



City of Stirling Financial Statements

For the year ended 30 June 2016

Understanding the Financial Report and General Purpose Financial Statements

The City's Financial Report and general purpose financial statements are prepared in accordance with the 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.

The Financial Report and general purpose financial statements are audited by independent auditors and are accepted by Council at the annual Electors General Meeting.

Financial Statements

The financial statements consist of four financial reports, explanatory notes supporting the reports and endorsement from the Chief Executive Officer and the independent auditor.

The four financial reports are:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

The explanatory notes detail the City's accounting policies and the make up of the values contained in the statements.

Statement of Comprehensive Income

The Comprehensive Income Statement measures the City's performance over the year.

It lists the sources of the City's revenue under various income headings and the expenses incurred in running the City during the year. The expenses relate only to the 'Operations' and do not include the cost associated with the purchase or the building of assets. Expenses do include an item for depreciation which is the value of the assets used up during the year.

Statement of Financial Position

The Statement of Financial Position shows the assets the City owns and what it owes (liabilities) as at 30 June 2016.

The assets and liabilities are separated into Current and Non-Current. Current refers to assets or liabilities that will fall due within the next 12 months (except Long Service Leave refer note 9 within the Notes to the accounts).

Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in value of Total Ratepayers Equity.

The value of equity can only change as a result of:

- The profit or loss from operations described as surplus or deficit in the income statement.
- The use of monies from the City's Reserves.
- A change in the value of non-current assets resulting from a revaluation of these assets.

Statement of Cash Flows

The Statement of Cash Flows summarises the City's cash payments and receipts for the year and the level of cash at the end of the financial year.

Cash in this statement refers to Bank Deposits and investments capable of being quickly converted to cash.

The City's cash arises from, and is used in, two main areas:

- Cash Flows from Operating Activities – summarises all income and expenses relating to City operations, including service delivery and maintenance.
- Cash Flows from Investing Activities - relates to capital works payments recorded as assets in the Balance Sheet as well as receipts for the sale of assets.

Notes to the Statements

The Notes to the Statements are an informative section of the report and enable the reader to understand the basis on which the values shown in the statements are established.

The notes also advise if there has been any change to the Accounting Standards, Policy or Legislation that has impacted on the preparation of the statements.

Within the four Financial Statements, there is a "Note" column to indicate which Note the reader can refer to for additional information. This is particularly useful where there has been a significant change from the previous year's comparative figure.

Statement by Chief Executive Officer

The Annual Financial Report and supporting notes require certification under the *Local Government Act 1995*. The certifications are made by the Chief Executive Officer on behalf of the City as a written undertaking to the Statements being correct and not misleading.

Independent Auditors Report


This document provides a written undertaking of the accuracy, fairness and completeness of the statements.

The audit report provides an independent view of the statements and advises the reader if there are any issues of concern.

Statement by Chief Executive Officer

The attached financial report of the City of Stirling being the annual financial report and supporting notes and other information for the financial year ended 30 June 2016 are, in my opinion, properly drawn up to present fairly the financial position of the City of Stirling at 30 June 2016 and the results of the operations for the financial year then ended in accordance with Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 (as amended) and the regulations under that Act.

Signed on the 5th day of October 2016

A handwritten signature in blue ink that reads "Stuart Jardine". The signature is written in a cursive style and is underlined with a long, sweeping horizontal line that extends to the right.

Stuart Jardine
Chief Executive Officer



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Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenue			
General Rates	125,573,735	125,722,529	121,519,388
Security Charge	2,796,000	2,825,618	2,735,800
Grants & Subsidies	12,250,384	9,730,261	14,269,363
Contributions, Reimbursements & Donations	2,239,276	3,410,578	3,440,671
Rubbish Service Charges	31,825,226	31,638,809	30,289,527
Fees & Charges	19,564,819	19,544,086	18,725,688
Interest Earnings	7,066,604	5,770,134	6,140,463
Registrations/Licences & Permits	5,941,650	5,491,381	6,115,820
Other Revenue/Income	3,877,576	5,470,750	4,207,899
Total Revenue from Ordinary Activities	211,135,270	209,604,146	207,444,619
Expenses			
Employee Costs	(98,689,713)	(92,830,964)	(90,389,384)
Materials & Contracts Direct Mtce of Non-Current Assets	(42,733,129)	(40,491,244)	(40,271,831)
Materials & Contracts Other Works	(67,714,509)	(66,337,669)	(61,926,879)
Utilities (Gas, Electricity, Water etc)	(8,762,819)	(7,657,039)	(7,450,321)
Depreciation on Non-Current Assets	(32,138,869)	(29,656,442)	(27,386,473)
Interest Expenses	(6,500)	-	-
Insurance Expenses	(1,826,054)	(1,657,010)	(1,831,240)
Other Expenditure	(2,395,927)	(2,046,758)	(1,685,674)
Total Expenditure from Ordinary Activities	(254,267,520)	(240,677,126)	(230,941,802)
Less: Allocated to Works & Services	47,081,359	42,783,544	45,662,819
Total Expenditure from Ordinary Activities After Allocation to Works & Services	(207,186,161)	(197,893,582)	(185,278,983)
Net Result from Operating Activities	3,949,109	11,710,564	22,165,636

Statement of Comprehensive Income by Nature or Type (continued)

For the year ended 30 June 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Non Operating Activities			
Grants & Subsidies	3,865,353	7,578,984	7,498,540
Gifted & Acquired Assets	-	142,496	112,895
Equity Share of Investment	8,666,667	8,461,634	10,877,241
Underground Power	-	(7,064)	(38,381)
Adjustment on Revaluation of Assets	-	(1,221,315)	-
Profit on Asset Disposals	2,458,107	529,953	168,107
Loss on Asset Disposals	(575,578)	(1,743,744)	(759,592)
Total Non Operating Activities	14,414,549	13,740,944	17,858,810
Net Result	18,363,658	25,451,508	40,024,446
Other Comprehensive Income			
Changes on Revaluation of Non-Current Assets	-	-	784,741,791
Total Comprehensive Income	18,363,658	25,451,508	824,766,237

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the Financial Statements.

