

**SHIRE OF JERRAMUNGUP**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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Principal place of business:  
8 Vasey Street  
Jerramungup WA 6337

**SHIRE OF JERRAMUNGUP  
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 \_\_\_\_\_ day of \_\_\_\_\_ 2015

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Brent Bailey  
Chief Executive Officer

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>				
Rates	23	2,917,277	2,918,115	2,683,887
Operating grants, subsidies and contributions	29	2,264,557	1,505,264	1,320,456
Fees and charges	28	807,071	761,962	961,752
Interest earnings	2(a)	69,636	77,614	83,299
Other revenue		<u>548,070</u>	<u>505,774</u>	<u>517,894</u>
		6,606,611	5,768,729	5,567,288
<b>Expenses</b>				
Employee costs		(1,744,556)	(1,224,929)	(2,067,443)
Materials and contracts		(2,047,293)	(2,147,376)	(2,095,448)
Utility charges		(172,641)	(136,619)	(160,671)
Depreciation on non-current assets	2(a)	(1,828,029)	(1,371,430)	(1,429,490)
Interest expenses	2(a)	(51,865)	(52,705)	(46,235)
Insurance expenses		(286,244)	(275,275)	(304,646)
Other expenditure		<u>(431,580)</u>	<u>(582,103)</u>	<u>(197,363)</u>
		<u>(6,562,208)</u>	<u>(5,790,437)</u>	<u>(6,301,296)</u>
		44,403	(21,708)	(734,008)
Local Government Trust Units		0	0	131,226
Initial Recognition of Vested Land		0	0	1,406,625
Non-operating grants, subsidies and contributions	29	1,240,097	936,418	819,618
Profit on asset disposals	21	0	69,000	54,573
Loss on asset disposals	21	<u>(149,161)</u>	<u>(49,055)</u>	<u>(205,696)</u>
<b>Net result</b>		<b>1,135,339</b>	<b>934,654</b>	<b>1,472,338</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	13	77,259,566	0	17,153,397
Adjustment to revaluation reserve		<u>0</u>	<u>0</u>	<u>(66,544)</u>
<b>Total other comprehensive income</b>		<b>77,259,566</b>	<b>0</b>	<b>17,086,853</b>
<b>Total comprehensive income</b>		<b><u>78,394,905</u></b>	<b><u>934,654</u></b>	<b><u>18,559,191</u></b>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>	2(a)			
Governance		34,028	11,185	16,571
General purpose funding		3,935,851	3,647,492	3,109,754
Law, order, public safety		101,323	96,051	205,200
Health		3,632	4,144	4,743
Education and welfare		23,557	55,224	45,192
Housing		77,015	81,107	86,030
Community amenities		374,721	342,002	338,017
Recreation and culture		123,628	64,446	245,782
Transport		1,112,998	761,010	592,761
Economic services		28,032	34,134	30,956
Other property and services		791,826	671,933	892,282
		<u>6,606,611</u>	<u>5,768,729</u>	<u>5,567,288</u>
<b>Expenses</b>	2(a)			
Governance		(224,990)	(170,367)	(335,647)
General purpose funding		(95,150)	(93,643)	(107,720)
Law, order, public safety		(572,804)	(452,049)	(517,418)
Health		(253,950)	(262,769)	(190,711)
Education and welfare		(141,310)	(119,036)	(118,455)
Housing		(50,850)	(61,183)	(47,137)
Community amenities		(1,014,988)	(920,855)	(872,606)
Recreation and culture		(987,663)	(802,034)	(807,738)
Transport		(2,491,018)	(2,428,224)	(2,403,640)
Economic services		(252,872)	(185,235)	(185,527)
Other property and services		(424,748)	(242,337)	(668,460)
		<u>(6,510,343)</u>	<u>(5,737,733)</u>	<u>(6,255,061)</u>
<b>Finance costs</b>	2(a)			
Housing		(18,798)	(19,269)	(21,847)
Community amenities		(14,982)	(15,069)	(4,570)
Transport		(18,085)	(18,367)	(19,819)
		<u>(51,865)</u>	<u>(52,705)</u>	<u>(46,235)</u>
<b>Non-operating grants, subsidies and contributions</b>				
Governance		0	0	131,226
Law, order, public safety		221,478	125,000	45,408
Education and welfare		10,927	0	0
Community amenities		14,200	61,417	12,283
Recreation and culture		187,342	0	1,406,625
Transport		806,150	750,000	761,927
	29	<u>1,240,097</u>	<u>936,418</u>	<u>2,357,469</u>
<b>Profit/(Loss) on disposal of assets</b>				
Governance		0	0	(15,403)
Law, order, public safety		(12,544)	0	0
Health		0	0	(8,931)
Community amenities		0	0	(28,488)
Recreation and culture		(120,937)	0	(75,576)
Transport		(15,680)	19,945	41,911
Economic services		0	0	(64,636)
	21	<u>(149,161)</u>	<u>19,945</u>	<u>(151,123)</u>
<b>Net result</b>		<u>1,135,339</u>	<u>934,654</u>	<u>1,472,338</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	13	77,259,566	0	17,153,397
Adjustment to revaluation reserve		0	0	(66,544)

<b>Total other comprehensive income</b>	<b>77,259,566</b>	<b>0</b>	<b>17,086,853</b>
<b>Total comprehensive income</b>	<b><u>78,394,905</u></b>	<b><u>934,654</u></b>	<b><u>18,559,191</u></b>

