



**2014 / 2015
ANNUAL
REPORT**

SHIRE OF KOORDA

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Notice of Meeting

SHIRE OF KOORDA NOTICE OF GENERAL MEETING OF ELECTORS

Notice is hereby given that the General Meeting of Electors of the Shire of Koorda will be held on 8 December 2015 commencing at 7.00pm in the Koorda Shire Council Chambers, Allenby Street, Koorda.

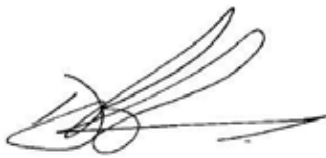
The purpose of the meeting and order of business is;

1. Presentation of the Annual Report for the 2014/2015 Financial Year.

General Business (i) As the Meeting decides

Each elector is entitled to one vote but does not have to vote.

Copies of the 2014/2015 Annual Report are available from the Shire Office during Office hours – 9.00am to 4.30pm



David Burton
CHIEF EXECUTIVE OFFICER

Agenda

**SHIRE OF KOORDA
ANNUAL GENERAL ELECTORS MEETING
8 December 2015
COMMENCING AT 7.00PM
KOORDA SHIRE COUNCIL CHAMBERS
CRN ALLENBY AND HAIG STREETS**

AGENDA

Declaration of Opening

Apologies

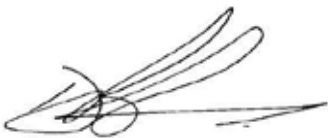
1. Business

Shire of Koorda Annual Report 2014/2015 received, and any discussions
Presidents Report
Chief Executive Officers Report
Financial Report (Statements)
Auditors Report
Other Information

2. General Business

(i) As the Meeting decides

Closure



David Burton
CHIEF EXECUTIVE OFFICER

Local Information

The Koorda Shire Council consists of 7 elected members, who represent the interests of the electors and make policy decisions, with staff that provide the resources and carry out the work that is required to implement the decisions and direction of Council and ensure statutory compliance of Acts and Regulations Administered by Council. The Shire no longer has wards. Normally, each Councillor is elected for a term of 4 years, with vacancies occurring every second year.

Council Meetings

Ordinary Council Meetings are normally held on the third Wednesday in each month, by Policy resolution, Council does not normally hold a meeting in January.

Public Question Time

Is allocated for 15 minutes from the commencement time of each Council meeting.

Elections

Council Elections are now to be held every second year on the third Saturday in October.

Number of Electors	315
Rates Levied	\$937,252
Council Employees	20 full time equivalent employees

Tourist Attractions

Heritage Trail, Sheep Dips, Museum, Corn Dolly Displays, Picnic Sites, Koorda Agricultural Show

Local Industries

Wheat, Lupins, Canola, Barley, Oats, Triticale, Chick Peas, Wool and Meat production

COUNCIL MEETING DATES

TIME	DATE
6.00pm	18 November 2015
6.00pm	16 December 2015
4.00pm	17 February 2016
4.00pm	16 March 2016
4.00pm	20 April 2016
4.00pm	18 May 2016
4.00pm	15 June 2016
4.00pm	20 July 2016
4.00pm	17 August 2016
4.00pm	21 September 2016
4.00pm	19 October 2016
6.00pm	16 November 2016
6.00pm	21 December 2016

I am pleased to present my President Report for the year ended 30 June 2015.

In my opinion this has been a very progressive year for the Shire of Koorda. As President for the past 5 years, I am proud to highlight the many areas that have been identified as priorities for our community that have been addressed.

LOCAL GOVERNMENT ELECTIONS

Elections were held 17 October 2015 and the result was Gary Greaves, Pam McWha and Tony Clarke returned and Buster Cooper and Lea Smith elected. The outgoing Councillor was Janet Brooks.

The next elections are scheduled for October 2017.

LOCAL GOVERNMENT REFORM

Local Government reform remains on the agenda and encourages Local Governments to aim to improve their efficiencies. Through NEWROC, the Council continues to work collaboratively with our neighbouring Shires to resource share where ever possible and build a regional approach to issues that impact our region.

LAW, ORDER AND PUBLIC SAFETY

The Koorda SES has been disbanded. Members of the KVBFB are going to become members of the Wyalkatchem Fire & Rescue and be train for road rescue. Local Emergency Management Risk Assessments need to be formulated and documented by local governments; this will be completed prior to June 30, 2016.

HEALTH AND WELFARE SERVICES

The provision of health services continues to be a high priority for Council. Dr Emmanuel Awogun has commenced practicing at the Wyalkatchem and Koorda Surgeries. We have been working closely with Wyalkatchem in formulating an Aged Care Plan, which will assist the elderly to remain in their own communities for longer. We have also been in regular communication with the HACC coordinator to ensure that the residents receive improved assistance. Koorda is a member of the Central Eastern Aged Care Alliance, which is a group of 11 Shires with the aim of providing independent living accommodation to allow local residents to remain in their own community longer.

FEDERAL ASSISTANCE GRANTS

It was very disappointing that the Federal Government has decided to freeze Federal Assistance Grants at the current level for 3 years. This will mean a \$900,000 reduction in the funding that would have been received had these grants remained indexed. FAG's received in 2014 2015 were \$1,805,011 and approximately \$1,806,000 is allocated for 2015

2016. Total revenue for 14 15 was \$3,754,161 and the FAG's contributes nearly 50% of the total.

As such these funds are vital to the operation and service provision for rural local governments and it was resolved to support WALGA in their campaign to lobby the Federal Government to reconsider placing a freeze on the assistance grants.

ROYALTIES FOR REGIONS

Royalties for Regions has provided the majority of Councils funding to upgrade existing facilities and enables us to construct new infrastructure projects, however is no longer an as of right allocation. 2014-2015 project, the construction of two transportable houses on Lot 164 Lodge Street, and utilised 2012-2013 funding.

Future funding will be dependent on complying with Wheatbelt Development Commission strategies to further development the wheatbelt. Main criteria will be economic and population growth.

DIGITAL TELEVISION RETRANSMISSION

The digital retransmission equipment is now functioning adequately.

FINANCES

Council finalised the year with a \$1,107,355 net credit balance as at 30 June 2015, \$923,017 is prepayment of 2015 2016 Federal Assistance Grant received 30 June.

Council's current policy is to endeavour to fund capital asset expenditure from Municipal and Reserve Funds rather than the use of borrowings, and continue their policy of transferring funds to various reserves.

RECREATION

As a part of our forward planning, Council is currently reviewing the sporting facilities in the town. So we can cater for all sporting and community groups into the future a study will be undertaken to assess any additions and improvements that may be required. Concept plans have been presented to Council and the strategy for future upgrades is a major consideration.

TRANSPORT

CBH bin to bin transfers continue to cause major damage to our roads (in particular Koorda Mollerin Road). We will continue our seal widening on our priority roads and also the resealing of others, determined by finance and traffic numbers. Clearing and widening of our unsealed roads will continue as a part of our long term forward plan. Changes

to clearing of Vegetation Legislation affecting this type of work will impact on Council. Staff has completed a large portion of the annual maintenance grading.

The program to reseal the town streets, construct kerbing and concrete footpaths is continuing, so too is the replacement of old dull street lights with brighter lights in strategic positions for greater safety for our residents.

Roads to Recovery Program is Federal Government funding allocated to local governments to assist with all aspects of road works and has provided much needed funding to endeavour to maintain the roads at a level that ensures as safe as conditions as resources will allow.

Council has continued their forward planned policy of replacing/purchasing plant and equipment items to ensure the flexibility needed to enable Councils workforce to carry out the expanded program, and to ensure reasonable asset management.

I would like to thank and congratulate my Deputy and fellow Councillors for their support and input that enabling Council to attempt to deliver the services and meet the requirements of our community. It was with regret that Councillor Graham Brooks resigned during the year. We continue to review our forward plans which are in reality part of our strategic objectives.

I urge all community members to provide feedback to Council to assist us in our decision making process and encourage you to contact Councillors or the Shire Office of any concerns or issues that should be addressed or considered. Your contributions ensure that we are working together to achieve the desired outcomes that benefit the community as a whole.

Also my gratitude and praise for each and every staff member for their contributions to the year's outcomes in a professional and competent manner.

Cr Ricky Storer

PRESIDENT

The primary role of the Chief Executive Officer is to implement Council Policy with the aid of other staff. This means acting as the overall manager of Council's day-to-day operations. The Chief Executive Officer also has a number of specific statutory obligations.

The functions of the Chief Executive Officer are specified in the Act:

- Advise Council on the functions of the local government under the Act and other laws;
- Ensure advice and information is available to enable the Council to make informed decisions;
- Cause Council decisions to be implemented;
- Manage the day to day operations of the local government;
- Liaise with the Mayor or President on the local government's affairs and the performance of its functions;
- Speak on behalf of the local government if the Mayor or President agrees;
- Responsible for employment, management, supervision, direction and dismissal of other employees (subject to the provisions relating to senior employees);
- Ensure records and documents are properly kept; and
- Perform other functions of the Act and other laws.