Statement of Comprehensive Income by Program

For the year ended 30 June 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenue from Operations			
General Purpose Funding	138,850,469	136,007,820	136,029,973
Governance	1,777,550	2,230,153	2,259,729
Law, Order & Public Safety	3,307,158	3,592,811	3,602,369
Health	236,220	429,961	268,764
Education & Welfare	9,191,223	8,834,383	8,919,996
Community Amenities	40,961,269	40,690,624	39,398,781
Recreation & Culture	10,481,711	11,154,589	10,757,046
Transport	2,520,600	3,068,463	2,206,356
Economic Services	3,351,430	2,709,237	3,139,064
Other Property & Services	457,640	886,105	862,541
Total Revenue	211,135,270	209,604,146	207,444,619
Expenses from Operations			
General Purpose Funding	(65,000)	(57,699)	694,689
Governance	(13,983,284)	(11,436,642)	(10,618,585)
Law, Order & Public Safety	(7,926,025)	(7,187,676)	(7,224,557)
Health	(2,459,783)	(2,408,187)	(2,354,150)
Education & Welfare	(15,178,974)	(15,343,497)	(14,055,503)
Community Amenities	(46,161,562)	(46,960,173)	(41,918,240)
Recreation & Culture	(61,180,664)	(62,080,161)	(60,198,855)
Transport	(43,439,209)	(36,708,692)	(34,413,457)
Economic Services	(5,625,488)	(5,355,535)	(5,333,438)
Other Property & Services	(11,159,672)	(10,355,319)	(9,856,887)
Total Expenses	(207,179,661)	(197,893,581)	(185,278,983)
Net Result	3,955,609	11,710,565	22,165,636
Finance Costs			
Other Property & Services	(6,500)	-	-
Total Finance Costs	(6,500)	-	-

Statement of Comprehensive Income by Program (continued)

For the year ended 30 June 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Non-Operating Grants, Subsidies, Contributions			
General Purpose Funding	-	1,136,911	3,303,081
Law, Order & Public Safety	120,000	320,000	221,079
Education & Welfare	20,000	-	5,000
Community Amenities	740,000	1,100,000	-
Recreation & Culture	450,190	347,203	57,844
Transport	2,535,163	4,318,870	3,771,536
Other Property & Services	-	356,000	140,000
Total Non-Operating Grants, Subsidies, Contributions	3,865,353	7,578,984	7,498,540
Gifted & Previously Unrecognised Assets			
Governance	-	2,500	-
Law, Order & Public Safety	-	2,000	-
Education & Welfare	-	74,289	-
Community Amenities	-	62,924	139
Recreation & Culture	-	783	30
Other Property & Services	-	-	112,726
Total Gifted & Previously Unrecognised Assets	-	142,496	112,895
Equity Share of Investment			
Other Property & Services	8,666,667	8,461,632	10,877,241
Total Equity Share of Investment	8,666,667	8,461,632	10,877,241
Underground Power			
Other Property & Services	-	(7,064)	(38,381)
Total Underground Power	-	(7,064)	(38,381)
Loss on Revaluation of Assets			
Other Property & Services	-	(1,221,315)	-
Total Loss on Revaluation of Assets	-	(1,221,315)	-

Statement of Comprehensive Income by Program (continued)

For the year ended 30 June 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Profit/(Loss) on Disposal of Assets			
Governance	11,909	(69,475)	(72,613)
Law, Order & Public Safety	(110,429)	(15,077)	(83,363)
Health	(13,315)	(3,866)	(10,491)
Education & Welfare	(43,785)	(168,917)	(6,355)
Community Amenities	523,373	(52,170)	(114,488)
Recreation & Culture	(19,317)	(419,814)	(141,658)
Transport	295,710	(31,133)	(64,916)
Economic Services	11,474	(6,047)	(24,105)
Other Property & Services	1,226,909	(447,291)	(73,496)
Total Profit/(Loss) on Disposal of Assets	1,882,529	(1,213,790)	(591,485)
Net Result	18,363,658	25,451,508	40,024,446
Other Comprehensive Income			
Changes on Revaluation of Non-Current Assets	-	-	784,741,791
Total Comprehensive Income	18,363,658	25,451,508	824,766,237

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the Financial Statements.

Statement of Financial Position

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Assets			
Current Assets			
Cash & Cash Equivalents	5a,b	138,245,257	132,424,537
Trade & Other Receivables	6a	8,508,553	7,080,621
Other Assets	6c	223,879	162,519
Inventories	7	3,301,949	2,939,572
Total Current Assets		150,279,638	142,607,249
Non-Current Assets			
Investments	15	17,641,661	17,176,876
Other Receivables	6b	1,914,014	1,884,646
Property, Plant & Equipment	8a	971,140,564	970,963,019
Infrastructure	8d	1,735,092,524	1,718,537,257
Total Non-Current Assets		2,725,788,763	2,708,561,798
Total Assets		2,876,068,401	2,851,169,047
Liabilities			
Current Liabilities			
Payables & Provisions	9	29,879,130	31,956,333
Total Current Liabilities		29,879,130	31,956,333
Non-Current Liabilities			
Payables & Provisions	9	1,507,353	926,323
Total Non-Current Liabilities		1,507,353	926,323
Total Liabilities		31,386,483	32,882,656
Net Assets		2,844,681,918	2,818,286,391
Equity			
Accumulated Surplus		939,122,501	925,024,814
Reserves - Cash/Investment Backed	10a	92,430,509	80,086,429
Reserves - Asset Revaluation	10b	1,813,128,908	1,813,175,148
Total Equity		2,844,681,918	2,818,286,391

The Statement of Financial Position should be read in conjunction with the accompanying notes to the Financial Statements.

Statement of Changes in Equity

For the year ended 30 June 2016

	Note	Retained Surplus \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 30 June 2014		887,599,419	76,947,331	1,028,433,357	1,992,980,107
Comprehensive Income					
Net Result		40,024,446	-	-	40,024,446
Change on Revaluation of Non-Current Assets		-	-	-	-
Total Comprehensive Income		40,024,446	-	-	40,024,446
Transfers to Reserves		(25,141,727)	25,141,727	785,281,838	785,281,838
Transfers from Reserves		22,542,676	(22,002,629)	(540,047)	-
Balance as at 30 June 2015		925,024,814	80,086,429	1,813,175,148	2,818,286,391
Comprehensive Income					
Net Result		25,451,508	-	-	25,451,508
Change on Revaluation of Non-Current Assets		-	-	-	-
Total Comprehensive Income		25,451,508	-	-	25,451,508
Transfers to Reserves		(30,800,641)	30,800,641	944,019	944,019
Transfers from Reserves		19,446,820	(18,456,561)	(990,259)	-
Balance as at 30 June 2016		939,122,501	92,430,509	1,813,128,908	2,844,681,918

The Statement of Changes in Equity should be read in conjunction with the accompanying notes to the Financial Statements.

Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts			
Rates		126,453,733	122,572,811
Fees from Regulatory Services		7,697,145	8,205,430
User Charges		54,832,458	52,710,346
Interest Earned		5,627,070	6,140,463
Other Grants & Contributions		4,568,373	1,406,572
Activity Functional Operating Revenue		10,316,826	13,593,403
		209,495,605	204,629,025
Payments			
Staff Expenses		(91,550,972)	(88,617,836)
Materials & Contracts		(67,165,672)	(65,843,124)
Utilities		(7,925,405)	(7,450,321)
Insurance		(1,657,010)	(1,831,240)
Other Expenditure		(2,046,758)	(1,685,674)
Interest		-	-
		(170,345,817)	(165,428,195)
Net Cash from Operating Activities	16d	39,149,788	39,200,830
Cash Flows Used in Investing Activities			
New & Redevelopment of Community Infrastructure		(39,124,222)	(30,560,618)
Payments for Purchase of Property, Plant & Equipment		(16,895,639)	(22,744,974)
Payments for Investment in Other Entity		(89,349)	(84,252)
Proceeds from Investment in Other Entity		5,000,002	10,333,332
Proceeds from Sale of Property, Plant & Equipment		3,234,437	3,245,201
Capital Grants & Contributions (Govt & Non-Govt)		14,545,703	21,963,013
Net Cash Used in Investing Activities		(33,329,068)	(17,848,298)
Net Increase in Cash & Cash Equivalent		5,820,720	21,352,532
Cash & Cash Equivalent at Beginning of Reporting Period	16a	132,424,537	111,072,005
Cash & Cash Equivalent at End of Reporting Period	16a	138,245,257	132,424,537

The Statement of Cash Flows should be read in conjunction with the accompanying notes to the Financial Statements.

Rate Setting Statement

– by Nature or Type

For the year ended 30 June 2016

	Note	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenue				
Security Charge		2,796,000	2,825,618	2,735,800
Grants & Subsidies		12,250,384	9,730,261	14,269,363
Contributions, Reimbursements & Donations		2,239,276	3,410,578	3,440,671
Rubbish Service Charges		31,825,226	31,638,809	30,289,527
Fees & Charges		19,564,819	19,544,086	18,725,688
Interest Earnings		7,066,604	5,770,134	6,140,463
Profit on Asset Disposal		2,458,107	529,953	168,107
Registrations/Licences & Permits		5,941,650	5,491,381	6,115,820
Other Revenue/Income		3,899,749	5,470,750	4,081,380
Total Revenue from Ordinary Activity		88,041,815	84,411,570	85,966,819
Expenses				
Employee Costs		(98,689,713)	(92,830,964)	(90,389,384)
Materials & Contracts Direct Mtce of Non-Current Assets		(42,733,129)	(40,491,244)	(40,271,831)
Materials & Contracts Other Works		(67,714,509)	(66,337,669)	(61,926,879)
Utilities (gas, electricity, water etc)		(8,762,819)	(7,657,039)	(7,450,321)
Depreciation on Non-Current Assets		(32,138,869)	(29,656,442)	(27,386,473)
Interest Expenses		(6,500)	-	-
Loss on Asset Disposal		(575,578)	(1,743,744)	(759,592)
Insurance Expenses		(1,826,054)	(1,657,010)	(1,831,240)
Other Expenditure		(2,395,927)	(2,046,758)	(1,685,674)
Total Expenditure from Ordinary Activities		(254,843,098)	(242,420,870)	(231,701,394)
Less: Allocated to Works & Services		47,081,359	42,783,544	45,662,819
Total Expenditure from Ordinary Activities After Allocation to Works & Services		(207,761,739)	(199,637,326)	(186,038,575)
Total Operating		(119,719,924)	(115,225,756)	(100,071,756)

Rate Setting Statement

– by Nature or Type (continued)

For the year ended 30 June 2016

	Note	2016 Budget \$	2016 Actual \$	2015 Actual \$
Plus				
Capital Grants & Contributions		3,865,353	7,578,984	7,498,540
Proceeds from Sale of Assets		4,464,550	3,230,685	3,245,201
Depreciation Written Back		32,138,869	29,656,442	27,386,473
Loss Written Back		575,578	1,743,744	759,592
Equity Share of Investment		8,666,667	8,461,634	10,877,241
Underground Power		-	7,064	38,381
Movement in Committed Cash		-	(553,534)	430,614
Movement Current Leave Provision	9	-	680,785	998,250
Transfers from Reserves		16,616,539	18,456,561	22,002,629
Sub Total		66,327,556	69,262,365	73,236,921
Less				
Capital Works		(68,279,833)	(51,312,981)	(54,650,911)
Town Planning Schemes		(134,745)	(107,731)	(108,037)
Gifted & Acquired Assets		-	(142,496)	(112,895)
Movement Non-Current Assets & Liabilities		-	581,030	(359,588)
Profit on Disposal Written Back		(2,458,107)	(529,953)	(168,107)
Transfers to Reserves		(30,935,320)	(30,800,641)	(25,141,727)
Sub Total		(101,808,005)	(82,312,772)	(80,541,265)
Opening Funds		29,648,811	38,655,919	24,530,454
Closing Funds		-	36,080,952	38,655,919
Amount Required to be Raised from Rates		125,551,562	125,701,196	121,501,565

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies

a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented in Note 2 and have been consistently applied unless stated otherwise.

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

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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 City 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 City 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 these monies appears in Note 13 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 includes cash on hand and a municipal fund bank account that are highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in values.

d) Trade and Other Payable

Receivables are recognised as the amount to be received for goods and services provided.

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 the City's equity share of lots completed and under construction being undertaken by Tamala Park Regional Council on behalf of the City and other member councils.

The City's equity shares of any gains on sale of lots are recognised in the operating statement at the time of settlement of contract of sale.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies (continued)

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 allowed 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 City 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 City -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;

and

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

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

In 2016, the City recommenced the process of revaluing non-current

assets for 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.