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

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

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,655,460	1,429,254
Trade and other receivables	5	228,493	95,422
Inventories	6	36,398	20,264
<b>TOTAL CURRENT ASSETS</b>		<u>1,920,351</u>	<u>1,544,940</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	146	1,265
Investments	4	131,226	131,226
Property, plant and equipment	7	26,796,807	28,210,222
Infrastructure	8	173,624,275	94,256,139
<b>TOTAL NON-CURRENT ASSETS</b>		<u>200,552,454</u>	<u>122,598,852</u>
<b>TOTAL ASSETS</b>		<u>202,472,806</u>	<u>124,143,793</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	241,968	162,293
Current portion of long term borrowings	10	127,004	130,516
Provisions	11	246,999	286,016
<b>TOTAL CURRENT LIABILITIES</b>		<u>615,971</u>	<u>578,825</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	873,060	1,000,064
Provisions	11	61,601	37,635
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>934,661</u>	<u>1,037,699</u>
<b>TOTAL LIABILITIES</b>		<u>1,550,632</u>	<u>1,616,524</u>
<b>NET ASSETS</b>		<u>200,922,174</u>	<u>122,527,269</u>
<b>EQUITY</b>			
Retained surplus		49,985,980	48,925,019
Reserves - cash/investment backed	12	1,139,430	1,065,052
Revaluation surplus	13	149,796,764	72,537,198
<b>TOTAL EQUITY</b>		<u>200,922,174</u>	<u>122,527,269</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2013</b>		<b>47,410,917</b>	<b>1,106,814</b>	<b>55,450,344</b>	<b>103,968,075</b>
Comprehensive income					
Net result		1,472,338	0	0	1,472,338
Adjustments to Revaluation Reserve		0	0	(66,544)	(66,544)
Changes on revaluation of non-current assets	13	<u>0</u>	<u>0</u>	<u>17,153,397</u>	<u>17,153,397</u>
Total comprehensive income		1,472,338	0	17,086,853	18,559,191
Transfers from/(to) reserves		41,762	(41,762)	0	0
		<u>48,925,019</u>	<u>1,065,052</u>	<u>72,537,198</u>	<u>122,527,269</u>
<b>Balance as at 30 June 2014</b>		<b>48,925,019</b>	<b>1,065,052</b>	<b>72,537,198</b>	<b>122,527,269</b>
Comprehensive income					
Net result		1,135,339	0	0	1,135,339
Changes on revaluation of non-current assets	13	<u>0</u>	<u>0</u>	<u>77,259,566</u>	<u>77,259,566</u>
Total comprehensive income		1,135,339	0	77,259,566	78,394,905
Transfers from/(to) reserves		(74,378)	74,378	0	0
		<u>49,985,980</u>	<u>1,139,430</u>	<u>149,796,764</u>	<u>200,922,174</u>
<b>Balance as at 30 June 2015</b>		<b>49,985,980</b>	<b>1,139,430</b>	<b>149,796,764</b>	<b>200,922,174</b>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,920,833	2,918,114	2,686,901
Operating grants, subsidies and contributions		2,234,800	1,480,264	1,790,324
Fees and charges		807,071	761,962	970,990
Interest earnings		69,636	77,614	82,243
Goods and services tax		(24,664)	88,551	223,195
Other revenue		466,983	505,774	517,894
		<u>6,474,659</u>	<u>5,832,279</u>	<u>6,271,547</u>
<b>Payments</b>				
Employee costs		(1,722,735)	(1,738,388)	(2,223,375)
Materials and contracts		(2,018,998)	(1,856,557)	(2,165,905)
Utility charges		(172,641)	(136,619)	(156,303)
Interest expenses		(53,493)	(52,705)	(44,389)
Insurance expenses		(286,244)	(275,275)	(304,646)
Goods and services tax		0	(63,551)	(182,136)
Other expenditure		(431,584)	(389,555)	(197,361)
		<u>(4,685,695)</u>	<u>(4,512,651)</u>	<u>(5,274,115)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	<u>1,788,964</u>	<u>1,319,628</u>	<u>997,432</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(985,121)	(808,423)	(622,828)
Payments for construction of infrastructure		(1,738,457)	(1,700,000)	(2,000,826)
Non-operating grants, Subsidies and contributions		1,240,097	936,418	819,618
Proceeds from sale of fixed assets		51,234	211,000	212,122
<b>Net cash provided by (used in) investment activities</b>		<u>(1,432,247)</u>	<u>(1,361,005)</u>	<u>(1,591,914)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(130,515)	(100,780)	(102,702)
Proceeds from new debentures		0	0	350,000
<b>Net cash provided by (used in) financing activities</b>		<u>(130,515)</u>	<u>(100,780)</u>	<u>247,298</u>
<b>Net increase (decrease) in cash held</b>		226,202	(142,156)	(347,184)
Cash at beginning of year		1,429,254	1,434,145	1,776,438
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u><u>1,655,460</u></u>	<u><u>1,291,989</u></u>	<u><u>1,429,254</u></u>

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



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

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
<b>Revenue</b>				
Governance		34,028	11,185	1,554,422
General purpose funding		1,018,574	729,377	425,867
Law, order, public safety		322,801	221,051	250,608
Health		3,632	4,144	4,743
Education and welfare		34,484	55,224	45,192
Housing		77,015	81,107	86,030
Community amenities		388,921	403,419	350,300
Recreation and culture		310,970	64,446	245,782
Transport		1,919,148	1,580,010	1,409,261
Economic services		28,032	34,134	30,956
Other property and services		791,826	671,933	892,283
		<u>4,929,431</u>	<u>3,856,031</u>	<u>5,295,444</u>
<b>Expenses</b>				
Governance		(224,990)	(170,367)	(351,050)
General purpose funding		(95,150)	(93,643)	(107,720)
Law, order, public safety		(585,348)	(452,049)	(517,418)
Health		(253,950)	(262,769)	(199,642)
Education and welfare		(141,310)	(119,036)	(118,455)
Housing		(69,648)	(80,452)	(68,984)
Community amenities		(1,029,970)	(935,924)	(905,665)
Recreation and culture		(1,108,600)	(802,034)	(883,314)
Transport		(2,524,783)	(2,495,646)	(2,436,121)
Economic services		(252,872)	(185,235)	(250,163)
Other property and services		(424,750)	(242,338)	(668,460)
		<u>(6,711,371)</u>	<u>(5,839,494)</u>	<u>(6,506,992)</u>
<b>Net result excluding rates</b>		(1,781,940)	(1,983,462)	(1,211,548)
<b>Adjustments for cash budget requirements:</b>				
<b>Non-cash expenditure and revenue</b>				
Initial recognition of assets due to change to regulations				
- Vested Land		0	0	(1,406,625)
- Local Government Trust Units		0	0	(131,226)
(Profit)/Loss on asset disposals	21	149,161	(19,945)	151,123
Movement in deferred pensioner rates (non-current)		1,119	0	(618)
Movement in employee benefit provisions (non-current)		(15,053)	0	(29,407)
Depreciation on assets	2(a)	1,828,029	1,371,430	1,429,490
Movement Accruals		0	0	59,070
<b>Capital Expenditure and Revenue</b>				
Purchase of land and buildings	7(b)	(795,383)	(437,735)	(138,943)
Purchase plant & equipment	7(b)	(184,792)	(365,688)	(475,312)
Purchase furniture and equipment	7(b)	(4,946)	(5,000)	(8,573)
Purchase roads	8(b)	(1,474,917)	(1,700,000)	(1,761,109)
Purchase footpaths	8(b)	(212,559)	0	(42,467)
Purchase sewerage	8(b)	(16,364)	0	0
Purchase parks and ovals	8(b)	(3,357)	0	(198)
Purchase other infrastructure	8(b)	(31,260)	0	(197,052)
Proceeds from disposal of fixed assets	21	51,234	211,000	212,122
Repayment of debentures	22(a)	(130,515)	(100,780)	(102,702)
Proceeds from new debentures	22(b)	0	0	350,000
Transfers to reserves (restricted assets)	12	(98,679)	(289,868)	(232,392)
Transfers from reserves (restricted assets)	12	24,301	110,000	274,154
ADD Estimated surplus/(deficit) July 1 b/fwd	23(b)	317,595	295,021	895,922
LESS Estimated surplus/(deficit) June 30 c/fwd	23(b)	538,955	3,090	317,595
<b>Total amount raised from general rate</b>	23(a)	<u>(2,917,277)</u>	<u>(2,918,115)</u>	<u>(2,683,886)</u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