<u>ADMINISTRATION</u>	
<i>Team Effort/ Staff Support</i>	Council's continuing support of staff is appreciated as it is a public indication that elected members and staff are co-operating to achieve team outcomes that enhance and benefit the Shire and residents.
<i>Councillor Training</i>	Councillor training is being encouraged by the State Government to ensure elected members are more aware of their roles and responsibilities within the constantly changing Local Government environment. Council as Policy; supports the need for ongoing Councillor training. The current Councillor training curriculum consists of seventeen (17) modules. Councillors take advantage of this training (this may become compulsory).
<i>Administration Functions</i>	<p>Council continues to endeavor to adapt it's operational planning for the Shire, as further administrative burdens and financial constraints including cost shifting, and the need to accept structural reform and sustainability are placed upon our community and community resources, in our overall function as the local service provider.</p> <p>The necessity for Council to be more accountable requires ongoing monitoring and review of Council functions to ensure work practices and cost efficiencies are in place.</p>

<p>Forward Planning</p>	<p>Short and medium term planning includes;</p> <ul style="list-style-type: none"> Annual Budget Strategic Community Plan Corporate Business Plan Long Term Financial Plan Workforce Plan Asset Management Plan Five year housing and building upgrading program (incorporated in the Plan for the Future) Ten year plant replacement plan (incorporated in the Plan for the Future) Five year major road construction, clearing & widening plan (incorporated in the Plan for the Future) Five year bushfire equipment plan (incorporated in the Plan for the Future) Five year Strategic Plan that forms the basis of forward planning objectives (currently under review).
<p>Communication</p>	<p>Council continues to promote its activities and decisions to the community and utilises the Narkal Notes, Website, Facebook & Twitter on a regular basis and it is intended that this practice will continue.</p> <p><i>Continued community feedback would be appreciated, particularly with likely Local Government Reform, on the Western Australian agenda.</i></p>
<p>Model Code of Conduct</p>	<p>Council again reviewed its model Code of Conduct during the year, to ensure compliance with changed legislative requirements. The Rule of Conduct broadly covers the following eight principles:</p> <ul style="list-style-type: none"> Act with reasonable care and diligence; and Act with honesty and integrity; and Act lawfully; and Avoid damage to the reputation of the local government; and Be open and accountable to the public; and Base decisions on relevant and factually correct information; and Treat others with respect and fairness; and Not be impaired by mind affecting substances. <p>There are now provisions for breaches of the 'Code' to be legally addressed and penalties applied.</p>

<p>North Eastern Wheatbelt Organisational of Councils</p>	<p>Council continues to support the concept of resource sharing and co-operation with member Councils as this is acknowledged as one area that may allow cost efficiencies to be achieved, as well as regional co-operation to achieve common objectives, and sustainability is a real requirement to allow retention of our local identity. The future of this grouping of Councils is an unknown due to the likely structural reform facing local government.</p>
<p>FINANCE</p>	
<p>Council's annual financial statements for the year ended 30 June 2015, were audited in August 2015, however due to the revaluation and assessment of the infrastructure assets the annual financial statements and audit report was completed until November. Copies of these are available at the Council Office, during office hours. A copy of the Operating Statement, Statements of Financial Position and Statements of Change in Equity are included in this report.</p>	
<p>Due to the format in which the statements must be presented, a general knowledge of accounting principles is advantageous to gain an understanding of them. It should be noted they are income and expenditure based, ie closing 'net credit' balance, is not a cash amount.</p>	
<p>Asset Management is becoming a more crucial issue as there is the very real need to maintain assets as well as the need to either improve or replace aging assets. There is therefore, a need when considering major expenditure to take into account not only the initial capital outlay, but the whole of life cost. Usually the initial capital cost is the lowest number. This consideration can make projects difficult to justify.</p>	
<p>To assist in these objectives Council endeavours to set aside funds in specific reserve accounts for future asset requirements. However, these are currently less than 25% of likely future needs. Asset Management was unfortunately for many years, ignored. All tiers of Government now recognise the need for sustainability which includes management of all assets, at all levels of government.</p>	
<p>Council cannot realistically on an annual financial basis, set aside sufficient funds required to maintain all their assets as their own funding base is too low. The only real funding alternative available is an increased rate burden, realistically, by way of sufficient annual increments, to assist in meeting the shortfall. However, Council is in a catch up position which only adds to the short and long term financial considerations.</p>	
<p>Council's rate increases over the past decade, have in reality been less than inflation, with the impact now clearly evident ie this Shires 'own contribution' to annual operating cost is in the order of 15%. Local Government now acknowledge the annual C.P.I. is not relevant, rather "Local Government Cost Index" should be accepted as the guide.</p>	
<p>Reserve Funds</p>	<p>Are cashed backed as shown, restricted to their designated purpose and not intended for general use. Council's current practice is to endeavour to set aside funds each year into reserve funds, with the objective of reducing the requirement to raise loans. These Reserves are further commented on in the annual financial statements.</p>
<p>Loans</p>	<p>No loans were raised during the year under review.</p>

<u>LAW ORDER & PUBLIC SAFETY</u>	
<i>Local Emergency Services</i>	The few volunteers who man and operate these essential services are the unsung heroes who receive little or no recognition. Whilst, it goes without saying that they don't look for recognition, it doesn't hurt for them to be publicly acknowledged, particularly as numbers diminish annually. Council and community appreciation is once again expressed for a job extremely well done, by the dedicated few. The local SES has been disbanded and the truck has been returned to the SES.
<u>HEALTH SERVICES</u>	Council continues to maintain a reserve account to assist with either the current Doctor or possible future recruitment and retention of a Medical Practitioner, this will be ongoing. We continue to assist with the retention of the current doctor, in conjunction with the Wyalkatchem Shire. The Shire together with the community shop purchases additional medical equipment for the Koorda Health Centre to provide the best medical treatment possible.
<i>Community Health</i>	To ensure the provision of some associated health services to the Koorda community as Council needs to ensure all use needs can be reasonably met.
<u>WELFARE & EDUCATION</u>	
<i>Wheatbelt Ag Care</i>	Council continues to support the objectives, as it is considered this service it vital to community members.
<i>Central Eastern Aged Care Alliance</i>	The Shire is gifting the land for the housing units to be built through this project, Koorda has been allocated 10 units over the next five years. Funding application has been submitted for this project.
<u>HOUSING</u>	Council is the largest landlord in town and provides housing for staff, aged, professional officers and general public if available. This takes up a large amount of staff resources, managing, cleaning and maintaining to keep these building in the best possible condition. Council has recently built 6 new units and 2 small houses and only one remains unoccupied at present which demonstrates the need for rental accommodation in the district. The houses in Lodge Street have now been completed and one house is being used for a staff member and the other is still vacant as we are unsure if it will be required for staff.
<u>COMMUNITY AMENITIES</u>	
<i>Koorda Cemetery</i>	Council and the community thanks are extended to the team of volunteers who assist in its maintenance and upgrading ensuring the cemetery has a serene atmosphere. A toilet will be constructed at the cemetery during the coming financial year.

<i>Rubbish Tip Site</i>	The Koorda Rubbish Disposal has erected signage to encourage the correct disposal of various waste types. If these areas are not correctly utilised; the only real alternative available to Council is the provision of a 'manned' tip, which would generally inconvenience the community, and this is a very real probability. The provision of trenches for putrescibles and general waste, to endeavour to extend the life of the site. Council has begun the process of establishing a new site.
<i>Waste Oil Facility</i>	This service/facility is no longer available.
<u>RECREATION & CULTURE</u>	
<i>Recreation Facilities</i>	
<i>Swimming Pool</i>	Upgrade of the chlorination system was installed during the 2014 2015 season and is operating well. This new system eliminates the use of manufactured chlorine and significantly reduces the use of chemicals, providing a much safer work place.
<i>Skate Park</i>	Council has received quotes for a skate park and it is planned to have this project completed by end of 2015 2016 financial year.
<i>Drive In</i>	The Drive In Committee has requested the kiosk to be upgrade and given a 1950's diner theme. The electrical wiring in the kitchen needs to be renewed and this will done in conjunction with the renovations in the kitchen area as the preparation area is too small for the number of patrons now attending screenings since the installation of digital projection equipment which has allowed new release films to be shown.
<u>TRANSPORT</u>	
<i>Road Works</i>	The Shire's outside work force undertook another major road works program. This involved priority road bitumen reconstruction/sealing, upgrading of rural roads, general preservation/construction work as well as continuing bitumen resealing, ongoing maintenance and clearing and widening program on rural unsealed roads. Seasonal conditions were not generally conducive to good road maintenance practices. The Shire's major expenditure item continues to be road works. Generally whilst federal road grant funding has been increased as has state road funding, there are still insufficient funds being allocated to road upgrading, preservation and particularly maintenance to ensure adequate asset management practices are in place. This issue is Australia wide.

	<p>Council has limited 'own resources' to make up the shortfall and has difficulty meeting their obligation to match specific funding criteria imposed at State and Federal level. Increasing demands being made by the use of larger road freight units, and farming machinery on the Shire road network, only highlights the lack of adequate funding, and the need to improve overall management practices with regard our road network and ensure heavy vehicle permit use policies, reflects good management practices</p>	
Road Works		
Construction	Widen Seal, widen shoulders, reseal	1,175,174
Preservation	Gravel sheet & clear & widen	137,586
Town Streets	Reseal/Footpaths/Kerbing/street trees, lights	50,937
Road Maintenance & Storm Damage	Maintenance works	418,350
TOTAL		1,782,047
<p>Council has in place forward planning, prioritising road needs, particularly with regard routes utilised by larger road freight transport units. This is reviewed at least annually and on an ongoing needs basis. It should be noted that the apparent strategy of Cooperative Bulk Handling Limited in moving to the concept of primary, secondary and satellite receival points will obviously have an adverse impact on local roads and this may become apparent in future harvest period. Koorda is a primary site, and if the Burakin/Wialki and Koorda Mukinbudin railway lines are closed the use of heavy freight units will impact on roads not constructed for that type of freight vehicle or tonnages. A road identified for upgrade is the Koorda/Mollerin route, grain freight traffic on this route has substantially increased.</p> <p>There is a need for liaison between farm operators and the Shire administration with regard use of many of Council's roads as they are not of a standard that Council can approve for Permit Vehicle use, on an ongoing basis to allow farm produce and supplies to be transported. The fact that producers purchase/contract large freight units/equipment does not mean Council has to/or should allow their use on roads and in fact may not be allowed to approve such use</p>		
Plant Replacement	The major expenditure items replaced/purchased was an front end loader and semi side tipper.	
Staff – Resignations/Appointments	<p>RESIGNED: Graeme Surtees, George Collins, Julian Goldacre, Roland Blechynden, Pam and John Hunter. COMMENCED: Peter Boulton, Bill Hardy, Alan Thornton and Amanda Whiteman.</p>	
ECONOMIC SERVICES		
Natural Resource Management	We are sharing a NRMO with the Shires of Mukinbudin & Wyalkatchem.	