Land Under Control

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

At 30 June 2016 the City had a golf course within the City boundaries which has been included in the City's fixed assets as land. This golf course has been valued in accordance with the above Local Government Regulations.

Easements

In accordance with Local Government (Financial Management) Regulation 16(b), easements are required to be recognised as assets. At 30 June 2016 the City Easements have been included in the City's fixed assets as Land. These have been recognised and revalued in accordance with the above Local Government Regulations.

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 City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the City and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the Statement of Comprehensive Income in the period in which they are incurred.

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 the Statement of Comprehensive Income.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies (continued)

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, the City 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 City.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Property, Plant and Equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives on a straight line basis, using rates which are reviewed each reporting period. The carrying cost of infrastructure assets is depreciated on an annual basis to reflect their expected life.

Infrastructure Assets are depreciated on a basis that reflects their consumed economic benefit, which is reviewed each reporting period. Assets are depreciated from the date of acquisition or from the time an asset is held for use.

The expected useful lives are as follows:	
Artwork	Not Depreciated
Buildings	25 to 75 years
Furniture & Equipment	2 to 10 years
Plant & Equipment	5 to 15 years
Mobile Vehicles & Plant	2 to 10 years
Computer Equipment & Photocopiers	2 to 10 years
Recreation Equipment	10 to 15 years
Roads	10 to 75 years
Drainage	10 to 75 years
Footpaths	10 to 75 years
Other Engineering Infrastructure	10 to 75 years
Reticulation & Other Parks Infrastructure	10 to 75 years
Reserves	Not Depreciated

The asset's 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.

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

Capitalisation Threshold

Property, Plant and Equipment with a value exceeding \$1,000 are capitalised on date of acquisition or in respect of internally constructed assets from the time asset is ready for use. Infrastructure Assets ready for use are capitalised annually, with depreciation commencing from first reporting period after capitalisation. The impact on depreciation as a result of capitalising infrastructure assets annually instead of periodically is not considered material.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies (continued)

g) Fair Value of Assets and Liabilities

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

Fair Value is the price that the City 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. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (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 City 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 City 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 City are consistent with one or more of the following valuation approaches:

Market Approach

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

Income Approach

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

Cost Approach

Valuation techniques that reflect the current replacement cost of 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 City 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.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies (continued)

As detailed on previous page, 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

Investments and Other Financial Assets

Financial assets in the scope of AASB139: "Financial Instruments: Recognition and measurement" are classified as either financial assets at fair value through profit or loss, loans and receivables, recognised held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The City determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year.

Liquidity and Interest Rate Risk

The City's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments.

Liquidity risk is managed through maintaining adequate cash reserves and borrowing facilities. This is achieved by continuously monitoring forecast and actual cash flows, maintaining an appropriate mix of financial institutions to invest with and setting limits in terms of borrowing and investments.

i) Impairment of Assets

In accordance with Australian Accounting Standards the City'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 City prior to the end of the financial year that are unpaid and arise when the City 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.

k) Employee Benefits

The provision for employee entitlements relates to amounts expected to be paid to employees for long service leave and annual leave and is based on legal and contractual entitlements. The funds in the City's long service leave reserve bank account are considered adequate.

Provisions made in respect of wages and salaries, annual leave and other long service leave expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the City in respect of services provided by employees up to reporting date.

Provisions for sick leave are not made in the accounts as they are non-vesting and are paid when incurred.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

1. Summary of Significant Accounting Policies (continued)

l) Leases

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.

The City has no finance leases.

m) Interest in Regional Council

The Council's interest in two Regional Councils has been recognised in the financial statements at cost of contributed equity or the City's calculated equity share of Council. Information about the Regional Councils is set out in Note 15.

n) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the City 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 4(g). That note also discloses the amount

of contributions recognised as revenues in a previous reporting period which were obtained in respect of the City's operations for the current reporting period.

o) Superannuation

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

p) Borrowings

The balance of the bank overdraft amount reflects the book position and includes cheques that have been drawn but have not yet been debited to the bank account. Funds are maintained in investment until required.

q) 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 City's operational cycle. In the case of liabilities where the City 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 City's intentions to release for sale.

r) Rounding Off Figures

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

s) Comparative Figures

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

t) 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.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

2. Disclosures of Changes in Accounting Policy

a) 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 City.

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

Title	Issued / Compiled	Applicable	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 City, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>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.</p> <p>The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealing with. It may or may not be significant.</p>
(iii) AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, the City will not be impacted by AASB 16.</p>
(iv) AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	August 2014	1 January 2016	<p>This Standard amends AASB 11: Joint Arrangements 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: Business Combinations, 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 combination.</p> <p>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 City's financial statements</p>

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

2. Disclosures of Changes in Accounting Policy (continued)

Title	Issued / Compiled	Applicable	Impact
(v) 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. Given the City currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column. It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.
(viii) 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 Related Party Disclosures to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

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

b) Adoption of New and Revised Accounting Standards

During the current year, the City 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 as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

3. Critical Accounting Estimates and Judgements

The carrying values of certain assets and liabilities are continually evaluated based on historical experience and other factors, including estimates and expectations of future events.

There have been no critical accounting estimates or critical accounting judgements in applying the City's accounting policies made by management in preparing these financial statements that have a material impact.

4. Operating Revenues and Expenses

a) The Change in Net Assets Resulting from Operations was Arrived at After Charging the Following Items:

	2016 \$	2015 \$
Depreciation on:		
Buildings	5,329,014	3,097,230
Plant & Equipment	1,732,122	1,330,454
Mobile Vehicles & Plant	3,215,464	3,479,450
Furniture & Office Equipment	1,513,721	1,609,164
Recreation Equipment	479,546	454,366
Roads	8,028,624	7,904,797
Drainage	2,655,684	2,598,747
Footpaths	1,616,209	1,606,327
Other Engineering Infrastructure	5,086,058	5,305,938
	29,656,442	27,386,473
Profit/(Loss) on Sale of Non-Current Assets	(1,213,791)	(591,485)
Rental Operating Leases	100	100
	100	100
Auditors Remuneration		
Audit of the Annual Financial Report	22,731	35,169
	22,731	35,169

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

4. Operating Revenues and Expenses (continued)

b) The Change in Net Assets Resulting from Operations was Arrived at After Crediting the Following Items:

	2016 \$	2015 \$
Underground Power		
Coolbinia Underground Power	-	(38,381)
Other Underground Power	(7,064)	-
	(7,064)	(38,381)
Equity Share of Investment		
Equity Share of Tamala Park Regional Council Sales	8,461,634	10,877,241
	8,461,634	10,877,241
Interest Earnings		
Interest on Reserve Fund Investments	2,346,776	2,644,695
Interest on Other Money Investments	2,988,965	3,000,828
Other Interest	434,393	481,297
	5,770,134	6,126,820

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

4. Operating Revenues and Expenses (continued)

c) Statement of Objective

The City is dedicated to providing high quality services to the community through the various service orientated programmes which it has established.

