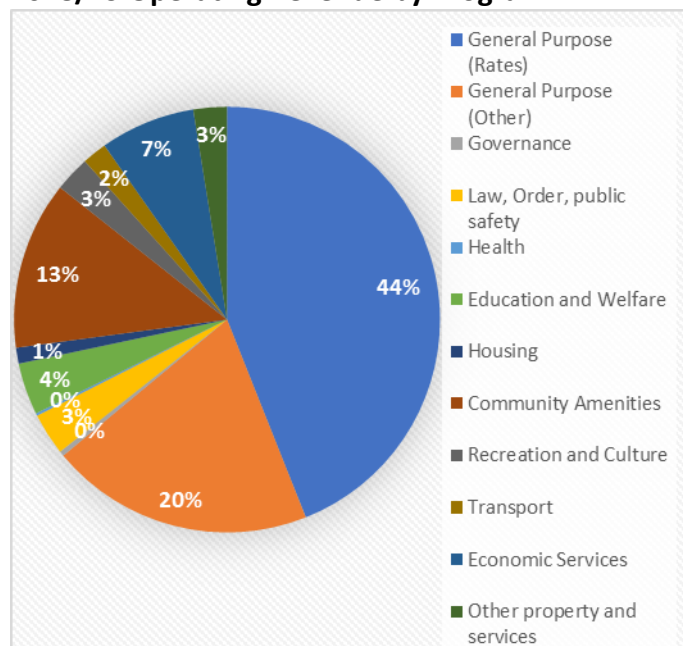
In closing, I would like to thank Council and staff for their ongoing support.



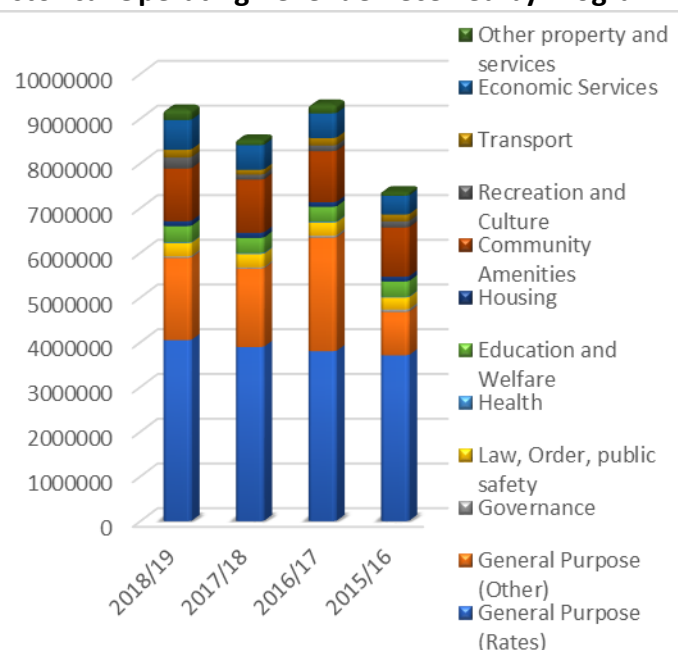
**Alan Leeson**  
**Chief Executive Officer**

## Deputy Chief Executive Officer Report 2018/2019

### 2018/19 Operating Revenue by Program



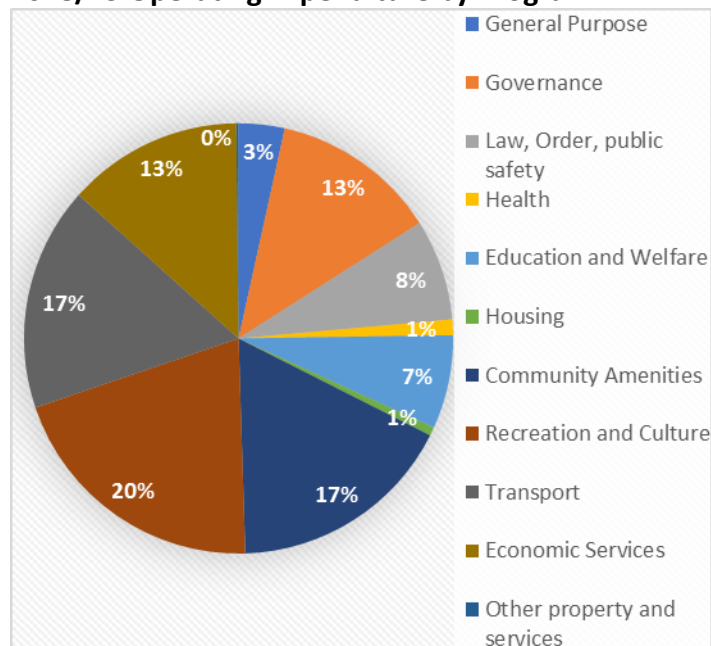
### Historical Operating Revenue Received by Program



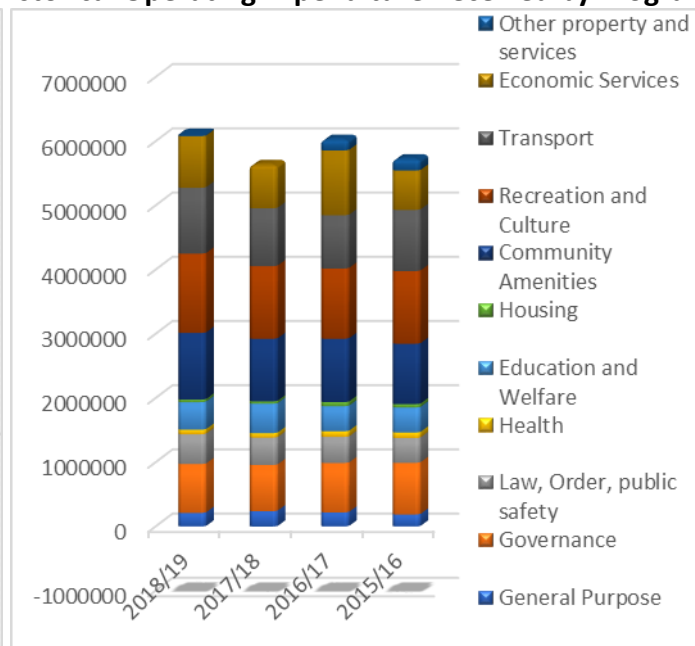
The Shire of Moora total operating revenue for the 2018/19 financial year was \$9,203,210 (2017/18: \$8,520,335). The increase can be explained in part due to the timing of receipt of the Shire's 2019/20 financial assistant grants payment which was paid early (June 2019).

Shire rates revenue accounted for 44% of operating income, financial assistance grants (20%) and rubbish collection and sewerage service charges (13%). The balance of operating revenue was earned through the Moora Caravan Park and Moora Lifestyle Village (7%), Moora Childcare Centre (4%), emergency services levies (3%), insurance reimbursement (3%), operating road grant (2%), and rent, hire and lease fees accounting for the balance (4%).

### 2018/19 Operating Expenditure by Program

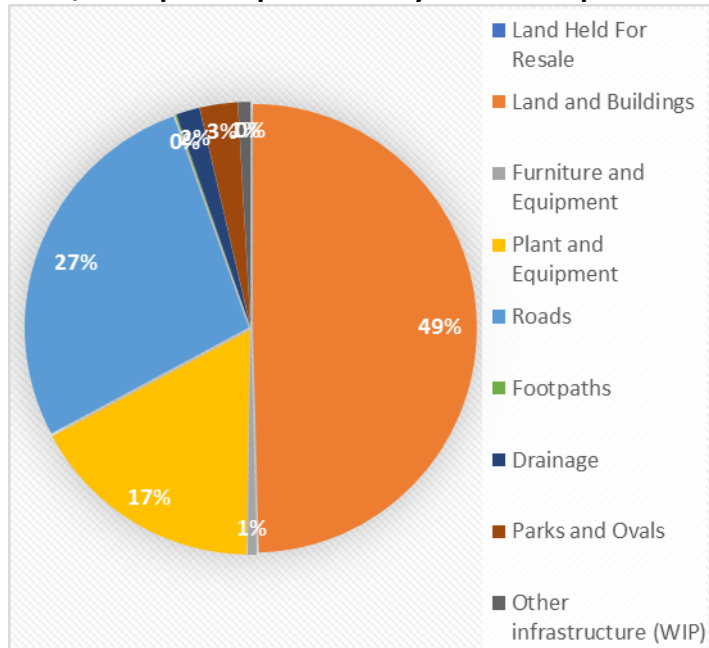


### Historical Operating Expenditure Received by Program

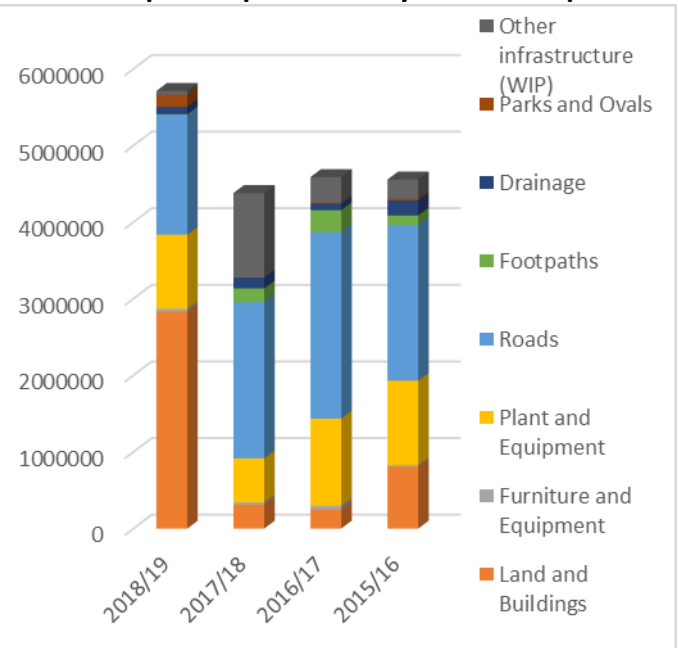


Major Shire expenditure (excluding depreciation) for 2018/19 (1) maintenance of parks and recreation facilities (20%); (2) sewerage and waste services (17%); (3) road maintenance (17%); (4) administration services (13%); (5) economic services and tourism (13%). In addition, 8% is attributed to fire and emergency services costs, 7% to operate the childcare centre, 3% finance costs and 2% maintaining the Shire's housing stock and supporting health initiatives.