Chief Executive Officers Report

For the Year Ending 30 June 2015

<i>Rural Towns Salinity Management Project</i>	Council had previously recognised salinity/land degradation problems within the shire and has continued addressing the issues raised in the strategy report.
<i>Caravan Park</i>	General maintenance was ongoing, with use needs, a balance against expenditure required.
<i>NEWTravel</i>	Council continued to support the NEWTravel organisations' endeavors to promote this sub region and continued to encourage 'off the main route' tourism and the use of Koorda as a through route.
<i>Industrial Units</i>	Council is proceeding towards getting the area of land on Sayer Street for industrial units to encourage new business or business expansion in Koorda.
<u>FUTURE</u>	Whilst Council continues to be proactive and adopt a forward planning mentality to provide to provide facilities for the future, the current government 'push' to restructure local government has possible unknown outcomes and impacts.
<u>SUMMARY</u>	<p>The increase demand of statutory compliance, local government reform, as well as the core function of meeting community needs, continues to put pressure on the Shire's resources, both human & financial.</p> <p>Staff particularly have responded to unforeseen pressure caused by changes in staff, need to meet deadlines and additional work load due to need to consider options for local government reform in conjunction with Council, adjoining Councils and NEWROC.</p> <p>My thanks go the Shire President, (who has attended many unforeseen meetings) Deputy President, Councillors and staff for their co-operation, assistance and efforts during the year, that again enabled planned objectives to be reasonably achieved and it is pleasing to note that Council and staff continue their efforts as a team and compliment each and other to allow desired outcomes to be successfully achieved, in the community's interests.</p> <p>Council continues to achieve most of their forward planning objectives, and meet community service obligations.</p> <p style="text-align: right;">DAVID BURTON CHIEF EXECUTIVE OFFICER</p>

Prescribed Payments were made during 2014/2015.

One employee, the Chief Executive Officer received a salary of more than \$100,000.

Disability Access & Inclusion Plan

For Year Ended 30 June 2015

Council's future disability service plan was implemented to improve access to buildings and services by those members of our community suffering disabilities of varying natures and degree.

One of the main objectives of the plan is to ensure in the future that all new constructions will have disability access incorporated into the design.

Council will continue to utilise the plan to improve disabled access to existing buildings, public areas, car parks etc and fully support the ongoing training of staff to ensure awareness of the needs for the disabled.

Council continues to monitor their current plan and are considering any additional requirements seen as desirable by Council or the community and ensured it met the key changes between Disability Service Plans and the now legislated, disability access and inclusion plans (DAIP's) has been prepared and adopted by Council.

Council has continued a program of upgrading access to sealed footpaths and some local amenities to ensure that community members utilising "wheel chairs or gophers" are not disadvantaged.

Other facilities not accessible by the disabled have been considered in developing the new plan.

Register of Complaints

For Year Ended 30 June 2015

No complaints were received under Section 5.121 of the Local Government Act 1995 (as amended) for the 2014/2015 financial year.

In accordance with the operating license issued to the Shire of Koorda by the Office of Water Regulation, this Local Government has prepared a report on the operation of the sewerage scheme.

The scheme operated for the period 01/07/2014 to 30/06/2015 with an operating expenditure of \$72,010 and revenue of \$102,259 with the costs being ongoing operational maintenance, and asset management plan.

Council will continue to budget for ongoing operating maintenance, annual sewer cleaning, with the balance of income received being set aside in a Reserve Fund for future requirements.

For the 12 month period to the 30 June 2015 four (4) defect reports were received.

Councillors and Delegates

For the Year Ending 30 June 2015

<p>3.2 Role of the Councillor Councillors are elected members of a Local Government working for the community</p>	<p><i>The role of a Councillor is specified in the Act as–</i></p> <ul style="list-style-type: none"> ** <i>To represent the interests of electors, ratepayers and residents of the district;</i> ** <i>To provide leadership and guidance to the community;</i> ** <i>To facilitate communication between the community and the Council; and vice versa</i> ** <i>To participate in the decision-making processes at Council and Committee meetings; and</i> ** <i>To perform functions given to a Councillor by the Act or other laws.</i>
<p>Role of the Council Is the decision maker responsible for :</p>	<ul style="list-style-type: none"> ** <i>Governs the Local Government's affairs of the local government;</i> ** <i>Is responsible for the performance of the Local Government's Functions;</i> ** <i>Oversee the allocation of the Local Government's Finances and Resources;</i> ** <i>Determine the Local Government's policies.</i>

<p>Councillor FJ Storer</p> <p>President 2011 Councillor 2005 Retirement 2017</p> <p>Mob 0429 844 088 Email: storerf@koorda.wa.gov.au PO Box 161 KOORDA 6475</p> <p>Works Committee – Delegate Management Review Committee – Chair Audit Committee – Chair NEWROC – Delegate Regional Road Sub Group – Delegate GECZWALGA – Delegate LEMC – Chair Bush Fire Advisory – Delegate</p>	<p>Councillor GW Greaves</p> <p>Deputy President 2013 Councillor 2011 Retirement 2019</p> <p>Phone 9684 3015 Fax 9684 3015 Email: greavesg@koorda.wa.gov.au PO Box 74 KOORDA 6475</p> <p>Works Committee – Delegate Management Review Committee – Deputy Pres Audit Committee – Deputy NEWROC – Deputy Regional Road Sub Group – Deputy GEZWALGA – Delegate Rural Water Council – Delegate LEMC – Deputy Bush Fire Advisory – Deputy</p>
<p>PORTFOLIO:- Transport & Communication</p>	

Councillors and Delegates

For the Year Ending 30 June 2015

Councillor BG Cooper

Councillor 2015
Retirement 2019

Phone 9684 1229
Email: cooperb@koorda.wa.gov.au
PO Box 171
KOORDA 6475

Works Committee – Deputy
NEWHealth – Deputy
NEWTravel – Deputy

Councillor LC Smith

Councillor 2015
Retirement 2019

Phone 9684 1392
Email: smithl@koorda.wa.gov.au
PO Box 196
KOORDA 6475

Building/Recreation/Town Planning Committee – Deputy
Audit Committee – Delegate

PORTFOLIO:- Governance, Administration and Finance

PORTFOLIO:- Education, Welfare and Housing

Councillor PL McWha

Councillor 2011
Retirement 2019

Phone 9684 1196
Fax 9684 1224
Email:mchap@koorda.wa.gov.au
PO Box 225
KOORDA 6475

Building/Recreation/Town Planning Committee – Delegate
Management Review Committee – Deputy

Councillor SE Boyd

Councillor 2013
Retirement 2017

Phone 9684 1235
Fax 9684 1235
Email:boyds@koorda.wa.gov.au
PO Box 2
KOORDA 6475

Building/Recreation/Town Planning Committee –President
Management Review Committee – Delegate
Audit Committee – Delegate
GECZWALGA – Deputy
NEWHealth – Delegate
Local Recreation Liaison – Deputy

PORTFOLIO:- Community Amenities, Environment, Recreation, Culture and Youth

PORTFOLIO:- Law, Order, Public Safety and Health

Councillors and Delegates

For the Year Ending 30 June 2015

Councillor AD Clarke

Councillor 2011
Retirement 2017

Mob 0429 080 258
Fax 9684 1787
Email: clarkea@koorda.wa.gov.au
PO Box 40
KOORDA 6475

Building/Recreation/Town Planning Committee – Delegate
Works Committee – Delegate
NEWTravel – Delegate

PORTFOLIO:- Economic, Other Property & Service and Reserves

National Competition Policy

Competition Reform	<p>National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies, and lead to more efficient use of all economic resources. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.</p> <p>Each local government is required to report its progression achieving NCP reforms in its annual report.</p>
Competitive Neutrality	<p>The objective of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.</p> <p>Competitive neutrality should apply to all business activities which generate a user-pays income of over \$200,000 unless it can be shown it is not in the public interest.</p> <p>A public benefit test is used to determine if competitive neutrality is in the public interest.</p> <p>This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.</p> <p>Annual reports must show that a public benefit test has been conducted for all significant business activities. They should also provide information on how a decision was reached to implement or not implement competitive neutrality in each case.</p> <p>If competitive neutrality has been found to be in the public interest, the Annual Report must show the schedule for implementing it over the coming year.</p> <p>As the Shire of Koorda does not have any “Significant Business Activities: with an annual user pays income exceeding \$200,000 PA, this negates further action or reporting obligation.</p>

National Competition Policy

Legislation Review

All local governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

There are specific reporting requirements which must be included in the Annual Report, including;

A statement of which local laws have been reviewed, the conclusions of those reviews, and an implementation schedule for any resultant recommendations; Council has commenced the review of its Local Laws.

Reviewing the Operating procedures and Local Laws for the Shire of Koorda confirms legislative requirements are being complied with, as required.

Structural Reform

The State Government has taken structural reform off the agenda for the immediate future, however it is an issue that local governments need to be mindful of, and as such Shire of Koorda takes a pro active approach finding ways to improve efficiency while maintaining the current level of service to the community.

The Shire of Koorda has resolved to continue working in a collaborative relationship with the Shires of the North Eastern Wheatbelt Organisation of Councils. It is believed that there will be benefits for these local governments by way of resource sharing.