Governance

To manage the administrative functions of the Council.

Law, Order and Public Safety

To increase the support to protection of life and property within the City and reduce inconvenience through the enforcement of statutory powers and the provision of public order, safety and security services.

Health

To maintain and improve the health and well-being of the community.

Education and Welfare

To facilitate the provision of a range of services and encourage their utilisation for the social well-being of the community.

Community Amenities

To develop waste and environment management programmes which recognise community needs.

Recreation and Culture

To plan, construct, maintain and initiate a range of facilities and programmes which enables the community to satisfy its need for information, personal development, recreation and leisure.

Transport

To provide facilities and services within the road reserve which promote safety, ease of access and improve the amenity of the locality.

General Purpose Funding

To minimise the costs of financing City operations through effective financial planning and management.

Economic Services

To plan facilities and regulate land use consistent with community expectations and environmental considerations.

Other Property and Services

1. To provide a community information network that complements and supports the corporate and programme objectives of the City.
2. To facilitate, develop and maintain City buildings and property.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

4. Operating Revenues and Expenses (continued)

d) Carrying Cost of Assets (by Program)

	2016 Current Assets \$	2016 Non-Current Assets \$	2016 Non-Current Assets – Capital \$	2016 Non-Current Assets – Infrast. \$
Governance	150,279,638	19,555,675	46,053,445	-
Law, Order & Public Safety	-	-	2,682,285	-
Health	-	-	1,431,356	-
Education & Welfare	-	-	22,515,167	-
Community Amenities	-	-	17,507,378	8,640,260
Recreation & Culture	-	-	190,735,100	138,670,994
Transport	-	-	4,351,170	1,587,781,270
Economic Services	-	-	536,608	-
Other Property & Services	-	-	685,328,055	-
	150,279,638	19,555,675	971,140,564	1,735,092,524
Total Carrying Cost of Assets	2,876,068,401			

e) Depreciation of Assets (by Program)

	\$
Governance	683,176
Law, Order & Public Safety	90,382
Health	39,277
Education & Welfare	521,993
Community Amenities	1,155,774
Recreation & Culture	9,902,797
Transport	12,722,988
Economic Services	73,726
Other Property & Services	4,466,329
	29,656,442

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

4. Operating Revenues and Expenses (continued)

f) Disposal of Assets (by Program)

	Net Book Value \$	Sale Price \$	Profit or (Loss) on Sales \$
Governance	347,309	277,834	(69,475)
Law, Order & Public Safety	225,940	210,864	(15,076)
Health	47,502	43,636	(3,866)
Education & Welfare	254,781	85,864	(168,917)
Community Amenities	353,591	301,422	(52,169)
Recreation & Culture	651,990	232,176	(419,814)
Transport	265,297	234,164	(31,133)
Economic Services	42,638	36,591	(6,047)
Other Property & Services	2,255,428	1,808,134	(447,294)
	4,444,476	3,230,685	(1,213,791)

g) Conditions over Contributions

Grants and Contributions which were recognised as revenue during the year or prior years and which were obtained on the condition that they be expended on the acquisition of non-current assets but have yet to be applied in that manner at the reporting date were:

	2016 \$	2015 \$
Road Construction & Development	-	62,512
Community Safety Programs	701,621	85,575
Funded Projects	-	-
Social Services Programs	-	-
	701,621	148,087

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

5. Cash and Cash Equivalents

a) Cash on Hand

	2016 \$	2015 \$
Unrestricted	32,910	41,354
	32,910	41,354

b) Short Maturity Investments

	2016 \$	2015 \$
Restricted	96,176,315	83,724,505
Unrestricted	42,036,032	48,658,678
	138,212,347	132,383,183

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

	2016 \$	2015 \$
Consolidated Reserve	92,430,509	80,086,429
Town Planning Scheme No 18	295,829	287,321
Town Planning Scheme No 25	531,609	516,320
Town Planning Scheme No 27	2,171,124	2,108,682
Town Planning Scheme No 28	747,244	725,753
	96,176,315	83,724,505

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

6. Trade and Other Receivables

a) Trade and Other Receivables

	2016 \$	2015 \$
Current		
Rates Outstanding	2,323,409	2,139,488
Debtors:		
Libraries	286,489	308,199
Commercial Waste	636,276	656,504
Fines & Penalties	627,698	575,350
Interest Due on Investments not Matured	997,102	854,038
Sundry	2,506,603	683,344
Underground Power	599,578	1,083,805
Australian Taxation Office - GST	677,875	956,159
Less: Allowance for Doubtful Debts	(146,477)	(176,266)
	8,508,553	7,080,621
Movement in Allowance for Doubtful Debts		
Balance at Beginning of Year	(176,266)	(149,237)
Reduction/(Increase) to Provision	29,789	(27,029)
Balance at End of Year	(146,477)	(176,266)

b) Trade and Other Receivables

	2016 \$	2015 \$
Non-Current		
Rates Outstanding - Pensioners	1,367,719	1,338,351
Deferred Debtors	546,295	546,295
	1,914,014	1,884,646

c) Other Assets

	2016 \$	2015 \$
Current Prepayments	223,879	162,519
	223,879	162,519

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

7. Inventories

	2016 \$	2015 \$
Inventories		
Construction Materials & Fuel	251,033	272,246
Land for Resale	3,050,916	2,667,326
Total	3,301,949	2,939,572