## 2018/19 Capital Expenditure by Asset Group

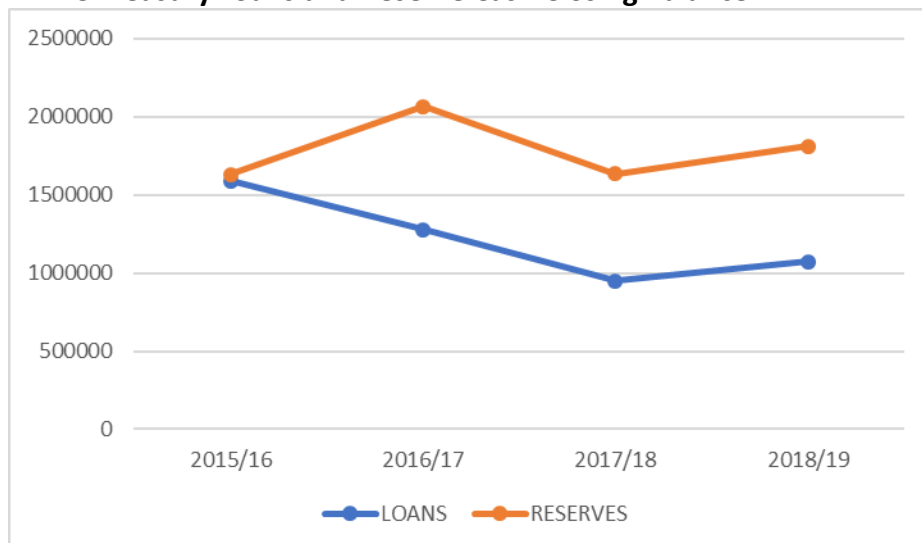


## Historical Capital Expenditure by Asset Group



The Shire received \$1,640,433 (2017/18: 1,877,880) of non-operating grant revenue during the year which was used to fund Land and Buildings (49%), including the construction of the Hydrotherapy Pool & Dental Space and Mens Shed projects, and regional road construction (27%). 17% of capital expenditure was on plant and equipment renewal.

## WATC Treasury Loans and Reserve Cash Closing Balance



The Shire borrowed \$500,000 (Hydrotherapy Pool) from WA Treasury Corporation and repaid \$361,298 (2017/18: \$329,636) including making final loan repayments for Moora Lifestyle Village loan and Moora Town Hall loan. Overall the Shire's debt to service ratio improved to 7.46 (2017/18: 2.77). Closing reserve funds held by the Shire increased to \$1,809,882 (2017/18: 1,634,748) with \$150,000 being transferred to the Sewerage Reserve for asset management purposes in addition to interest earnings on investments.

David Trevaskis  
Deputy Chief Executive Officer

## **Report on Strategic Community Plan 2018/2019**

The Shire of Moora Strategic Community Plan was adopted by Council on 17 April 2013.

The Strategic Community Plan contains five goals, each of which is supported by a number of outcomes, strategies and key performance indicators.

### **Strategic Community Goals and their Key Performance Indicators:**

<b>Goal 1: A vibrant, healthy and safe community</b>	<b>Key Performance Indicator</b>	<b>Result</b>
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

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

<b>Goal 3: A built environment that supports economic and community growth</b>	<b>Key Performance Indicator</b>	<b>Result</b>
Outcome 3.1: Appropriate planning and development	Community satisfaction with planning and development application information and advice	Applications and advice dealt with in a timely fashion.
Outcome 3.2: Attractive townscape and streetscapes	Community satisfaction with townscapes and streetscapes	Programs on going. Padbury Street Plan to be developed in 2017/2018
Outcome 3.3: A safe and reliable transport system	Community satisfaction with the standard of roads, bridges and footpaths	Strong results in this area with roads enhanced and maintained. Maintenance issues dealt with in timely manner
Outcome 3.4: Council buildings and facilities that meet community needs	Community satisfaction with the standard of Council buildings and facilities	Survey yet to be conducted
Outcome 3.5: Sustainable asset and infrastructure base	Asset consumption ratio, asset renewal funding ratio and asset sustainability ratio	Asset Sustainability Ratio 2014 1.283 2015 1.605 2016 0.776 2017 1.027

<b>Goal 4: A thriving and diverse local economy</b>	<b>Key Performance Indicator</b>	<b>Result</b>
Outcome 4.1: A strong and diversified economic base	Number of serviced lots released	No service lots were released in 2018/2019
Outcome 4.2: A dynamic and resilient business sector	Community satisfaction with Council support for business and industry	Survey yet to be conducted

<b>Goal 5: Good governance and an effective and efficient organisation</b>	<b>Key Performance Indicator</b>	<b>Result</b>
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 2018/2019 the Shire of Moora had three employees entitled to an annual salary exceeding \$100,000, two in the \$120,000 to \$130,000 band and one in the \$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.

### **Public Interest Disclosure**

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

In the 2018/2019 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred.

### **Freedom of Information Act 1992**

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

The Shire did not receive any FOI applications in the 2018/2019 financial year.

**SHIRE OF MOORA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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**COMMUNITY VISION**

**"A vibrant, affordable Regional Centre with a growing, caring community".**

Principal place of business:  
34 Padbury Street  
MOORA  
WA 6510

**SHIRE OF MOORA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Moora for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Moora at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

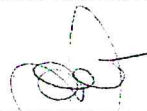
18

day of

December

2019

\_\_\_\_\_  
Chief Executive Officer



\_\_\_\_\_  
Alan James Leeson



SHIRE OF MOORA  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Restated * \$
Revenue				
Rates	22(a)	4,046,880	3,999,744	3,895,291
Operating grants, subsidies and contributions	2(a)	2,152,109	1,156,937	1,992,847
Fees and charges	2(a)	2,586,459	2,518,665	2,363,308
Interest earnings	2(a)	155,399	174,026	166,297
Other revenue	2(a)	262,363	116,588	102,592
		9,203,210	7,965,960	8,520,335
Expenses				
Employee costs		(3,577,942)	(3,627,468)	(3,592,844)
Materials and contracts		(1,653,114)	(1,739,463)	(1,264,021)
Utility charges		(393,523)	(371,585)	(366,674)
Depreciation on non-current assets	11(b)	(4,214,156)	(3,556,249)	(3,915,510)
Interest expenses	2(b)	(55,807)	(52,804)	(59,899)
Insurance expenses		(184,659)	(178,438)	(171,221)
Other expenditure		(280,368)	(278,882)	(236,864)
		(10,359,569)	(9,804,889)	(9,607,033)
		(1,156,359)	(1,838,929)	(1,086,698)
Non-operating grants, subsidies and contributions	2(a)	1,640,433	2,122,927	1,877,880
Profit on asset disposals	11(a)	88,726	52,800	11,629
(Loss) on asset disposals	11(a)	(205,828)	(349,800)	(36,855)
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	87,586	0	0
(Loss) on revaluation of Infrastructure - Footpaths	10(a)	0	0	(893,992)
		1,610,917	1,825,927	958,662
Net result for the period		454,558	(13,002)	(128,035)
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	7,838,532
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>7,838,532</b>
<b>Total comprehensive income for the period</b>		<b>454,558</b>	<b>(13,002)</b>	<b>7,710,497</b>

\* See note 28 for details regarding the restatement as a result of an error

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 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Restated * \$
Revenue				
Governance		34,352	31,938	29,575
General purpose funding		5,887,274	4,970,925	5,645,444
Law, order, public safety		294,952	298,325	297,753
Health		17,153	20,690	21,864
Education and welfare		363,077	375,970	339,991
Housing		111,093	116,180	114,437
Community amenities		1,175,832	1,176,966	1,188,472
Recreation and culture		248,163	143,027	111,933
Transport		173,260	110,639	105,394
Economic services		663,971	610,550	551,769
Other property and services		234,083	110,750	113,703
		9,203,210	7,965,960	8,520,335
Expenses				
Governance		(927,615)	(926,226)	(789,833)
General purpose funding		(210,805)	(201,334)	(237,798)
Law, order, public safety		(551,486)	(493,427)	(466,185)
Health		(80,706)	(107,714)	(78,679)
Education and welfare		(460,552)	(543,207)	(490,892)
Housing		(57,960)	(90,429)	(55,523)
Community amenities		(1,578,757)	(1,131,612)	(1,092,175)
Recreation and culture		(1,933,433)	(1,862,048)	(1,677,352)
Transport		(3,704,692)	(3,493,787)	(3,921,566)
Economic services		(787,262)	(863,461)	(738,091)
Other property and services		(10,494)	(38,840)	961
		(10,303,762)	(9,752,085)	(9,547,133)
Finance Costs				
General purpose funding		(55,807)	(52,804)	(59,899)
	2(b)	(55,807)	(52,804)	(59,899)
		(1,156,359)	(1,838,929)	(1,086,697)
Non-operating grants, subsidies and contributions	2(a)	1,640,433	2,122,927	1,877,880
Profit on disposal of assets	11(a)	88,726	52,800	11,629
(Loss) on disposal of assets	11(a)	(205,828)	(349,800)	(36,855)
Fair value adjustments to financial assets at fair value through profit or loss	8(b)	87,586	0	0
(Loss) on revaluation of Infrastructure - Footpaths	10(a)	0	0	(893,992)
		1,610,917	1,825,927	958,662
Net result for the period		454,558	(13,002)	(128,035)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	12	0	0	7,838,532
Total other comprehensive income for the period		0	0	7,838,532
Total comprehensive income for the period		454,558	(13,002)	7,710,497