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

**Critical accounting estimates**

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

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

**The local government reporting entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 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 JERRAMUNGUP**  
**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 JERRAMUNGUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(f) Fixed Assets (Continued)**

***Land under control***

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

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

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

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

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

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

***Revaluation***

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

***Land under roads***

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

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

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

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

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

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

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

**(f) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

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

***Capitalisation threshold***

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

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

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

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

**Income approach**

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

**Cost approach**

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

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

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

**(h) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

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

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

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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



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

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

**(k) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(l) Borrowing Costs**

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

**(m) Provisions**

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

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

**(n) Leases**

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

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

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

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight line

basis over the life of the lease term.

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

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

**(o) Investment in Associates**

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

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

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

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

**(p) Interests in Joint Arrangements**

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

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

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

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

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

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

**(v) Budget Comparative Figures**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**(x) Adoption of New and Revised Accounting Standards**

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

These new and revised Standards were:

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

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

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

<b>2. REVENUE AND EXPENSES</b>	<b>2015</b>	<b>2014</b>	
	<b>\$</b>	<b>\$</b>	
<b>(a) Net Result</b>			
The Net result includes:			
(i) Charging as an expense:			
<b>Auditors remuneration</b>			
- Audit of the annual financial report and interim audit	19,500	14,050	
- Other services	1,200	1,000	
<b>Depreciation</b>			
Non-specialised buildings	270,809	70,167	
Specialised buildings	305,880	38,510	
Plant & Equipment	292,575	335,403	
Furniture and equipment	5,118	6,578	
Roads	869,223	856,547	
Footpaths	5,871	4,688	
Drainage	5,696	5,696	
Sewerage	7,283	7,164	
Parks and Ovals	42,901	7,065	
Other Infrastructure	19,926	97,672	
Aerodromes	2,747	0	
	<u>1,828,029</u>	<u>1,429,490</u>	
<b>Interest expenses (finance costs)</b>			
Debentures (refer Note 22 (a))	51,865	46,235	
	<u>51,865</u>	<u>46,235</u>	
(ii) Crediting as revenue:			
<b>Significant revenue</b>			
Initial recognition of vested land	0	1,406,625	
Local Government Trust units	0	131,226	
	<u>0</u>	<u>1,537,851</u>	
<b>Other revenue</b>			
Reimbursements and recoveries	85,750	48,157	
Significant revenue	410,028	469,737	
Other	52,292	0	
	<u>548,070</u>	<u>517,894</u>	
	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>			
- Reserve funds	28,347	25,491	35,591
- Other funds	16,806	25,000	20,550
Other interest revenue (refer note 27)	24,483	27,123	27,158
	<u>69,636</u>	<u>77,614</u>	<u>83,299</u>

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

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

The Shire of Jerramungup will provide leadership to maintain our identity by promoting social and economic development whilst embracing our unique natural environment. Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

**GOVERNANCE**

**Objective:**

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

**Activities:**

Administration and operation of facilities and services to members of Council. 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:**

Food quality and pest control, maintenance and contributions to health services and facilities.

**EDUCATION AND WELFARE**

**Objective:**

To meet the needs of the community in these areas.

**Activities:**

Operation and provision of retirement units in Jerramungup and Bremer Bay, assistance to Southern AgCare services, pre-school facility, childcare centres and local primary and high schools and other voluntary services.

**HOUSING**

**Objective:**

Help ensure adequate housing for key community personnel such as police.

**Activities:**

Maintenance of staff and rental housing.

**SHIRE OF JERRAMUNGUP**  
**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, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services.

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

Maintenance of public halls, sporting complexes, resource centres, various parks and associated facilities, provision of library services in Jerramungup and Bremer Bay, maintenance and upgrade of radio services.

**TRANSPORT**

**Objective:**

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

**Activities:**

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

**ECONOMIC SERVICES**

**Objective:**

To help promote the Shire and its economic wellbeing.

**Activities:**

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and water supply including stand pipes.

**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. Also provides for Department of Transport Licencing.

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

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

**(c) Conditions Over Grants/Contributions**

<u>Grant/Contribution</u>	<u>Function/ Activity</u>	<u>Opening Balance <sup>(1)</sup> 1/07/13 \$</u>	<u>Received <sup>(2)</sup> 2013/14 \$</u>	<u>Expended <sup>(3)</sup> 2013/14 \$</u>	<u>Closing Balance <sup>(1)</sup> 30/06/14 \$</u>	<u>Received <sup>(2)</sup> 2014/15 \$</u>	<u>Expended <sup>(3)</sup> 2014/15 \$</u>	<u>Closing Balance 30/06/15 \$</u>
Main Roads - Swamp Road Upgrade	Transport	123,750	0	(123,750)	0	0	0	0
Regional Waste Management*	Other Property and Services	147,501	0	(147,501)	0	0	0	0
BB Town Centre (CLGF)	Transport	324,822	0	(324,822)	0	0	0	0
Kidsport	Recreation & Culture	22,493	0	(1,028)	21,465	10,000	(21,465)	10,000
Fosters Beach Rehabilitation (SCNRM)	Recreation & Culture	0	21,120	(12,984)	8,136	8,580	(16,716)	0
Upgrade Transfer Station	Community Amenities	0	12,283	0	12,283	0	0	12,283
<b>Total</b>		<b><u>618,566</u></b>	<b><u>33,403</u></b>	<b><u>(610,085)</u></b>	<b><u>41,884</u></b>	<b><u>18,580</u></b>	<b><u>(38,181)</u></b>	<b><u>22,283</u></b>

**Notes:**

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.
- (4) - Grant was not expended but the funds are no longer part of restricted cash as the funds were transferred to trust.

