



2014/2015
Annual Report



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Shire at a Glance



Shire of Wongan-Ballidu Administration Centre
 Cnr Quinlan St & Elphin Crescent (PO Box 84)
 WONGAN HILLS WA 6603
 Tel: (08) 9671 1011 Fax: (08) 9671 1230
 Email: shire@wongan.wa.gov.au
 Website: www.wongan.wa.gov.au
 Office Hours: 8.30am – 4.30pm Mon, Tues, Thurs & Fri
 Wednesday 9.00am – 4.30pm

Councillors

President: Peter Macnamara

Deputy President: Brad West

Alfreda Lyon; Richard Morgan; Hugh Barrett-Leonard; David Armstrong;
 Michael Godfrey; Sandra Hartley; Tracey De Grussa

Senior Staff

Chief Executive Officer Stuart Taylor
 Building Services Coordinator Melissa Marcon
 Manager Community Services Tanya Greenwood

Deputy Chief Executive Officer David Taylor
 Works Manager Karl Mickle

Shire Statistics

Distance from Perth (km)	184
Area (sq km)	3,368
Length of Sealed Roads (km)	342.8
Length of Unsealed Roads (km)	980.6
Population	1,440
Number of Electors	1010
Number of Dwellings	874
Total Rates Levied	2,391,106
Total Revenue	8,413,766
Number of Employees	37

Shire Attractions

Christmas Rock Bushwalk; Pioneer Museum; Wildflower & Heritage Trails; Lake Ninan; Dingo Rock; Gathercole Reserve; Mt O'Brien Scenic Lookout; Picnic Areas; Mt Matilda Walk Trail; Reynoldson Flora Reserve; Rare Flora Garden; Mallee Walk Trail; Historic Rail Precinct; Water Tower & Murals; Wongan Hills & Ballidu Caravan Parks; Excellent Sport & Recreation Facilities/Activities; Cinema (monthly).

Local Industries

Mixed Farming; Sheet Metal Works; Stock Feed Mill; Manufacturing – Agricultural Machinery; Heavy Transport; Co-operative Bulk Handling; Agricultural Research Station.

Significant Annual Events

Biennial Art Exhibition- Wongan Hills, Art Exhibitions – Ballidu; Bike it to Ballidu; Wongan; Town Party; Australia Day Ceremonies – Wongan Hills & Ballidu, Reynoldson Reserve Festival

Suburbs & Localities

Wongan Hills, Mocardy, Ballidu, West Ballidu, East Ballidu, Lake Hinds, Lake Ninan, Cadoux, Burakin & Kondut.

Full Council Meeting

Full Council meets on the fourth Wednesday of each month at 3.00pm except January and December.

President's Report



PRESIDENT'S REPORT 2014/2015

Cr Peter Macnamara
Shire President

Our Shire Council has had a very good year with the staff completing two major outside construction jobs that has significantly helped to put us in a very strong financial position. We would like to sincerely thank all staff involved as these jobs help to set shires the size of ours up, and give us the confidence and the know how to tackle more projects.

The long awaited New Station building was opened by Mia Davies with a huge sigh of relief by some. This building and precinct look and function magnificently and is already a great asset for our whole shire. We were pleased to announce that this building is debt free and because of this will not be incumbent on rate payers.

Another major project finished was a refurbishment of The Cadoux Recreation Centre. This was a big job involving the removal of asbestos and was always going to take time. The finished product including a new disabled toilet looks great.

Citizen of the Year continues to attract strong nominations and when you read these it's not hard to see why we are a strong shire with the amount of wonderful volunteers who keep our community spirit alive. This year's winner was Trish Macnamara, well deserved for her strong community commitment. Congratulations to Louise Siegert as our Young Citizen for the endless hours spent helping organize, coach and officiate with the many sporting bodies she is involved in. Congratulations to the Men's Shed and the Hockey Club for their awards.

Last but certainly not least a HUGE thank you to all our great staff. Your friendly smiles and wonderful effort put in by you all is greatly appreciated and does not go unnoticed.

A handwritten signature in black ink that reads "Peter Macnamara". The signature is stylized and cursive.

Cr Peter Macnamara
President

Councillors of the Shire

Your Council

Residents can contact Members with issues that they wish to be addressed and brought to the attention of Council.

Council meets on the fourth Wednesday of each month except for the months of January and December



Cr Peter Macnamara
Cadoux South Road
PO Box 15
Cadoux wa 6466

Tel: (08)9632 2018
Retiring: October 2015
Occupation: Farmer



Cr Brad West
Loc 26590 Sewell Road
PO Box 233
Wongan Hills WA 6603

Tel: (08) 9672 1041
Fax: (08) 9672 1035
Retiring: October 2015
Occupation: Farmer
Email: bradwest10@bigpond.com.au



Cr Michael Godfrey
20 Wilson Street
Wongan Hills WA 6603

Tel: 9671 1612
Retiring: October 2015
Occupation: Parts Interpreter
Email: drmdjs@westnet.com.au



Cr David Armstrong
560 Ballidu Bindi-Bindi Road
PO Box 30
Ballidu 6606

Tel: (08) 9674 1036
Fax: (08) 9674 1217
Retiring: October 2015
Occupation: Sales Manager
Email: darmy@westnet.com.au



Cr Alfreda Lyon
4 Wilson Street
Wongan Hills WA 6603

Tel: (08) 9671 1900
Retiring: October 2015
Occupation: Office Manager
Email: alfredalyon@bigpond.com



Cr Hugh Barrett-Lennard
1792 Kondut West Road
PO Box 189
Lake Hinds WA 6603

Tel: (08) 9654 2045
Fax: (08) 9654 2050
Retiring: October 2015
Occupation: Farmer
Email: hughbl@bordnet.com.au

Councillors of the Shire



Cr Tracey deGrussa
30 Wallis Street
PO Box 75
Ballidu 6606

Tel: (08) 9674 1320
Retiring: October 2015
Occupation: Home Engineer
Email: bluebird13@westnet.com.au



Cr Sandra Hartley
Stickland Street
Wongan Hills 6603

Tel: (08)96711148
Retiring: October 2015
Occupation: Home Engineer
Email: butons82@bigpond.com



Cr Richard Morgan
1 Ackland Street
Wongan Hills 6603

Tel: 9671 1822
Retiring: October 2015
Occupation: Retired Dentist
Email: richardmorganaustralia@hotmail.com

Councillors of the Shire

COUNCILLORS MEETING ATTENDANCE 2014/2015

Council	Special			Finance		
	Eligible	Attended	%	Eligible	Attended	%
Cr P Macnamara	11	11	100	1	1	100
Cr B West	11	10	91	1	1	100
Cr T deGrussa	11	11	100	1	1	100
Cr A Lyon	11	7	64	1	1	100
Cr M Godfrey	11	11	100	1	1	100
Cr D Armstrong	11	11	100	1	0	0
Cr Barrett-Lennard	11	10	91	1	1	100
Cr R Morgan	11	10	91	1	1	100
Cr Sandra Hartley	11	8	73	1	1	100

COUNCILLOR TRAINING UNDERTAKEN DURING 2014/2015

Name of Councillor Training Course	Councillor(s) Attending
1. Understanding Local Government	Richard Morgan
2. Serving on Council	Richard Morgan
3. Strategic Planning	Richard Morgan
4. Decision making at a governing board level	Richard Morgan
5. CEO performance appraisals	Richard Morgan
6. Financial boards and budgets	Richard Morgan
7. Managing conflict	Richard Morgan

Chief Executive Officer's Report



Mr Stuart Taylor
Chief Executive Officer

2014/2015 has been a very successful year for the Shire of Wongan Ballidu.

PROJECTS

This year saw the completion of the Community Resource Centre in October 2014. It was a long time coming, however the end result is a credit to all involved in the project who overcame significant challenges in bringing the project to completion. It certainly is an asset to our community and is being well utilized and provides many services for the benefit of our and the broader community.

The projects that were included in the budget as outlined in the Managers' reports have been completed with the majority if not all being completed within budget and by the end of the financial year.

The Shire of Wongan Ballidu was fortunate in being asked to undertake two capital works projects on behalf of Main Roads. It was a challenge to undertake the projects without impacting on our own works programme. Utilising a combination of our own resources and contractors we were able to complete these projects and our own projects with no negative impact on the Shire.

The Shire finished in a strong financial position at the end of this financial year, with significant reserve funds for future projects and also the reduction of \$500,000 in outstanding loans. This places us in a good position to look at new significant projects like the proposed co-location of sporting facilities.

INITIATIVES

The Shire of Wongan Ballidu, along with its neighbours, including the Shires of Dalwallinu and Moora, are looking at building a Strategic Alliance to look at opportunities in each Shire and the region to improve our operational efficiencies and our future sustainability.

The initiative model is a first in Western Australia and if it comes to fruition may set the trend for many rural and regional Councils to provide improved services with less costs, and provide the opportunity to tap into Regional Funding Services that are not currently available to individual local governments.

The Shire's next major project is to look at the co-location of sports facilities to the sports ground. This project has been put forward a number of times over the last 10 years without much success. A committee independent of the Shire, Sports Council and sporting clubs and groups was formed and given the challenging task of developing a plan and management strategy and to undertake the engagement process with a view to co-locating our sporting facilities.

This project is one that will take time to plan and develop. So far meetings with all the groups have taken place to gauge support and find out the needs and wants of all the groups. The Shire

Chief Executive Officer's Report

has committed funds to assist with the design and planning and has created a reserve account for the Shire financial contribution to the project.

LOCAL GOVERNMENT REFORM

Over the last two years there have been significant moves by the State to reform Local Government. The recent proposal for amalgamations and boundary changes incorporating a group of Councils was not successful, thus putting the reduction of the number of Local Governments on hold for the immediate future.

The State is reviewing current legislation and it is understood that a number of legislative changes will be introduced that will introduce significant changes to the accountability model that is currently in place including the requirement for all elected Members to undertake training and the

Audit process of each Local Government to be undertaken by the Auditor General rather than private sector Auditors.

The legislative changes for Fair Value has reached the end of its' first triennium; we again begin the cycle of looking at the Fair Value valuations in the next financial year. This year was the bringing to account of Infrastructure and other Infrastructure under the Fair Value System.

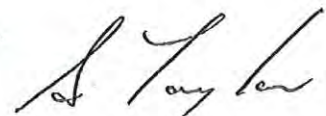
STAFF

The staff changes within the organisation have been kept to a minimum, and things seem to be settling down, in particular the outside work force. We thank the members of our community who continually write and phone in to thank our staff for the job that they are doing. We receive many praises for the outside crew, including parks and gardens, and while we do make mistakes and sometimes things can go wrong, it is pleasing that the community acknowledges and thanks our crew for the work and effort that they put in under sometimes very hard and difficult circumstances.

THANK YOU

I would like to take this opportunity to thank the Councillors who really do work hard to attain that balance of strong financial management, delivery of services and support of community initiatives. The support given to the staff to implement and fund programs and to explore new ideas and initiatives is greatly appreciated.

Thank you to all the staff for your contribution throughout the year, we have delivered what we have been asked to do and along the way we have been able to help and facilitate other programmes and initiatives of our own and that of the community. You are to be congratulated on your achievements and professionalism.



Stuart A Taylor
CHIEF EXECUTIVE OFFICER

Deputy Chief Executive Officer's Report

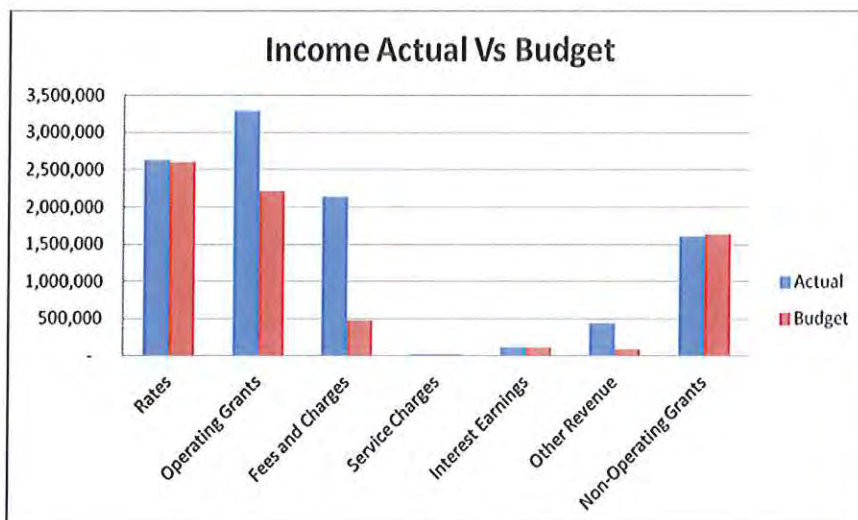
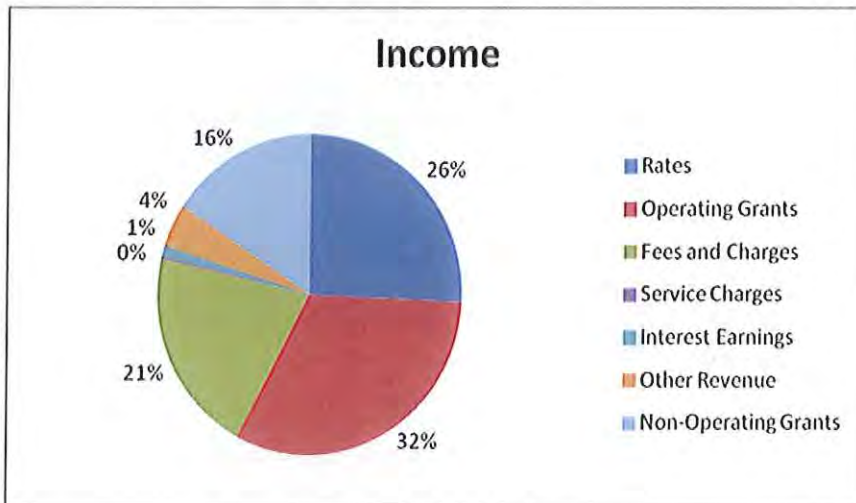
Shire of Wongan-Ballidu Financial Report 2014/15



Mr David Taylor
Deputy Chief Executive Officer

The 2014-15 audited accounts are shown attached and this page highlights pertinent information.