Compliance with the State Records Act

<p>The State Records Commission Standard 2</p>	<p>Created under the State Records Act 2000, required a Government Organisation to include comment on the following;</p>
<p><i>Whether the efficiency and effectiveness of your record keeping systems has been evaluated or alternatively when such evaluation is proposed?</i></p>	<p>An evaluation of our Record Keeping Plan (RKP) was undertaken by a consultant. The review assessed that our current policies and procedures are in accordance with industry standards and best practice. The current Record Keeping Plan has been reviewed and approved until 2016. A review will be undertaken prior to June 30 2016.</p>
<p><i>The nature and extent of record keeping training program conducted.</i></p>	<p>The consultant conducted appropriate training courses designed to equip users with the knowledge and skills necessary to complete their duties confidently.</p>
<p><i>Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively, how this is planned to be done?</i></p>	<p>The consultant will continue future reviews of our record keeping plan and training programs and make the appropriate recommendations; as or when necessary.</p>
<p><i>Assurance that the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.</i></p>	<p>The Shire has an induction package for new employees. The presentation and booklet covers records management responsibilities, guidelines, statutory compliance and other related matters.</p>

Information

Address:

The Administration Building, Library and Chambers are located on the corner of Allenby and Haig Streets, Koorda

Postal Address:

The Chief Executive Officer
Shire of Koorda
PO Box 20,
KOORDA WA 6475

Office Hours:

9.00am—4.30pm

Telephone Number:

(08) 9684 1219

Facsimile Number:

(08) 9684 1379

E-mail Address:

David Burton - ceo@koorda.wa.gov.au
Linda Longmuir - dceo@koorda.wa.gov.au
Karen Clare - admin1@koorda.wa.gov.au
Lana Foote - admin2@koorda.wa.gov.au
Lois Green - admin3@koorda.wa.gov.au
Darren West - works@koorda.wa.gov.au
Generic - shire@koorda.wa.gov.au

Website:

www.koorda.wa.gov.au

Revenue:

\$4,260,713

Social Media

Find us on FaceBook and Twitter for updated messages and information.

Townships and Localities in Shire:

Koorda, Kulja, Dukin, Mollerin, Badgerin

Area:

2662 km²

Distance from Perth:

238kms

Length of Roads:

Sealed - 245kms
Unsealed - 840kms

Number of Ratable Assessments:

482

Number of Dwellings:

307

Population:

493

Electricity supply Western Power:

Grid system

Sewerage System

Shire owned and maintained

Information

Water Supply:

WAWA

Schools:

Primary, Pre Primary and Play Group.
Bus to Wyalkatchem High School daily

Machinery in Use:

1 x Bobcat and attachments; 1 x Champion Grader; 2 x Volvo Grader; 1 x Ford Tandem Tip Truck; 1 x Isuzu 3t Truck; 1 x Cat 938 Front End Loader; 1 x Volvo L90 Front End Loader; 1 x Cat D4E Dozer; 2 x Isuzu Prime Mover, 1 UD Prime Mover, 3 x 25t Tri Axle Side Tipper; 26T Low Loader; 2 x SPMTR Rollers; 1 x McDonald SP Steel Roller; 1 x Case CX 70 Tractor; 1 x Case Tractor; 1 x Water Truck; 1 x Nissan single cab Tip Utility; 1 x Ford 1t ute, 1 x 20t Side tipper, 1 x Holden Colorado Wagon; 2 x Ford 4x4 Crew Cab Utility, 2 x 4 x 2 Ford Crew Cab Utility; 2 x Toyota single cab tip utility; 1 x Isuzu D-Max single cab utility, 2 x Ford single cab utilities, 1 x Vibrating Roller; 1 x 36,000lt tri axle water tanker, 1 x Cherry Picker, 1 x Holden Cruz sedan, other various minor items and equipment

Sporting Facilities:

Football, Cricket, Tennis, Basketball, Hockey, Pistol Shooting
Swimming, Darts, Golf, Bowls, Netball

Local Organisations:

P & C Association, St John Ambulance, Koorda and Kulja Volunteer Bushfire Brigades, Land Conservation District Committee (in recess), Country Women's Association, Music and Dramatic Club, Red Cross, Learning Centre, Koorda and District Agricultural Society, Museum and Historical Society and Community Resource Centre.

Rubbish and Recycling Removal:

All rubbish removal occurs on Monday commencing at 12.30am. All bins must be out early for collection by 11.30am. Recycling is every second Tuesday morning of the month.

Fire Breaks

All owners and/or occupiers of land are required to carry out fire prevention work in accordance with this notice on land owned or occupied by you each year on or before the 31 day of October or within fourteen days of the date of you becoming the owner or occupier should this be after the 31 day of October. Fire breaks shall be reasonably maintained until the 15th day of March the following year.

Dog Registrations:

Due on the 1st November, each year.

Unsterilised Dog or Bitch 1 year, three years and lifetime - Sterilised Dog or Bitch 1 year, three years and lifetime. All dogs being registered for the first time must be micro-chipped prior to registration and all other dogs to be micro-chipped prior to 1st November 2015.

Dogs used for tendering stock 1/4 of ordinary fee and pensioners 1/2 of ordinary fee.

Dog owners have an obligation to keep their dogs under control at all times. Dogs wandering at large present a nuisance and a danger to the public.

The Shire carries out dog patrols and response of complaints. (WA Contract Ranger Services).

Information

Dog Impoundments:

The Dog Act provides heavy penalties for owners whose dogs are impounded.

Cat Registrations:

During the year under review the Cat Act 2011 which requires identification, registration and sterilisation of domestic cats. As from the 1st November 2013 all cats that reach the age of 6 months to be microchipped, sterlised and registered with the relevant Local Government.

Local Emergency Management Committee

Police, Shire together with the community manage the training and operation of the Koorda Local Emergency Plan.

Tourist Information:

A well stocked information stand is located in the Shire Office and the Community Resource Centre, local information brochures and maps are also available.

Transport:

Licensing staff are able to assist with all drivers, vehicle, firearm payments or transfers as well as change of address or name.

Health & Building Information:

Council participates in a group health scheme and the Principal Environmental Health Officer/Building Surveyor can be contacted at the Shire Office for any matters concerning health and building.

Medical Practitioner

The doctor is based in Wyalkatchem and appointments can be made at the Wyalkatchem Medical Centre to see the doctor on Wednesdays at the Koorda Health Centre.

Library:

Council has a fully stocked library open from 9.00am to 4.30pm Monday to Friday. New library exchanges are received every month.

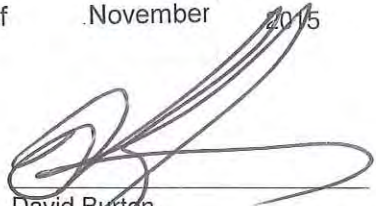


**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 18 day of November 2015



David Burton
Chief Executive Officer

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	21	894,221	891,367	860,416
Operating grants, subsidies and contributions	27	2,962,988	1,928,863	1,017,594
Fees and charges	26	583,159	479,122	531,761
Service charges	23	3,023	5,250	0
Interest earnings	2(a)	165,531	171,325	185,985
Other revenue		30,466	65,306	22,767
		<u>4,639,388</u>	<u>3,541,233</u>	<u>2,618,523</u>
Expenses				
Employee costs		(1,334,377)	(1,756,674)	(1,314,487)
Materials and contracts		(794,473)	(597,298)	(692,729)
Utility charges		(30,376)	(32,505)	(28,683)
Depreciation on non-current assets	2(a)	(1,774,984)	(1,453,518)	(1,159,662)
Insurance expenses		(102,196)	(136,391)	(104,527)
Other expenditure		(83,991)	(117,458)	(71,246)
		<u>(4,120,397)</u>	<u>(4,093,844)</u>	<u>(3,371,334)</u>
		518,991	(552,611)	(752,811)
Non-operating grants, subsidies and contributions	27	701,070	911,000	1,235,408
Profit on asset disposals	20	16,708	46,174	7,315
Loss on asset disposals	20	(143,229)	(20,321)	(48,305)
Net result		1,093,540	384,242	441,607
Other comprehensive income				
Changes on revaluation of non-current assets	12	33,043,343	0	6,388,939
Total other comprehensive income		<u>33,043,343</u>	<u>0</u>	<u>6,388,939</u>
Total comprehensive income		<u><u>34,136,883</u></u>	<u><u>384,242</u></u>	<u><u>6,830,546</u></u>

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

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		0	1,679	0
General purpose funding		3,797,490	2,869,216	1,887,485
Law, order, public safety		34,030	18,245	41,660
Health		160,368	117,428	102,206
Housing		148,703	142,226	157,709
Community amenities		158,028	154,057	148,788
Recreation and culture		34,413	22,161	16,653
Transport		124,218	94,000	112,875
Economic services		77,301	79,864	117,297
Other property and services		104,837	42,357	33,850
		<u>4,639,388</u>	<u>3,541,233</u>	<u>2,618,523</u>
Expenses	2(a)			
Governance		(311,356)	(361,130)	(295,740)
General purpose funding		(88,253)	(96,408)	(73,419)
Law, order, public safety		(81,081)	(91,868)	(81,781)
Health		(283,949)	(297,625)	(239,816)
Education and welfare		(21,341)	(18,847)	(23,019)
Housing		(232,339)	(226,925)	(185,132)
Community amenities		(257,966)	(263,756)	(197,106)
Recreation and culture		(911,864)	(880,265)	(660,911)
Transport		(1,650,817)	(1,550,944)	(1,381,370)
Economic services		(275,970)	(300,820)	(238,964)
Other property and services		(5,461)	(5,256)	5,924
		<u>(4,120,397)</u>	<u>(4,093,844)</u>	<u>(3,371,334)</u>
Non-operating grants, subsidies and contributions				
Housing		0	0	523,824
Recreation and culture		45,000	62,000	0
Transport		656,070	619,000	711,584
Economic services		0	210,000	0
Other property and services		0	20,000	0
	27	<u>701,070</u>	<u>911,000</u>	<u>1,235,408</u>
Profit/(Loss) on disposal of assets				
Law, order, public safety		(5,647)	0	(434)
Health		2,875	(5,000)	(9,990)
Housing		(116,055)	0	(7,717)
Community amenities		0	500	(1,839)
Recreation and culture		(5,780)	0	(7,212)
Transport		5,295	31,576	(4,536)
Economic services		(4,763)	(2,023)	(7,798)
Other property and services		(2,446)	800	(1,464)
	20	<u>(126,521)</u>	<u>25,853</u>	<u>(40,990)</u>
Net result		<u>1,093,540</u>	<u>384,242</u>	<u>441,607</u>
Other comprehensive income				
Changes on revaluation of non-current assets	12	33,043,343	0	6,388,939
Total other comprehensive income		<u>33,043,343</u>	<u>0</u>	<u>6,388,939</u>
Total comprehensive income		<u>34,136,883</u>	<u>384,242</u>	<u>6,830,546</u>