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

	Note	2015 \$	2014 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		478,969	76,532
Restricted		<u>1,176,491</u>	<u>1,352,722</u>
		<u><u>1,655,460</u></u>	<u><u>1,429,254</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	12	32,132	31,320
Plant Reserve	12	40,396	39,375
Community Recreation Reserve	12	103,855	112,365
Bremer Bay Youth Camp Reserve	12	50,028	48,763
Building Reserve	12	30,784	40,824
Bremer Bay Retirement Units Reserve	12	92,531	90,193
JMP Entertainment Centre Reserve	12	8,157	7,951
Effluent Reserve	12	444,959	428,172
Point Henry Fire Levy Reserve	12	43,378	49,129
Jerramungup Retirement Units Reserve	12	89,750	87,482
Fishery Beach Boat Ramp Reserve	12	109,420	106,655
Capital Works Reserve	12	76,162	15,232
Swimming Pool Reserve	12	7,788	7,591
Roe Park Reserve	12	10,090	0
Restricted cash	12	14,780	14,780
Unspent grants	2(c)	22,283	41,884
Unspent loans	22(c)	0	231,006
		<u><u>1,176,490</u></u>	<u><u>1,352,722</u></u>
<b>4. INVESTMENTS</b>			
<b>Non-Current Investments</b>			
Local Government Trust Units (3 @ \$43742)		<u>131,226</u>	<u>131,226</u>
		<u><u>131,226</u></u>	<u><u>131,226</u></u>

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	60,771	63,208
Sundry debtors	120,664	9,238
GST receivable	45,408	20,744
Accrued Income	1,650	2,232
	<u>228,493</u>	<u>95,422</u>
<b>Non-current</b>		
Rates outstanding - pensioners	146	1,265
	<u>146</u>	<u>1,265</u>
<b>6. INVENTORIES</b>		
<b>Current</b>		
Fuel and materials	36,398	20,264
	<u>36,398</u>	<u>20,264</u>
	<u>0</u>	<u>0</u>



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

	2015 \$	2014 \$
<b>7 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2	<u>1,957,211</u>	<u>1,957,211</u>
	1,957,211	1,957,211
Land vested in and under the control of Council at:		
- Independent valuation 2014 - level 3	<u>1,406,625</u>	<u>1,406,625</u>
	1,406,625	1,406,625
	<u>3,363,836</u>	<u>3,363,836</u>
Non-specialised buildings at:		
- Independent valuation 2014 - level 2	8,791,500	8,791,500
- Additions after valuation - cost	462,586	0
Less: accumulated depreciation	<u>(270,810)</u>	<u>0</u>
	8,983,276	8,791,500
Specialised buildings at:		
- Independent valuation 2014 - level 3	13,599,668	13,599,668
- Additions after valuation - cost	332,797	0
- Transfer between Classes	(1,444,695)	0
Less: accumulated depreciation	<u>(305,880)</u>	<u>0</u>
	12,181,890	13,599,668
	<u>21,165,166</u>	<u>22,391,168</u>
Total land and buildings	<u>24,529,002</u>	<u>25,755,004</u>
Plant & Equipment at:		
- Management valuation 2013 - level 2	2,527,274	2,527,274
- Additions after valuation - cost	354,330	266,238
Less accumulated depreciation	<u>(630,288)</u>	<u>(354,955)</u>
	2,251,316	2,438,557
Furniture and equipment at:		
- Management valuation 2013 - level 3	14,666	14,666
- Additions after valuation - cost	13,519	8,574
Less accumulated depreciation	<u>(11,696)</u>	<u>(6,579)</u>
	16,489	16,661
	<u>26,796,807</u>	<u>28,210,222</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 JERRAMUNGUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	1,957,211	0	0	0	0	0	0	1,957,211
Land vested in and under the control of Council	1,406,625	0	0	0	0	0	0	1,406,625
<b>Total land</b>	<b>3,363,836</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,363,836</b>
Non-specialised buildings	8,791,500	462,586	0	0	0	(270,809)	0	8,983,277
Specialised buildings	13,599,668	332,797	0	0	0	(305,880)	(1,444,695)	12,181,890
<b>Total buildings</b>	<b>22,391,168</b>	<b>795,383</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(576,689)</b>	<b>(1,444,695)</b>	<b>21,165,167</b>
<b>Total land and buildings</b>	<b>25,755,004</b>	<b>795,383</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(576,689)</b>	<b>(1,444,695)</b>	<b>24,529,003</b>
Plant & Equipment	2,438,557	184,792	(79,457)	0	0	(292,575)	0	2,251,317
Furniture and equipment	16,661	4,946	0	0	0	(5,118)	0	16,489
<b>Total property, plant and equipment</b>	<b>28,210,222</b>	<b>985,121</b>	<b>(79,457)</b>	<b>0</b>	<b>0</b>	<b>(874,382)</b>	<b>(1,444,695)</b>	<b>26,796,807</b>

Some assets were reclassified between classification as at 30.6.2015. Those movements between classifications are showing under the "Transfer" heading. The total "Transfer" of Specialised Buildings of \$1,444,695 nets off against note 8 (b) total "Transfer" of Infrastructure.