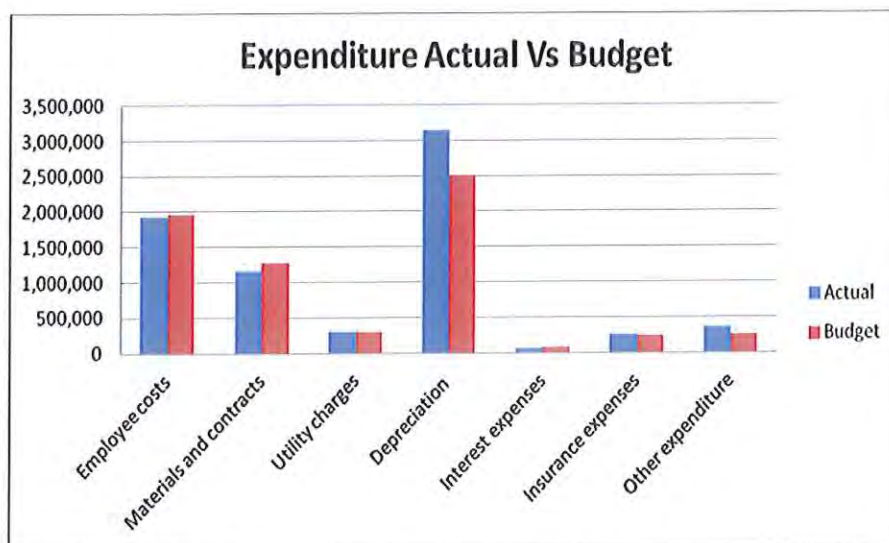
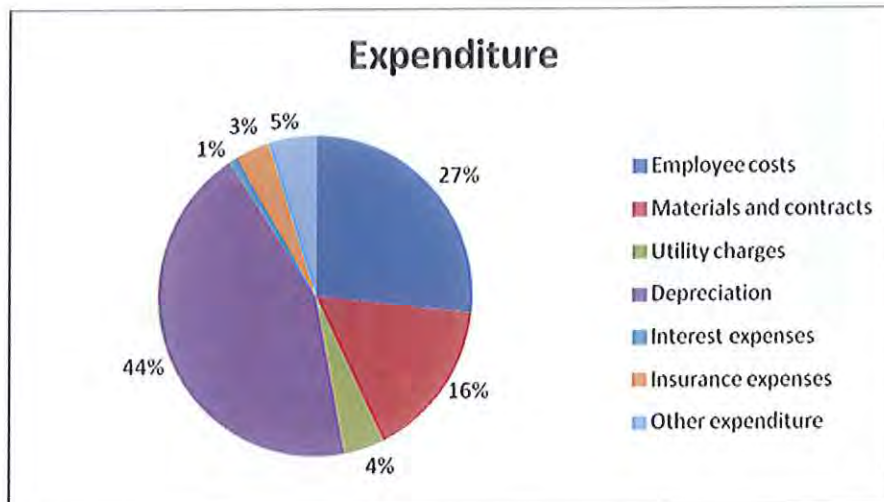
The **Statement of Comprehensive Income** shows the Shire of Wongan-Ballidu total revenue for this financial year was \$10.232m and expenses were \$7.185m, there was an additional \$0.257m in loss on sale of assets and \$19.556m gained through the revaluation of non-current asset classes of land and buildings. This resulted in a total comprehensive income of \$22.346m. The composition of these revenues and expenses are illustrated in the charts below.



Deputy Chief Executive Officer's Report

Shire of Wongan-Ballidu Financial Report 2014/15

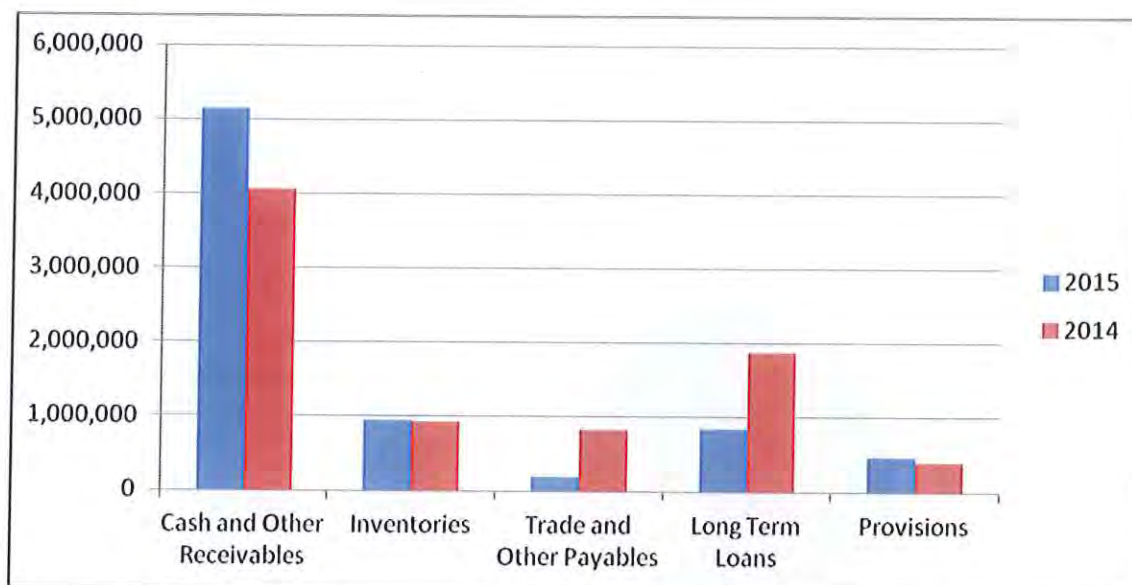
The above illustrations shows that the three main components of revenue were as follows; rates of \$2.629m (26%), operating and non-operating grants of \$4.894m (48%) and fees and charges \$2.131m (21%). The remaining \$0.579m (5%) has come from other sources of revenue such as service charges, interest earnings and other revenue.



The above illustrations shows the three main components of expenditure expenditure was made up of \$1.920m (27%) in employee costs, \$1.157m (16%) in materials and contracts, \$3.135m (44%) in depreciation with the remaining \$0.973m (14%) being made up of utility charges, interest, insurance, loss on sale of assets and other expenditure.

The **Statement of Financial Position** shows that our net assets has increased by \$22.346m. This is a result of an increase of \$20.762m in assets and an decrease of \$1.584m in liabilities. The increase in assets is a result of a net increase of \$1.082m in cash and other receivables, increase of \$0.026m in inventories and an increase of \$19.658m in non-current assets. The increase in non-current assets is the net result of a number of additions and disposals and the \$19.556m change in valuation of infrastructure assets (refer to note 6a and note 7a). The decrease in liabilities is a result of an decrease of \$0.639m in trade and other payables, a net decrease of \$0.924 in loan liabilities and an increase of \$0.079m in employee provisions.

Deputy Chief Executive Officer's Report
Shire of Wongan-Ballidu Financial Report 2014/15



The **Statement of Cashflow** combines details from the above statements to give an explanation on what changed the cash position from \$1.640m to \$3.944m, a movement of \$2.305m. Operating activities increased by \$3.745m when compared to the previous year. Fees and charges increased by \$0.481m and operating grants increased by \$3.853m. This increase in operating grants is a result of the Local Government Grants Commission changing the timing of when they process their operating grant payments to local governments. Previously, these payments were made within the financial year, however, in 2014/2015 an advance payment was made with the remaining grants being received through quarterly payments throughout the year. Expenses were \$0.975m lower than the previous year and an additional \$0.849m less was spent on investment activities.

FAIR VALUATIONS

A major undertaking during the 2014-15 year was to perform fair value assessments of Council's infrastructure assets. As of 30th June 2013, all local governments are required to commence the process of recognising all of its assets as fair value in accordance with Regulation 17A of the Local Government (Financial Management) Regulations 1996. The following table indicates the timeframe in which particular asset classes are required to undergo an assessment of fair value.

Classification	Initial Revaluation	Subsequent Revaluation
Plant & Equipment	30 June 2013	30 June 2016
Land and buildings	30 June 2014	30 June 2017
Infrastructure assets and all other classes of assets	30 June 2015	30 June 2018

The reason that local governments are required to undertake fair value assessments is to align them with the Australian Accounting Standards. Fair value is "the amount for which an asset could be exchanged (sold) or a liability settled in an ordinary transaction between market participants". Fair value is considered to be the best estimate of the price reasonably obtainable in the market at the date of the valuation. The use of fair value to be used in the local governments financial statements is essential to provide a more accurate measure of community assets and liabilities than at 'historical cost' (the cost in which was paid for that asset). Having assets recorded at fair value is also essential for good asset management practices and robust long term financial planning for a local government to report the value of assets and their associated maintenance,

Deputy Chief Executive Officer's Report
Shire of Wongan-Ballidu Financial Report 2014/15

renewal or replacement costs at fair value so that the long term sustainability of that local government can be addressed.

The final year of implementation for fair value remained a challenge and required a great deal of time and effort. Going forward into the start of the three year cycle will be performing valuations on plant and equipment, furniture and equipment and motor vehicle assets.

It has been a pleasure to work with such a focused and dedicated team at the Shire of Wongan-Ballidu and I look forward to the year ahead.



David Taylor
Deputy Chief Executive Officer

Manager Building Services



Len deGrussa
Manager Building Services

Responsibilities:

Planning	Building Permits
Demolition Permits	Building Maintenance
Capital Projects	Cleaning
Environmental Health	Medical Centre
Drum Muster	Swimming Pool
Public Buildings	Play Grounds
Management Leases	Rental Properties
Waste Management	

Building Maintenance:

Ongoing maintenance and repairs are carried out on all Shire buildings and infrastructure to assist in keeping them in the best condition possible.

Capital Projects:

The following capital projects were undertaken during the year-

1. Refurbishment of Cadoux Recreation Centre Toilets
2. Completion of new Community Resource Centre
3. Wongan Hills Civic Centre- new vinyl to kitchen and bar floors, new stove and oven
4. Wongan Hills Swimming Pool- concrete area to house pool covers
5. Wongan Hills Recreation complex- replace ceiling to hockey changeroom

Cleaning:

Shire cleaning is carried out by both staff and contractors, Please report any cleaning issues to the admin office.

Waste Management:

The Wongan Hills Waste Management Facility is controlled by contractors.

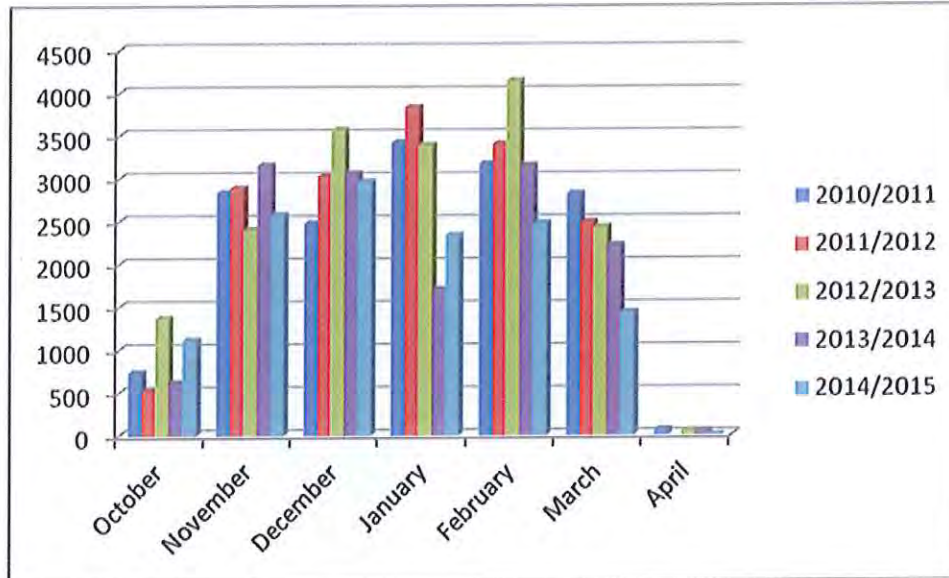
Opening hours – Thursday	8.30am to 4.30pm
Friday	8.30am to 4.30pm
Saturday	8.30am to 4.30pm
Sunday	8.30am to 4.30pm

Although the Shire operates landfill sites at both Ballidu and Cadoux please note that asbestos and septic waste can only be received at Wongan Hills.

Manager Building Services

Wongan Hills Swimming Pool:

The Wongan Hills Memorial Swimming Pool had another successful season. The total patronage for the 2014/2015 season year was 12,594.



Break down of swimming pool entrance income-

2010/2011	\$26,734
2011/2012	\$29,506
2012/2013	\$34,088
2013/2014	\$32,882
2014/2015	\$28,716

Break down of Swimming pool operating cost:

2010/2011	\$144,449
2011/2012	\$161,909
2012/2013	\$157,882
2013/2014	\$156,279
2014/2015	\$192,163

As can be seen numbers are up but income is down on previous years, this could be caused by:

- The weekend temperatures for this season were cooler than in previous years with a lot less days over 35 degree. Which also contributed to the "out of towners or non regulars" not attending.
- A lot more of the teenagers in town are working and there were also a number of new gaming consoles that came out keeping people at home rather than at the pool.
- The farmers harvested their crops earlier this year to enable them to get away over the Christmas holiday period which had a significant impact: and
- Finally we didn't run beach volleyball in the second part of the season as there were insufficient player numbers.

All these factors would contribute to the income through the gate being lower than previous years.

Manager Building Services

BUILDING SERVICES EXPENDITURE 2014/2015	
Building Maintenance	\$134,226.95
Building Capital Expenses	\$1,324,286.34
Cleaning	\$96,406.74
Swimming Pool Operating Costs	\$156,109.18
Utilities and Insurance to Council Buildings	\$327,821.85
Waste Collection	\$171,223.19
DrumMuster Costs	\$6,790.07h

BUILDING APPROVAL STATISTICS			
Summary 2014/2015			
Type of Permit Issued For	Number	Value of Work	Fees Received
Carport, Patio, Pergola, Verandah	13	\$174,248	\$1289.60
Domestic Outbuilding	5	\$45,700	\$458.00
Commercial/Industrial	10	\$1,205,100	\$1906.14
New Dwelling	3	\$1018,180	\$2,792.23
Swimming Pool	2	\$49,500	\$184.00
Veterinary Hospital	1	\$87,274	\$279.28
TOTAL 2014/2015	34	\$3,897,796	\$6,451.25
Total 2013/2014	18	\$1,834,402	\$4,039.26
Total 2012/2013	13	\$588,084	\$2,382.65
Total 2011/2012	17	\$4,756,310	\$10,301
Total 2010/2011	26	\$1,981,003	\$5,708
Total 2009/2010	41	\$2,835,191	\$8374
Total 2008/2009	28	\$1,723,265	\$11,689
Total 2007/2008	49	\$3,589,381	\$21,073
Total 2006/2007	50	\$2,745,394	\$15,681
Total 2005/2006	38	\$3,135,606	\$6,929
Total 2004/2005	34	\$2,599,178	\$6,369
Total 2003/2004	33	\$1,584,377	\$5,396
Total 2002/2003	27	\$690,323	\$3,929
Total 2001/2002	18	\$4,121,150	\$9,041

PLANNING APPROVALS ISSUED		
Summary 2014/2015		
Number of Approvals Issued	Value of Development	Fees Received
9	\$4,898,819	\$13,615

DEMOLITION PERMITS ISSUED	
Summary 2014/2015	
Number of Permits Issued	Fees received
1	\$92.00

Manager Building Services

ENVIRONMENTAL HEALTH:

Health issues are dealt with by myself and or Environmental Health Officer, Mr Doug Burke, who is based at the Shire of Dalwallinu. Doug carries out regular inspections of food premises, shops, hotels, lodging houses, caravan parks and all of the Shire's public food preparation areas such as sporting facilities, halls, etc.