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

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

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,630,912	4,885,676
Trade and other receivables	4	136,489	91,356
Inventories	5	21,290	13,360
TOTAL CURRENT ASSETS		<u>5,788,691</u>	<u>4,990,392</u>
NON-CURRENT ASSETS			
Other receivables	4	5,392	5,392
Property, plant and equipment	6	13,695,326	13,826,442
Infrastructure	7	89,739,540	56,339,598
TOTAL NON-CURRENT ASSETS		<u>103,440,258</u>	<u>70,171,432</u>
TOTAL ASSETS		<u>109,228,949</u>	<u>75,161,824</u>
CURRENT LIABILITIES			
Trade and other payables	8	129,540	166,830
Short Term Borrowings	9	0	58,998
Provisions	10	298,482	284,680
TOTAL CURRENT LIABILITIES		<u>428,022</u>	<u>510,508</u>
NON-CURRENT LIABILITIES			
Provisions	10	40,549	27,821
TOTAL NON-CURRENT LIABILITIES		<u>40,549</u>	<u>27,821</u>
TOTAL LIABILITIES		<u>468,571</u>	<u>538,329</u>
NET ASSETS		<u>108,760,378</u>	<u>74,623,495</u>
EQUITY			
Retained surplus		49,440,511	49,055,353
Reserves - cash backed	11	4,508,125	3,799,743
Revaluation surplus	12	54,811,742	21,768,399
TOTAL EQUITY		<u>108,760,378</u>	<u>74,623,495</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		48,745,537	3,667,952	15,379,460	67,792,949
Comprehensive income					
Net result		441,607	0	0	441,607
Changes on revaluation of non-current assets	12	0	0	6,388,939	6,388,939
Total comprehensive income		441,607	0	6,388,939	6,830,546
Transfers from/(to) reserves		(131,791)	131,791	0	0
Balance as at 30 June 2014		49,055,353	3,799,743	21,768,399	74,623,495
Comprehensive income					
Net result		1,093,540	0	0	1,093,540
Changes on revaluation of non-current assets	12	0	0	33,043,343	33,043,343
Total comprehensive income		1,093,540	0	33,043,343	34,136,883
Transfers from/(to) reserves		(708,382)	708,382	0	0
Balance as at 30 June 2015		49,440,511	4,508,125	54,811,742	108,760,378

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		874,707	909,748	865,718
Operating grants, subsidies and contributions		2,932,725	2,078,525	1,005,574
Fees and charges		583,159	479,122	531,761
Service charges		3,023	5,250	0
Interest earnings		165,531	171,325	185,985
Goods and services tax		227,909	6,027	0
Other revenue		30,466	65,307	22,767
		<u>4,817,520</u>	<u>3,715,304</u>	<u>2,611,805</u>
Payments				
Employee costs		(1,340,269)	(1,813,625)	(1,281,544)
Materials and contracts		(866,269)	(570,036)	(682,278)
Utility charges		(30,376)	(32,505)	(28,683)
Interest expenses		0	0	58,998
Insurance expenses		(102,196)	(136,391)	(104,527)
Goods and services tax		(223,265)	0	(13,841)
Other expenditure		(83,991)	(117,458)	(71,246)
		<u>(2,646,366)</u>	<u>(2,670,015)</u>	<u>(2,123,121)</u>
Net cash provided by (used in) operating activities	13(b)	<u>2,171,154</u>	<u>1,045,289</u>	<u>488,684</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,373,926)	(1,984,229)	(1,486,160)
Payments for construction of infrastructure		(1,207,689)	(1,244,000)	(1,332,380)
Non-operating grants, Subsidies and contributions		701,070	911,000	1,235,408
Proceeds from sale of fixed assets		454,627	694,500	284,744
Net cash provided by (used in) investment activities		<u>(1,425,918)</u>	<u>(1,622,729)</u>	<u>(1,298,388)</u>
Net cash provided by (used in) financing activities		<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash held		745,236	(577,440)	(809,704)
Cash at beginning of year		4,885,676	4,691,694	5,695,380
Cash and cash equivalents at the end of the year	13(a)	<u><u>5,630,912</u></u>	<u><u>4,114,254</u></u>	<u><u>4,885,676</u></u>

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		0	1,679	0
General purpose funding		2,903,269	1,977,849	1,027,069
Law, order, public safety		34,030	18,245	41,660
Health		163,243	117,428	102,206
Housing		148,703	142,226	681,533
Community amenities		158,028	154,557	148,788
Recreation and culture		79,413	84,161	16,653
Transport		794,121	755,674	824,974
Economic services		77,301	289,864	117,297
Other property and services		104,837	65,357	40,650
		<u>4,462,945</u>	<u>3,607,040</u>	<u>3,000,830</u>
Expenses				
Governance		(311,356)	(361,130)	(295,740)
General purpose funding		(88,253)	(96,408)	(73,419)
Law, order, public safety		(86,728)	(91,868)	(82,215)
Health		(283,949)	(302,625)	(249,806)
Education and welfare		(21,341)	(18,847)	(23,019)
Housing		(348,394)	(226,925)	(192,849)
Community amenities		(257,966)	(263,756)	(198,945)
Recreation and culture		(917,644)	(880,265)	(668,123)
Transport		(1,659,355)	(1,562,042)	(1,386,421)
Economic services		(280,733)	(302,843)	(246,762)
Other property and services		(7,907)	(7,456)	(2,340)
		<u>(4,263,626)</u>	<u>(4,114,165)</u>	<u>(3,419,639)</u>
Net result excluding rates		199,319	(507,125)	(418,809)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
(Profit)/Loss on asset disposals	20	126,521	(25,853)	40,990
Movement in deferred pensioner rates (non-current)		0	0	(5,392)
Movement in employee benefit provisions (non-current)		7,579	0	(1,506)
Movement in Accrued Salaries and Wages		(44,265)	0	6,193
Depreciation and amortisation on assets	2(a)	1,774,984	1,453,518	1,159,662
Capital Expenditure and Revenue				
Purchase of land and buildings	6(b)	(654,079)	(1,062,729)	(952,192)
Purchase of furniture and equipment	6(b)	(63,100)	(50,000)	0
Purchase of plant and equipment	6(b)	(656,747)	(871,500)	(533,968)
Purchase of roads	7(b)	(1,207,689)	(1,117,000)	(1,257,380)
Purchase of other infrastructure		0	(127,000)	(75,000)
Proceeds from disposal of fixed assets	20	454,627	694,500	284,744
Transfers to reserves (restricted assets)	11	(886,998)	(750,748)	(224,131)
Transfers from reserves (restricted assets)	11	178,616	572,638	92,340
ADD Surplus/(deficit) July 1 b/fwd	21(b)	984,366	899,932	2,008,399
LESS Surplus/(deficit) June 30 c/fwd	21(b)	1,107,355	0	984,366
Total amount raised from general rate	21(a)	<u>(894,221)</u>	<u>(891,367)</u>	<u>(860,416)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.
[Operative date: Part C Financial Instruments - 1 January 2015]			As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.
[AASB 1 & AASB 11]			Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
[AASB 116 & 138]			Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column. It is not anticipated it will have any significant impact on disclosures.
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn. It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

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

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

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

2. REVENUE AND EXPENSES	2015	2014	
	\$	\$	
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the annual financial report	10,881	10,641	
- Assistance with the finalisation of the annual financial report	1,096	0	
- Other services	3,790	1,353	
Depreciation			
Buildings and Improvements	663,530	154,612	
Furniture and equipment	29,521	25,278	
Plant and equipment	252,866	190,328	
Roads	806,074	770,193	
Other infrastructure	22,993	19,251	
	<u>1,774,984</u>	<u>1,159,662</u>	
(ii) Crediting as revenue:			
Significant revenue			
General purpose funding	<u>923,017</u>	<u>0</u>	
This significant revenue in 2015 relates to the prepayment of the first Financial Assistance Grant of the next year.			
Other revenue			
Reimbursements and recoveries	13,695	21,767	
Other	16,771	1,000	
	<u>30,466</u>	<u>22,767</u>	
	2015	2015	2014
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	142,085	125,550	131,326
- Other funds	16,671	40,000	48,289
Other interest revenue (refer note 25)	6,775	5,775	6,370
	<u>165,531</u>	<u>171,325</u>	<u>185,985</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015****2. REVENUE AND EXPENSES (Continued)****(b) Statement of Objective**

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

COMMUNITY VISION

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

GOVERNANCE**Objective:**

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

Activities:

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

GENERAL PURPOSE FUNDING**Objective:**

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY**Objective:**

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

Activities:

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

HEALTH**Objective:**

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE**Objective:**

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

Activities:

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

HOUSING**Objective:**

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015****2. REVENUE AND EXPENSES (Continued)****(b) Statement of Objective (Continued)****COMMUNITY AMENITIES****Objective:**

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE**Objective:**

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

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT**Objective:**

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

Activities:

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

ECONOMIC SERVICES**Objective:**

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES**Objective:**

To monitor and control Shire's overheads operating accounts.