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

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land and buildings</b>					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent Valuation	June 2014	Using market value
Land vested in and under the control of Council	3	Cost approach	Independent Valuation	June 2014	Using market value
Non-specialised buildings	2	Market	Independent Valuation	June 2014	Using market value and current condition, residual values and remaining useful life assessments
Specialised buildings	3	Cost	Independent Valuation	June 2014	Using construction costs and current condition, residual values and remaining useful life assessments
<b>Plant &amp; Equipment</b>					
	2	Market approach using recent observable market data for similar items or cost approach using depreciated replacement cost	Management Valuation	June 2013	Price per item
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2013	Price per item

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

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

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

	2015 \$	2014 \$
<b>8 (a). INFRASTRUCTURE</b>		
Roads		
- Independent valuation 2015 - level 3	148,133,897	0
- Additions after valuation - cost	0	12,400,294
- Deemed Cost 2010	0	93,248,103
Less accumulated depreciation	0	(14,379,770)
	148,133,897	91,268,627
Footpaths		
- Independent valuation 2015 - level 3	1,335,861	0
- Cost	0	418,042
Less accumulated depreciation	0	(89,079)
	1,335,861	328,963
Drainage		
- Independent valuation 2015 - level 3	19,598,105	0
- Cost	0	789,661
Less accumulated depreciation	0	(165,461)
	19,598,105	624,200
Sewerage		
- Independent valuation 2015 - level 3	823,710	0
- Cost	0	358,200
Less accumulated depreciation	0	(190,680)
	823,710	167,520
Parks and Ovals		
- Independent valuation 2015 - level 3	2,460,345	0
- Cost	0	1,018,155
Less accumulated depreciation	0	(26,946)
	2,460,345	991,209
Other Infrastructure		
- Independent valuation 2015 - level 3	792,493	0
- Cost	0	1,245,360
Less accumulated depreciation	0	(369,740)
	792,493	875,620
Aerodromes		
- Independent valuation 2015 - level 3	479,864	0
Less accumulated depreciation	0	0
	479,864	0
	173,624,275	94,256,139

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

This process is considered to be in accordance with *Local Government (Financial Management)*

*Regulation 17A (2)* which requires infrastructure to be shown at fair value.

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

**8. 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.

	<b>Balance as at the Beginning of the Year</b>	<b>Additions</b>	<b>(Disposals)</b>	<b>Revaluation Increments/ (Decrements)</b>	<b>Impairment (Losses)/ Reversals</b>	<b>Depreciation (Expense)</b>	<b>Transfers</b>	<b>Carrying Amount at the End of the Year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Roads	91,268,627	1,474,917	0	56,259,576	0	(869,223)	0	148,133,897
Footpaths	328,963	212,559	0	800,210	0	(5,871)	0	1,335,861
Drainage	624,200	0	0	18,979,601	0	(5,696)	0	19,598,105
Sewerage	167,520	16,364	0	647,109	0	(7,283)	0	823,710
Parks and Ovals	991,209	3,357	(120,937)	144,300	0	(42,901)	1485316	2,460,344
Other Infrastructure	875,620	31,260	0	157,091	0	(19,926)	(251,552)	792,493
Aerodromes	0	0	0	271,680	0	(2,747)	210,931	479,864
<b>Total infrastructure</b>	<b><u>94,256,139</u></b>	<b><u>1,738,457</u></b>	<b><u>(120,937)</u></b>	<b><u>77,259,566</u></b>	<b><u>0</u></b>	<b><u>(953,647)</u></b>	<b><u>1,444,695</u></b>	<b><u>173,624,275</u></b>

The revaluation of infrastructure assets resulted in an increase on revaluation of \$77,259,566 in the net value of infrastructure.

All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 13) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

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

**8. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Roads</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments. Used Romans software to calculate
<b>Footpaths</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments. Used Romans software to calculate
<b>Drainage</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments. Used Romans software to calculate
<b>Sewerage</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Unit costs were taken from Department of Health asset management spreadsheet
<b>Parks and Ovals</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Average square metre rate for redevelopment based on other shire construction rates
<b>Other Infrastructure</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments
<b>Aerodromes</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments

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

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

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

	2015	2014
	\$	\$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	122,128	68,199
Accrued interest on debentures	13,000	14,628
Accrued salaries and wages	57,881	30,143
ATO liabilities	48,959	39,823
Accrued expenses	0	9,500
	241,968	162,293

**10. LONG-TERM BORROWINGS**

<b>Current</b>		
Debentures	127,004	130,516
	127,004	130,516
<b>Non-current</b>		
Debentures	873,060	1,000,064
	873,060	1,000,064

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2014</b>			
Current	147,440	138,578	286,018
Non-current provisions	0	37,635	37,635
	147,440	176,213	323,653
Additional provision	(23,651)	8,598	(15,053)
<b>Balance at 30 June 2015</b>	123,789	184,811	308,600
<b>Comprises</b>			
Current	123,789	123,210	246,999
Non-current	0	61,601	61,601
	123,789	184,811	308,600



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

	2015 \$	2015 Budget \$	2014 \$
<b>12. RESERVES - CASH/INVESTMENT BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening balance	31,320	31,233	30,349
Amount set aside / transfer to reserve	812	781	971
Amount used / transfer from reserve	0	0	0
	<u>32,132</u>	<u>32,014</u>	<u>31,320</u>
<b>(b) Plant Reserve</b>			
Opening balance	39,375	39,268	35,276
Amount set aside / transfer to reserve	1,021	982	76,642
Amount used / transfer from reserve	0	0	(72,543)
	<u>40,396</u>	<u>40,249</u>	<u>39,375</u>
<b>(c) Community Recreation Reserve</b>			
Opening balance	112,365	112,054	58,459
Amount set aside / transfer to reserve	0	69,632	83,906
Amount used / transfer from reserve	(8,510)	(110,000)	(30,000)
	<u>103,855</u>	<u>71,686</u>	<u>112,365</u>
<b>(d) Bremer Bay Youth Camp Reserve</b>			
Opening balance	48,763	48,629	47,252
Amount set aside / transfer to reserve	1,265	1,216	1,511
Amount used / transfer from reserve	0	0	0
	<u>50,028</u>	<u>49,845</u>	<u>48,763</u>
<b>(e) Building Reserve</b>			
Opening balance	40,824	40,718	178,957
Amount set aside / transfer to reserve	0	145,977	3,478
Amount used / transfer from reserve	(10,040)	0	(141,611)
	<u>30,784</u>	<u>186,695</u>	<u>40,824</u>
<b>(f) Bremer Bay Retirement Units Reserve</b>			
Opening balance	90,193	89,945	87,397
Amount set aside / transfer to reserve	2,338	2,249	2,796
Amount used / transfer from reserve	0	0	0
	<u>92,531</u>	<u>92,193</u>	<u>90,193</u>
<b>(g) JMP Entertainment Centre Reserve</b>			
Opening balance	7,951	7,930	7,704
Amount set aside / transfer to reserve	206	198	247
Amount used / transfer from reserve	0	0	0
	<u>8,157</u>	<u>8,128</u>	<u>7,951</u>
<b>(h) Effluent Reserve</b>			
Opening balance	428,172	426,992	393,718
Amount set aside / transfer to reserve	16,787	32,248	34,454
Amount used / transfer from reserve	0	0	0
	<u>444,959</u>	<u>459,239</u>	<u>428,172</u>
<b>(i) Point Henry Fire Levy Reserve</b>			
Opening balance	49,129	48,992	57,465
Amount set aside / transfer to reserve	0	21,176	21,664
Amount used / transfer from reserve	(5,751)	0	(30,000)