EHO REPORT ON FOOD PREMISES INSPECTIONS:

Currently the Shire has a total of 22 registered food premises. 4 of these premises are assessed as being low risk, 8 are medium risk and 11 are identified as exempt.

Premises receive a low, medium or high risk classification depending on the type and quantity of food they produce. For example a business which sells only pre-packaged food will be classified as a low risk.

Exempt premises are those that provide food for the public but are generally defined as community groups for the various sporting bodies which are not required to be registered but must still meet the requirements of the Food Act 2008.



Len deGrussa
MANAGER BUILDING SERVICES

Works Manager



Karl Mickle
Works Manager

Manager Works & Services Report 2014/2015

During the year under review, Council once again committed in excess of \$3.04 million towards the development and maintenance of its road infrastructure.

The table below illustrates some of the wide range of works that were completed during this period.

<u>Project</u>	<u>Expenditure</u>
Roads – Construction (excluding footpaths)	\$ 1,446,022
Roads – Maintenance	\$ 553,532
Street Lighting and maintenance	\$ 37,444
Street sweeping and cleaning	\$ 40,483
Footpath Construction / Maintenance	\$ 15,374
Street Tree Maintenance	\$ 25,174
Traffic Management Signage	\$ 114,734
Plant Replacement	\$ 673,902

Council is highly reliant on funds being made available from bodies such as the Federal Government, WA Local Government Grants Commission and Main Roads WA each year. This year was no different, with Council receiving over \$2,008,622 in direct funding and other fees and charges. The break-down of the funding was as follows:

• WA Local Government Grants Commission	\$ 773,879
• MRWA (Direct Grant)	\$ 154,600
• MRWA (Project Specific)	\$ 590,314
• Federal Government (Roads to Recovery)	\$ 383,668
• Street Light Subsidy	\$ 4,495
• Blackspot Funding	\$ 101,666

1. Construction crew

The Construction crew has had a busy year, but has managed to complete the works program under budget. The crew have done a fantastic job.

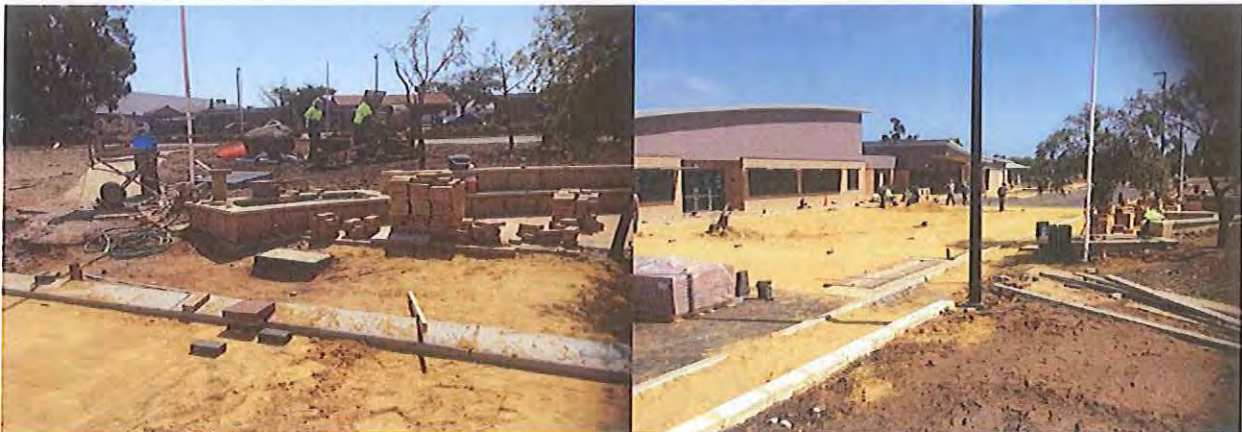
The construction crew completed the widening of the Dowerin Kalannie Road with great results, widening the bitumen surface on one side of the road to a 7 metre seal.

Works Manager

The construction crews have also performed the realignment and widening on the Waddington Road to a 7 meter seal between SLK 4.00 - 6.00. This work has improved visibility and the overall safety of this section of road.

The Station Earthworks

The earthworks at the newly built Community Resource Centre were a challenging task, with extensive drainage works and new levels that were required for water flow. We also had to build retaining walls and there was an overwhelming amount of brick paving to be completed, but all staff rose to the challenge, and the end result was outstanding. Below are some pictures illustrating the different stages of these works.



Road Works

The Construction crew completed a stage of a blackspot intersection consisting of a redesign of an intersection on the Hospital Road. This work has improved visibility and the overall safety at this intersection.

Works Manager



Road construction projects for the financial year included:

SHIRE OF WONGAN-BALLIDU 2014-2015 Capital Works Programme		
Works Program	Section	Comments
Dowerin-Kalannie Rd	Final Seal (SLK 26.20-30.60) 4.4Km	Final Seal
Dowerin-Kalannie Rd	Widen to 7.00 + 10.0 formation SLK 33.20-35.20	Widen to 7.0 m
Dowerin-Kalannie Rd	Widen to 7.00 + 10.0 formation SLK 31.20-33.20	Widen to 7.0 m
Waddington Rd	Final Seal SLK 12.00-13.75 (1.75Km)	Final Seal
Waddington Rd	Realign curve and widen to 7.0m bitumen SLK 4.00-6.00	Realign and widen to 7.00
Ninghan Road	Upgrade Culvert & Drainage	Culverts
Fenton Place	Tree Roots	Tree Roots
Wongan Cadoux Road	Shoulder work 4 Km	Widen to 7.0 m
Wongan Hills-Cadoux Road	Re-Seal Slk (19.5-21.5) 2 Km	Reseal
Danubin Street	Re-Seal SLK 0.00-0.28 (280Meters)	Reseal
Moonijin West Road	Re-Seal Slk 7.60-9.50 (1.9Km)	Reseal
Fairbanks Street	Tree Roots	Tree Roots
Cadoux North Road	Gravel Resheet Cut & Left 0.03-1.97 (1.Km)Clearing SLK 0.00-1.(1.Km)	Gravel Resheeting-Clearing
Cadoux South Road	Gravel resheet-Cut & Left SLK 3.20-4.40 (1.2Km)	Gravel Resheeting-Clearing
Rile Range Road	Intersection upgrade (Stage 2)	Intersection upgrade
Footpath	Footpath (Salder Road to pool) 85 meters	Footpath
Rifle Range Road	Resheet Cut & Lift SLK 0.50-2.50-4.20-4.80-Widen Bend SLK 3.20-3.70(2.70Km)	Gravel Resheeting-Clearing
Degrussa Road	Resheet (SLK12-14.6)2.6Km-Rocks (6.9-11.4)Clearing(SLK 3.1-3.3)	Gravel Resheeting-Clearing
CRC	Earth Works Car Park	Earth Works Car Park
Damboring West Road	Gravel Resheet Cut & Lift- Clearing SLK 2.00-3.90 &4.50-6.10 (3.5Km)	Gravel Resheeting-Clearing
Meadows Road	Gravel Resheet Cut & Left SLK 5.37-7.87 (2.5Km)	Gravel Resheeting-Clearing

Parks and Gardens

The Parks and Gardens team have done an outstanding job this financial year. They had a special project to landscape the gardens at the new Community Resource Centre building, and did a fantastic job. They have maintained a very high standard throughout the year; we are constantly getting accolades on their outstanding works around the Shire.

Works Manager

Maintenance Crews

The maintenance grader drivers have had a busy season maintaining the 980 kilometers of unsealed roads. We have modified grading techniques throughout the year which has greatly improved the network. They have also done outstanding work clearing back slopes and blind corners.

The patching truck has been busy patching the bitumen roads around the Shire and preparing the roads for reseals. This bitumen network is around 350 kilometers. They are also replacing guideposts and signs, assisting around town and digging graves at the cemetery.

Plant Replacement

Council maintains and regularly reviews and updates a comprehensive 10 year "Plant Replacement Programme" that schedules the most cost effective replacement cycles for all of its plant.

This process achieves two (2) goals:

- (1) It ensures that the best returns are achieved on the sale of plant
- (2) It provides the most up-to-date and efficient machinery to undertake works.

As a result of this year's review Council have purchased the following plant:

- ✓ Komatsu GD555 grader
- ✓ Hamm Roller
- ✓ Works Supervisor Ute
- ✓ Maintenance Graders Ute



Karl Mickle

Karl Mickle
Manager Works & Services

Works Manager



The Shire of Wongan-Ballidu has 7 core values that guide what we do and how we do it as an organisation. From being leaders in our community to having integrity in our dealings with others and creating a positive environment for our staff to work together as a team, not only across our business sectors but together with the community, has led to another year of development in our shire that has addressed several strategic goals.

This financial year Council adopted into its budget \$120,220 in funding to be distributed to the community between its annual donations and Community Development Fund. This fund provides a platform for the community to participate in cultural and social activities, allows for the development of local heritage and also provides opportunities for the development of

facilities that meet community needs. It has addressed three of our strategic goals;

- Goal 1: A healthy, supportive and safe community
- Goal 3: A strong and sustainable local economy
- Goal 4: Shire infrastructure and built environment that supports growth of the community and economy

We have seen the installation of lighting and paving at the entrance of the sporting precinct, another successful Harvest Festival, the production of photographic books to promote our historical culture as well as provided for capacity building of our groups by providing funding towards training their members to name a few. In recognition of the outstanding work our community groups we, once again, felt it was important to assist in providing not only financial support but organisational development too. A series of workshops were delivered which focused on Volunteer Management and Volunteer Rights and Responsibilities by VolunteeringWA.

Community Organisation	Amount
Appreciation of Volunteer Emergency Services members	\$ 500
Australia Day Function - Ballidu	\$ 200
Ballidu Art Society	\$ 4,500
Ballidu Sports Council (as per lease)	\$ 7,000
Ballidu Tidy Towns	\$ 500
Bike it to Ballidu	\$ 300
Cadoux Sports Council (as per lease)	\$ 7,000
Cadoux Tidy Towns	\$ 200
Christmas Lights Competition	\$ 1,000
Citizenship Ceremonies	\$ 200
Council Plaques	\$ 200
Discover Golden Horizon CMVROC Tourism Promotions	\$ 5,000
Ignite	\$ 3,000.00
Nature Playground Working Group	\$ 2,500.00
P&C Pool Subsidies	\$ 2,040
Pre-school subsidies	\$ 1,000
School Chaplaincy	\$ 35,500
Tourims & Area Promotion	\$ 1,375
Toy Box	\$ 1,197.00
Wongan Ballidu Hockey Club	\$ 1,650.00
Wongan Bushcare	\$ 300

Works Manager

Wongan Hills & Districts Museum and Historical Society	\$ 450.00
Wongan Hills Arts Society	\$ 7,500
Wongan Hills Business Association	\$ 3,000.00
Wongan Hills Cricket Association	\$ 750
Wongan Hills District High Scholarship	\$ 350
Wongan Hills Museum - Gardening maintenance	\$ 2,500
Wongan Hills Pharmacy Golf Day (WH Police)	\$ 250
Wongan Hills Sports and Recreation Council	\$ 7,000.00
Wongan Hills Sports Council (as per lease)	\$ 7,000
Wongan Hills Therapy Group	\$ 2,757.64
Wongan Hills Tidy Towns	\$ 500
Wongan Hills Tourism Group	\$ 10,000
Wongan Masters Football Carnival	\$ 1,000
Wongan Seniors Christmas Function	\$ 1,000

Further supporting the Shire's need for infrastructure that supports growth of the community and economy, saw the completion of "The Station". This building is now the home of the Tourist Centre, The Art's Society and the Community Resource Centre (CRC). The past twelve months has seen many changes to the service delivery of the CRC. Not only did the staff take occupancy of their brand new building, the funding model from Department of Regional Development altered substantially. The CRC is responsible for providing services across 3 delivery areas;

1. Government and Community Information
2. Economic and Business Development Services and
3. Social Development Services

These delivery areas are strongly aligned to the Royalties for Regions (RforR) dedication to economic, social and business development of regional Western Australia (WA). RforR funding of any project or program must be made with these outcomes being both intended and realised. Although the CRC was already delivering programs that met these criteria, the new model cemented the way in which these activities would be developed and delivered. The CRC operations for the 2014/15 period were audited against our contract agreement with the Department of Regional Development no non-compliance matters were noted.

One of the strategies in our Strategic Community Plan calls for the provision of animal management services in accordance with legislation. For the past 3 years, The Shire of Wongan-Ballidu has provided a rebate for all cats and dogs that are sterilised within the Shire. To assist cat owners to become compliant with the act the Shire together with The Department of Local Government and Communities provided an opportunity for cat owners to apply for funding to assist in sterilisation.

Once again, it has been a pleasure working for the community of Wongan-Ballidu and I hope that the Community Services team can continue achieving the things that are important to you, your organisations and your town.



TANYA GREENWOOD
MANAGER COMMUNITY SERVICES

Statutory Reports

Freedom of Information Statement

The Shire of Wongan-Ballidu is responsible for the good governance of the Shire and carries out functions as required including statutory compliance and provision of services and facilities.

The Council consists of nine elected members who meet each month, except January, to make decisions relating to the policy and direction of the Shire. All Council meetings are open to the public and the meeting dates and venues are advertised. Members of the public are able to ask questions during Public Question Time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including Codes of Conduct, Minutes of Meetings, Register of Financial Interests, Register of Delegated Authority, Rate Book, Electoral Roll, Financial Statements, Local Laws and Town Planning Schemes.

These documents can be inspected free of charge at the Shire Administration Office, corner Quinlan Street and Elphin Crescent Wongan Hills, 8:30am to 4:30pm, Monday to Friday (except public holidays).

Changes to personal information should be made in writing.