\* See note 28 for details regarding the restatement as a result of an error

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





SHIRE OF MOORA  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 Restated * \$	1 July 2017 Restated * \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	2,963,002	4,191,090	4,078,127
Trade receivables	5	513,309	566,666	886,101
Other financial assets at amortised cost	8	1,018,643	20,035	0
Inventories	6	20,905	47,709	11,217
Other current assets	7	383,168	26,702	0
<b>TOTAL CURRENT ASSETS</b>		<b>4,899,027</b>	<b>4,852,202</b>	<b>4,975,445</b>
<b>NON-CURRENT ASSETS</b>				
Trade receivables	5	34,187	29,457	154,359
Other financial assets at amortised cost	8(b)	309,033	0	0
Other loans and receivables	8(b)	0	142,455	0
Available for sale financial assets	8(b)	0	100,000	100,000
Inventories	6	375,000	345,000	345,000
Property, plant and equipment	9	20,330,803	20,917,778	20,933,529
Infrastructure	10	166,291,120	165,016,772	157,723,111
Investment property	13	1,075,682	1,066,613	1,066,613
<b>TOTAL NON-CURRENT ASSETS</b>		<b>188,415,825</b>	<b>187,618,075</b>	<b>180,322,612</b>
<b>TOTAL ASSETS</b>		<b>193,314,852</b>	<b>192,470,277</b>	<b>185,298,057</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	14	532,499	298,587	469,438
Borrowings	15(a)	135,445	348,414	329,636
Employee related provisions	16	606,830	591,648	619,067
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,274,774</b>	<b>1,238,649</b>	<b>1,418,141</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	15(a)	951,127	599,456	947,869
Employee related provisions	16	131,098	128,877	139,249
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,082,225</b>	<b>728,333</b>	<b>1,087,118</b>
<b>TOTAL LIABILITIES</b>		<b>2,356,999</b>	<b>1,966,982</b>	<b>2,505,259</b>
<b>NET ASSETS</b>		<b>190,957,853</b>	<b>190,503,295</b>	<b>182,792,798</b>
<b>EQUITY</b>				
Retained surplus		84,671,384	84,391,960	84,087,679
Reserves - cash backed	4	1,809,882	1,634,748	2,067,064
Revaluation surplus	12	104,476,587	104,476,587	96,638,055
<b>TOTAL EQUITY</b>		<b>190,957,853</b>	<b>190,503,295</b>	<b>182,792,798</b>

\* See note 28 for details regarding the restatement as a result of an error

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 2019

		RETAINED	RESERVES	REVALUATION	TOTAL
	NOTE	SURPLUS	CASH BACKED	SURPLUS	EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		84,087,679	2,067,064	96,638,055	182,792,798
Correction of error	28	0	0	0	0
<b>Restated total equity at the beginning of the financial year</b>		<b>84,087,679</b>	<b>2,067,064</b>	<b>96,638,055</b>	<b>182,792,798</b>
Comprehensive income					
Net result for the period		(128,035)	0	0	(128,035)
Other comprehensive income	12	0	0	7,838,532	7,838,532
Total comprehensive income		(128,035)	0	7,838,532	7,710,497
Transfers from/(to) reserves		432,316	(432,316)	0	0
Balance as at 30 June 2018		<b>84,391,960</b>	<b>1,634,748</b>	<b>104,476,587</b>	<b>190,503,295</b>
Comprehensive income					
Net result for the period		454,558	0	0	454,558
Other comprehensive income	12	0	0	0	0
Total comprehensive income		454,558	0	0	454,558
Transfers from/(to) reserves		(175,134)	175,134	0	0
Balance as at 30 June 2019		<b>84,671,384</b>	<b>1,809,882</b>	<b>104,476,587</b>	<b>190,957,853</b>

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 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts				
Rates		4,007,725	3,999,744	3,920,952
Operating grants, subsidies and contributions		2,232,490	1,156,937	2,223,440
Fees and charges		2,586,459	2,518,665	2,363,308
Interest received		155,399	174,026	166,297
Goods and services tax received		1,999	0	0
Other revenue		262,363	116,588	102,592
		9,246,435	7,965,960	8,776,589
Payments				
Employee costs		(3,556,846)	(3,627,468)	(3,639,021)
Materials and contracts		(1,470,981)	(1,663,890)	(1,457,357)
Utility charges		(393,523)	(371,585)	(366,674)
Interest expenses		(27,199)	(52,804)	(61,295)
Insurance paid		(184,659)	(178,438)	(171,221)
Goods and services tax paid		0	0	6,312
Other expenditure		(280,368)	(278,882)	(236,864)
		(5,913,576)	(6,173,067)	(5,926,120)
<b>Net cash provided by (used in) operating activities</b>	17	3,332,859	1,792,893	2,850,469
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment				
		(1,211,392)	(3,910,063)	(916,980)
Payments for construction of infrastructure		(4,502,680)	(3,117,798)	(3,463,535)
Non-operating grants, subsidies and contributions		1,640,433	2,122,927	1,877,881
Proceeds from sale of property, plant & equipment		346,189	495,300	105,909
Term deposit investment recognised as other financial assets at amortised cost		(1,000,000)	0	0
<b>Net cash provided by (used in) investment activities</b>		(4,727,450)	(4,409,634)	(2,396,725)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Advances to community groups		0	(7,000)	(40,000)
Proceeds from advances		20,323	12,557	21,610
Proceeds from self supporting loans		7,478	7,478	7,245
Repayment of borrowings		(361,298)	(373,384)	(329,636)
Proceeds from new borrowings		500,000	500,000	0
<b>Net cash provided by (used in) financing activities</b>		166,503	139,651	(340,781)
Net increase (decrease) in cash held		(1,228,088)	(2,477,090)	112,963
Cash at beginning of year		4,191,090	4,190,840	4,078,127
Cash and cash equivalents at the end of the year	17	2,963,002	1,713,750	4,191,090

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



**SHIRE OF MOORA**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	23 (b)	2,588,698	2,616,776	1,902,199
		2,588,698	2,616,776	1,902,199
Revenue from operating activities (excluding rates)				
Governance		121,938	31,938	29,575
General purpose funding		1,891,579	971,181	1,750,152
Law, order, public safety		294,952	298,325	297,753
Health		17,153	20,690	21,864
Education and welfare		363,077	375,970	339,991
Housing		111,093	116,180	114,437
Community amenities		1,175,832	1,176,966	1,188,472
Recreation and culture		248,163	143,027	111,933
Transport		259,694	155,339	117,023
Economic services		666,263	618,650	551,769
Other property and services		234,083	110,750	113,703
		5,383,827	4,019,016	4,636,672
Expenditure from operating activities				
Governance		(995,870)	(959,026)	(802,978)
General purpose funding		(266,612)	(254,138)	(297,697)
Law, order, public safety		(551,486)	(493,427)	(475,278)
Health		(80,706)	(107,714)	(78,679)
Education and welfare		(460,552)	(543,207)	(490,892)
Housing		(57,960)	(115,429)	(55,523)
Community amenities		(1,581,072)	(1,131,612)	(1,103,116)
Recreation and culture		(1,933,433)	(1,862,048)	(1,681,027)
Transport		(3,780,050)	(3,501,787)	(3,921,566)
Economic services		(787,262)	(1,143,461)	(738,091)
Other property and services		(70,394)	(42,840)	(893,031)
		(10,565,397)	(10,154,689)	(10,537,878)
Non-cash amounts excluded from operating activities	23(a)	4,236,891	3,862,249	4,997,605
<b>Amount attributable to operating activities</b>		1,644,019	343,352	998,598
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	1,640,433	2,122,927	1,877,880
Proceeds from disposal of assets	11(a)	346,189	495,300	105,909
Purchase of property, plant and equipment	9(a)	(1,211,392)	(3,910,063)	(916,980)
Purchase and construction of infrastructure	10(a)	(4,502,680)	(3,117,798)	(3,463,535)
<b>Amount attributable to investing activities</b>		(3,727,450)	(4,409,634)	(2,396,726)
<b>FINANCING ACTIVITIES</b>				
Advances to community groups		0	(7,000)	(40,000)
Proceeds from advances		20,323	12,557	21,610
Proceeds from self supporting loans	15(b)	7,478	7,478	7,245
Repayment of borrowings	15(b)	(361,298)	(373,384)	(329,636)
Proceeds from borrowings	15(c)	500,000	500,000	0
Transfers to reserves (restricted assets)	4	(175,134)	(99,000)	(187,684)
Transfers from reserves (restricted assets)	4	0	20,000	620,000
<b>Amount attributable to financing activities</b>		(8,631)	60,651	91,535
<b>Surplus/(deficit) before imposition of general rates</b>		(2,092,062)	(4,005,631)	(1,306,593)
<b>Total amount raised from general rates</b>	22(a)	3,995,695	3,999,744	3,895,291
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>1,903,633</b>	<b>(5,887)</b>	<b>2,588,698</b>

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

## 1. 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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this financial report 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 25 to these financial statements.