43,37870,16849,129

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

	2015 \$	2015 Budget \$	2014 \$
<b>12. RESERVES - CASH/INVESTMENT BACKED (CONTINUED)</b>			
<b>(j) Jerramungup Retirement Units Reserve</b>			
Opening balance	87,482	87,241	84,771
Amount set aside / transfer to reserve	2,268	2,181	2,711
Amount used / transfer from reserve	0	0	0
	<u>89,750</u>	<u>89,422</u>	<u>87,482</u>
<b>(k) Fishery Beach Boat Ramp Reserve</b>			
Opening balance	106,655	106,361	103,350
Amount set aside / transfer to reserve	2,765	2,659	3,305
Amount used / transfer from reserve	0	0	0
	<u>109,420</u>	<u>109,020</u>	<u>106,655</u>
<b>(l) Capital Works Reserve</b>			
Opening balance	15,232	15,190	14,760
Amount set aside / transfer to reserve	60,930	380	472
Amount used / transfer from reserve	0	0	0
	<u>76,162</u>	<u>15,570</u>	<u>15,232</u>
<b>(m) Swimming Pool Reserve</b>			
Opening balance	7,591	7,570	7,356
Amount set aside / transfer to reserve	197	189	235
Amount used / transfer from reserve	0	0	0
	<u>7,788</u>	<u>7,759</u>	<u>7,591</u>
<b>(n) Roe Park Reserve</b>			
Opening balance	0	0	0
Amount set aside / transfer to reserve	10,090	10,000	0
Amount used / transfer from reserve	0	0	0
	<u>10,090</u>	<u>10,000</u>	<u>0</u>
<b>TOTAL RESERVES</b>	<u>1,139,430</u>	<u>1,241,989</u>	<u>1,065,052</u>
Total Opening balance	1,065,052	1,062,123	1,106,814
Total Amount set aside / transfer to reserve	98,679	289,868	232,392
Total Amount used / transfer from reserve	(24,301)	(110,000)	(274,154)
<b>TOTAL RESERVES</b>	<u>1,139,430</u>	<u>1,241,989</u>	<u>1,065,052</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 JERRAMUNGUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**12. RESERVES - CASH/INVESTMENT BACKED (CONTINUED)**

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

- (a) Leave Reserve**
  - to be used to fund annual and long service leave requirements
- (b) Plant Reserve**
  - to be used for the purchase of major plant
- (c) Community Recreation Reserve**
  - to be used to assist local sporting groups to upgrade their facilities
- (d) Bremer Bay Youth Camp Reserve**
  - to be used for the ongoing management and future upgrades of the reserve land on Lot 70 Borden Bremer Bay road, Bremer Bay
- (e) Building Reserve**
  - to be used for the construction of new Council buildings
- (f) Bremer Bay Retirement Units Reserve**
  - to be used for the provisions required at the units
- (g) JMP Entertainment Centre Reserve**
  - to be used for capital building improvements
- (h) Effluent Reserve**
  - to be used to maintain the efficient running of the facility
- (i) Point Henry Fire Levy Reserve**
  - to be used for the provision, maintenance and construction of strategic fire prevention activities within the Point Henry Peninsula
- (j) Jerramungup Retirement Units Reserve**
  - to be used for the provisions required at the units
- (k) Fishery Beach Boat Ramp Reserve**
  - to be used to upgrade and maintain the boat ramp facility at Fisheries Beach in Bremer Bay
- (l) Capital Works Reserve**
  - to be used to supplement future capital works programs
- (m) Swimming Pool Reserve**
  - to be used to preserve any surplus funds from the Jerramungup Swimming Pools operations for future financial requirements of the Jerramungup Swimming Pool and associated facilities
- (n) Roe Park Reserve**
  - to be used to provide funding for the replacement of assets within Roe Park Jerramungup

The Capital Works, Community Recreation and Point Henry reserves are expected to be utilised in 2015/16.

It is the Councils intention to utilise the Funds held in reserve for the purpose of not extending Councils municipal overdraft facilities, from time to time, for short periods during the financial year.

The direct benefit to Council being reduced financial costs

**SHIRE OF JERRAMUNGUP**  
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<b>13. REVALUATION SURPLUS</b>	<b>2015</b>	<b>2014</b>
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and buildings</b>		
Opening balance	18,108,940	955,543
Revaluation increment	0	17,153,397
Revaluation decrement	0	0
	<u>18,108,940</u>	<u>18,108,940</u>
<b>(b) Plant &amp; Equipment</b>		
Opening balance	173,959	240,503
Revaluation increment	0	0
Revaluation decrement	0	(66,544)
	<u>173,959</u>	<u>173,959</u>
<b>(c) Roads</b>		
Opening balance	54,254,298	54,254,298
Revaluation increment	56,259,576	0
Revaluation decrement	0	0
	<u>110,513,874</u>	<u>54,254,298</u>
<b>(d) Footpaths</b>		
Opening balance	0	0
Revaluation increment	800,210	0
Revaluation decrement	0	0
	<u>800,210</u>	<u>0</u>
<b>(e) Drainage</b>		
Opening balance	0	0
Revaluation increment	18,979,600	0
Revaluation decrement	0	0
	<u>18,979,600</u>	<u>0</u>
<b>(f) Sewerage</b>		
Opening balance	0	0
Revaluation increment	647,109	0
Revaluation decrement	0	0
	<u>647,109</u>	<u>0</u>
<b>(g) Parks and Ovals</b>		
Opening balance	0	0
Revaluation increment	144,300	0
Revaluation decrement	0	0
	<u>144,300</u>	<u>0</u>
<b>(h) Other Infrastructure</b>		
Opening balance	0	0
Revaluation increment	157,091	0
Revaluation decrement	0	0
	<u>157,091</u>	<u>0</u>
<b>(i) Aerodromes</b>		
Opening balance	0	0
Revaluation increment	271,680	0