Council had no requests for Freedom of Information during the year under review as Council has an active policy of providing access to information wherever possible and practical (where it does not contravene the privacy rights of individuals) free of charge. Note that a small administrative / copy charge may be incurred.

Requests for information under the Freedom of Information Act can be sent to:

Chief Executive Officer
Shire of Wongan-Ballidu
PO Box 84
WONGAN HILLS WA 6603

Disability Services and Inclusiveness Plan

Council continues to upgrade its buildings to incorporate access for the disabled.

All applications for building licences have the Building Code of Australia access requirements applied.

The Shire continues to improve access to written information and publications and increase awareness through public information and grievance mechanisms.

National Competition Policy

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

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

Statutory Reports

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

Competitive Neutrality

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

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

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

Public Interest Disclosure

The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of public interest include the following:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Wongan-Ballidu should be referred to the Shire of Wongan-Ballidu's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosure Officer can be made not just about officers of a local authority but also its elected officials.

There is an obligation on the Public Interest Disclosure Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Wongan-Ballidu had no Public interest Disclosures during the reporting period.

Statutory Reports

Recordkeeping Plan

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires that every government organization must have a recordkeeping plan (RKP) that has been approved by the State Records Commission.

A government organization's recordkeeping plan sets out the matters about which records are to be created by the organization and how it is to keep its records.

The recordkeeping plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the recordkeeping program within the organization. More specifically, documentation regarding the organization's recordkeeping system/s, disposal arrangements, policies, practices and processes are the essential components of the recordkeeping plan. The inclusion of such documentation will constitute evidence of compliance.

The Shire of Wongan-Ballidu reviewed the RKP in April 2011 and a revised RKP was submitted to the State Records Office (SRO) for Approval on the 5th August 2011.

The SRO Approved the Amended RKP effectively on the 5th August 2011.

The RKP reflects current situation and reports on compliance areas as per SRC Standard 2, Principle 6.

The RKP reports policies, procedures and activities which are or will be implemented by the Shire of Wongan-Ballidu to comply with the State Records Act 2000.

Staff members responsible for records management have been trained in the basic retention and disposal methods for Local Government and have attended Record Keeping Plan training at the Office of State Records.

In-house recordkeeping training sessions for staff are conducted on an as needs basis, for example, when an aspect of the recordkeeping systems changes, or if, responsibilities change.

The Induction/introduction clearly addresses employee roles and responsibilities in relation to recordkeeping and the program is run in accordance with the RKP.

Staffs are encouraged to attend training courses outside the organization whenever practicable.

Further training is programmed for new and existing staff in the following reporting period.

In accordance with section 28 of the State Records 2000, the plan for the Shire of Wongan-Ballidu is to be reviewed within (5) five years of its approval date.

A completion of this review will be submitted to the SRO on or before 05th August 2016.

Statutory Reports

Information on Payments to Employees

For the purposes of Section 5.53(2) (g) the Annual Report of a Local Government for a financial year, below in bands of \$10,000, is the number of employees of the Shire of Wongan-Ballidu entitled to an annual salary of \$100,000 or more.

Annual salary only includes the cash component of any remuneration.

Annual Salary Entitlements	Actual
<i>Employee entitled to an annual salary of \$100,000 to \$150,000</i>	1

Code of Conduct Breaches

The Council's complaints officer has reviewed no complaints valid or otherwise against its adopted Code of Conduct of the State-wide Local Government (Rules of Conduct) Regulations during the financial year.

Conduct of Elected Members

Pursuant to Section 5.110 and 5.121 of the Local Government Act 1995 the complaints officer for a local government is required to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of that Act.

The register of complaints is to include, for each recorded complaint —

- (a) the name of the council member about whom the complaint is made;
- (b) the name of the person who makes the complaint;
- (c) a description of the minor breach that the standards panel finds has occurred; and
- (d) details of the action taken under section 5.110(6)(b) or (c).

Noting the law only came into effect from October 2007; details of entries made under section 5.121 during the 20011/12 financial year in the register of complaints are;

- (i) the number of complaints recorded in the register of complaints; Nil.
- (ii) how the recorded complaints were dealt with; Not applicable.

Stuart Taylor
Designated Complaints Officer
Chief Executive Officer
Shire of Wongan-Ballidu

Review of the Planning for the Future

The Local Government Act 1995 states the necessity for the preparation and implementation for Planning for the Future.

The Plan will provide a structural medium for the Local Government to develop a process by which works and services can be delivered, not only efficiently, but also progressively.

This is not to say the Plan is set in concrete. The Plan may be reviewed on an annual basis, but must be updated each second year before budget adoption to ensure that community needs are continually amended and delivered.

Statutory Reports

It is for this reason that Council urges the community to interact with Council in developing the Plan so as to guarantee open, fair and responsible government.

On behalf of the Shire of Wongan-Ballidu, I invite the community to take the opportunity to enter and develop a partnership that will take us into an exciting and fulfilling future.

Section 5.56 is as follows:

5.56 Planning for the future

- (1) A local government is to plan for the future of the district.*
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*

Section 19C is as follows:

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
 - (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.
 - (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.
 - (4) A local government is to review the current strategic community plan for its district at least once every 4 years.
 - (5) In making or reviewing a strategic community plan, a local government is to have regard to—
 - (a) the capacity of its current resources and the anticipated capacity of its future resources; and
 - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and
 - (c) demographic trends.
 - (6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.
 - (7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.
- *Absolute majority required.
- (8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.
 - (9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.
 - (10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.

Statutory Reports

Councils Preferred Agents

AUDITORS

*UHY Haines Norton
Chartered Accountants
16 Lakeside Corporate
24 Parkland Road
OSBORNE PARK WA 6916*

SOLICITORS

*McLeods Barristers & Solicitors
Stirling Law Chambers
220-222 Stirling Highway
CLAREMONT WA 6010*

SETTLEMENT AGENTS

*St James Conveyancing
P O Box 912
BALCATTWA WA 6914*

BANKING AGENTS

*ANZ Bank
Fenton Place
WONGAN HILLS WA 6603*

DEBT COLLECTION AGENTS

*Austral Mercantile Collections
Level 2, 32 Kings Park Road
WEST PERTH WA 6005*

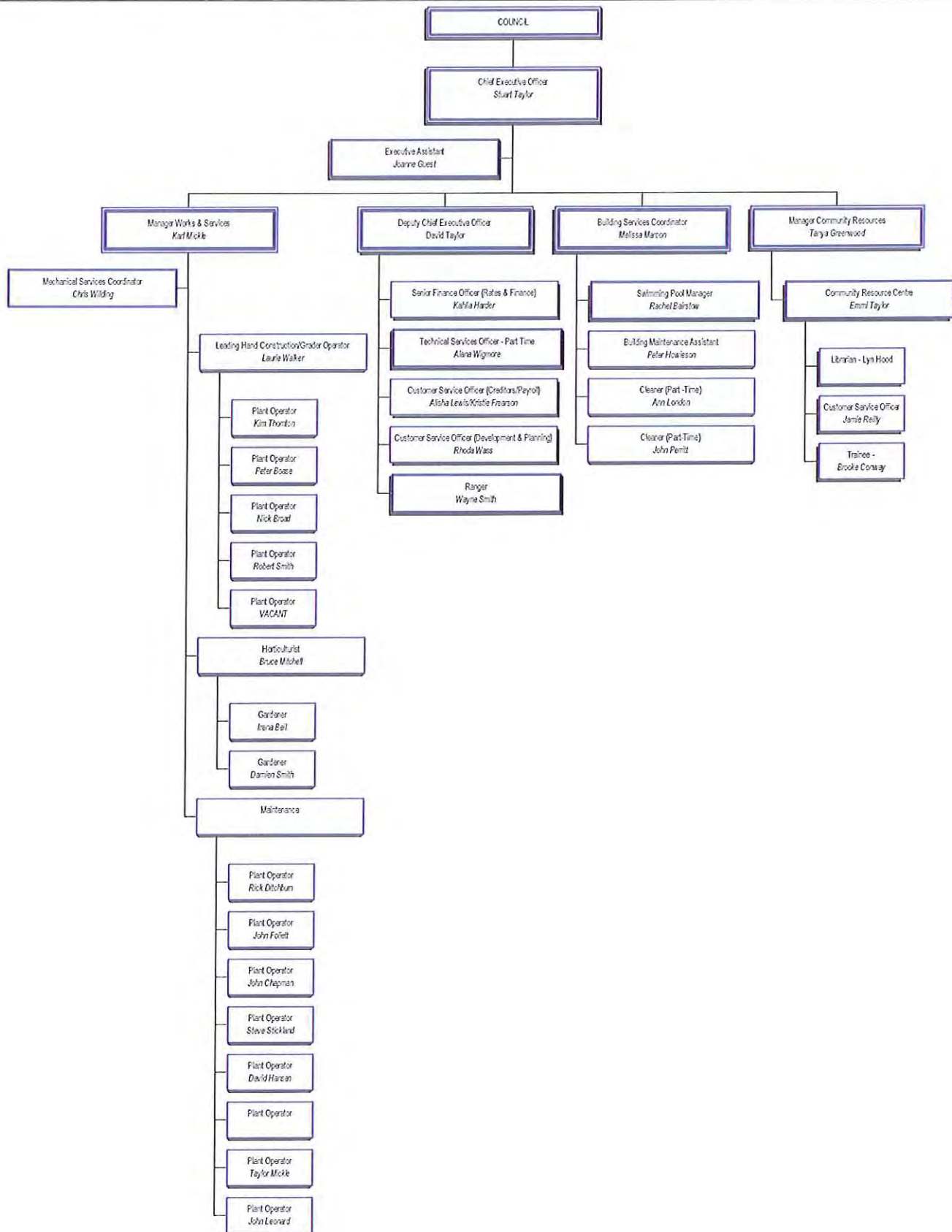
INSURANCE BROKERS

*Local Government Insurance Services
17 Altona Street
WEST PERTH WA 6005*



Organisation Chart

As at 2015



SHIRE OF WONGAN-BALLIDU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2016

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Principal place of business:
Address

Corner of Quinlan Street and Elphin Crescent, Wongan Hills WA 6603

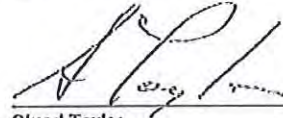
SHIRE OF WONGAN-BALLIDU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the *24th* day of *November* 2015



Stuart Taylor
Chief Executive Officer

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	2,628,669	2,601,928	2,482,183
Operating grants, subsidies and contributions	28	3,284,428	2,210,392	1,239,822
Fees and charges	27	2,130,536	480,965	1,649,946
Service charges	24	25,500	25,050	28,400
Interest earnings	2(a)	114,790	121,139	151,361
Other revenue		<u>438,687</u>	<u>84,394</u>	<u>169,646</u>
		<u>8,622,510</u>	<u>5,523,868</u>	<u>5,721,358</u>
Expenses				
Employee costs		(1,919,789)	(1,952,596)	(1,896,371)
Materials and contracts		(1,157,351)	(1,278,190)	(1,521,883)
Utility charges		(303,225)	(292,620)	(308,999)
Depreciation on non-current assets	2(a)	(3,134,678)	(2,504,931)	(2,332,895)
Interest expenses	2(a)	(64,196)	(73,525)	(89,854)
Insurance expenses		(251,418)	(237,561)	(240,743)
Other expenditure		<u>(354,123)</u>	<u>(254,245)</u>	<u>(192,373)</u>
		<u>(7,184,780)</u>	<u>(6,593,668)</u>	<u>(6,583,118)</u>
		<u>1,437,730</u>	<u>(1,069,800)</u>	<u>(861,760)</u>
Non-operating grants, subsidies and contributions	28	1,609,200	1,624,912	817,299
Loss on asset disposals	20	<u>(256,917)</u>	<u>(114,640)</u>	<u>(775,890)</u>
Net result		2,790,013	440,472	(820,351)
Other comprehensive income				
Changes on revaluation of non-current assets	12	19,555,718	0	3,485,191
Total other comprehensive income		<u>19,555,718</u>	<u>0</u>	<u>3,485,191</u>
Total comprehensive income		<u><u>22,345,731</u></u>	<u><u>440,472</u></u>	<u><u>2,664,840</u></u>

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

SHIRE OF WONGAN-BALLIDU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 \$	2016 Budget \$	2014 \$
Revenue	2(a)			
Governance		188,397	23,400	49,003
General purpose funding		5,626,871	4,600,060	3,536,734
Law, order, public safety		31,174	33,878	37,247
Health		23,371	10,754	199,391
Education and welfare		47,057	5,183	7,463
Housing		100,815	110,875	98,827
Community amenities		195,125	182,542	187,439
Recreation and culture		122,771	73,511	90,934
Transport		193,221	190,000	183,940
Economic services		71,210	31,680	30,849
Other property and services		2,022,498	261,985	1,299,531
		<u>8,622,510</u>	<u>5,523,868</u>	<u>6,721,358</u>
Expenses	2(a)			
Governance		(312,352)	(284,762)	(348,790)
General purpose funding		(104,494)	(93,618)	(85,482)
Law, order, public safety		(121,102)	(102,046)	(113,429)
Health		(112,143)	(103,756)	(379,974)
Education and welfare		(173,616)	(159,818)	(119,384)
Housing		(174,177)	(187,609)	(161,257)
Community amenities		(376,049)	(410,970)	(398,648)
Recreation and culture		(1,911,819)	(1,407,034)	(1,236,402)
Transport		(2,553,921)	(2,858,248)	(2,592,253)
Economic services		(147,519)	(142,479)	(99,031)
Other property and services		(1,133,393)	(769,803)	(958,614)
		<u>(7,120,584)</u>	<u>(6,520,143)</u>	<u>(6,493,264)</u>
Finance costs	2(a)			
Education and welfare		(4,417)	(4,638)	(5,036)
Housing		(32,141)	(35,271)	(36,908)
Recreation and culture		(6,114)	(5,161)	(6,605)
Other property and services		(21,524)	(28,455)	(41,305)
		<u>(64,196)</u>	<u>(73,525)</u>	<u>(89,854)</u>
Non-operating grants, subsidies and contributions				
General purpose funding		393,365	393,365	0
Recreation and culture		140,187	141,465	25,094
Transport		1,075,648	1,090,082	783,205
Other property and services		0	0	9,000
	28	<u>1,609,200</u>	<u>1,624,912</u>	<u>817,299</u>
Profit/(Loss) on disposal of assets				
Governance		(2,199)	(3,331)	(50,850)
Law, order, public safety		0	0	(6,497)
Health		0	0	(62,016)
Education and welfare		0	0	(4,012)
Recreation and culture		0	0	(294,617)
Transport		(254,718)	(111,309)	(231,021)
Economic services		0	0	(101,939)
Other property and services		0	0	(24,938)
	20	<u>(256,917)</u>	<u>(114,640)</u>	<u>(775,890)</u>
Net result		<u>2,790,013</u>	<u>440,472</u>	<u>(820,351)</u>
Other comprehensive income				
Changes on revaluation of non-current assets	12	19,555,718	0	3,485,191
Total other comprehensive income		<u>19,555,718</u>	<u>0</u>	<u>3,485,191</u>
Total comprehensive income		<u>22,345,731</u>	<u>440,472</u>	<u>2,664,840</u>