SHIRE OF MOORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	3,636	0	0
General purpose funding	1,639,161	759,655	1,551,633
Law, order, public safety	154,502	152,196	169,372
Health	2,870	3,250	3,250
Education and welfare	65,334	65,970	83,127
Community amenities	(8,134)	1,000	20,243
Recreation and culture	120,344	30,177	9,576
Transport	173,260	110,639	105,394
Economic services	0	13,300	13,699
Other property and services	1,136	20,750	36,553
	2,152,109	1,156,937	1,992,847
Non-operating grants, subsidies and contributions			
Law, order, public safety	4,506	0	500,776
Education and welfare	360,000	900,000	0
Recreation and culture	383,727	405,188	82,226
Transport	848,200	817,739	1,294,878
Economic services	44,000	0	0
	1,640,433	2,122,927	1,877,880
Total grants, subsidies and contributions	3,792,542	3,279,864	3,870,727

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

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 21. 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.

SHIRE OF MOORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Other revenue			
Reimbursements and recoveries	171,970	40,000	20,793
Other	90,393	76,588	81,799
	<u>262,363</u>	<u>116,588</u>	<u>102,592</u>
Fees and Charges			
Governance	1,179	5,350	8,382
General purpose funding	11,187	12,500	11,429
Law, order, public safety	140,451	146,129	128,381
Health	14,283	17,440	18,614
Education and welfare	297,744	310,000	256,863
Housing	111,093	116,180	114,437
Community amenities	1,183,966	1,175,966	1,168,229
Recreation and culture	127,734	112,850	102,357
Economic services	663,708	597,250	537,926
Other property and services	35,114	25,000	16,691
	<u>2,586,459</u>	<u>2,518,665</u>	<u>2,363,308</u>
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Loans receivable - clubs/institutions	3,526	3,526	3,743
Reserve accounts interest	42,067	50,000	47,966
Rates instalment and penalty interest (refer Note 22(d))	52,918	60,500	53,400
Other interest earnings	56,888	60,000	61,188
	<u>155,399</u>	<u>174,026</u>	<u>166,297</u>

SHIRE OF MOORA  
NOTES TO, AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Auditors remuneration			
- Audit of the Annual Financial Report	38,000	37,000	37,000
- Other services	23,086	10,500	15,866
	61,086	47,500	52,866
Interest expenses (finance costs)			
Borrowings (refer Note 15(b))	52,028	52,804	58,869
Overdraft interest expenses	3,779	0	1,030
	55,807	52,804	59,899
Rental charges			
- Operating leases	14,800	14,800	14,800
	14,800	14,800	14,800

SHIRE OF MOORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash and cash equivalents			
Cash at bank and on hand (including deposits and bonds)		153,120	3,191,090
Term deposits		2,000,000	1,000,000
Term Deposits - reserves		809,882	0
Total cash and cash equivalents		2,963,002	4,191,090
Other financial assets at amortised cost			
Term Deposits - reserves	8	1,000,000	0
Total other financial assets at amortised cost		1,000,000	0
Total cash and cash equivalents and other financial assets at amortised cost		3,963,002	4,191,090
Comprises:			
- Unrestricted cash and cash equivalents		1,993,854	2,398,241
- Restricted cash and cash equivalents		1,969,148	1,792,849
Total cash and cash equivalents and other financial assets at amortised cost		3,963,002	4,191,090
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Leave reserve	4	284,116	281,511
Plant reserve	4	138,916	137,689
Council building reserve	4	242,647	240,515
Community facilities reserve	4	123,502	122,315
Waste management reserve	4	134,396	133,163
Bridge reserve	4	72,007	71,346
Community bus reserve	4	7,059	6,994
Sewerage reserve	4	650,106	495,431
Economic development reserve	4	137,040	135,784
Emergency Relief Fund	4	20,093	10,000
		1,809,882	1,634,748
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	21	130,658	158,101
Bonds - Building and facility hire	14	28,608	0
<b>Total restricted cash and cash equivalents</b>		1,969,148	1,792,849

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

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 2019

4. RESERVES - CASH BACKED

	2019			2019			2019			2019			2018		
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer	to	to	to	to	Opening	Transfer	to	Opening	Transfer	to	Opening	Transfer	Closing
	Balance	(from)					Balance	(from)		Balance	(from)		Balance	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	281,511	2,605					281,514	9,000		290,514			275,125	6,386	281,511
(b) Plant reserve	137,689	1,227					137,689	5,000		142,689			134,565	3,124	137,689
(c) Council building reserve	240,515	2,132					240,515	8,000		248,515	(20,000)		235,059	5,456	240,515
(d) Community facilities reserve	122,315	1,187					122,315	5,000		127,315			137,515	24,800	122,315
(e) Waste management reserve	133,163	1,233					133,163	4,000		137,163			130,142	3,021	133,163
(f) Bridge reserve	71,346	661					71,346	3,000		74,346			69,727	1,619	71,346
(g) Community bus reserve	6,994	65					6,994			6,994			6,835	159	6,994
(h) Sewerage reserve	495,431	154,675					495,431	60,000		555,431			378,537	116,894	495,431
(i) Economic development reserve	135,784	1,256					135,783	5,000		140,783			699,559	16,225	135,784
(j) Emergency Relief Fund	10,000	10,093					10,000			10,000			0	10,000	10,000
	1,634,748	175,134					1,634,750	99,000		1,713,750	(20,000)		2,067,064	187,684	1,634,748

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	ongoing	To be used to fund outstanding annual and long service leave requirements
(b) Plant reserve	ongoing	To be used for the purchase of items of plant and equipment.
(c) Council building reserve	ongoing	To be used for major projects relating to Council buildings including renovations and constructions of new facilities.
(d) Community facilities reserve	ongoing	To provide funds to eligible community organisations for approved projects. Maximum loan is \$20,000 repayable over 3-10 years under certain conditions. Also to fund Moora Lifestyle Village Relocation Loans.
(e) Waste management reserve	ongoing	To be used for major projects relating to waste management including future rubbish site development and waste management plant items.
(f) Bridge reserve	ongoing	Funds held for funding bridge work maintenance.
(g) Community bus reserve	ongoing	To provide for repairs and upgrade of community bus.
(h) Sewerage reserve	ongoing	To be used for sewerage infrastructure works.
(i) Economic development reserve	ongoing	To be used for future economic development services within the Shire of Moora. These include land development relating to residential, commercial and industrial use.
(j) Emergency Relief Fund	ongoing	To be used for emergency disaster relief

## 5. TRADE RECEIVABLES

### Current

Rates receivable	370,007	340,984
Sundry receivables	154,535	208,067
Allowance for impairment of receivables	(46,491)	(19,642)
GST receivable	35,258	37,257
	513,309	566,666

### Non-current

Pensioner's rates and ESL deferred	29,679	19,547
MLSV relocation loans	4,508	9,910
	34,187	29,457

### Rates outstanding

#### Includes:

Past due and not impaired	355,673	341,298
Impaired	44,013	19,233

The table illustrates the rates outstanding aging analysis (including non current pensioners)

Up to one year	118,309	139,989
One to three years	140,955	77,238
Three of more years	140,422	143,304
	399,686	360,531

### Sundry debtors

#### Includes:

Past due and not impaired	156,564	217,568
Impaired	2,479	409

The table illustrates the sundry debtors aging analysis (including MLSV relocation loans)

Up to one month	142,052	185,178
One to three months	2,355	17,674
Three of more months	14,636	15,125
	159,043	217,977

## SIGNIFICANT ACCOUNTING POLICIES

### 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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

### Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.



## 6. INVENTORIES

### Current

#### Fuel and materials

### Non-current

#### Land held for resale - cost

##### Cost of acquisition

##### Development costs

	2019	2018
	\$	\$
	20,905	47,709
	20,905	47,709
	375,000	82,663
	0	262,337
	375,000	345,000
	392,709	356,217
	(26,804)	0
	28,528	0
	1,472	36,492
	395,905	392,709

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year

Net transfers to/(from) "Land" assets

Additions to inventory

Carrying amount at 30 June

## SIGNIFICANT ACCOUNTING POLICIES

### 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.

## 7. OTHER ASSETS AND ASSETS CLASSIFIED AS HELD FOR SALE

### Other current assets

#### Prepayments

#### Accrued interest - term deposits

#### Non current assets held for sale

2019	2018
\$	\$
44,579	26,702
26,933	0
311,656	0
383,168	26,702

Land and buildings classified as held for sale

At the 20 February 2019 ordinary council meeting, Council resolved to list several industrial and residential blocks for sale. In addition, Council included proceeds from the sale of the old dental surgery and residence on Keane Street in the 2019/2020 budget. The properties are listed with a local real estate agent and are to be disposed of by private treaty.

### SIGNIFICANT ACCOUNTING POLICIES

#### Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

#### Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

#### Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 31(h).