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure

a) Movement in Carrying Amounts of Each Class of Property, Plant & Equipment

	2016 \$	2015 \$
Land		
- Independent Valuation	662,793,312	665,399,724
Net Book Value at End of Reporting Period	662,793,312	665,399,724
Buildings		
- Independent Valuation	259,340,376	259,340,376
- Management Valuation	5,459,755	-
Less Accumulated Depreciation	(5,211,361)	-
Net Book Value at End of Reporting Period	259,588,770	259,340,376
Plant & Equipment		
- Management Valuation	13,804,607	16,290,011
Less Accumulated Depreciation	-	(2,543,854)
Net Book Value at End of Reporting Period	13,804,607	13,746,157
Mobile Vehicles & Plant		
- Management Valuation	18,629,821	27,019,143
Less Accumulated Depreciation	-	(6,398,608)
Net Book Value at End of Reporting Period	18,629,821	20,620,535
Furniture & Office Equipment		
- Management Valuation	4,163,466	7,396,642
Less Accumulated Depreciation	-	(3,121,556)
Net Book Value at End of Reporting Period	4,163,466	4,275,086
Recreation Equipment		
- Management Valuation	2,464,739	3,696,458
Less Accumulated Depreciation	-	(905,145)
Net Book Value at End of Reporting Period	2,464,739	2,791,313
Assets Under Construction		
- Cost	9,695,849	4,789,828
- Transferred	-	-
Net Book Value at End of Reporting Period	9,695,849	4,789,828

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure (continued)

a) Movement in Carrying Amounts of Each Class of Property, Plant & Equipment (continued)

	2016 \$	2015 \$
Total Property, Plant & Equipment		
- Independent Valuation	922,133,688	924,740,100
- Management Valuation	44,522,388	54,402,254
- Cost	9,695,849	4,789,828
Less Accumulated Depreciation	(5,211,361)	(12,969,163)
Net Book Value at End of Reporting Period	971,140,564	970,963,019

The fair value of Property, Plant and Equipment is determined at least every three years in accordance with the regulatory framework, Local Government (Financial Management) Regulation 17A (2).

Refer to Note 8(c) for which year each asset category was assessed and level of fair value hierarchy.

As at 30 June 2016 a parcel of assets in the Building asset category were assessed and deemed appropriate to revalue at fair value.

Additions since date of valuations are shown at cost, at the end of each reporting period the valuation is reviewed and where appropriate fair value is updated to reflect current market conditions.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure (continued)

b) Movements in Carrying Amounts of Property, Plant & Equipment

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) Net \$	Revaluation Increments/ (Decrements) \$	Impairments (Losses)/ Reversals \$	Depreciation (Expense) \$	Reclass/ Transfers \$	Carrying Amount at the End of Year \$
Land	665,399,724	-	(2,606,412)	-	-	-	-	662,793,312
Total Land	665,399,724	-	(2,606,412)	-	-	-	-	662,793,312
Buildings	259,340,376	732,286	(415,671)	676,506	-	(5,329,014)	4,584,287	259,588,770
Total Buildings	259,340,376	732,286	(415,671)	676,506	-	(5,329,014)	4,584,287	259,588,770
Total Land & Buildings	924,740,100	732,286	(3,022,083)	676,506	-	(5,329,014)	4,584,287	922,382,082
Plant & Equipment	13,746,157	867,016	(85,561)	(208,526)	-	(1,732,122)	1,217,643	13,804,607
Mobile Vehicle & Plant	20,620,535	3,341,367	(1,780,150)	(336,467)	-	(3,215,464)	-	18,629,821
Furniture & Office Equipment	4,275,086	1,171,478	(22,270)	34,162	-	(1,513,721)	218,731	4,163,466
Recreation Equipment	2,791,313	45,163	(2,438)	-	-	(479,546)	110,247	2,464,739
Assets Under Construction	4,789,828	10,272,172	(3,750)	-	-	-	(5,362,401)	9,695,849
Total Property, Plant & Equipment	970,963,019	16,429,482	(4,916,252)	165,675	-	(12,269,867)	768,507	971,140,564

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure (continued)

c) Fair Value Measurements of Property, Plant and Equipment

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2015	Price per hectare / market borrowing rate
Land - Golf Course	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Specialised Buildings	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2015	Construction costs and current condition (Level 2)
Non - Specialised Buildings	3	Cost approach using replacement cost to calculate value, and then adjusted to take account of accumulated depreciation.	Independent registered valuers and Management Valuation	June 2015 and June 2016	Construction costs and current condition (Level 3)
Plant & Equipment	2	Market approach using recent observable market data for similar Plant and Equipment	Management valuation	June 2016	Price per item
Mobile Fleet & Plant	2	Market approach using recent observable market data for similar Mobile Fleet and Plant	Management valuation	June 2016	Price per item
Furniture & Office Equipment	2	Market approach using recent observable market data for similar Furniture and Office Equipment	Management valuation	June 2016	Price per item
Recreation Equipment	2	Market approach using recent observable market data for similar Recreation Equipment	Management valuation	June 2016	Price per item
Assets Under Construction	2	Cost approach using cost of goods or service at acquisition	Actual cost	June 2016	Purchase costs and current stage of works

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure (continued)

d) Movement in Carrying Amounts of Each Class of Infrastructure

	2016 \$	2015 \$
Roads		
- Independent Valuation	1,156,044,044	1,143,350,383
Less Accumulated Depreciation	(76,391,260)	(68,362,637)
Net Book Value at End of Reporting Period	1,079,652,784	1,074,987,746
Drainage		
- Independent Valuation	443,584,172	440,906,324
Less Accumulated Depreciation	(38,256,981)	(35,601,298)
Net Book Value at End of Reporting Period	405,327,191	405,305,026
Footpaths		
- Independent Valuation	99,580,313	97,307,195
Less Accumulated Depreciation	(14,020,320)	(12,404,111)
Net Book Value at End of Reporting Period	85,559,993	84,903,084
Other Engineering Infrastructure		
- Independent Valuation	18,369,797	17,010,913
Less Accumulated Depreciation	(8,140,425)	(7,306,128)
Net Book Value at End of Reporting Period	10,229,372	9,704,785
Reserves		
- Cost	41,063,056	36,281,280
Less Accumulated Depreciation	-	-
Net Book Value at End of Reporting Period	41,063,056	36,281,280
Reticulation & Other Parks		
- Independent Valuation	133,601,564	131,381,912
Less Accumulated Depreciation	(36,342,131)	(32,090,369)
Net Book Value at End of Reporting Period	97,259,433	99,291,543

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure (continued)

d) Movement in Carrying Amounts of Each Class of Infrastructure (continued)

	2016 \$	2015 \$
Assets Under Construction		
- Cost	16,000,695	8,063,793
- Transferred	-	-
Net Book Value at End of Reporting Period	16,000,695	8,063,793
Total Infrastructure		
- Independent Valuation	1,851,179,890	1,829,956,727
- Cost	57,063,751	44,345,073
Less Accumulated Depreciation	(173,151,117)	(155,764,543)
Net Book Value at End of Reporting Period	1,735,092,524	1,718,537,257

The fair value of Infrastructure is determined at least every three years in accordance with the regulatory framework, Local Government (Financial Management) Regulation 17A (2).