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

SHIRE OF WONGAN-BALLIDU
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,944,187	1,039,564
Trade and other receivables	4	942,919	2,096,307
Inventories	5	<u>39,666</u>	<u>17,818</u>
TOTAL CURRENT ASSETS		<u>4,926,772</u>	<u>3,753,689</u>
NON-CURRENT ASSETS			
Other receivables	4	261,842	331,086
Inventories	5	904,335	904,335
Property, plant and equipment	6	23,041,486	23,528,150
Infrastructure	7	<u>63,012,540</u>	<u>43,668,199</u>
TOTAL NON-CURRENT ASSETS		<u>88,020,203</u>	<u>68,431,770</u>
TOTAL ASSETS		<u>92,946,975</u>	<u>72,185,459</u>
CURRENT LIABILITIES			
Trade and other payables	8	189,427	828,578
Current portion of long term borrowings	9	97,979	1,022,385
Provisions	10	<u>414,224</u>	<u>335,617</u>
TOTAL CURRENT LIABILITIES		<u>701,630</u>	<u>2,186,580</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	748,395	846,374
Provisions	10	<u>58,923</u>	<u>60,209</u>
TOTAL NON-CURRENT LIABILITIES		<u>807,318</u>	<u>906,583</u>
TOTAL LIABILITIES		<u>1,508,948</u>	<u>3,093,163</u>
NET ASSETS		<u>91,438,027</u>	<u>69,092,296</u>
EQUITY			
Retained surplus		56,339,707	53,261,020
Reserves - cash backed	11	1,222,338	1,511,012
Revaluation surplus	12	<u>33,876,982</u>	<u>14,320,264</u>
TOTAL EQUITY		<u>91,438,027</u>	<u>69,092,296</u>

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

SHIRE OF WONGAN-BALLIDU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		64,049,671	1,642,812	10,835,073	66,427,466
Comprehensive Income					
Net result		(820,351)	0	0	(820,351)
Changes on revaluation of non-current assets	12	0	0	3,485,191	3,485,191
Total comprehensive income		(820,351)	0	3,485,191	2,664,840
Transfers from/(to) reserves		31,800	(31,800)	0	0
Balance as at 30 June 2014		63,261,020	1,611,012	14,320,264	69,092,296
Comprehensive Income					
Net result		2,780,013	0	0	2,780,013
Changes on revaluation of non-current assets	12	0	0	19,655,718	19,655,718
Total comprehensive income		2,780,013	0	19,655,718	22,345,731
Transfers from/(to) reserves		288,674	(288,674)	0	0
Balance as at 30 June 2016		<u>66,339,707</u>	<u>1,222,338</u>	<u>33,876,982</u>	<u>91,438,027</u>

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

**SHIRE OF WONGAN-BALLIDU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,618,460	2,601,928	2,459,280
Operating grants, subsidies and contributions		4,027,289	2,210,392	174,493
Fees and charges		2,130,536	1,214,620	1,649,946
Service charges		25,500	25,050	28,400
Interest earnings		114,790	121,139	151,361
Goods and services tax		504,027	0	505,929
Other revenue		438,587	84,395	169,646
		<u>9,859,189</u>	<u>6,257,524</u>	<u>5,139,055</u>
Payments				
Employee costs		(1,853,834)	(1,952,696)	(1,819,038)
Materials and contracts		(1,768,200)	(1,278,190)	(1,036,344)
Utility charges		(303,225)	(292,620)	(308,999)
Interest expenses		(74,821)	(73,525)	(107,825)
Insurance expenses		(251,418)	(237,561)	(240,743)
Goods and services tax		(532,186)	0	(480,934)
Other expenditure		(352,338)	(254,245)	(167,320)
		<u>(6,136,022)</u>	<u>(4,088,737)</u>	<u>(4,161,203)</u>
Net cash provided by (used in) operating activities	13(b)	4,723,167	2,168,787	977,852
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(2,189,661)	(1,962,776)	(1,344,121)
Payments for construction of infrastructure		(1,521,110)	(1,920,682)	(1,517,946)
Non-operating grants, subsidies and contributions		1,609,200	1,624,912	817,299
Proceeds from sale of fixed assets		215,848	233,000	171,690
Net cash provided by (used in) investment activities		<u>(1,885,723)</u>	<u>(2,025,546)</u>	<u>(1,873,078)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(1,022,801)	(1,022,387)	(87,126)
Proceeds from self supporting loans		489,980	489,319	45,584
Net cash provided by (used in) financing activities		<u>(532,821)</u>	<u>(533,068)</u>	<u>(41,542)</u>
Net increase (decrease) in cash held		2,304,623	(389,827)	(936,768)
Cash at beginning of year		1,639,564	2,375,263	2,576,332
Cash and cash equivalents at the end of the year	13(a)	<u>3,944,187</u>	<u>1,985,436</u>	<u>1,639,564</u>

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

**SHIRE OF WONGAN-BALLIDU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		188,397	23,400	49,003
General purpose funding		3,391,567	2,391,497	1,054,651
Law, order, public safety		31,174	33,878	37,247
Health		23,371	10,764	199,391
Education and welfare		47,057	5,183	7,463
Housing		100,815	110,875	98,827
Community amenities		195,125	182,542	187,439
Recreation and culture		262,958	214,976	116,028
Transport		1,268,869	1,280,082	967,145
Economic services		71,210	31,680	30,849
Other property and services		2,022,498	261,985	1,308,531
		<u>7,603,041</u>	<u>4,646,852</u>	<u>4,056,474</u>
Expenses				
Governance		(314,551)	(288,093)	(399,640)
General purpose funding		(104,494)	(93,618)	(85,482)
Law, order, public safety		(121,102)	(102,040)	(119,926)
Health		(112,143)	(103,756)	(441,990)
Education and welfare		(178,032)	(164,456)	(128,432)
Housing		(208,318)	(222,880)	(198,165)
Community amenities		(376,049)	(410,970)	(398,648)
Recreation and culture		(1,917,933)	(1,412,195)	(1,537,624)
Transport		(2,808,639)	(2,969,557)	(2,823,274)
Economic services		(147,519)	(142,479)	(200,970)
Other property and services		(1,154,917)	(798,258)	(1,024,857)
		<u>(7,441,697)</u>	<u>(6,708,308)</u>	<u>(7,359,008)</u>
Net result excluding rates		161,344	(2,161,456)	(3,302,534)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
(Profit)/Loss on asset disposals	20	256,917	114,640	775,890
Movement in deferred pensioner rates (non-current)		6,466	0	(4,184)
Impairment on land held for resale		0	0	24,336
Adjustment to Infrastructure		1,785	0	718
Movement in long service leave reserve		1,791	0	2,275
Movement in employee benefit provisions (non-current)		(1,286)	0	(18,530)
Depreciation and amortisation on assets	2(a)	3,134,678	2,504,931	2,332,895
Capital Expenditure and Revenue				
Purchase of land and buildings	6(b)	(1,324,286)	(1,119,380)	(624,631)
Purchase furniture and equipment	6(b)	(20,966)	(37,396)	(15,569)
Purchase plant and equipment	6(b)	(712,190)	0	(532,953)
Purchase motor vehicles	6(b)	(124,219)	(806,000)	(170,968)
Purchase roads	7(b)	(1,521,110)	(1,910,860)	(1,510,136)
Purchase other Infrastructure		0	(9,822)	(7,810)
Proceeds from disposal of fixed assets	20	215,848	233,000	171,690
Repayment of debentures	21(a)	(1,022,801)	(1,022,387)	(87,126)
Proceeds from self supporting loans		489,980	489,319	45,584
Transfers to reserves (restricted assets)	11	(786,874)	(786,199)	(288,200)
Transfers from reserves (restricted assets)	11	1,075,548	1,072,776	320,000
ADD Surplus/(deficit) July 1 b/fwd	22(b)	651,340	810,737	1,058,418
LESS Surplus/(deficit) June 30 c/fwd	22(b)	3,102,634	(26,169)	651,340
Total amount raised from general rate	22(a)	<u>(2,628,669)</u>	<u>(2,601,928)</u>	<u>(2,482,183)</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

and

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	10 to 60 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
construction base original surfacing and major resurfacing	50 to 55 years
- bituminous seals	25 years
- asphalt surfaces	22 years
Gravel roads clearing and earthworks	not depreciated
construction and road base	22 years
gravel sheet	15 years
Formed roads (unsealed) clearing and earthworks	not depreciated
construction and road base	25 years
Footpaths - slab	30 to 40 years
Sewerage piping	50 to 60 years
Water supply piping and drainage systems	50 to 60 years

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

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

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

Capitalisation threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Valuation techniques (Continued)

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment In Associates

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

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

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

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

(p) Interests In Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

SHIRE OF WONGAH-BALLIDU
 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 / Completed	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, 110, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 6, 10, 12, 10 & 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 16 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(vi) New Accounting Standards and Interpretations for Application In Future Periods (Continued)

Title	Issued / Completed	Applicable ¹⁴⁾	Impact
(iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2016]	December 2013	Refer to the column	Part C of this Standard makes consequential amendments to AASB 0 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the entity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations occurring in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 136]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 136 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application In Future Periods (Continued)

Title	Issued / Completed	Applicable ⁽¹⁾	Impact
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 16	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the Issuance of AASB 16.</p> <p>It will require changes to reflect the Impact of AASB 16.</p>
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2016	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Completed	Applicable ⁽¹⁾	Impact
(c) 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 completed, became mandatory and which were applicable to its operations.

These new and revised Standards were:

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

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

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

2. REVENUE AND EXPENSES	2016	2014	
	\$	\$	
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the annual financial report	37,748	28,955	
- Other services	0	24,145	
Depreciation			
Non-specialised buildings	176,651	140,295	
Specialised buildings	869,997	169,945	
Furniture and Equipment	5,964	38,183	
Plant and Equipment	317,766	265,614	
Motor Vehicles	33,182	32,969	
Roads	1,559,467	1,522,587	
Footpaths	19,049	19,049	
Drainage	49,857	49,858	
Parks and Ovals	73,456	99,388	
Signs	4,466	4,250	
Other Infrastructure	24,823	777	
	<u>3,134,678</u>	<u>2,332,895</u>	
Interest expenses (finance costs)			
Debentures (refer Note 21 (a))	64,196	89,854	
	<u>64,196</u>	<u>89,854</u>	
(ii) Crediting as revenue:			
Other revenue			
Reimbursements and recoveries	188,538	169,646	
Other	250,049	0	
	<u>438,587</u>	<u>169,646</u>	
	2016	2016	2014
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Self supporting loans	34,845	0	37,040
- Reserve funds	31,876	47,868	63,200
- Other funds	21,404	55,271	28,875
Other Interest revenue (refer note 26)	26,665	18,000	22,246
	<u>114,790</u>	<u>121,139</u>	<u>151,361</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

The Shire will endeavour to provide the community service and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life. Council 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.

SHIRE OF WONGAN-BALLIDU
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

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.

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/16 \$	Expended ⁽³⁾ 2014/16 \$	Closing Balance 30/06/16 \$
Depl Local Govt. (Stat Comm Ping)	Governance	13,548	0	0	13,548	0	0	13,548
Depl Local Govt. (Workforce Ping)	Governance	25,000	0	0	25,000	0	0	25,000
CRC Community Res Network	Comm. Amenities	1,780	0	0	1,780	0	0	1,780
Department of Local Government	Law, Order, Publ. Safety	3,691	0	0	3,691	0	(718)	2,973
CRC RDL (Fitout Grant)	Comm. Amenities	25,094	0	0	25,094	0	(25,094)	0
Aged Care Footpath	Education & Welfare	0	0	0	0	40,000	0	40,000
Nature Playground Grant	Comm. Amenities	0	0	0	0	4,000	0	4,000
Total		<u>69,113</u>	<u>0</u>	<u>0</u>	<u>69,113</u>	<u>44,000</u>	<u>(25,812)</u>	<u>87,301</u>

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF WONGAN-BALLIDU
 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		2,634,548	59,439
Restricted		<u>1,309,639</u>	<u>1,580,125</u>
		<u>3,944,187</u>	<u>1,639,564</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Depot Improvement Reserve	11	5,870	5,736
Plant Reserve	11	606,188	608,708
Loan Repayments Reserve	11	0	314,046
Housing Reserve	11	95,101	92,801
WH CRC Reserve	11	12,283	11,992
LSL Reserve	11	74,445	72,654
Swimming Pool Reserve	11	142,205	12,027
Historical Reserve	11	6,425	6,273
Medical Facilities & Royalties for Regions			
Special Projects Reserve	11	0	314,020
Waste Management Reserve	11	17,395	11,732
Housing JV Stickland Street Reserve	11	24,813	19,463
Housing JV Quinlan Street Reserve	11	29,775	24,297
Housing JV Patterson Street Reserve	11	22,578	17,276
Sporting Co-Location Reserve	11	205,260	0
Unspent grants	2(c)	<u>87,301</u>	<u>69,113</u>
		<u>1,309,639</u>	<u>1,580,125</u>

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

	2016	2014
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	110,739	107,063
Sundry debtors	674,083	1,483,727
Loans - clubs/institutions	72,594	499,796
Other debtors	85,503	5,721
	<u>942,919</u>	<u>2,096,307</u>
Non-current		
Rates outstanding - pensioners	13,447	19,913
Loans - clubs/institutions	248,395	311,173
	<u>261,842</u>	<u>331,086</u>
6. INVENTORIES		
Current		
Fuel and materials	39,666	17,818
	<u>39,666</u>	<u>17,818</u>
Non-current		
Land held for resale - cost		
Cost of acquisition	100,000	100,000
Development costs	804,335	804,335
	<u>904,335</u>	<u>904,335</u>