Revaluation decrement	<u>0</u>	<u>0</u>
	<u>271,680</u>	<u>0</u>
 TOTAL ASSET REVALUATION SURPLUS	 <u><u>149,796,764</u></u>	 <u><u>72,537,198</u></u>

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

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

**(a) Reconciliation of Cash**

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

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>1,655,460</u>	<u>1,291,989</u>	<u>1,429,254</u>

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

Net result	1,135,339	934,654	1,472,338
Non-cash flows in Net result:			
Depreciation	1,828,029	1,371,430	1,429,490
(Profit)/Loss on sale of asset	149,161	(19,945)	151,123
Non-current assets recognised due to changes in legislative requirements	0	0	(1,537,851)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(131,952)	0	512,918
(Increase)/Decrease in inventories	(16,134)	(33,458)	6,593
Increase/(Decrease) in payables	79,675	(63,551)	(247,204)
Increase/(Decrease) in provisions	(15,051)	0	29,641
Grants contributions for the development of assets	<u>(1,240,097)</u>	<u>936,418</u>	<u>(819,618)</u>
Net cash from operating activities	<u>1,788,964</u>	<u>3,125,548</u>	<u>997,432</u>

	2015 \$	2014 \$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	<u>15,000</u>	<u>15,000</u>
<b>Loan facilities</b>		
Loan facilities - current	127,004	130,516
Loan facilities - non-current	873,060	1,000,064
<b>Total facilities in use at balance date</b>	<u>1,000,064</u>	<u>1,130,580</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>231,006</u>

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

**15. CONTINGENT LIABILITIES**

No contingent liabilities against the Council

<b>16. CAPITAL AND LEASING COMMITMENTS</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>

**(a) Operating Lease Commitments**

Non-cancellable operating leases contracted for but

Payable:

- not later than one year	5,073	0
- later than one year but not later than five years	17,741	0
- later than five years	<u>0</u>	<u>0</u>
	<u><u>22,814</u></u>	<u><u>0</u></u>

The Shire took out a contract with Alleasing to fund the solar power system on the administration building.

**(b) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects	0	202,598
- plant & equipment purchases	0	0

Payable:

- not later than one year	0	0
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Ironmonger Building constructed the building on 37 McGlade Close, Bremer Bay. It was completed in 14/15.



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

**17. JOINT VENTURE ARRANGEMENTS**

The Shire together with the Department of Housing have a joint venture arrangement with regard to the provision of six retirement units at Lot 158 Derrick Street, Jerramungup and six retirement units in Roderick Street, Bremer Bay. The Shire's equity in the units is included in Land and Buildings as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>		
Land and buildings	1,534,703	1,534,703
Less: accumulated depreciation	<u>(25,891)</u>	<u>0</u>
	<u><u>1,508,812</u></u>	<u><u>1,534,703</u></u>

**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Governance	1,812,549	1,740,261
General purpose funding	60,916	0
Law, order, public safety	1,616,684	1,522,226
Health	265,869	274,780
Education and welfare	1,563,028	1,549,043
Housing	810,848	827,395
Community amenities	4,292,490	3,431,445
Recreation and culture	11,977,958	11,817,369
Transport	72,489,503	95,428,390
Economic services	1,977,862	1,758,878
Other property and services	0	1,677,434
Unallocated	105,605,099	4,116,572
	<u><u>202,472,806</u></u>	<u><u>124,143,793</u></u>

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

	2015	2014	2013
<b>19. FINANCIAL RATIOS</b>			
Current ratio	1.27	0.37	0.97
Asset sustainability ratio	1.47	1.02	1.05
Debt service cover ratio	9.73	4.85	8.84
Operating surplus ratio	(0.03)	(0.20)	(0.14)
Own source revenue coverage ratio	0.58	0.59	0.68

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

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

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

**20. TRUST FUNDS**

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
JEC Key Bonds	350	480	(320)	510
Building Bonds	32,000	6,000	(26,000)	12,000
Housing Bonds	980	1,823	(2,403)	400
Subdivision Bonds	59,085	25,228	(9,585)	74,728
Other Bonds	350	0	0	350
Hall and Shire Property Bonds	0	500	(500)	0
Footpath Bonds	6,499	0	(5,000)	1,499
CLGF regional Grant funding	1,921,276	44,800	(108,699)	1,857,377
Upgrade Transfer Station	12,283	268	0	12,551
CLGF regional Grant funding	0	3,115,732	0	3,115,732
	<u>2,032,823</u>			<u>5,075,147</u>

**21. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Plant and Equipment</b>						
<i>Law, Order, Public safety</i>						
Mitsubishi Triton - JP0084	23,744	26,055	11,200	14,000	(12,544)	(12,055)
<i>Recreation and Culture</i>						
Bremer Bay Golf course improvements	75,000	0	0	0	(72,739)	0
Jerramungup Golf course improvements	50,000	0	0	0	(48,199)	0
<i>Transport</i>						
Toyota Hilux - JP002	37,249	38,000	30,000	28,000	(7,249)	(10,000)
Mitsubishi Triton - JP003	0	21,000	0	14,000	0	(7,000)
Toyota Hilux - JP0085	18,464	30,000	10,034	10,000	(8,430)	(20,000)
Old Shire Depot	0	76,000	0	145,000	0	69,000
	<u>204,457</u>	<u>191,055</u>	<u>51,234</u>	<u>211,000</u>	<u>(149,161)</u>	<u>19,945</u>

Profit	0	69,000
Loss	(149,161)	(49,055)
	<u>(149,161)</u>	<u>19,945</u>

The Shire's asset register showed a cost for the Bremer Bay and Jerramungup golf course improvements, however as the shire do not manage or control the golf courses they are not considered an asset of the Shire for Fair Value. Therefore the improvements on the golf courses were scrapped and resulted in an accounting loss.

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

**22. 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 \$
<b>Housing</b>								
Load 259 - Key Personnel	312,212	0	49,003	20,794	263,209	291,418	(18,798)	(19,270)
Loan 261 - Planners house	350,000	0	28,687	28,687	321,313	321,313	(14,658)	(14,745)
<b>Community amenities</b>								
Loan 258 - JMP Community Centre	9,739	0	9,739	9,101	0	0	(324)	(324)
<b>Transport</b>								
Loan 260 - BB Town Centre	458,628	0	43,086	42,198	415,542	416,430	(18,085)	(18,367)
	<b>1,130,579</b>	<b>0</b>	<b>130,515</b>	<b>100,780</b>	<b>1,000,064</b>	<b>1,029,161</b>	<b>(51,865)</b>	<b>(52,706)</b>

Loan 259 is associated with the Police Housing Project - Council received \$75933 in rent for these properties for the year.  
All other loan repayments were financed by general purpose revenue.