Refer to Note 8(f) for which year each asset category was assessed and level of fair value hierarchy.

Additions since date of valuations are shown at cost, at the end of each reporting period the valuation is reviewed and where appropriate fair value is updated to reflect current market conditions.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure (continued)

e) Movements in Carrying Amounts of Infrastructure

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) Net \$	Revaluation Increments/ (Decrements) \$	Impairments (Losses)/ Reversals \$	Depreciation (Expense) \$	Reclass/ Transfers \$	Carrying Amount at the End of Year \$
Roads	1,074,987,746	-	-	-	-	(8,028,624)	12,693,662	1,079,652,784
Drainage	405,305,026	-	-	-	-	(2,655,684)	2,677,849	405,327,191
Footpaths	84,903,084	-	-	-	-	(1,616,209)	2,273,118	85,559,993
Other Engineering Infrastructure	9,704,785	-	-	-	-	(834,297)	1,358,884	10,229,372
Reserves	36,281,280	-	-	-	-	-	4,781,776	41,063,056
Reticulation & Other Parks	99,291,543	-	-	-	-	(4,251,761)	2,219,652	97,259,433
Assets Under Construction	8,063,793	34,710,350	-	-	-	-	(26,773,448)	16,000,695
Total Infrastructure	1,718,537,257	34,710,350	-	-	-	(17,386,575)	(768,507)	1,735,092,524

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

8. Property, Plant, Equipment and Infrastructure (continued)

f) Fair Value Measurements of Infrastructure

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Roads	3	Measurements based on unobservable inputs for the asset or liability.	Independent valuation	June 2014	Construction costs and current condition
Drainage	3	Measurements based on unobservable inputs for the asset or liability.	Independent valuation	June 2014	Construction costs and current condition
Footpaths	3	Measurements based on unobservable inputs for the asset or liability.	Independent valuation	June 2014	Construction costs and current condition
Other Engineering Infrastructure	3	Measurements based on unobservable inputs for the asset or liability.	Independent valuation	June 2014	Construction costs and current condition
Reserves	3	Actual cost of acquisition	Actual cost	June 2016	
Reticulation & Other Parks	3	Measurements based on unobservable inputs for the asset or liability.	Independent valuation	June 2015	
Assets Under Construction	2	Historical cost of acquisition	Actual cost	June 2016	Purchase costs and current stage of works

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

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

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

9. Trade Payable and Provisions

	2016 \$	2015 \$
Current		
Trade Payables	5,808,097	6,927,910
Accrued Creditors	8,049,001	10,316,312
Accrued Wages & Salaries	1,786,373	1,115,190
Income Received in Advance	1,677,279	1,719,326
Provision for Annual Leave	6,224,118	6,188,658
Provision for Long Service Leave	6,334,262	5,688,937
	29,879,130	31,956,333
Non-Current		
Provision for Long Service Leave	1,507,353	926,323
	1,507,353	926,323
Number of Employees (Full Time Equivalent)	895	900

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

10. Reserve Accounts

a) Restricted Reserves - Cash Backed

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Workers Compensation Reserve			
Opening Balance	3,306,567	3,521,510	2,783,508
Amount Set Aside / Transfer to Reserve	3,060,601	2,181,190	2,823,605
Amount Used / Transfer from Reserve	(2,884,015)	(3,050,672)	(2,085,603)
Closing Balance	3,483,153	2,652,028	3,521,510

The scope of this reserve is the payment of premium obligations and common law claims with respect to work related injuries for which the City as employer has a statutory or common law liability.

MGB Replacement

Opening Balance	860,176	860,176	831,230
Amount Set Aside / Transfer to Reserve	35,923	23,337	28,946
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	896,099	883,513	860,176

This Reserve account is designed to cushion any unpredicted peaks in the cost of ongoing replacement of Mobile Garbage Bins. These are used for the collection of domestic refuse from premises within the City.

Plant Replacement

Opening Balance	4,589,517	5,717,813	4,260,507
Amount Set Aside / Transfer to Reserve	1,469,967	1,238,365	2,351,306
Amount Used / Transfer from Reserve	(3,070,000)	-	(894,000)
Closing Balance	2,989,484	6,956,178	5,717,813

This Reserve account is designed to eliminate the need for substantial allocations from rates in any year. The principle behind the Reserve is that a proportionate payment will be made from the general fund annually that relates to utilisation (consumption) of existing plant and provides for plant replacement.

Previous Employees Long Service Leave Provision Reserve

Opening Balance	345,608	316,818	314,079
Amount Set Aside / Transfer to Reserve	40,000	110,889	73,872
Amount Used / Transfer from Reserve	(40,000)	(34,388)	(71,133)
Closing Balance	345,608	393,319	316,818

The purpose of this Reserve is to provide for liabilities for long service leave payments that may need to be made to other local governments in respect of the transferred service entitlement of past employees of the City. Regulations provide that long service leave entitlements are transferable from Council to Council for an employee's uninterrupted service in local government.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

10. Reserve Accounts (continued)

a) Restricted Reserves - Cash Backed (continued)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Staff Leave Liability Reserve			
Opening Balance	12,232,150	11,901,917	11,501,408
Amount Set Aside / Transfer to Reserve	510,848	322,906	400,509
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	12,742,998	12,224,823	11,901,917

It is the function of this Reserve to cash-back the liability of the City for long service leave and annual leave for continuing employees. The liability is calculated based on legal and contractual entitlements. Current wage and salary rates are used in the calculation of provisions. The calculation of the provisions is audited annually and included in the accounts. Provisions for sick leave are not made in the accounts as they are paid as incurred.