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

	2016	2014
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2	1,918,630	1,953,630
	<u>1,918,630</u>	<u>1,953,630</u>
Land vested in and under the control of Council at:		
- Management valuation 2014 - level 3	266,887	266,887
	<u>266,887</u>	<u>266,887</u>
	<u>2,185,517</u>	<u>2,220,517</u>
Non-specialised buildings at:		
- Independent valuation 2014 - level 2	2,525,977	2,472,827
- Additions after valuation - cost	1,324,286	0
Less: accumulated depreciation	<u>(176,161)</u>	<u>0</u>
	3,675,102	2,472,827
Specialised buildings at:		
- Management valuation 2014 - level 3	15,901,166	16,072,567
Less: accumulated depreciation	<u>(869,997)</u>	<u>0</u>
	15,031,169	16,072,567
	<u>18,706,271</u>	<u>18,545,394</u>
Total land and buildings	<u>20,891,788</u>	<u>20,766,911</u>
Furniture and Equipment at:		
- Management valuation 2014 - level 3	52,169	69,786
- Additions after valuation - cost	28,986	15,569
Less accumulated depreciation	<u>(10,961)</u>	<u>(38,183)</u>
	70,174	47,172
Plant and Equipment at:		
- Management valuation 2014 - level 2	1,907,939	2,231,809
- Additions after valuation - cost	1,245,143	532,953
Less accumulated depreciation	<u>(629,394)</u>	<u>(230,005)</u>
	2,623,688	2,534,757
Motor Vehicles at:		
- Management valuation 2014 - level 2	62,371	40,000
- Additions after valuation - cost	251,343	170,968
Less accumulated depreciation	<u>(57,878)</u>	<u>(30,658)</u>
	255,836	180,310
	<u>23,841,486</u>	<u>23,528,150</u>

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

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

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) \$	Other Adjustments \$	Depreciation (Expense) \$	Reclassification \$	Carrying Amount at the End of Year \$
Freehold land	1,953,630	0	(35,000)	0	0	0	0	1,918,630
Land vested in and under the control of Council	266,897	0	0	0	0	0	0	266,897
Total land	2,220,527	0	(35,000)	0	0	0	0	2,185,527
Non-specialised buildings	2,472,027	1,324,286	(116,760)	0	0	(176,651)	171,400	3,676,102
Specialised buildings	18,072,567	0	0	0	0	(669,027)	(171,401)	15,031,169
Total buildings	18,645,394	1,324,286	(116,760)	0	0	(1,046,648)	(1)	18,708,271
Total land and buildings	20,765,911	1,324,286	(151,760)	0	0	(1,046,648)	(1)	20,891,788
Furniture and Equipment	47,172	28,866	0	0	0	(6,934)	0	70,174
Plant and Equipment	2,634,767	712,100	(283,123)	0	0	(317,768)	(22,370)	2,623,689
Motor Vehicles	180,310	124,219	(37,882)	0	0	(33,102)	22,371	255,833
Total property, plant and equipment	23,628,160	2,189,661	(472,765)	0	0	(1,403,660)	0	23,841,486

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	Level 2	Observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent registered valuers	June 2014	Available market information
Freehold land	Level 3	Adjusted market approach	Independent registered valuers	June 2014	Piecemeal approach applied to closest available market evidence in order to reflect the use to which the land is currently used or zoned.
Land vested in and under the control of Council	Level 3	Improvements to land 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
Non-specialised buildings	Level 2	Observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent registered valuers	June 2014	Available market information
Specialised buildings	Level 3	Current replacement cost	Independent registered valuers	June 2014	Using both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)
Furniture and Equipment	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2013	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Plant and Equipment	Level 2	Market approach using recent observable data for similar plant items	Management Valuation	June 2013	Available market information
Motor Vehicles	Level 2	Market approach using recent observable data for similar motor vehicles	Management Valuation	June 2013	Available market information

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

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

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Management valuation 2015 - level 3	45,933,073	0
- Cost	0	77,637,846
Less accumulated depreciation	<u>0</u>	<u>(36,410,934)</u>
	45,933,073	41,226,912
Footpaths		
- Management valuation 2015 - level 3	1,354,000	0
- Cost	0	655,496
Less accumulated depreciation	<u>0</u>	<u>(382,899)</u>
	1,354,000	272,597
Drainage		
- Management valuation 2015 - level 3	6,132,000	0
- Cost	0	1,511,561
Less accumulated depreciation	<u>0</u>	<u>(1,350,022)</u>
	6,132,000	161,539
Parks and Ovals		
- Management valuation 2015 - level 3	7,086,551	0
- Cost	0	2,955,027
Less accumulated depreciation	<u>0</u>	<u>(1,103,356)</u>
	7,086,551	1,851,671
Signs		
- Management valuation 2015 - level 3	497,522	0
- Cost	0	127,625
Less accumulated depreciation	<u>0</u>	<u>(78,995)</u>
	497,522	48,630
Other Infrastructure		
- Management valuation 2015 - level 3	2,009,394	0
- Cost	0	107,627
Less accumulated depreciation	<u>0</u>	<u>(777)</u>
	2,009,394	106,850
	<u>63,012,540</u>	<u>43,668,199</u>

SHIRE OF WONGAH-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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) \$	Other Adjustments \$	Depreciation (Expense) \$	Reclassification \$	Carrying Amount at the End of the Year \$
Roads	41,226,912	1,521,110	0	4,694,211	(1,359)	(1,559,467)	61,876	45,933,073
Footpaths	272,597	0	0	1,100,452	0	(19,049)	0	1,354,000
Drainage	161,639	0	0	6,020,318	0	(49,857)	0	6,132,000
Parks and Ovals	1,651,671	0	0	5,873,820	0	(73,456)	(565,493)	7,086,651
Signs	48,630	0	0	448,811	0	(4,466)	4,547	497,622
Other Infrastructure	106,850	0	0	1,418,097	0	(24,823)	509,270	2,009,394
Total Infrastructure	43,668,199	1,521,110	0	19,665,718	(1,369)	(1,731,418)	0	63,012,640

The revaluation of Infrastructure assets resulted in an increase on revaluation of \$19,665,718 in the net value of Infrastructure. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

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

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	Level 3	Depreciated Replacement Cost	Management	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Footpaths	Level 3	Depreciated Replacement Cost	Management	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Drainage	Level 3	Depreciated Replacement Cost	Management	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Parks and Ovals	Level 3	Depreciated Replacement Cost	Management	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Signs	Level 3	Depreciated Replacement Cost	Management	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.
Other Infrastructure	Level 3	Depreciated Replacement Cost	Management	June 2015	Unobservable based on assumptions with regards to future values and patterns of consumption using current information.

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

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

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2014
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	104,027	693,028
Accrued interest on debentures	15,483	26,108
Accrued salaries and wages	28,633	28,430
GST Payable	6,705	34,864
FBT Payable	144	7,568
PAYG Payable	34,435	38,580
	<u>189,427</u>	<u>828,578</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures - Shire purposes	35,201	533,067
Debentures - Self supporting loans	62,778	489,318
	<u>97,979</u>	<u>1,022,385</u>
Non-current		
Secured by floating charge		
Debentures - Shire purposes	500,000	535,201
Debentures - Self supporting loans	248,395	311,173
	<u>748,395</u>	<u>846,374</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014	164,648	170,989	335,617
Non-current provisions	0	60,209	60,209
	<u>164,648</u>	<u>231,178</u>	<u>395,826</u>
Additional provision	36,298	41,023	77,321
Balance at 30 June 2016	<u>200,946</u>	<u>272,201</u>	<u>473,147</u>
Comprises			
Current	200,946	213,278	414,224
Non-current	0	58,923	58,923
	<u>200,946</u>	<u>272,201</u>	<u>473,147</u>

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

	2016 \$	2016 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Depot Improvement Reserve			
Opening balance	5,736	5,736	5,664
Amount set aside / transfer to reserve	134	172	172
Amount used / transfer from reserve	0	0	0
	<u>5,870</u>	<u>5,908</u>	<u>5,736</u>
(b) Plant Reserve			
Opening balance	608,706	608,706	607,287
Amount set aside / transfer to reserve	217,482	218,261	221,419
Amount used / transfer from reserve	(240,000)	(240,000)	(300,000)
	<u>586,188</u>	<u>586,967</u>	<u>608,706</u>
(c) Loan Repayments Reserve			
Opening balance	314,046	314,046	292,060
Amount set aside / transfer to reserve	200,000	200,000	21,986
Amount used / transfer from reserve	(514,046)	(514,046)	0
	<u>0</u>	<u>0</u>	<u>314,046</u>
(d) Housing Reserve			
Opening balance	92,801	92,801	89,889
Amount set aside / transfer to reserve	2,300	2,784	2,912
Amount used / transfer from reserve	0	0	0
	<u>95,101</u>	<u>95,585</u>	<u>92,801</u>
(e) WH CRC Reserve			
Opening balance	11,992	11,992	11,622
Amount set aside / transfer to reserve	291	360	370
Amount used / transfer from reserve	0	0	0
	<u>12,283</u>	<u>12,352</u>	<u>11,992</u>
(f) L.S.L. Reserve			
Opening balance	72,654	72,654	70,379
Amount set aside / transfer to reserve	1,791	2,180	2,275
Amount used / transfer from reserve	0	0	0
	<u>74,445</u>	<u>74,834</u>	<u>72,654</u>
(g) Swimming Pool Reserve			
Opening balance	12,027	12,027	6,833
Amount set aside / transfer to reserve	130,178	130,361	5,194
Amount used / transfer from reserve	0	0	0
	<u>142,205</u>	<u>142,388</u>	<u>12,027</u>
(h) Historical Reserve			
Opening balance	6,273	6,273	6,074
Amount set aside / transfer to reserve	152	188	199
Amount used / transfer from reserve	0	0	0
	<u>6,425</u>	<u>6,461</u>	<u>6,273</u>
(i) Medical Facilities & Royalties for Regions Special Projects Reserve			
Opening balance	314,020	314,020	302,663
Amount set aside / transfer to reserve	7,482	4,710	11,357
Amount used / transfer from reserve	(321,502)	(318,730)	0
	<u>0</u>	<u>0</u>	<u>314,020</u>

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2016

	2016 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED (CONTINUED)			
(j) Waste Management Reserve			
Opening balance	11,732	11,732	25,779
Amount set aside / transfer to reserve	5,663	5,352	5,953
Amount used / transfer from reserve	0	0	(20,000)
	<u>17,395</u>	<u>17,084</u>	<u>11,732</u>
(k) Housing JV Stickland Street Reserve			
Opening balance	19,453	19,453	14,025
Amount set aside / transfer to reserve	5,360	5,584	5,428
Amount used / transfer from reserve	0	0	0
	<u>24,813</u>	<u>25,037</u>	<u>19,453</u>
(l) Housing JV Quinlan Street Reserve			
Opening balance	24,297	24,297	18,719
Amount set aside / transfer to reserve	5,478	5,729	5,578
Amount used / transfer from reserve	0	0	0
	<u>29,775</u>	<u>30,026</u>	<u>24,297</u>
(m) Housing JV Patterson Street Reserve			
Opening balance	17,275	17,275	11,918
Amount set aside / transfer to reserve	5,303	5,518	5,357
Amount used / transfer from reserve	0	0	0
	<u>22,578</u>	<u>22,793</u>	<u>17,275</u>
(n) Sporting Co-Location Reserve			
Opening balance	0	0	0
Amount set aside / transfer to reserve	205,260	205,000	0
Amount used / transfer from reserve	0	0	0
	<u>205,260</u>	<u>205,000</u>	<u>0</u>
TOTAL RESERVES	<u>1,222,338</u>	<u>1,224,435</u>	<u>1,511,012</u>
Total Opening balance	1,511,012	1,511,012	1,542,812
Total Amount set aside / transfer to reserve	786,874	786,199	288,200
Total Amount used / transfer from reserve	(1,075,548)	(1,072,776)	(320,000)
TOTAL RESERVES	<u>1,222,338</u>	<u>1,224,435</u>	<u>1,511,012</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.

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

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) Depot Improvement Reserve
 - To be used to fund capital improvements and maintenance works at the Shire of Wongan-Ballidu.
- (b) Plant Reserve
 - To be used for the purchase of major plant.
- (c) Loan Repayments Reserve
 - To be used to fund loan repayments for land and housing development in the Shields Crescent and Danubin Rise areas.
- (d) Housing Reserve
 - To be used for the development of housing within the Shire.
- (e) WH CRC Reserve
 - To be used to transfer funds from the Community Resource Centre operations for the future purchase of capital, furniture and equipment.
- (e) Land and Buildings Reserve
 - To be used for purchase of land and the construction and maintenance of Council assets.
- (f) LSI Reserve
 - To be used for Council's current and non-current long service leave liability.
- (g) Swimming Pool Reserve
 - To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool.
- (h) Historical Reserve
 - To be used to fund historical publications and projects of the Shire.
- (i) Medical Facilities & Royalties for Regions Special Projects Reserve
 - To be used to fund the refurbishment of a multi-purpose medical facility in Wongan Hills to house the doctor, dentist and other medical services and to fund projects identified for the Royalties for Regions programme.
- (j) Waste Management Reserve
 - To be used to fund the future waste management facility needs of the Shire.
- (k) Centenary Celebrations Reserve
 - To be used to fund community groups and Council events to commemorate the Centenary and other historic activities as determined by the Shire of Wongan-Ballidu.
- (k) Industrial & LIA Park Reserve
 - To be used to fund the development and operating costs of Wongan Hills Industrial and LIA Park. To be used as the facility to record all of the project costs and revenues with the balance after completion of the project to be transferred to the Municipal Fund.
- (k) Housing JV Slickland Street Reserve
 - To be used to fund the capital and operating costs of the Housing joint venture in Slickland Street.

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2015

11. RESERVES - CASH BACKED (CONTINUED)

- (l) Housing JV Quinlan Street Reserve
 - To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street.

- (m) Housing JV Patterson Street Reserve
 - To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street.

- (n) Sporting Co-Location Reserve
 - To be used to fund the implementation of the co-location of sports facilities within the Shire of Wongan-Ballidu.