**SHIRE OF MOORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

**8. OTHER FINANCIAL ASSETS**

	2019	2018
	\$	\$
(a) Current assets		
Other financial assets at amortised cost	1,018,643	0
Other loans and receivables	0	20,035
	1,018,643	20,035
Other financial assets at amortised cost		
- Financial assets at amortised cost - term deposits	1,000,000	0
- Financial assets at amortised cost - self supporting loans	7,719	0
- Financial assets at amortised cost - community loans	10,924	0
	1,018,643	0
Financial assets previously classified as loans and receivables		
- Self supporting loans receivable - clubs/institutions	0	7,478
- Loans receivable - clubs/institutions	0	12,557
	0	20,035
(b) Non-current assets		
Other financial assets at amortised cost	121,447	0
Financial assets at fair value through profit and loss	187,586	0
Available for sale financial assets	0	100,000
Other loans and receivables	0	142,455
	309,033	242,455
Other financial assets at amortised cost		
- Financial assets at amortised cost - self supporting loans	47,110	0
- Financial assets at amortised cost - community loans	74,337	0
	121,447	0
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
CMC Pty Ltd - 100,000 B class shares @ \$1 per share	100,000	0
Local Government House - 5 Units	87,586	0
	187,586	0
Financial assets previously classified as available for sale financial assets		
CMC Pty Ltd - 100,000 B class shares @ \$1 per share	0	100,000
	0	100,000
Financial assets previously classified as loans and receivables		
- Self supporting loans receivable - clubs/institutions	0	54,829
- Loans receivable - clubs/institutions	0	87,626
	0	142,455
During the year, the following gains/(losses) were recognised in profit and loss:		
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services	87,586	0
	87,586	0

The Shire of Moora is equal joint share holders with the Shire of Dalwallinu and Shire of Wongan-Ballidu in Central Midlands Construction Pty Ltd (CMC) and each hold 100,000 B Class Shares. The financial management and operations of CMC are controlled by Innovation Central Midlands WA Inc. (ICMI) who is the holder of 1 A Class share (the only A class share on issue). ICMI is managed by a committee, the members of which comprise all of the members of ICMI (ie the nine members appointed by the three Shires).

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 15(b) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income;
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 24

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Previous accounting policy: available for sale financial assets**

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as 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.

**Previous accounting policy: Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 26 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) 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.

	Land - freehold land	Land - and under the control of Council	Total land	Buildings - specialised non-	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017 (Restated) *	2,972,400	200,000	3,172,400	1,010,000	12,356,464	13,366,464	16,538,864	132,141	4,262,524	20,933,529
Additions	48,650	0	48,650	0	265,491	265,491	314,141	27,813	575,026	916,980
(Disposals)	0	0	0	0	0	0	0	(3,675)	(127,460)	(131,135)
Depreciation (expense)	0	0	0	(29,370)	(573,299)	(602,669)	(602,669)	(24,648)	(310,144)	(937,461)
Transfers	0	0	0	0	128,891	128,891	128,891	0	6,974	135,865
Carrying amount at 30 June 2018 (Restated) *	3,021,050	200,000	3,221,050	980,630	12,177,547	13,158,177	16,379,227	131,631	4,406,920	20,917,778
Comprises:										
Gross carrying amount at 30 June 2018	3,021,050	200,000	3,221,050	2,229,287	29,034,012	31,263,299	34,484,349	168,719	4,953,635	39,606,703
Accumulated depreciation at 30 June 2018	0	0	0	(1,248,657)	(16,856,465)	(18,105,122)	(18,105,122)	(37,088)	(546,715)	(18,688,925)
Carrying amount at 30 June 2018 (Restated) *	3,021,050	200,000	3,221,050	980,630	12,177,547	13,158,177	16,379,227	131,631	4,406,920	20,917,778
Additions	58,410	0	58,410	64,381	83,481	147,862	206,272	37,020	968,100	1,211,392
(Disposals)	(5,808)	0	(5,808)	0	0	0	(5,808)	(38,686)	(418,797)	(463,291)
Depreciation (expense)	0	0	0	(29,396)	(581,208)	(610,604)	(610,604)	(25,121)	(364,878)	(1,000,603)
Transfers	(194,650)	0	(194,650)	(9,069)	(140,504)	(149,573)	(344,223)	9,750	0	(334,473)
Carrying amount at 30 June 2019	2,879,002	200,000	3,079,002	1,006,546	11,539,316	12,545,862	15,624,864	114,594	4,591,345	20,330,803
Comprises:										
Gross carrying amount at 30 June 2019	2,879,002	200,000	3,079,002	1,523,813	28,738,423	30,262,236	33,341,238	158,181	5,427,693	38,927,112
Accumulated depreciation at 30 June 2019	0	0	0	(517,267)	(17,199,107)	(17,716,374)	(17,716,374)	(43,587)	(836,348)	(18,596,309)
Carrying amount at 30 June 2019	2,879,002	200,000	3,079,002	1,006,546	11,539,316	12,545,862	15,624,864	114,594	4,591,345	20,330,803



9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Sales comparison approach	Independent	June 2017	Market sales evidence
Land - freehold land	3	Cost approach	Independent	June 2017	Costs and current condition
Land - vested in and under the control of Council	3	Cost approach	Independent	June 2017	Costs and current condition
Buildings - non-specialised	2	Sales comparison approach	Independent	June 2017	Market sales evidence
Buildings - specialised	3	Cost approach	Independent	June 2017	Costs and current condition
Furniture and equipment	3	Sales comparison approach	Management	June 2016	Market sales evidence
Plant and equipment	2	Sales comparison approach	Management	June 2016	Market sales evidence
Plant and equipment	3	Cost approach using depreciated replacement cost	Management	June 2016	Costs and current condition, residual values and remaining useful life assessments

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

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

SHIRE OF MOORA  
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10. INFRASTRUCTURE

(a) 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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Infrastructure - Bridges	Infrastructure - Street Lighting and Furniture	Infrastructure - Sewerage	Infrastructure - WIP	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	136,071,876	1,588,547	10,321,647	3,455,005	5,493,548	357,625	0	434,863	157,723,111
Additions	2,036,197	182,556	141,620	823	0	385,492	0	716,847	3,463,535
Revaluation increments / (decrements) transferred to revaluation surplus	(8,821,383)	(65,289)	13,178,212	685,436	2,179,719	681,837	0	0	7,838,532
Revaluation (loss) / reversals transferred to profit or loss	0	(893,992)	0	0	0	0	0	0	(893,992)
Depreciation (expense)	(2,280,938)	(43,769)	(384,122)	(119,621)	(119,083)	(30,516)	0	0	(2,978,049)
Transfers	0	0	0	34,450	0	186,580	0	(357,395)	(136,365)
Carrying amount at 30 June 2018	127,005,752	768,053	23,257,357	4,056,093	7,554,184	1,581,018	0	794,315	165,016,772
Comprises:									
Gross carrying amount at 30 June 2018	153,191,789	1,654,709	48,745,040	7,395,800	11,123,841	2,156,214	0	794,315	225,051,708
Accumulated depreciation at 30 June 2018	(26,186,037)	(886,656)	(25,487,683)	(3,339,707)	(3,569,657)	(575,196)	0	0	(60,044,936)
Carrying amount at 30 June 2018	127,005,752	768,053	23,257,357	4,056,093	7,554,184	1,581,018	0	794,315	165,016,772
Additions	1,565,282	5,912	97,318	156,105	0	51,812	0	2,626,251	4,502,680
Depreciation (expense)	(1,987,700)	(27,587)	(682,480)	(298,118)	(121,964)	(95,704)	0	0	(3,213,553)
Transfers	0	0	(16,699,210)	4,301	0	0	16,699,210	(19,080)	(14,779)
Carrying amount at 30 June 2019	126,583,334	746,378	5,972,985	3,918,381	7,432,220	1,537,126	16,699,210	3,401,486	166,291,120
Comprises:									
Gross carrying amount at 30 June 2019	154,757,071	1,660,620	15,228,169	7,556,205	11,123,841	2,208,026	33,614,189	3,401,486	229,549,607
Accumulated depreciation at 30 June 2019	(28,173,737)	(914,242)	(9,255,184)	(3,637,824)	(3,691,621)	(670,900)	(16,914,979)	0	(63,258,487)
Carrying amount at 30 June 2019	126,583,334	746,378	5,972,985	3,918,381	7,432,220	1,537,126	16,699,210	3,401,486	166,291,120

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Street Lighting and Furniture	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Sewerage	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

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

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



## 11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each 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.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control

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

#### 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.



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**11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)**

**(a) Disposals of Assets**

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
Land - freehold land	\$ 5,808	\$ 8,100	\$ 2,292	\$ 0	\$ 370,000	\$ 98,100	\$ 8,100	\$ (280,000)	\$ 0	\$ 0	\$ 0	\$ 0
Buildings - non-specialised	0	0	0	0	175,000	150,000	0	(25,000)	0	0	0	0
Furniture and equipment	38,686	0	0	(38,686)	0	0	0	0	3,675	0	0	(3,675)
Plant and equipment	418,797	338,089	86,434	(167,142)	247,300	247,200	44,700	(44,800)	127,460	105,909	11,629	(33,180)
	463,291	346,189	88,726	(205,828)	792,300	495,300	52,800	(349,800)	131,135	105,909	11,629	(36,855)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
<b>Plant and Equipment</b>				
<b>Governance</b>				
Ford Everest (CEO)	54,459	45,455	0	(9,004)
Holden Calais Wagon (DCEO)	33,018	23,182	0	(9,836)
Holden Calais (MES)	30,746	23,636	0	(7,110)
Ford Ranger (Works Supervisor)	37,255	33,636	0	(3,619)
Low value FE less than \$5,000	38,686	0	0	(38,686)
<b>Community amenities</b>				
Ford Ranger (Sewerage Operations)	30,951	28,636	0	(2,315)
<b>Transport</b>				
Hino Tipping Prime Mover	65,888	54,545	0	(11,343)
1998 Howard Porter Pig Trailer (1TAG696)	12,000	7,790	0	(4,210)
Hino 300 Series 917 Truck (w/o)	58,652	0	0	(58,652)
Bomag Plate Compactor	1,154	0	0	(1,154)
Isuzu NPR 300M Small Tip Truck	11,856	30,909	19,053	0
Isuzu NPR300 Tipper Truck	14,243	33,182	18,939	0
1994 Dynapac Vibrating Roller (M872)	0	19,048	19,048	0
1994 Howard Porter Pig Trailer (M7433)	0	15,295	15,295	0
1963 Multi Tyred Roller	0	4,892	4,892	0
1980 Single Drum Roller	0	713	713	0
1966 Roller Trailer	0	308	308	0
1995 Multipac Tyred Roller	0	5,748	5,748	0
1970 International Flat Bed Truck	0	1,995	1,995	0
1985 Water Tanker Trailer	2,312	2,755	443	0
<b>Other property and services</b>				
Ford Ranger (Work Ute)	8,748	6,364	0	(2,384)
Low value PE less than \$5,000	57,515	0	0	(57,515) *
	457,483	338,089	86,434	(205,828)
<b>Land</b>				
<b>Economic services</b>				
GNH Partial Land Sale (Walebing)	5,808	8,100	2,292	0
	5,808	8,100	2,292	0
	463,291	346,189	88,726	(205,828)

\* The above table includes assets that were acquired for less than \$5,000. These assets have been disposed in accordance with the requirements of Regulation 17A(5) of *Local Government (Financial Management) Regulations 1996*.