Activities:

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

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

2. REVENUE AND EXPENSES (Continued)

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Federal Assistance	GPF	605,712	0	(605,712)	0	597,691	0	597,691
Federal Road	GPF	323,481	0	(323,481)	0	325,326	0	325,326
Royalties for Regions 11/12	GPF	116,707	0	(116,707)	0	0	0	0
Royalties for Regions Regional	Housing	660,000	0	(660,000)	0	0	0	0
Royalties for Regions Regional	Housing	0	399,532		399,532	0	(399,532)	0
State NRM Grant	Economic Serv	0	25,694	(8,136)	17,558	0	(7,694)	9,864
Total		1,705,900	425,226	(1,714,036)	417,090	923,017	(407,226)	932,881

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.

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

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		189,906	668,843
Restricted		<u>5,441,006</u>	<u>4,216,833</u>
		<u>5,630,912</u>	<u>4,885,676</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	254,811	259,961
Road Reserve	11	360,283	353,645
Plant Reserve	11	554,617	486,266
Council Building Reserve	11	944,650	844,849
TV Reserve	11	18,221	3,110
Recreation Reserve	11	976,658	659,640
Medical Practitioners Reserve	11	262,542	253,521
IT & Administration Reserve	11	114,018	90,585
Sewerage Reserve	11	687,721	576,170
Community Housing Reserve	11	75,137	66,568
JVC Units Reserve	11	31,538	36,509
Community Bus Reserve	11	93,915	81,032
NRM Reserve	11	19,408	18,741
Waste Management Reserve	11	96,082	54,155
JV Johnson Reserve	11	18,524	14,991
Unspent grants	2(c)	932,881	417,090
		<u>5,441,006</u>	<u>4,216,833</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		52,503	32,989
Sundry debtors		67,547	43,969
GST receivable		9,197	13,841
Interest Receivable		0	557
Fuel Tax Credits		7,242	0
		<u>136,489</u>	<u>91,356</u>
Non-current			
Rates outstanding - pensioners		5,392	5,392
		<u>5,392</u>	<u>5,392</u>
5. INVENTORIES			
Current			
Fuel and materials		21,290	13,360
		<u>21,290</u>	<u>13,360</u>
Non-current			
Land held for resale - cost			
Cost of acquisition		0	0
Development costs		0	0
		<u>0</u>	<u>0</u>

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

	2015	2014
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land		
Freehold land at:		
- Independent valuation 2014 - level 2	391,300	404,000
- Additions after valuation - cost	1,891	0
	393,191	404,000
Buildings and Improvements at:		
- Independent valuation 2014 - level 2	10,451,000	10,646,000
- Independent valuation 2014 - level 3	754,090	754,090
- Additions after valuation - cost	652,186	0
Less: accumulated depreciation	(662,084)	0
	11,195,192	11,400,090
Total land and buildings	11,588,383	11,804,090
Furniture and equipment at:		
- Management valuation 2013 - level 3	132,164	132,164
- Additions after valuation - cost	63,100	0
Less accumulated depreciation	(54,799)	(25,278)
	140,465	106,886
Plant and equipment at:		
- Management valuation 2013 - level 3	6,051	6,051
- Additions after valuation - cost	1,112,250	533,968
- Independent Valuation	1,209,451	1,541,618
Less accumulated depreciation	(361,274)	(166,171)
	1,966,478	1,915,466
	13,695,326	13,826,442

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

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements)	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers ⁽¹⁾	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$
Freehold land	404,000	1,892	(22,000)	0	0	0	9,299	393,191
Total land	404,000	1,892	(22,000)	0	0	0	9,299	393,191
Buildings and Improvements	11,400,090	652,187	(193,555)	0	0	(663,530)	0	11,195,192
Total buildings	11,400,090	652,187	(193,555)	0	0	(663,530)	0	11,195,192
Total land and buildings	11,804,090	654,079	(215,555)	0	0	(663,530)	9,299	11,588,383
Furniture and equipment	106,886	63,100	0	0	0	(29,521)	0	140,465
Plant and equipment	1,915,466	656,747	(352,869)	0	0	(252,866)	0	1,966,478
Total property, plant and equipment	13,826,442	1,373,926	(568,424)	0	0	(945,917)	9,299	13,695,326

⁽¹⁾ Transfer from Infrastructure Land for Water Reserve - Dam was previously classed as Other Infrastructure. This has been transferred to the asset class of Land.

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land					
Freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2014	Price per hectare / market borrowing rate
Land vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings and Improvements	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings and Improvements	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent valuers and Management valuation	June 2014	Price per square metre / market borrowing rate
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2014	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment	2	Market approach using recent observable market data for similar properties	Independent valuers	June 2013	Price per item
- Management valuation 2013 - level 2	3	Cost approach using depreciated replacement cost	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Building and Improvements

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

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

	2015	2014
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Management valuation 2015 - level 3	89,137,746	0
- Independent valuation 2013 - level 3	0	63,379,557
- Cost	0	3,683,424
Less accumulated depreciation	<u>0</u>	<u>(11,130,400)</u>
	89,137,746	55,932,581
Other infrastructure		
- Management valuation 2015 - level 3	601,794	0
- Cost	0	535,917
Less accumulated depreciation	<u>0</u>	<u>(128,900)</u>
	601,794	407,017
	<u>89,739,540</u>	<u>56,339,598</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires infrastructure to be shown at fair value.

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

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers ⁽¹⁾ \$	Carrying Amount at the End of the Year \$
Roads	55,932,581	1,207,689	0	32,803,550	0	(806,074)	0	89,137,746
Other infrastructure	407,017	0	(12,724)	239,793	0	(22,993)	(9,299)	601,794
Total infrastructure	56,339,598	1,207,689	(12,724)	33,043,343	0	(829,067)	(9,299)	89,739,540

The revaluation of infrastructure assets resulted in an increase on revaluation of \$33,043,343 in the net value of infrastructure. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

⁽¹⁾ Transfer to Property, plant and equipment Land for Water Reserve - Dam was previously classed as Other Infrastructure. This has been transferred to the asset class of Land.

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

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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.

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

	2015	2014
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	61,679	49,677
Accrued salaries and wages	0	44,265
ATO liabilities	34,553	22,710
Bonds and deposits	18,491	19,001
Collections	14,817	31,177
	<u>129,540</u>	<u>166,830</u>
9 SHORT-TERM BORROWINGS		
Unsecured		
Overdraft	<u>0</u>	<u>58,998</u>
	<u>0</u>	<u>58,998</u>
Represented by		
Unrestricted - Municipal bank overdraft	<u>0</u>	<u>58,998</u>
	<u>0</u>	<u>58,998</u>

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014			
Current provisions	172,170	112,510	284,680
Non-current provisions	<u>0</u>	<u>27,821</u>	<u>27,821</u>
	172,170	140,331	312,501
Additional provision	126,807	26,176	152,983
Amounts used	(124,994)	(10,982)	(135,976)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	<u>1,540</u>	<u>7,983</u>	<u>9,523</u>
Balance at 30 June 2015	<u>175,523</u>	<u>163,508</u>	<u>339,031</u>
Comprises			
Current	175,523	122,959	298,482
Non-current	<u>0</u>	<u>40,549</u>	<u>40,549</u>
	<u>175,523</u>	<u>163,508</u>	<u>339,031</u>

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

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening balance	259,961	259,961	250,945
Amount set aside / transfer to reserve	9,250	7,800	9,016
Amount used / transfer from reserve	(14,400)	0	0
	<u>254,811</u>	<u>267,761</u>	<u>259,961</u>
(b) Road Reserve			
Opening balance	353,645	353,645	341,378
Amount set aside / transfer to reserve	112,584	11,100	12,267
Amount used / transfer from reserve	(105,946)	(49,470)	0
	<u>360,283</u>	<u>315,275</u>	<u>353,645</u>
(c) Plant Reserve			
Opening balance	486,266	411,265	397,001
Amount set aside / transfer to reserve	68,351	217,000	89,265
Amount used / transfer from reserve	0	(267,000)	0
	<u>554,617</u>	<u>361,265</u>	<u>486,266</u>
(d) Council Building Reserve			
Opening balance	844,849	844,849	815,546
Amount set aside / transfer to reserve	151,801	175,674	29,303
Amount used / transfer from reserve	(52,000)	(52,468)	0
	<u>944,650</u>	<u>968,055</u>	<u>844,849</u>
(e) TV Reserve			
Opening balance	3,110	3,110	3,002
Amount set aside / transfer to reserve	15,111	2,700	108
Amount used / transfer from reserve	0	(3,000)	0
	<u>18,221</u>	<u>2,810</u>	<u>3,110</u>
(f) Recreation Reserve			
Opening balance	659,640	642,301	620,022
Amount set aside / transfer to reserve	317,018	246,967	39,618
Amount used / transfer from reserve	0	(105,000)	0
	<u>976,658</u>	<u>784,268</u>	<u>659,640</u>
(g) Medical Practitioners Reserve			
Opening balance	253,521	253,520	244,728
Amount set aside / transfer to reserve	9,021	7,500	8,793
Amount used / transfer from reserve	0	0	0
	<u>262,542</u>	<u>261,020</u>	<u>253,521</u>
(h) IT & Administration Reserve			
Opening balance	90,585	90,586	87,443
Amount set aside / transfer to reserve	23,433	3,000	3,142
Amount used / transfer from reserve	0	0	0
	<u>114,018</u>	<u>93,586</u>	<u>90,585</u>
(i) Sewerage Reserve			
Opening balance	576,170	576,170	556,187
Amount set aside / transfer to reserve	111,551	59,000	19,983
Amount used / transfer from reserve	0	0	0
	<u>687,721</u>	<u>635,170</u>	<u>576,170</u>
(j) Community Housing Reserve			
Opening balance	66,568	67,476	65,136
Amount set aside / transfer to reserve	8,569	2,000	2,340
Amount used / transfer from reserve	0	(7,500)	(908)
	<u>75,137</u>	<u>61,976</u>	<u>66,568</u>