All the reserves except for the Loan Repayment and Medical Facilities & Royalties for Regions reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF WONGAN-BALLIDU
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12. REVALUATION SURPLUS	2015	2014
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:	\$	\$
(a) Land and buildings		
Opening balance	13,208,860	1,712,066
Revaluation Increment	0	11,496,794
Revaluation decrement	0	0
Transfer to Parks and Ovals Reserve	(102,692)	0
	<u>13,106,168</u>	<u>13,208,860</u>
(b) Furniture and Equipment		
Opening balance	15,450	15,450
Revaluation Increment	0	0
Revaluation decrement	0	0
	<u>15,450</u>	<u>15,450</u>
(c) Plant and Equipment		
Opening balance	1,095,954	1,095,954
Revaluation Increment	0	0
Revaluation decrement	0	0
	<u>1,095,954</u>	<u>1,095,954</u>
(d) Roads		
Opening balance	0	0
Revaluation Increment	4,694,211	0
Revaluation decrement	0	0
	<u>4,694,211</u>	<u>0</u>
(e) Footpaths		
Opening balance	0	0
Revaluation Increment	1,100,452	0
Revaluation decrement	0	0
	<u>1,100,452</u>	<u>0</u>
(f) Drainage		
Opening balance	0	0
Revaluation Increment	6,020,318	0
Revaluation decrement	0	0
	<u>6,020,318</u>	<u>0</u>
(g) Parks and Ovals		
Opening balance	0	0
Revaluation Increment	5,673,029	0
Revaluation decrement	0	0
Transfer from Buildings Reserve	542,022	0
	<u>6,415,851</u>	<u>0</u>
(h) Signs		
Opening balance	0	0
Revaluation Increment	448,811	0
Revaluation decrement	0	0
	<u>448,811</u>	<u>0</u>
(i) Other Infrastructure		
Opening balance	0	0
Revaluation Increment	1,418,097	0
Revaluation decrement	0	0
Transfer to Parks and Ovals Reserve	(439,330)	0
	<u>978,767</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u>33,875,982</u>	<u>14,320,264</u>

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2016

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:

	2016 \$	2016 Budget \$	2014 \$
Cash and cash equivalents	<u>3,944,187</u>	<u>1,085,436</u>	<u>1,639,664</u>

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

Net result	2,790,013	440,472	(820,351)
Non-cash flows in Net result:			
Depreciation	3,134,678	2,504,931	2,332,895
(Profit)/Loss on sale of asset	256,917	114,640	776,890
Adjustments to Infrastructure	1,785	0	716
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	732,652	853,807	(1,063,236)
(Increase)/Decrease in inventories	(21,848)	(1,437)	26,765
Increase/(Decrease) in payables	(639,151)	(118,714)	508,793
Increase/(Decrease) in provisions	77,321	0	33,889
Grants contributions for the development of assets	<u>(1,609,200)</u>	<u>(1,624,912)</u>	<u>(817,299)</u>
Net cash from operating activities	<u>4,723,167</u>	<u>2,168,787</u>	<u>977,852</u>

	2015 \$	2014 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	7,500	7,500
Credit card balance at balance date	0	(396)
Total amount of credit unused	<u>107,500</u>	<u>107,104</u>
Loan facilities		
Loan facilities - current	97,979	1,022,305
Loan facilities - non-current	748,395	846,374
Total facilities in use at balance date	<u>846,374</u>	<u>1,868,759</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

**SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2015**

14. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2015.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire of Wongan-Ballidu did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Shire of Wongan-Ballidu did not have any future capital expenditure commitments at the reporting date.

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2016

16. JOINT VENTURE ARRANGEMENTS

The Shire of Wongan-Ballidu together with Homeswest have a joint venture arrangement with regard to the ownership of four housing units in Quinlan Street, three housing units in Stickland Street and two housing units in Patterson Street in Wongan Hills.

			2015 \$	2014 \$
	%	Valuation	Shire Share	Shire Share
Stickland Street	11	258,000	20,376	148,080
Quinlan Street	9	820,000	146,900	28,948
Patterson Street	12	290,000	66,357	70,000
			<u>241,633</u>	<u>247,028</u>
			2016 \$	2014 \$
Non-current assets				
Land at:				
Independent Valuation 2014			<u>120,000</u>	<u>120,000</u>
			<u>120,000</u>	<u>120,000</u>
Building (Shire Equity Share) - at:				
Independent Valuation 2014			127,028	127,028
Less: accumulated depreciation			<u>(5,395)</u>	<u>0</u>
			<u>121,633</u>	<u>127,028</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015 \$	2014 \$
Governance	1,247,807	1,500,683
Law, order, public safety	947,976	103,659
Health	1,761,912	442,336
Education and welfare	963,122	1,273,971
Housing	1,626,191	1,939,848
Community amenities	319,738	507,051
Recreation and culture	22,371,626	11,950,469
Transport	54,526,238	42,491,962
Economic services	1,515,876	410,154
Other property and services	2,437,969	7,482,218
Unallocated	5,228,520	4,083,108
	<u>92,946,975</u>	<u>72,185,459</u>

SHIRE OF WONGAN-BALLIDU
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	2016	2014	2013
18. FINANCIAL RATIOS			
Current ratio	5.77	1.03	2.66
Asset sustainability ratio	0.62	0.87	0.07
Debt service cover ratio	7.33	6.49	14.38
Operating surplus ratio	0.23	(0.37)	(0.08)
Own source revenue coverage ratio	0.70	0.61	0.63

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:

(a) Information relating to the asset consumption ratio and the asset renewal funding ratio can be found at Supplementary Ratio Information on Page 60 of this document.

(b) **2016**

The Current, Debt Service Cover and Operating Surplus ratios disclosed above, were distorted by an item of significant revenue relating to the early payment of 2015/16 Financial Assistance Grants (FAGs) of \$985,342, which was received prior to year end.

(c) **2014**

The Current, Debt Service Cover and Operating Surplus ratios disclosed above, were distorted by the change to the payment of FAGs during the year ended 30 June 2014 which saw the advance payment for the following year cease. This created a timing difference which resulted in an amount of some \$918,091 less revenue for the year.

(d) **2013**

(i) The effect of the FAGs advance payment in 2013 was negligible as it had also occurred in the previous year. In effect, four quarterly payments were received in both years so it was not considered necessary to calculate and disclose the effect of any distortion as it was not considered significant.

(ii) The Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios as disclosed above were all distorted by an item of revenue totaling \$330,449 relating to the initial recognition of Land and Improvements under the Shire's control in accordance with amendments to the Financial Management Regulations (refer to Notes 1 (f) and 1 (h) for further details) and an item of expense in relation to the fair value decrement of motor vehicles of \$98,264.

These items are considered "one-off" timing/non-cash in nature and, if they were ignored, the calculations disclosed in the columns above would be as follows:

	2016	2014	2013
Current ratio	4.20	1.40	2.66
Debt service cover ratio	5.88	14.09	12.01
Operating surplus ratio	0.04	(0.16)	(0.04)
Own source revenue coverage ratio	0.70	0.61	0.61

SHIRE OF WONGAN-BALLIDU
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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 2016 \$
Lake Ninan/Hinds Fire Brigade	359	0	0	359
Mocardy Bushfire Brigade	6,703	0	(250)	6,453
Bushfire Donations (Glenvar)	250	0	0	250
Housing Tenancy Bonds	3,736	0	0	3,736
Transport Payments	25,241	716,457	(724,893)	15,805
	<u>36,289</u>			<u>26,603</u>

20. DISPOSALS OF ASSETS - 2014/16 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						
Governance						
Holden Caprice (CEO)	37,881	43,331	35,682	40,000	(2,199)	(3,331)
Transport						
Toyota Utility	14,000	13,570	6,076	5,500	(7,925)	(8,079)
Toyota 4x2 Dual Cab	13,762	19,399	6,364	5,500	(7,398)	(13,899)
Toyota 4x4 Dual Cab	32,618	36,372	24,091	18,000	(8,527)	(18,372)
Multi Tyred Roller	0	36,395	0	9,000	0	(27,395)
Isuzu Dual Cab Truck	39,105	35,415	13,636	20,000	(25,469)	(15,415)
Caterpillar 12M Grader	183,639	163,149	95,000	135,000	(88,639)	(28,149)
Other property and services						
Ballidu Airstrip	151,760	0	35,000	0	(116,760)	0
	<u>472,765</u>	<u>347,640</u>	<u>215,848</u>	<u>233,000</u>	<u>(256,917)</u>	<u>(114,640)</u>

Profit	0	0
Loss	<u>(256,917)</u>	<u>(114,640)</u>
	<u>(256,917)</u>	<u>(114,640)</u>

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

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Education and welfare								
Loan 147 - Construct Aged Persons Complex	68,644	0	6,175	6,175	62,469	62,469	4,417	4,638
Housing								
Loan 140 - Country Housing Development Group	420,096	0	429,993	429,993	0	0	19,307	23,177
Loan 142 - Community Association	201,126	0	29,000	29,092	174,620	176,034	12,774	12,094
Loan 150 - Wongan Hills Sports Council	25,058	0	12,730	12,730	13,228	13,228	1,328	1,012
Other property and services								
Loan 143 - Land Purchase and Development	68,269	0	33,069	33,069	35,201	35,201	3,981	3,530
Loan 145B - Land Development	600,000	0	600,000	600,000	0	0	703	7,026
Loan 145C - Land Development	600,000	0	0	0	600,000	600,000	16,840	17,100
Loan 149 - Land Purchase and Development	71,769	0	11,326	11,326	60,443	60,443	4,785	4,149
	1,668,766	0	1,022,201	1,022,287	845,059	848,373	61,166	73,626

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

SHIRE OF WONGAH-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

The Shire of Wongah-Ballidu did not take up any new debentures during the year ended 30 June 2016.

(c) Unspent Debentures

The Shire of Wongah-Ballidu did not have any unspent debentures as at 30 June 2016.

(d) Overdraft

Council maintains an overdraft facility of \$100,000 with the ANZ Bank to assist with the short term liquidity requirements. The balance of the bank overdraft at 1 July 2014 and 30 June 2014 was \$nil.

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

22. RATING INFORMATION - 2014/16 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 \$
RATE TYPE											
Differential general rate / general rate											
Gross rental value valuations											
General Rates GRV - Wongan Hills	0.101201	440	4,781,717	484,345	13,082	0	497,407	484,345	5,043	0	409,088
General Rates GRV - Balidu & Cadoux	0.101201	64	337,844	34,221	.0	0	34,221	34,221	0	0	34,221
Unimproved value valuations											
General Rates UV - Rural	0.013062	286	162,719,000	1,094,810	50,243	0	2,051,059	2,031,820	0	0	2,031,820
General Rates UV - Mining	0.013062	2	71,609	935	387	0	1,322	935	(300)	0	635
Sub-Totals		792	167,910,170	2,514,317	69,692	0	2,684,009	2,651,321	6,343	0	2,556,664
Minimum payment	Minimum \$						2,651,321				32,068
Gross rental value valuations											
General Rates GRV - Wongan Hills	573	69	176,771	39,537	0	0	39,537	39,537	0	0	39,537
General Rates GRV - Balidu & Cadoux	276	25	12,252	6,900	0	0	6,900	6,900	0	0	6,900
Unimproved value valuations											
General Rates UV - Rural	276	9	2,071,800	2,484	0	0	2,484	2,484	0	0	2,484
General Rates UV - Mining	276	16	62,109	4,416	0	0	4,416	4,416	0	0	4,416
Sub-Totals		119	3,122,022	53,337	0	0	63,337	63,337	0	0	63,337
Ex-gratia rates							2,637,346				2,010,001
Discounts/concessions (refer note 25)							16,388				10,927
Total amount raised from general rate							(24,086)				(25,000)
Specified Area Rate (refer note 23)							2,628,669				2,601,928
Totals							0				0
							2,628,669				2,601,928

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

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

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

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	<u>3,102,634</u>	<u>651,340</u>	<u>651,340</u>
Comprises:			
Cash and cash equivalents			
Unrestricted	2,634,548	59,439	59,439
Restricted	1,309,639	1,580,125	1,580,125
Receivables			
Rates outstanding	110,739	94,064	94,064
Sundry debtors	674,083	1,483,727	1,483,727
Loans - clubs/institutions	72,594	56,062	56,062
Other debtors	85,503	18,720	18,720
Inventories			
Fuel and materials	39,666	17,818	17,818
Less:			
Trade and other payables			
Sundry creditors	(104,027)	(693,028)	(693,028)
Accrued interest on debentures	(15,483)	(26,108)	(26,108)
Accrued salaries and wages	(28,633)	(28,430)	(28,430)
GST Payable	(6,705)	(34,864)	(34,864)
FBT Payable	(144)	(7,568)	(7,568)
PAYG Payable	(34,435)	(38,580)	(38,580)
Current portion of long term borrowings			
Secured by floating charge	(35,201)	(31,064)	(31,064)
Debentures - Self supporting loans	(62,778)	(56,062)	(56,062)
Provisions			
Provision for annual leave	(190,087)	(152,468)	(152,468)
Provision for RDO	(10,859)	(12,180)	(12,180)
Provision for long service leave	(213,270)	(170,969)	(170,969)
Net current assets	<u>4,225,142</u>	<u>2,058,634</u>	<u>2,058,634</u>
Less:			
Reserves - restricted cash	(1,222,330)	(1,511,012)	(1,511,012)
Loans - Clubs/Institutions	(72,594)	(56,062)	(56,062)
Add:			
Secured by floating charge	35,201	31,064	31,064
Debentures - Self Supporting Loans	62,778	56,062	56,062
Leave Reserve	74,445	72,654	72,654
Surplus/(deficit)	<u>3,102,634</u>	<u>651,340</u>	<u>651,340</u>

Difference

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

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

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Radio / TV Transmision	50	25,500	25,050	25,500	25,050
		25,600	25,050	25,500	25,050

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	2.00%	24,065	25,000
Minimum Rates	Discount	2.00%	0	0
			0	0
			24,065	25,000

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate not

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%	0	16,816	10,500
Interest on Deferred Rates	3.30%	0	0	500
Interest on Instalments Plan	5.50%	0	9,849	7,000
Charges on Instalment Plan	N/A	0	6,280	5,200
			32,945	23,200

Ratepayers had the option of paying rates in four equal instalments, due on the 6 August 2014, 20 October 2014, 19

27. FEES & CHARGES

	2015 \$	2014 \$
Governance	4,742	3,923
General purpose funding	7,907	8,726
Law, order, public safety	9,178	5,447
Health	9,271	175,367
Education and welfare	511	229
Housing	68,102	61,012
Community amenities	185,093	179,012
Recreation and culture	37,649	40,712
Transport	33,968	37,091
Economic services	45,747	17,870
Other property and services	1,728,368	1,120,557
	<u>2,130,536</u>	<u>1,649,946</u>

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

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

28. GRANT REVENUE

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

	2015	2014
By Nature or Type:	\$	\$
Operating grants, subsidies and contributions	3,284,428	1,239,822
Non-operating grants, subsidies and contributions	1,609,200	817,299
	<u>4,893,628</u>	<u>2,057,121</u>
By Program:		
General purpose funding	3,286,768	931,503
Law, order, public safety	21,996	31,800
Education and welfare	40,000	0
Community amenities	9,598	274
Recreation and culture	173,187	29,094
Transport	1,234,744	930,054
Other property and services	117,335	134,396
	<u>4,893,628</u>	<u>2,057,121</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>34</u>	<u>33</u>
-----------	-----------

30. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	9,724	13,276	10,311
President's allowance	1,000	1,000	1,406
Deputy President's allowance	250	250	233
Travelling expenses	6,245	3,469	7,406
Telecommunications allowance	9,290	9,000	11,854
	<u>26,509</u>	<u>26,995</u>	<u>31,210</u>

31. MAJOR LAND TRANSACTIONS

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

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015 \$	2014 \$	2016 \$	2014 \$
Financial assets				
Cash and cash equivalents	3,944,187	1,639,564	3,944,187	1,639,564
Receivables	1,204,761	2,427,393	1,204,761	2,427,393
	<u>5,148,948</u>	<u>4,066,957</u>	<u>5,148,948</u>	<u>4,066,957</u>
Financial liabilities				
Payables	189,427	828,578	189,427	828,578
Borrowings	846,374	1,868,769	846,374	1,719,299
	<u>1,035,801</u>	<u>2,697,337</u>	<u>1,035,801</u>	<u>2,547,877</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). The Shire 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 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	30,442	16,396
- Statement of Comprehensive Income	30,442	16,396

Notes:

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

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	96%	98%
- Overdue	4%	2%

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
 Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2016					
Payables	189,427	0	0	189,427	189,427
Borrowings	134,913	787,804	27,033	949,750	646,374
	<u>324,340</u>	<u>787,804</u>	<u>27,033</u>	<u>1,139,177</u>	<u>1,035,801</u>
2014					
Payables	820,570	0	0	820,570	820,570
Borrowings	1,095,911	862,982	80,768	2,045,681	1,660,769
	<u>1,924,489</u>	<u>862,982</u>	<u>80,768</u>	<u>2,874,239</u>	<u>2,697,337</u>

MOORE STEPHENS

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24 November 2015

Mr S Taylor
Chief Executive Officer
Shire of Wongan-Ballidu
PO Box 84
WONGAN HILLS WA 6566

Dear Stuart

**AUDIT OF SHIRE OF WONGAN-BALLIDU
FOR THE YEAR ENDED 30 JUNE 2015**

We advise that we have completed the audit of your Shire for the year ended 30th June 2015 and enclose our Audit Report and a copy of the Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President, Cr Peter Macnamara as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

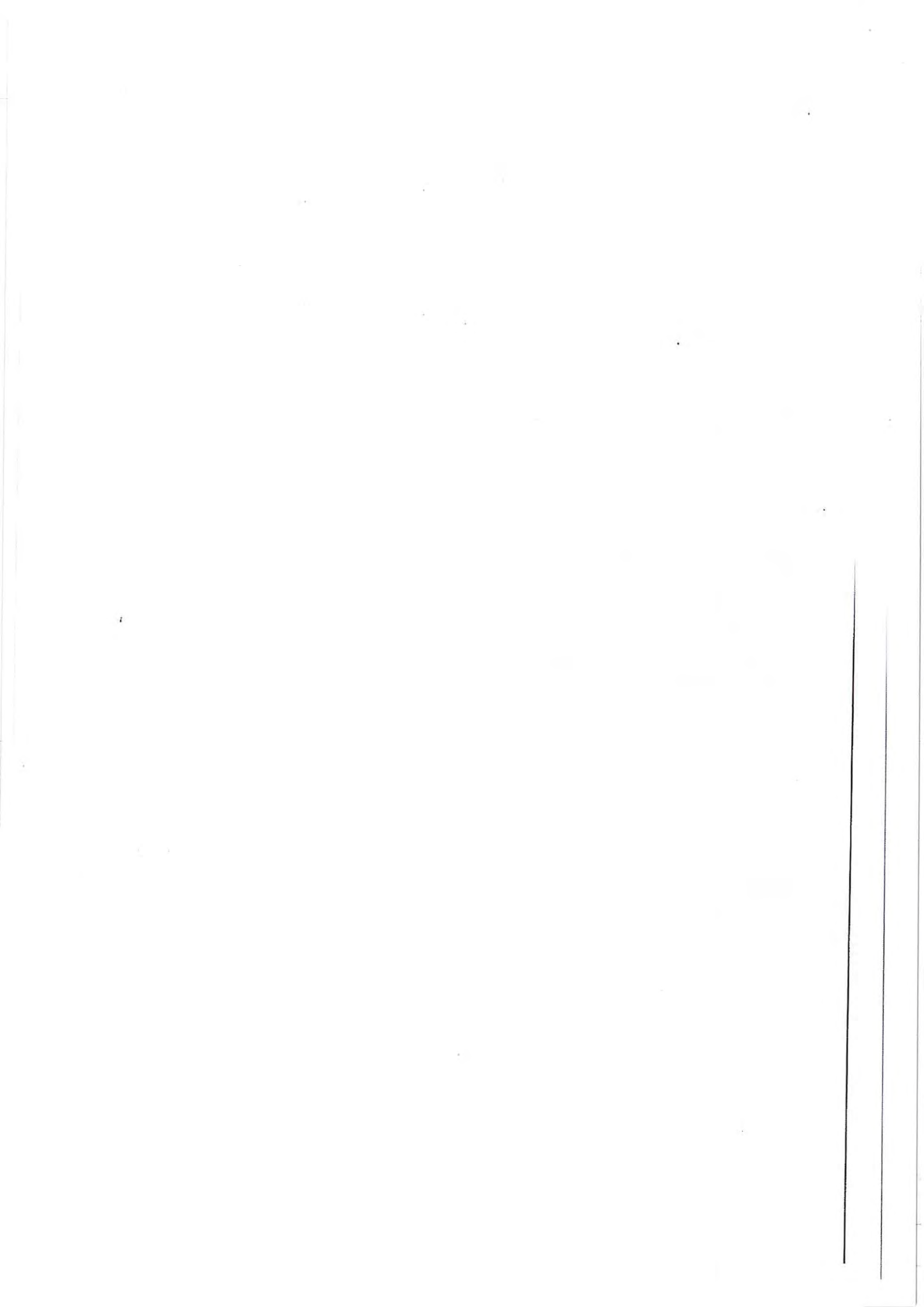
Please contact us if you have any queries.

Yours sincerely



WEN-SHIEN CHAI
PARTNER

Encl.



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INDEPENDENT AUDITOR'S REPORT

TO THE ELECTORS OF THE SHIRE OF WONGAN-BALIDU

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Shire of Wongan-Balidu, which comprises the statement of financial position as at 30 June 2015, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as Management 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. These Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

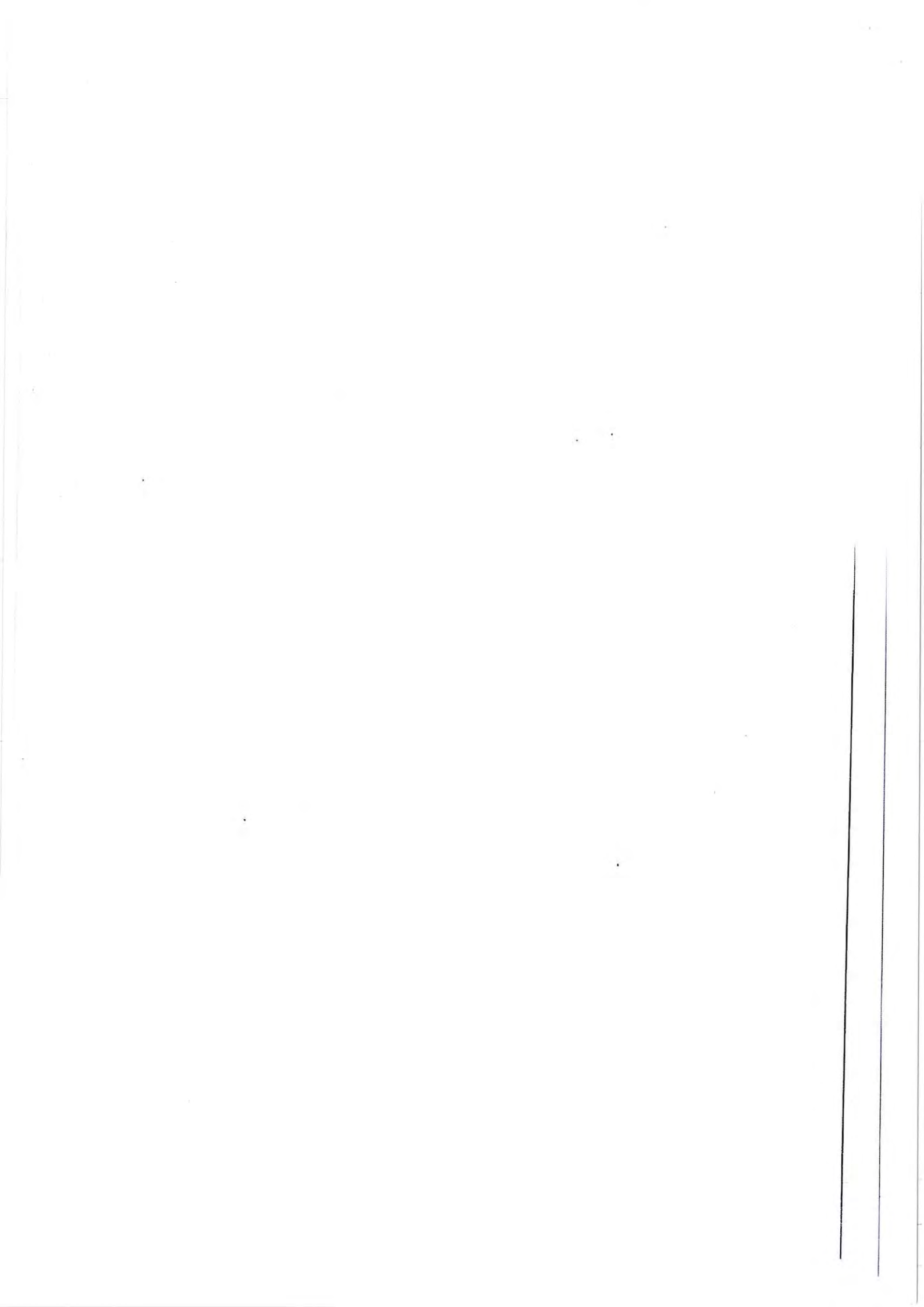
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation and fair presentation of the financial report that 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 Council, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report of the Shire of Wongan-Balidu is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2015 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).



**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF WONGAN BALLIDU (CONTINUED)**

Report On Other Legal and Regulatory Requirements

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 60 of this report, we have reviewed the Asset Consumption Ratio calculations as presented and nothing has come to our attention to suggest it is not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.

The Asset Renewal Funding Ratio was not calculated and hence no review was carried out.

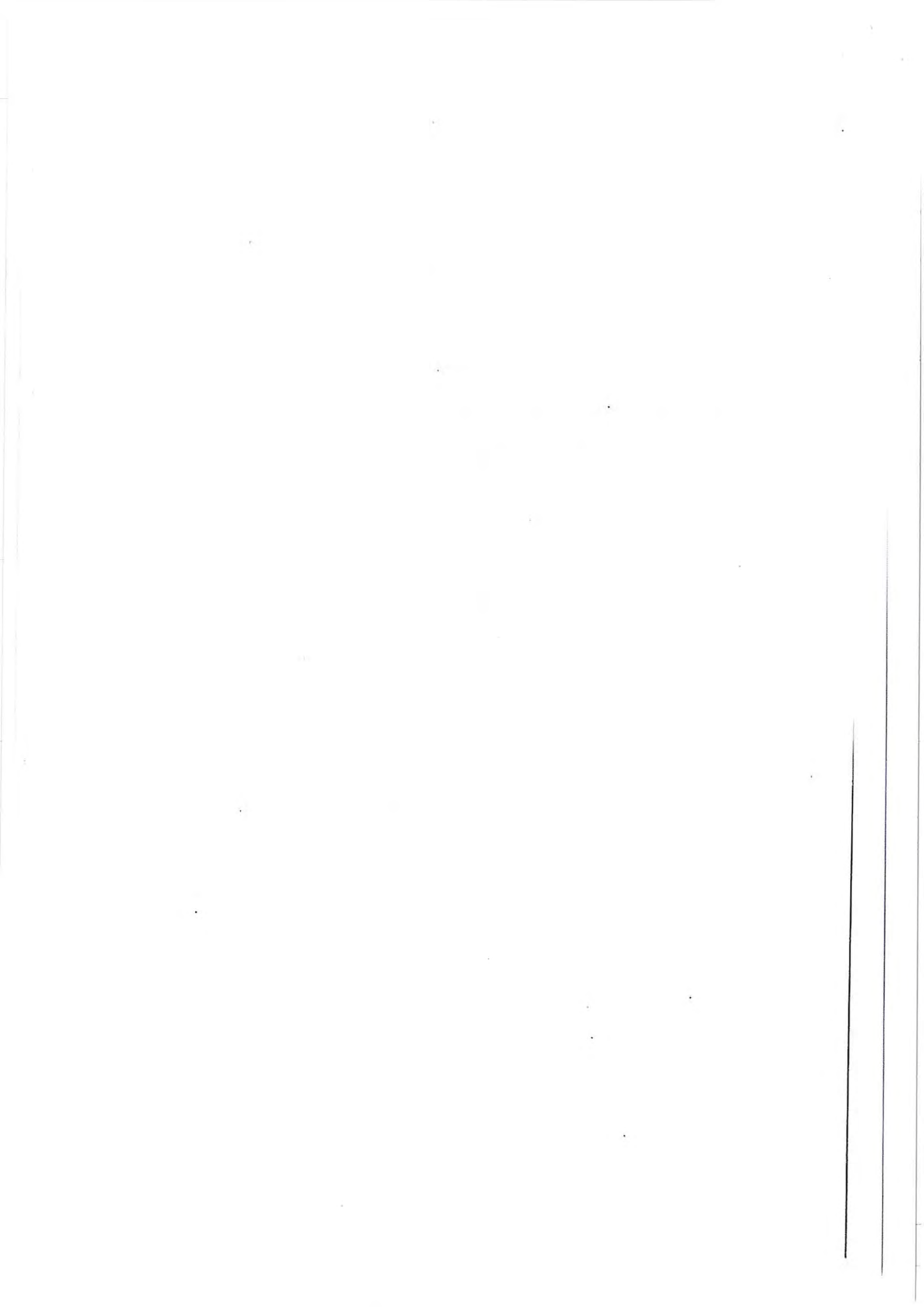
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Signed at Perth this 24th day of November 2015.



**SHIRE OF WONGAN-BALLIDU
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016**

RATIO INFORMATION

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

	2016	2014	2013
Asset consumption ratio	0.46	0.47	0.60
Asset renewal funding ratio	* Unknown	* Unknown	* Unknown

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 $\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

* the Shire has not yet adopted its Asset Management Plan at 30 June 2015 so this ratio has not been calculated.