# 11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation	2019 Actual	2019 Budget	2018 Restated *
	\$	\$	\$
Buildings - non-specialised	29,396	0	29,370
Buildings - specialised	581,208	632,056	573,299
Furniture and equipment	25,121	24,648	24,648
Plant and equipment	364,878	310,144	310,144
Infrastructure - Roads	1,987,700	1,982,289	2,280,938
Infrastructure - Footpaths	27,587	43,769	43,769
Infrastructure - Drainage	682,480	294,122	384,122
Infrastructure - Parks and Ovals	298,118	119,621	119,621
Infrastructure - Bridges	121,964	119,084	119,083
Infrastructure - Street Lighting and Furniture	95,704	30,516	30,516
	4,214,156	3,556,249	3,915,510

\* See note 28 for details regarding the restatement as a result of an error

## SIGNIFICANT ACCOUNTING POLICIES

### Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

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.

### Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	20 to 80 Years
Infrastructure - Footpaths	50 to 80 Years
Infrastructure - Drainage	20 to 80 Years
Infrastructure - Parks and Ovals	30 to 50 Years
Infrastructure - Bridges	80 to 100 Years
Infrastructure - Street Furniture and Lighting	15 - 80 Years
Infrastructure - Sewerage	30 to 100 Years
Infrastructure - Work in Progress	Not depreciated

### Depreciation (Continued)

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:

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.



## SHIRE OF MOORA

## 12. REVALUATION SURPLUS

[illegible]

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

### 13. INVESTMENT PROPERTIES

Non-current assets - at fair value

Carrying balance at 1 July

Capitalised subsequent expenditure

Closing balance at 30 June

2019 Actual	2018 Actual
\$	\$
1,066,613	1,066,613
9,069	0
1,075,682	1,066,613

Amounts recognised in profit or loss for investment properties

Rental income

Direct operating expenses from property that generated rental income

116,255	216,409
(34,190)	(100,280)

Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

2019 Actual	2018 Actual
\$	\$
45,500	133,780
93,600	105,400
0	23,400
139,100	262,580

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Within one year

Later than one year but not later than 5 years

Later than 5 years

#### SIGNIFICANT ACCOUNTING POLICIES

##### Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields. They are carried at fair value. Changes in the fair values are presented in profit or loss as a part of other revenue.

##### Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, terminal yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

#### 14. TRADE AND OTHER PAYABLES

##### Current

Sundry creditors

Bonds - Building and facility hire

Accrued salaries and wages

ATO liabilities

Accrued interest - long term borrowings

Accrued expenses - other

2019	2018
\$	\$
376,863	214,928
28,608	0
33,337	32,178
51,857	49,323
3,834	2,158
38,000	0
532,499	298,587

#### SIGNIFICANT ACCOUNTING POLICIES

##### 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

##### Trade and other payables (Continued)

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.

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15. INFORMATION ON BORROWINGS

(a) Borrowings

	2019 \$	2018 \$
Current	135,445	348,414
Non-current	951,127	599,456
	<u>1,086,572</u>	<u>947,870</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019				30 June 2019				30 June 2019				30 June 2018			
				Actual Principal 1 July 2019	Actual New Loans	Actual Repayments	Actual Interest	Budget Principal 1 July 2019	Budget New Loans	Budget Repayments	Budget Interest	Budget Principal 1 July 2019	Budget New Loans	Budget Repayments	Budget Interest	Actual Principal 1 July 2018	Actual Repayments	Actual Interest	Actual Principal outstanding
Education and welfare																			
Hydrotherapy Pool	327	WATC*	3.43%	0	500,000	12,885	14,133	487,115	0	500,000	24,971	20,000	475,029	0	0	0	0	0	0
Housing																			
Housing Executive Loan	317	WATC*	6.90%	109,795	0	24,722	7,935	85,073	0	24,722	7,157	85,073	0	23,100	9,699	109,795	23,100	9,699	109,795
92 Roberts Street	326	WATC*	2.60%	164,023	0	18,698	5,255	145,325	0	18,698	4,144	145,325	0	18,221	5,860	164,023	18,221	5,860	164,023
Recreation and culture																			
Moora Town Hall	314	WATC*	6.52%	49,171	0	49,171	1,575	0	0	49,171	1,989	0	0	46,092	4,977	49,171	46,092	4,977	49,171
Town Hall	315	WATC*	6.05%	79,166	0	62,854	3,513	16,312	0	62,854	3,381	16,312	0	59,191	7,573	79,166	59,191	7,573	79,166
Economic services																			
Moora Lifestyle Village	323	WATC*	6.16%	147,160	0	147,160	6,556	0	0	147,160	5,709	0	0	138,434	16,173	147,160	138,434	16,173	147,160
Industrial Lots - Roberts Street	325	WATC*	2.60%	336,247	0	38,330	10,772	297,917	0	38,330	8,495	297,917	0	37,353	12,013	336,247	37,353	12,013	336,247
				885,562	500,000	353,820	49,739	1,031,742	500,000	385,906	50,875	1,019,656	500,000	322,391	56,295	1,207,953	322,391	56,295	885,562
Self Supporting Loans																			
Recreation and culture																			
Moora Bowling Club SSL				62,308	0	7,478	2,289	54,830	0	7,478	1,929	54,829	0	7,245	2,575	62,308	7,245	2,575	62,308
				62,308	0	7,478	2,289	54,830	0	7,478	1,929	54,829	0	7,245	2,575	62,308	7,245	2,575	62,308
				947,870	500,000	361,298	52,028	1,086,572	500,000	373,384	52,804	1,074,485	500,000	329,636	58,869	1,277,506	329,636	58,869	947,870

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.  
All other loan repayments were financed by general purpose revenue.



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**15. INFORMATION ON BORROWINGS (Continued)**

**(c) New Borrowings - 2018/19**

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2019 Actual	2019 Budget	2019 Actual	2019 Budget		
					\$	\$	\$	\$	\$	\$
Hydrotherapy Pool / Dental Space	WATC*	Debenture	15	3.43%	500,000	500,000	500,000	500,000	14,133	0
					500,000	500,000	500,000	500,000	14,133	0

\* WA Treasury Corporation

	2019	2018
(d) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	1,000,000	1,000,000
Credit card limit	30,000	38,750
Credit card balance at balance date	2,194	0
<b>Total amount of credit unused</b>	<b>1,032,194</b>	<b>1,038,750</b>
Loan facilities		
Loan facilities - current	135,445	348,414
Loan facilities - non-current	951,127	599,456
<b>Total facilities in use at balance date</b>	<b>1,086,572</b>	<b>947,870</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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.

**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.

**Risk**

Information regarding exposure to risk can be found at Note 24.

## 16. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	316,928	274,720	591,648
Non-current provisions	0	128,877	128,877
	316,928	403,597	720,525
Additional provision	226,286	66,214	292,500
Amounts used	(178,117)	(96,980)	(275,097)
Balance at 30 June 2019	365,097	372,831	737,928
Comprises			
Current	365,097	241,733	606,830
Non-current		131,098	131,098
	365,097	372,831	737,928

Amounts are expected to be settled on the following basis:

More than 12 months from reporting date

2019	2018
\$	\$
737,928	720,525
737,928	720,525

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

##### Other long-term employee benefits

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

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

##### Other long-term employee benefits (Continued)

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.

##### 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.



## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### 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:

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and cash equivalents	2,963,002	1,713,750	4,191,090
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	454,558	(13,002)	(128,035)
Non-cash flows in Net result:			
Recognition of units in LG House Trust	(87,586)	0	0
Depreciation	4,214,156	3,556,249	3,915,510
(Profit)/loss on sale of asset	117,102	297,000	25,226
Loss on revaluation of fixed assets	0	0	893,992
WIP asset reclassified to profit and loss	0	0	500
Changes in assets and liabilities:			
(Increase)/decrease in receivables	43,225	0	266,291
(Increase)/decrease in other assets	(44,810)	0	0
(Increase)/decrease in inventories	25,332	0	(36,492)
Increase/(decrease) in payables	233,912	75,573	(170,851)
Increase/(decrease) in provisions	17,403	0	(37,791)
Grants contributions for the development of assets	(1,640,433)	(2,122,927)	(1,877,881)
Net cash from operating activities	3,332,859	1,792,893	2,850,469

# 18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	765,173	707,307
General purpose funding	4,930,589	5,124,114
Law, order, public safety	1,525,970	1,369,168
Health	17,338	172,239
Education and welfare	3,347,054	648,707
Housing	2,354,812	2,185,661
Community amenities	18,582,457	18,475,699
Recreation and culture	12,766,570	12,540,637
Transport	145,405,932	147,300,812
Economic services	3,618,957	2,025,218
Other property and services	0	1,920,715
	193,314,852	192,470,277

## 19. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2019	2018
\$	\$
0	1,788,329
0	211,998
0	2,000,327
0	2,000,327

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year
- later than one year but not later than five years

2019	2018
\$	\$
10,442	14,802
12,168	18,252
22,610	33,054

### SIGNIFICANT ACCOUNTING POLICIES

#### 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 of 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.

#### Leases (Continued)

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 on a straight line basis over the lease term.