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

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED (CONTINUED)			
(k) JVC Units Reserve			
Opening balance	36,509	51,071	49,300
Amount set aside / transfer to reserve	1,299	1,000	1,771
Amount used / transfer from reserve	<u>(6,270)</u>	<u>(7,500)</u>	<u>(14,562)</u>
	<u>31,538</u>	<u>44,571</u>	<u>36,509</u>
(l) Community Bus Reserve			
Opening balance	81,032	81,032	78,222
Amount set aside / transfer to reserve	12,883	5,407	2,810
Amount used / transfer from reserve	<u>0</u>	<u>(65,000)</u>	<u>0</u>
	<u>93,915</u>	<u>21,439</u>	<u>81,032</u>
(m) NRM Reserve			
Opening balance	18,741	18,740	18,091
Amount set aside / transfer to reserve	667	600	650
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>19,408</u>	<u>19,340</u>	<u>18,741</u>
(n) Waste Management Reserve			
Opening balance	54,155	129,156	124,676
Amount set aside / transfer to reserve	41,927	9,000	4,479
Amount used / transfer from reserve	<u>0</u>	<u>(8,000)</u>	<u>(75,000)</u>
	<u>96,082</u>	<u>130,156</u>	<u>54,155</u>
(o) JV Johnson Reserve			
Opening balance	14,991	16,861	16,275
Amount set aside / transfer to reserve	3,533	2,000	586
Amount used / transfer from reserve	<u>0</u>	<u>(7,700)</u>	<u>(1,870)</u>
	<u>18,524</u>	<u>11,161</u>	<u>14,991</u>
TOTAL RESERVES	<u><u>4,508,125</u></u>	<u><u>3,977,853</u></u>	<u><u>3,799,743</u></u>
Total Opening balance	3,799,743	3,799,743	3,667,952
Total Amount set aside / transfer to reserve	886,998	750,748	224,131
Total Amount used / transfer from reserve	<u>(178,616)</u>	<u>(572,638)</u>	<u>(92,340)</u>
TOTAL RESERVES	<u><u>4,508,125</u></u>	<u><u>3,977,853</u></u>	<u><u>3,799,743</u></u>

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

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

11. RESERVES - CASH BACKED (CONTINUED)

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

- (a) Leave Reserve
 - to be used to fund Long Service Leave, Accrued Holiday and Sick Leave entitlements to employees as those liabilities arise.
- (b) Road Reserve
 - to be used to assist future road works difficult to fund on an annual basis i.e. reseals and acts of nature. RTR portion specific purpose - restricted to approved projects by the 30th June 2016.
- (c) Plant Reserve
 - to be used to ensure purchases are basically funded from funds set aside in the Reserve and the use of those funds determined by a ten year Forward Plan, which is reviewed annually. The intent is that at least the annual plant depreciation component is set aside.
- (d) Council Building Reserve
 - to be used to fund the major asset category the Shire owns, and allow some management of the various building requirements.
- (e) TV Reserve
 - to be used to fund future upgrading or extension of receiver/retransmission facility.
- (f) Recreation Reserve
 - to be used to assist funding of future upgrading, renovations and general requirements.
- (g) Medical Practitioners Reserve
 - to be used to accumulate funds to assist in the future costs of attracting and retaining a qualified medical practitioner within the Region.
- (h) IT & Administration Reserve
 - to be used to fund technology that will require regular updating.
- (i) Sewerage Reserve
 - to be used to fund future upgrading and replacement of the town sewerage treatment plant.
- (j) Community Housing Reserve
 - to be used to fund the future maintenance/upgrading or replacement of CHP units or returned to the Department of Housing and Works.
- (k) JVC Units Reserve
 - to be used to fund the future maintenance/upgrading or replacement of JV units or returned to the Department of Housing and Works.
- (l) Community Bus Reserve
 - to be used to fund the change over costs of the community bus.
- (m) NRM Reserve
 - to be used to fund future retention of the Natural Resource Management Officer.
- (n) Waste Management Reserve
 - to be used to fund future refuse development.
- (o) JV Johnson Reserve
 - to be used to fund future maintenance and development needs.

The leave and plant reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

The building reserve is expected to be utilised in 2015/16.

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

12. REVALUATION SURPLUS	2015	2014
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land		
Opening balance	386,516	0
Revaluation increment	0	386,516
	<u>386,516</u>	<u>386,516</u>
(b) Plant and equipment		
Opening balance	568,222	568,222
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>568,222</u>	<u>568,222</u>
(c) Building and Improvements		
Opening balance	6,002,423	0
Revaluation increment	0	6,002,423
Revaluation decrement		0
	<u>6,002,423</u>	<u>6,002,423</u>
(d) Roads		
Opening balance	14,811,238	14,811,238
Revaluation increment	32,803,550	0
Revaluation decrement	0	0
	<u>47,614,788</u>	<u>14,811,238</u>
(d) Other infrastructure		
Opening balance	0	0
Revaluation increment	239,793	0
Revaluation decrement	0	0
	<u>239,793</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>54,811,742</u></u>	<u><u>21,768,399</u></u>

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>5,630,912</u>	<u>4,114,254</u>	<u>4,885,676</u>

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

Net result	1,093,540	384,242	441,607
Non-cash flows in Net result:			
Depreciation	1,774,984	1,453,518	1,159,662
(Profit)/Loss on sale of asset	126,521	(25,853)	40,990
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(45,133)	174,071	(20,559)
(Increase)/Decrease in inventories	(7,930)	7,931	571
Increase/(Decrease) in payables	(96,288)	(27,463)	97,781
Increase/(Decrease) in provisions	26,530	(10,157)	4,040
Grants contributions for the development of assets	<u>(701,070)</u>	<u>(911,000)</u>	<u>(1,235,408)</u>
Net cash from operating activities	<u>2,171,154</u>	<u>1,045,289</u>	<u>488,684</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

	2015 \$	2014 \$
Bank overdraft limit	150,000	150,000
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	<u>0</u>	<u>(111)</u>
Total amount of credit unused	<u>155,000</u>	<u>154,889</u>

Loan facilities

Loan facilities - current	0	0
Loan facilities - non-current	<u>0</u>	<u>0</u>
Total facilities in use at balance date	<u>0</u>	<u>0</u>

Unused loan facilities at balance date

	<u>NIL</u>	<u>NIL</u>
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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

14. CONTINGENT LIABILITIES

There were no known contingent liabilities at balance date.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

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

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

16. JOINT VENTURE ARRANGEMENTS

Building Surveying Service. The only assets are a motor vehicle and miscellaneous equipment. The Shire's one fifth share of the change over of a vehicle has been expensed.

	2015	2014
	\$	\$
Non-current assets		
Light vehicles	6,250	6,530
Less: accumulated depreciation	<u>(160)</u>	<u>(102)</u>
	<u>6,090</u>	<u>6,428</u>

The Shire together with the Shire of Wyalkatchem with regard to the provision to fund a medical practitioner. The asset involved in this joint venture is a motor vehicle. The Shire one-half share in the change over the vehicle has been expensed.

	2015	2014
	\$	\$
Non-current assets		
Plant and equipment	38,531	22,816
Less: accumulated depreciation	<u>(9,126)</u>	<u>(3,550)</u>
	<u>29,405</u>	<u>19,266</u>
Light vehicles	19,266	0
Less: accumulated depreciation	<u>(4,563)</u>	<u>0</u>
	<u>14,703</u>	<u>0</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	1,028	0
General purpose funding	52,506	38,381
Law, order, public safety	550,045	581,539
Health	1,423,680	765,039
Education and welfare	55,466	64,000
Housing	5,198,284	4,182,823
Community amenities	1,520,601	1,272,166
Recreation and culture	5,178,990	5,750,045
Transport	91,204,524	57,983,372
Economic services	590,055	557,351
Other property and services	2,309,690	2,867,335
Unallocated	<u>1,144,080</u>	<u>1,099,773</u>
	<u>109,228,949</u>	<u>75,161,824</u>

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

18. FINANCIAL RATIOS	2015	2014	2013
Current ratio	2.01	3.09	2.80
Asset sustainability ratio	0.57	1.61	1.80
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	0.23	(0.49)	(0.27)
Own source revenue coverage ratio	0.39	0.47	0.46

The above ratios are calculated as follows:

Current ratio
$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$$

Asset sustainability ratio
$$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$$

Debt service cover ratio
$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

Operating surplus ratio
$$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$$

Own source revenue coverage ratio
$$\frac{\text{own source operating revenue}}{\text{operating expenses}}$$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

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

19. TRUST FUNDS

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

	Balance 1 July 2014	Amounts Received	Amounts Paid	Balance 30 June 2015
	\$	\$	(\$)	\$
Housing Bonds	9,074	1,820	(1,610)	9,284
Drive In	7,334	3,751	(7,619)	3,466
Swimming Pool Committee	301	0	0	301
Youth Group	630	0	0	630
NEWROC Housing Project				
- Shire of Koorda	12,426	29	(12,455)	0
- Shire of Mount Marshall	18,393	159	(18,552)	0
- Shire of Mukinbudin	853,943	30,650	(392,585)	492,008
RRG Chairman's Travel	3,540	0	(91)	3,449
Councillors Donation	604	0	(604)	0
	<u>906,245</u>			<u>509,138</u>