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

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

(b) New Debentures - 2014/15

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

(c) Unspent Debentures

<b>Particulars</b>	<b>Date Borrowed</b>	<b>Balance 1 July 14 \$</b>	<b>Borrowed During Year \$</b>	<b>Expended During Year \$</b>	<b>Balance 30 June 15 \$</b>
Loan 261 - Bremer Bay house	8.4.2014	231,006	0	(231,006)	0
		231,006	0	(231,006)	0

(d) Overdraft

The Council utilised the Funds held in reserve for the purpose of not extending Councils municipal overdraft facilities, from time to time, for short periods during the financial year. The direct benefit to Council being reduced financing costs.

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

**23. RATING INFORMATION - 2014/15 FINANCIAL YEAR**

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>											
Gross Rental Value	10.5076	608	5,939,853	623,952	10,243	0	634,195	622,641	0	0	622,641
Unimproved Value	1.1990	340	169,313,400	2,011,310	0	0	2,011,310	2,022,281	0	0	2,022,281
<b>Sub-Totals</b>		948	175,253,253	2,635,262	10,243	0	2,645,505	2,644,922	0	0	2,644,922
<b>Minimum payment</b>	<b>Minimum \$</b>										
Gross Rental Value	736	317	0	233,312	0	0	233,312	234,048	0	0	234,048
Unimproved Value	736	53	0	39,008	0	0	39,008	39,744	0	0	39,744
<b>Sub-Totals</b>		370	0	272,320	0	0	272,320	273,792	0	0	273,792
Write off small balances (refer note 26)							2,917,825				2,918,714
<b>Total amount raised from general rate</b>							(548)				(600)
Specified Area Rate							<b>2,917,277</b>				<b>2,918,115</b>
<b>Totals</b>							0				0
							<b>2,917,277</b>				<b>2,918,115</b>

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

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

**23. 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) \$
<b>Surplus/(Deficit) 1 July 14 brought forward</b>	<u>538,955</u>	<u>317,595</u>	<u>317,595</u>
<b>Comprises:</b>			
Cash and cash equivalents			
Unrestricted	478,969	76,532	76,532
Restricted	1,176,491	1,352,722	1,352,722
Receivables			
Rates outstanding	60,771	63,208	63,208
Sundry debtors	120,664	9,238	9,238
GST receivable	45,408	20,744	20,744
Accrued Income	1,650	2,232	2,232
Inventories			
Fuel and materials	36,398	20,264	20,264
<b>Less:</b>			
Trade and other payables			
Sundry creditors	(122,128)	(68,199)	(68,199)
Accrued interest on debentures	(13,000)	(14,628)	(14,628)
Accrued salaries and wages	(57,881)	(30,143)	(30,143)
ATO liabilities	(48,959)	(39,823)	(39,823)
Accrued expenses	0	(9,500)	(9,500)
Current portion of long term borrowings			
Debentures	(127,004)	(130,516)	(130,516)
<b>Net current assets</b>	<u>1,551,379</u>	<u>1,252,131</u>	<u>1,252,131</u>
<b>Less:</b>			
Reserves - restricted cash	(1,139,428)	(1,065,052)	(1,065,052)
<b>Add:</b>			
Debentures	127,004	130,516	130,516
<b>Surplus/(deficit)</b>	<u>538,955</u>	<u>317,595</u>	<u>317,595</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 JERRAMUNGUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2015**

**24. JERRAMUNGUP EFFLUENT CHARGES - 2014/15 FINANCIAL YEAR**

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
<b>Jerramungup Effluent Charges</b>							
Minimum Rate	4.2374	\$276	1,130,688	52,491	52,747	51,935	52,747
First Fixture - Non rateable		\$276					
Additional Fixtures - Non rateable		\$150					
				52,491	52,747	51,935	52,747

The Shire of Jerramungup Effluent Charge is used to maintain the effluent system in the Jerramungup Townsite. The Jerramungup Effluent Charges are recorded as a fee and charge and funds are used to maintain and upgrade the wastewater system in Jerramungup. The balance of funds was transferred to the Jerramungup Effluent Reserve.

**25. SERVICE CHARGES - 2014/15 FINANCIAL YEAR**

The Shire did not impose any service charges.



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

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Write off small balances	Write Off	0.00%	548	600
			0	0
			548	600

**27. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%		8,972	0
Interest on instalments plan	5.50%		15,511	0
Charges on instalment plan		8	6,840	0
			31,323	0

<b>28. FEES &amp; CHARGES</b>	<b>2015</b> \$	<b>2014</b> \$
Governance	4,965	4,972
General purpose funding	11,930	5,890
Law, order, public safety	26,826	32,999
Health	500	0
Education and welfare	22,326	44,312
Housing	76,888	83,848
Community amenities	353,621	325,592
Recreation and culture	31,547	32,775
Transport	64,287	54,680
Economic services	23,189	26,150
Other property and services	190,992	350,534
	<u>807,071</u>	<u>961,752</u>

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

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

**29. GRANT REVENUE**

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature or Type:</b>		
Operating grants, subsidies and contributions	2,264,557	1,320,456
Non-operating grants, subsidies and contributions	1,240,097	819,618
	<u>3,504,654</u>	<u>2,140,074</u>
<b>By Program:</b>		
Governance	5,065	19,481
General purpose funding	927,428	323,691
Law, order, public safety	294,979	211,516
Health	2,748	4,144
Education and welfare	11,872	624
Housing	0	2,055
Community amenities	16,151	17,483
Recreation and culture	272,227	207,943
Transport	1,838,516	1,279,156
Economic services	0	73,981
Other property and services	135,668	0
	<u>3,504,654</u>	<u>2,140,074</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>24</u>	<u>31</u>
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**31. ELECTED MEMBERS REMUNERATION**

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

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	56,000	56,000	56,000
President's allowance	12,000	12,000	12,000
Deputy President's allowance	3,000	3,000	3,000
Travelling expenses	1,477	2,500	2,334
Telecommunications allowance	7,000	7,000	7,000
	<u>79,477</u>	<u>80,500</u>	<u>80,334</u>

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

**32. MAJOR LAND TRANSACTIONS**

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

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

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