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



## 20. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	38,380	45,430	45,600
Mayor/President's allowance	7,500	7,500	7,500
Deputy Mayor/President's allowance	1,875	1,875	1,875
Travelling expenses	15,020	8,500	7,881
	62,775	63,305	62,856

### Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	479,202	494,585
Post-employment benefits	45,524	46,986
Other long-term benefits	51,470	11,613
	576,196	553,184

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

## 20. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2019 Actual	2018 Actual
	\$	\$
Purchase of goods and services	0	50,000

### Related Parties

The Shire's main related parties are as follows:

#### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

#### ii. Other Related Parties

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

#### iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.



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21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance (1) 1/07/17	Received (2) 2017/18	Expended (3) 2017/18	Closing Balance (1) 30/06/18	Received (2) 2018/19	Expended (3) 2018/19	Closing Balance 30/06/19
\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>							
CLGF - Trainee Grant	19,266	0	(19,266)	0	0	0	0
<b>Law, order, public safety</b>							
2017-18 DFES advanced payment	15,702	47,106	(62,808)	0	0	0	0
Community safety grant	7,000	0	(7,000)	0	0	0	0
CCTV town centre grant	123,636	0	(123,636)	0	0	0	0
2018-19 DFES advanced payment	0	14,014	0	14,014	0	(14,014)	0
2019-20 DFES advanced payment	0	0	0	0	18,298	0	18,298
AVBFB Western Power Grant	0	0	0	0	4,506	0	4,506
<b>Education and welfare</b>							
CLGF - Trainee grant	20,000	0	(20,000)	0	0	0	0
Childcare project - CLGF regional funding	0	0	0	0	61,470	(10,157)	51,313
<b>Community amenities</b>							
Waste water trainee grant	0	20,000	(4,204)	15,796	0	(15,796)	0
<b>Recreation and culture</b>							
DSR - KidsSport Funding	1,369	0	(1,369)	0	0	0	0
WDC - Mens Shed	1,410	20,000	(21,410)	0	0	0	0
WALGA - Changing places	59,301	44,515	(103,816)	0	0	0	0
Lotterywest - Mens Shed	0	36,812	(36,812)	0	0	0	0
Department Veteran Affairs - War Memorial	14,372	0	0	14,372	0	(14,372)	0
Circuitwest Raise the Roof - MPAC	0	0	0	0	70,485	(22,292)	48,193
Lotterywest - MPAC performance costs	0	0	0	0	26,000	(17,652)	8,348
<b>Transport</b>							
Roads to recovery	56,961	641,816	(584,858)	113,919	167,740	(281,659)	0
<b>Economic services</b>							
CLGF - Moora Hydrotherapy pool	578,824	13,762	(592,586)	0	0	0	0
<b>Other property and services</b>							
CLGF - Trainee Grant	20,814	0	(20,814)	0	0	0	0
	<b>918,655</b>	<b>838,025</b>	<b>(1,598,579)</b>	<b>158,101</b>	<b>348,499</b>	<b>(375,942)</b>	<b>130,658</b>

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.

SHIRE OF MOORA  
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22. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	2018/19		2018/19		2018/19		2018/19		2017/18	
		Number of Properties	Actual Rateable Value	Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Rates	Actual Total Revenue	Budget Total Revenue	Actual Total Revenue	
			\$	\$	\$	\$	\$	\$	\$	\$	
<b>Gross rental valuations</b>											
GRV Residential - Moora Townsite	0.090027	645	9,010,319	811,172	31	143		811,346	811,172	702,169	
GRV Commercial Industrial - Moora	0.090027	81	2,509,780	225,948	(2,050)	0		223,898	225,948	286,077	
GRV Residential - Other Townsite	0.090027	14	126,440	11,383	(3,011)	0		8,372	11,383	13,787	
GRV Commercial Industrial - Other Townsite	0.090027	1	9,897	891	0	0		891	891	954	
<b>Unimproved valuations</b>											
UV Rural	0.009795	345	276,162,124	2,705,008	9,330	723		2,715,061	2,705,008	2,640,275	
UV Urban Farmland	0.009795	60	6,764,063	66,254	(1,170)	0		65,084	66,254	67,477	
<b>Sub-Total</b>		<b>1,146</b>	<b>294,582,623</b>	<b>3,820,656</b>	<b>3,130</b>	<b>866</b>		<b>3,824,652</b>	<b>3,820,656</b>	<b>3,710,739</b>	
<b>Minimum payment</b>											
<b>Gross rental valuations</b>											
GRV Residential - Moora Townsite	656	114	288,155	74,784	1,321	0		76,105	74,784	45,227	
GRV Commercial Industrial - Moora	656	51	161,462	33,456	0	0		33,456	33,456	43,953	
GRV Residential - Other Townsite	656	31	98,572	20,336	(492)	0		19,844	20,336	34,416	
GRV Commercial Industrial - Other Townsite	656	3	7,397	1,968	0	0		1,968	1,968	1,911	
<b>Unimproved valuations</b>											
UV Rural	656	64	1,436,181	41,984	656	120		42,760	41,984	43,641	
UV Urban Farmland	656	10	475,537	6,560	0	0		6,560	6,560	3,822	
<b>Sub-Total</b>		<b>273</b>	<b>2,467,304</b>	<b>179,088</b>	<b>1,485</b>	<b>120</b>		<b>180,693</b>	<b>179,088</b>	<b>172,970</b>	
<b>Totals</b>											
Discounts/concessions (refer Note 22(c))		-1,419	297,049,927	3,999,744	4,615	986		4,005,345	3,999,744	3,883,709	
Total amount raised from general rate								(9,650)	(10,150)	(12,442)	
Ex-gratia rates								3,995,695	3,989,594	3,871,267	
Rates paid in advance								22,871	0	24,024	
Totals								28,314	0	0	
								4,046,880	3,989,594	3,895,291	

SIGNIFICANT ACCOUNTING POLICIES

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



SHIRE OF MOORA  
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22. RATING INFORMATION (Continued)

(b) Sewerage Rates (fees and charges)

Sewerage rates - general	Number of Properties	Max/Min Rate	Rate in \$	Rateable Value	Revenue	Interim Rate Revenue	Total Sewerage Rate Revenue	2018 Total Rate Revenue	Total Budget Rate Revenue
		Max		\$	\$	\$	\$	\$	\$
Sewerage - residential	489	967	0.06851	6,027,268	379,376	(1,540)	377,836	374,277	379,376
Sewerage - vacant residential	5	967	0.06851	45,500	2,645	0	2,645	1,725	2,645
Sewerage - industrial/commercial	55	4,547	0.06851	1,971,569	123,384	0	123,384	120,040	123,384
Sewerage - vacant industrial/commercial	0	4,547	0.06851	0	0	0	0	0	0
				8,044,337	505,405	(1,540)	503,865	496,042	505,405
Sewerage rates - minimum									
		Min		\$	\$	\$	\$	\$	\$
Sewerage - residential	6	370		3,189	2,220	0	2,220	1,089	2,220
Sewerage - vacant residential	43	370		33,850	15,910	0	15,910	16,698	15,910
Sewerage - industrial/commercial	1	370		2,500	370	0	370	363	370
Sewerage - vacant industrial/commercial	2	370		2,570	740	0	740	726	740
				42,109	19,240	0	19,240	18,876	19,240
Sewerage charges									
		Min			\$		\$	\$	\$
Sewerage - class 1	13	239			3,107		3,107	3,042	3,107
Sewerage - class 2	4	1,325			5,300		5,300	5,196	5,300
Sewerage fittings	94	100			9,400		9,400	9,212	9,400
					17,807		17,807	17,450	17,807
							540,912	532,368	542,452

(c) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee	Discount Granted	Discount %	Discount \$	2019 Actual	2019 Budget	2018 Actual	Circumstances in which Discount is Granted	
							Actual	Granted
General rates - staff	NA		500	9,050	9,550	11,842	Full time staff. Pro-rate payment for part time employees	
General rates - rate payer	NA		600	600	600	600	Cash prize randomly selected from ratepayers who paid rates in full within 21 days	
				9,650	10,150	12,442		

## 22. RATING INFORMATION (Continued)

### (d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
1st instalment (100%)	03 Oct 2018	7.30	5.50%	11.00%
<b>Option Two</b>				
1st instalment (50%)	03 Oct 2018	7.30	5.50%	11.00%
2nd instalment (50%)	05 Dec 2018	7.30	5.50%	11.00%
<b>Option Three</b>				
1st instalment (25%)	03 Oct 2018	7.30	5.50%	11.00%
2nd instalment (25%)	05 Dec 2018	7.30	5.50%	11.00%
3rd instalment (25%)	06 Feb 2019	7.30	5.50%	11.00%
4th instalment (25%)	10 Apr 2019	7.30	5.50%	11.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	35,348	45,500	38,972
Interest on instalment plan	17,570	15,000	14,428
Charges on instalment plan	6,923	7,500	7,021
	<b>59,841</b>	<b>68,000</b>	<b>60,421</b>