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

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Law, order, public safety						
Hino-Mollerin Fire Tender	9,495	0	5,000	0	(4,495)	0
Health						
EHO Vehicle 1	21,670	30,000	24,545	28,334	2,875	(1,666)
EHO Vehicle 2	0	30,000	0	28,333	0	(1,667)
EHO Vehicle 3	0	30,000	0	28,333	0	(1,667)
Community amenities						
Community Bus	0	59,500	0	60,000	0	500
Transport						
WS Ute 1	28,421	33,049	32,455	30,500	4,034	(2,549)
WS Ute 2	34,948	33,049	34,364	30,500	(584)	(2,549)
Ute P02	0	11,200	0	12,000	0	800
Ute P03	0	4,500	0	8,000	0	3,500
Ute P66	13,504	18,000	16,364	16,000	2,860	(2,000)
Ute P64	16,242	18,000	18,181	14,000	1,939	(4,000)
FEL P43	80,000	66,626	85,000	105,000	5,000	38,374
Side Tipper Trailer	28,380	0	26,000	0	(2,380)	0
Economic services						
NRM Utility	32,318	27,023	27,773	25,000	(4,545)	(2,023)
Other property and services						
Exec Sedan 1	35,965	33,000	34,782	34,000	(1,183)	1,000
Exec Sedan 2	34,775	33,000	34,703	34,000	(72)	1,000
Exec Sedan 3	0	33,000	0	34,000	0	1,000
DCEO Sedan	17,151	18,700	15,960	16,500	(1,191)	(2,200)
Land						
Housing						
Lot 186	11,000	0	0	0	(11,000)	0
Lot 187	11,000	0	0	0	(11,000)	0
Buildings and Improvements						
Housing						
Lot 186	94,256	95,000	57,500	95,000	(36,756)	0
Lot 187	99,299	95,000	42,000	95,000	(57,299)	0
Infrastructure - Other						
Law, order, public safety						
Revaluation write-offs	1,152	0	0	0	(1,152)	0
Recreation and culture						
Revaluation write-offs	5,780	0	0	0	(5,780)	0
Transport						
Revaluation write-offs	5,574	0	0	0	(5,574)	0
Economic services						
Revaluation write-offs	218	0	0	0	(218)	0
	581,148	668,647	454,627	694,500	(126,521)	25,853

Profit	16,708	46,174
Loss	(143,229)	(20,321)
	<u>(126,521)</u>	<u>25,853</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015****21. INFORMATION ON BORROWINGS****(a) Repayments - Debentures**

The Shire of Koorda has no borrowings.

(b) New Debentures - 2014/15

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

(c) Unspent Debentures

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

(d) Overdraft

The Shire established an overdraft facility of \$150,000 in 2012 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2014 and 30 June 2015 was \$nil.

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

21. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General rate											
Gross rental value valuations											
GRV - Residential	0.0960	119	767,988	73,727	1,639	0	75,366	73,727	0	0	73,727
GRV - Industrial	0.0960	1	5,460	524	0	0	524	524	0	0	524
GRV - Commercial	0.0960	12	207,324	19,903	0	0	19,903	19,903	0	0	19,903
GRV - Special Rural	0.0960	6	40,664	3,904	0	0	3,904	3,904	0	0	3,904
Unimproved value valuations											
UV - Residential	0.0210	224	40,592,500	852,443	0	0	852,443	852,264	0	0	852,264
Sub-Totals		362	41,613,936	950,501	1,639	0	952,140	950,322	0	0	950,322
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV - Residential	265	5	3,521	1,325	175	0	1,500	3,445	0	0	3,445
GRV - Industrial	265	1	162	265	0	0	265	265	0	0	265
GRV - Commercial	265	9	15,470	2,385	0	0	2,385	2,385	0	0	2,385
GRV - Special Rural	265	3	2,205	795	0	0	795	795	0	0	795
GRV - Vacant	265	9	1,344	2,385	0	0	2,385	0	0	0	0
Unimproved value valuations											
UV - Residential	265	0	0	0	0	0	0	2,650	0	0	2,650
UV - Industrial	265	0	0	0	0	0	0	1,855	0	0	1,855
UV - Rural	265	10	69,248	2,650	0	0	2,650	0	0	0	0
UV - Mining	265	8	10,389	2,120	(542)	0	1,578	0	0	0	0
Sub-Totals		45	102,339	11,925	(367)	0	11,558	11,395	0	0	11,395
Discounts/concessions (refer note 24)							963,698				961,717
Total amount raised from general rate							(69,477)				(70,350)
Specified Area Rate (refer note 22)							894,221				891,367
Totals							0				0
							894,221				891,367

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

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

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>1,107,355</u>	<u>984,366</u>	<u>984,366</u>
Comprises:			
Cash and cash equivalents			
Unrestricted	189,906	668,843	668,843
Restricted	5,441,006	4,216,833	4,216,833
Receivables			
Rates outstanding	52,503	32,989	32,989
Sundry debtors	67,547	43,969	43,969
GST receivable	9,197	13,841	13,841
Interest Receivable	0	557	557
Fuel Tax Credits	7,242	0	0
Inventories			
Fuel and materials	21,290	13,360	13,360
Less:			0
Trade and other payables			
Sundry creditors	(61,679)	(49,677)	(49,677)
Accrued salaries and wages	0	(44,265)	(44,265)
ATO liabilities	(34,553)	(22,710)	(22,710)
Bonds and deposits	(18,491)	(19,001)	(19,001)
Collections	(14,817)	(31,177)	(31,177)
Current portion of long term borrowings			
Overdraft	0	(58,998)	(58,998)
Provisions			
Provision for annual leave	(175,523)	(172,170)	(172,170)
Provision for long service leave	(122,959)	(112,510)	(112,510)
Net current assets	<u>5,360,669</u>	<u>4,479,884</u>	<u>4,479,884</u>
Less:			
Reserves - restricted cash	(4,508,125)	(3,799,743)	(3,799,743)
Non-cash backed employee entitlements	(43,671)	(24,720)	(24,720)
Add:			
Provision for annual leave	175,523	172,170	172,170
Provision for long service leave	122,959	112,510	112,510
Accrued salaries and wages	0	44,265	44,265
Surplus/(deficit)	<u>1,107,355</u>	<u>984,366</u>	<u>984,366</u>

Difference

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

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

22. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

23. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
TV & Satellite Transmission Levy	25	3,023	5,250	3,023	5,250
		3,023	5,250	3,023	5,250

The service charge is for the provision of television re-broadcasting. The charge is applicable to all owners and occupiers within a designated area surrounding the townsite.

The proceeds of the service charge are applied in full to the costs of maintenance and operation.

No transfer to or from reserve accounts has occurred.

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

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General rates	Discount	10.00%	68,841	70,350
Minimum rate	Discount	10.00%	636	0
			69,477	70,350

A discount on rates is granted to all who pay their rates in full within 35 days of the date of issue noted on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%	0	6,775	5,775
Charges on instalment plan	5.50%	0	1,423	0
			8,198	5,775

Ratepayers had the option of paying rates in four equal instalments, due on 5 September 2014, 14 October 2014, 16 January 2015 and 13 March 2015. Administration charges and interest applied for the final three instalments.

26. FEES & CHARGES	2015 \$	2014 \$
General purpose funding	4,551	2,867
Law, order, public safety	9,360	7,878
Health	160,367	102,206
Housing	148,703	157,709
Community amenities	158,028	148,788
Recreation and culture	14,780	11,629
Economic services	77,301	92,847
Other property and services	10,069	7,837
	<u>583,159</u>	<u>531,761</u>

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

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

27. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions	2,962,988	1,017,594
Non-operating grants, subsidies and contributions	701,070	1,235,408
	<u>3,664,058</u>	<u>2,253,002</u>
By Program:		
General purpose funding	2,728,028	838,216
Law, order, public safety	24,670	33,782
Housing	0	523,824
Recreation and culture	52,619	0
Transport	777,670	823,459
Economic services	0	24,450
Other property and services	81,071	9,271
	<u>3,664,058</u>	<u>2,253,002</u>

28. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>22</u>	<u>23</u>
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29. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	8,485	4,899	4,441
President's allowance	7,000	7,000	7,000
Deputy President's allowance	1,500	1,500	1,500
Travelling expenses	4,649	2,048	1,926
	<u>21,634</u>	<u>15,447</u>	<u>14,867</u>

30. MAJOR LAND TRANSACTIONS

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

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Shire did participate in any trading undertakings or major trading undertakings during the 2014/15 financial year, insert details here.

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

32. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets				
Cash and cash equivalents	5,630,912	4,885,676	5,630,922	4,885,676
Receivables	141,881	96,748	141,881	96,748
	<u>5,772,793</u>	<u>4,982,424</u>	<u>5,772,803</u>	<u>4,982,424</u>
Financial liabilities				
Payables	129,540	166,830	129,550	166,830
Borrowings	0	58,998	0	58,998
	<u>129,540</u>	<u>225,828</u>	<u>129,550</u>	<u>225,828</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

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

32. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

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

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	51,492	54,499
- Statement of Comprehensive Income	51,492 ⁽¹⁾	54,499 ⁽¹⁾

Notes:

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

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

32. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	15.15%	12.82%
- Overdue	84.85%	87.18%
Percentage of other receivables		
- Current	66.20%	98.36%
- Overdue	33.80%	84.00%

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

32. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	<u>2015</u>	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	129,550	0	0	0	129,550	129,540
Borrowings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>129,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>129,550</u>	<u>129,540</u>
	<u>2014</u>					
Payables	166,830	0	0	0	166,830	166,830
Borrowings	58,998	0	0	0	58,998	58,998
	<u>225,828</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>225,828</u>	<u>225,828</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015****32. FINANCIAL RISK MANAGEMENT (Continued)****(c) Payables
Borrowings (continued)**

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

INDEPENDENT AUDITOR'S REPORT TO THE SHIRE OF KOORDA

Report on the Financial Report

We have audited the accompanying financial report of Shire of Koorda, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report which gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of Shire of Koorda is in accordance with the underlying records of the Council, including:

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

Emphasis of Matter

Without modifying our opinion, we draw attention to page 59 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of the asset consumption ratio and asset renewal funding ratio does not form part of the audited financial report. As a result, we do not express an opinion on management's calculation of these ratios.

Other matters

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) In relation to the Supplementary Ratio Information presented on page 59 of this report we have reviewed the calculations as presented and nothing has come to our attention to suggest that they are not reasonably calculated and based on verifiable information.
- d) All information and explanations required were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA

Director

Perth

Date: 18 November 2015

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

RATIO INFORMATION

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

	2015	2014	2013
Asset consumption ratio	0.99	0.69	0.77
Asset renewal funding ratio	1.14	1.22	1.15

The above ratios are calculated as follows:

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