## 23. RATE SETTING STATEMENT INFORMATION

	2018/19 2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
Note	\$	\$	\$

### (a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

#### Adjustments to operating activities

Less: Profit on asset disposals	11(a)	(88,726)	(52,800)	(11,629)
Less: Recognition of units in LG House Trust		(87,586)	0	0
Less: Movement in leave liability associated with restricted cash		2,605	0	0
Movement in pensioner deferred rates (non-current)		(10,135)	0	3,558
Movement in inventory (non-current)		(1,472)	0	0
Movement in employee benefit provisions (non-current)		2,221	9,000	(10,372)
Movement in other provisions (non-current)		0	0	169,691
Add: Loss on disposal of assets	11(a)	205,828	349,800	36,855
Add: Loss on revaluation of fixed assets	10(a)	0	0	893,992
Add: Depreciation on assets	11(b)	4,214,156	3,556,249	3,915,510
Non cash amounts excluded from operating activities		4,236,891	3,862,249	4,997,605

### (b) Surplus/(deficit) after imposition of general rates

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

#### Adjustments to net current assets

Less: Reserves - restricted cash	4	(1,809,882)	(1,713,750)	(1,634,747)
Less: Financial assets at amortised cost - self supporting loans	8(a)	(7,719)	(7,719)	0
Less: Financial assets at amortised costs - community loans	8(a)	(10,924)	(12,299)	(12,557)
Less: Non current assets held for sale	7	(311,656)	0	0
Add: Borrowings	15(a)	135,445	134,977	340,936
Add: Leave liability not required to be funded	4	284,116	290,514	281,514
Total adjustments to net current assets		(1,720,620)	(1,308,277)	(1,024,854)

#### Net current assets used in the Rate Setting Statement

Total current assets		4,899,027	2,398,600	4,852,202
Less: Total current liabilities		(1,274,774)	(1,096,210)	(1,238,649)
Less: Total adjustments to net current assets		(1,720,620)	(1,308,277)	(1,024,854)
Net current assets used in the Rate Setting Statement		1,903,633	(5,887)	2,588,698

## 24. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Ageing analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2019</b>					
Cash and cash equivalents	1.54%	2,963,002	2,809,882	150,920	2,200
Financial assets at amortised cost - term deposits	2.87%	1,000,000	1,000,000	0	0
<b>2018</b>					
Cash and cash equivalents	1.41%	4,191,090	1,000,000	3,190,090	1,000

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	1,509	41,911

\* Holding all other variables constant

#### Borrowings

Borrowings are 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 Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 15(b).



## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. 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 applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.04%	0.91%	5.01%	28.55%	
Gross carrying amount	118,309	77,664	63,291	140,422	399,686
Loss allowance	43	708	3,171	40,090	44,013
<b>01 July 2018</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	3.05%	11.78%	
Gross carrying amount	41,499	98,490	77,238	143,304	360,531
Loss allowance	0	0	2,358	16,875	19,233

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.10%	0.39%	0.00%	19.13%	
Gross carrying amount	144,531	2,355	0	12,157	159,043
Loss allowance	144	9	0	2,326	2,479
<b>01 July 2018</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	2.70%	
Gross carrying amount	185,178	12,536	5,138	15,125	217,977
Loss allowance	0	0	0	409	409

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and 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 and disclosed in Note 15(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2019	\$	\$	\$	\$	\$
Payables	532,499	0	0	532,499	532,499
Borrowings	170,430	551,728	561,177	1,283,335	1,086,572
	702,929	551,728	561,177	1,815,834	1,619,071
2018					
Payables	298,587	0	0	298,587	298,587
Borrowings	381,216	428,489	232,517	1,042,222	947,870
	679,803	428,489	232,517	1,340,809	1,246,457



## 25. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2018	Amounts Received	Amounts Paid	Reclassified*	30 June 2019
	\$	\$	\$	\$	\$
BCITF Levy	0	5,722	(5,582)	0	140
BRB Levy	20	5,457	(5,257)	0	219
Standpipe Cards Bond	2,762	600	(400)	(2,962)	0
Gym Cards Bond	4,082	1,960	(4,640)	(1,402)	0
Facility Hire Bonds	2,500	9,120	(7,500)	(4,020)	100
Housing Bonds	5,300	4,340	(3,980)	(5,660)	0
Community Bus Bonds	200	2,800	(2,600)	(400)	0
Moora Lifestyle Village Bond	3,544	520	0	(4,064)	0
Other General Trust	12,589	0	(1,000)	(10,100)	1,489
Community Group Funds	11,833	511	(10,338)	0	2,006
	42,830	31,030	(41,298)	(28,608)	3,954

\* Reclassified to restricted cash (refer Note 3)

## 26. INITIAL APPLICATION OF AUSTRALIAN 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.

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

- The Shire has designated the investments in CMC Pty Ltd and the Local Government House Trust as financial assets at fair value through profit and loss.

#### (b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9 there was no material impact on the impairment on the Shires rate receivables and sundry receivables as at 1 July 2018.



## 27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

### (a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

The Shire is in the process of assessing the impact of the standard.

### (b) Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 3.50%.

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019.

On adoption of AASB 16 *Leases* (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Shire is in the process of assessing the impact of the standard.

### (c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurs the financial liability will be extinguished and the Shire will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

The Shire is in the process of assessing the impact of the standard.

## 28. CORRECTION OF ERROR

During the year the shire identified the following investment properties which has previously been reported as land and buildings:

32 Keane Street Moora  
36 Keane Street Residence  
39 Atbara Street Moora  
39 Atbara Street Residence  
Lot 101 Lefroy Street - Workers Camp Block  
Industrial Shed - Lot 231 Clarke Street  
Industrial Shed (Open Sided) - Lot 232 Clarke Street  
Industrial Blocks - Lots 231 and 232 Roberts Street

A correction of prior year error has been raised to reclassify these properties accordingly. Amendments were made to the 30 June 2018 balances for the depreciation of the assets and reclassification to investment property.

Statement of Financial Position (Extract)	Property, plant and equipment \$	Investment property \$	Retained Surplus \$
30 June 2017	22,000,142	0	84,087,679
Increase / (Decrease)	(1,066,613)	1,066,613	0
1 July 2017 (Restated)	20,933,529	1,066,613	84,087,679
30 June 2018	21,955,003	0	84,362,572
Increase / (Decrease)	(1,037,225)	1,066,613	29,388
30 June 2018 (Restated)	20,917,778	1,066,613	84,391,960

Statement of Comprehensive Income (Extract)	2018 \$	Increase/ (Decrease) \$	2018 (Restated) \$
Nature or Type			
Depreciation	(3,944,898)	(29,388)	(3,915,510)
Program			
Housing	(84,911)	(29,388)	(55,523)
Net result	(157,423)	(29,388)	(128,035)
Total comprehensive income for the period	7,681,109	(29,388)	7,710,497



## 29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire evaluated events from 30 June 2019 through to the date the financial statements were issued. No subsequent events were noted that required disclosure.

## 30. CONTINGENT LIABILITIES

The Shire of Moora has in compliance with the *Contaminated Sites Act 2003 s11* listed sites to be possible sources of contamination:

Shire of Moora Waste Water Treatment Plant, L5214/1993/11  
Watheroo Rubbish Tip, L7287/1998/12  
Moora Townsite Rubbish Tip, L7288/1998/11

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the DWER the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the DWER guidelines.



**SHIRE OF MOORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019.**

**31. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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 or non-current based on the Shire's intentions to release for sale.

**c) Rounding off figures**

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

**d) 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 statements that has a material effect on the statement of financial position, 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.

**e) 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.

**f) 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.

**g) Fair value of assets and liabilities**

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.

**h) 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.

**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 the service capacity of an asset.

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.

**i) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.



## 32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	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.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to ensure a safer community.	Supervision of various by-laws, fire prevention and animal control. Provision of premises and support for State Emergency Services.
<b>HEALTH</b> To provide an operational framework for good community health.	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.
<b>EDUCATION AND WELFARE</b> To meet the needs of the community in these areas.	Provision of premises and support for child care centre and play groups. Provision of services for youth and aged care.
<b>HOUSING</b> Help ensure adequate housing at a high standard.	Provision and maintenance of staff and rental housing.
<b>COMMUNITY AMENITIES</b> Provide services required by the community.	Rubbish collection services and operation of tips. Town sewerage scheme, drainage works, litter control, cemetery administration and administration of the Town Planning Scheme.
<b>RECREATION AND CULTURE</b> To establish and manage efficiently infrastructure and resources which will help the social well being of the community.	Provision of swimming pool, public library, community halls, performing arts centre, recreation centre, parks and gardens, tennis courts, sporting pavilions and ovals.
<b>TRANSPORT</b> To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and airstrip maintenance.
<b>ECONOMIC SERVICES</b> To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, enterprise development, building control, noxious weeds, vermin control, standpipes and a lifestyle village.
<b>OTHER PROPERTY AND SERVICES</b>	Private works operations, plant repairs and operations costs.

### 33. FINANCIAL RATIOS

	2019 Actual	2018 Restated	2017 Actual
Current ratio	2.96	3.20	2.25
Asset consumption ratio	0.70	0.70	0.75
Asset renewal funding ratio	0.82	0.88	1.00
Asset sustainability ratio	0.58	0.73	1.03
Debt service cover ratio	7.46	5.07	7.78
Operating surplus ratio	(0.17)	(0.31)	(0.07)
Own source revenue coverage ratio	0.68	0.67	0.68

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 consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors of the Shire of Moora

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Moora which comprises the Statement of Financial Position as at 30 June 2019, 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 then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Moora:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Emphasis of Matter – Basis of Accounting**

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

##### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

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

***Auditor's Responsibility for the Audit of the Financial Report***

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



## Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last two years.
  - b. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last three years. The financial ratios are reported at note 33 of the annual financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
  - a. Accounting journal entries were posted by one employee, without being reviewed by a senior staff member independent of preparation. Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be appropriately reviewed and approved.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### Other Matter

The financial ratios for 2017 in Note 33 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

### Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Moora for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 December 2019