Road Widening Reserve

Opening Balance	408,693	408,693	394,940
Amount Set Aside / Transfer to Reserve	17,068	11,088	13,753
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	425,761	419,781	408,693

The Road Widening Reserve was set up within the 2012/13 financial year to be used for compensation payments associated with the compulsory acquisition of land for the Inglewood Town Centre Urban Design Project.

Security Service Charge Reserve

Opening Balance	340,000	397,051	339,580
Amount Set Aside / Transfer to Reserve	350,000	628,536	397,051
Amount Used / Transfer from Reserve	(340,000)	(397,051)	(339,580)
Closing Balance	350,000	628,536	397,051

This reserve was created to accommodate excess funds from the charge levied for the Property Surveillance and Security services. In accordance with the provisions of Section 6.38 of the Local Government Act 1995 any surplus generated from this charge is to be allocated to a Reserve and used for Security Services, or be repaid to owners.

Surplus Waste Levy Reserve

Opening Balance	4,219,228	8,697,016	14,430,706
Amount Set Aside / Transfer to Reserve	1,078,922	1,721,714	6,266,310
Amount Used / Transfer from Reserve	(75,000)	-	-
Amount Transferred to 3 Bin Replacement Reserve	-	-	(12,000,000)*
Closing Balance	5,223,150	10,418,730	8,697,016

This Reserve was created in 2000/01 to accommodate funds from the Waste Service Charge which were excess to requirements in any particular year. These funds are used towards operating or capital expansion costs where appropriate.

* \$12,000,000 was transferred from Surplus Waste Levy Reserve to 3 Bin Replacement Reserve.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

10. Reserve Accounts (continued)

a) Restricted Reserves - Cash Backed (continued)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Payment in Lieu of Parking Reserve			
Opening Balance	3,680,047	3,680,046	3,555,361
Amount Set Aside / Transfer to Reserve	153,689	606,714	136,307
Amount Used / Transfer from Reserve	-	-	(11,622)
Closing Balance	3,833,736	4,286,760	3,680,046

These funds are provided by developers where it is impractical to provide the number of parking spaces generally required for a particular development/use. These are held until an opportunity arises where suitable parking may be provided. Care is taken to ensure that the funds are separately identified to enable them to be applied only to works within the specific areas from which the revenue was sourced.

Corporate Projects Reserve

Opening Balance	17,780,688	18,548,332	24,808,408
Amount Set Aside / Transfer to Reserve	889,482	17,656,126	955,041
Amount Used / Transfer from Reserve	(18,118,019)	(9,836,491)	(7,215,117)
Closing Balance	552,151	26,367,967	18,548,332

Created in 2004/05 to accommodate future development needs of the City. The finalisation of the Strategic Community Plan, together with the long term works plan will assist in identifying appropriate uses for these funds.

Asset Acquisition Reserve

Opening Balance	2,590,190	3,375,190	2,503,028
Amount Set Aside / Transfer to Reserve	108,173	70,273	872,162
Amount Used / Transfer from Reserve	-	(785,000)	-
Closing Balance	2,698,363	2,660,463	3,375,190

Created in 2004/05 to accommodate anticipated revenues from land sales which are an integral part of the City's overall asset rationalisation program.

Coastal Aquatic Facility Reserve

Opening Balance	2,211,007	3,476,007	3,359,037
Amount Set Aside / Transfer to Reserve	92,338	94,306	116,970
Amount Used / Transfer from Reserve	(831,338)	(831,107)	-
Closing Balance	1,472,007	2,739,206	3,476,007

This Reserve was created in 2012/13 by transferring funds from the Trigg Beach Masterplan Reserve after the purpose of the latter Reserve was amended. These funds will help pay for associated costs arising from development of the Coastal Aquatic Facility.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

10. Reserve Accounts (continued)

a) Restricted Reserves - Cash Backed (continued)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Edith Cowan Reserve Lighting			
Opening Balance	36,207	36,206	34,989
Amount Set Aside / Transfer to Reserve	1,512	982	1,217
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	37,719	37,188	36,206

These funds were provided by the developer of the estate surrounding the Churchlands Reserve. Council resolved to place the funds in a financial reserve fund to pay for future maintenance and running costs associated with the lighting on this reserve.

Mirrabooka Regional Centre Strategy

Opening Balance	1,299,524	1,451,213	2,370,882
Amount Set Aside / Transfer to Reserve	-	39,372	82,560
Amount Used / Transfer from Reserve	(1,289,524)	(1,490,585)	(1,002,229)
Closing Balance	10,000	-	1,451,213

This Reserve is to hold funds from contributions and the sale of land in the Mirrabooka Regional Centre Strategy Project area until required to meet the expenditure on associated works and services.

Future Fund

Opening Balance	2,584,582	2,584,582	2,497,609
Amount Set Aside / Transfer to Reserve	107,939	70,121	86,973
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	2,692,521	2,654,703	2,584,582

The Future Fund is to be used as seed funding for projects that will produce revenue that will assist in meeting the operational requirements of the City and reduce the reliance on rates.

Tamala Park Reserve

Opening Balance	2,769,348	12,078,672	2,962,059
Amount Set Aside / Transfer to Reserve	8,666,667	5,000,002	10,535,145
Amount Used / Transfer from Reserve	(3,487,424)	(201,339)	(1,418,532)
Closing Balance	7,948,591	16,877,335	12,078,672

The City will be receiving funds over the next few years for the sale of land developed at Tamala Park. It is proposed that the funds be used for income generating projects which in turn will help create a sustainable City.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

10. Reserve Accounts (continued)

a) Restricted Reserves - Cash Backed (continued)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
3 Bin Replacement Reserve			
Opening Balance	800,000	3,035,187	-
Amount Set Aside / Transfer to Reserve	33,410	82,346	-
Amount Used / Transfer from Reserve	(800,000)	(1,829,928)	(8,964,813)
Amount Transferred from Surplus Waste Levy Reserve	-	-	12,000,000*
Closing Balance	33,410	1,287,605	3,035,187

These funds were provided for three bin strategy, amount was transferred from Surplus Waste reserve to fund 3 Bin Replacement Reserve.

* \$12,000,000 was transferred from Surplus Waste Reserve to 3 Bin Replacement Reserve.

Investment Income Reserve

Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	157,374	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	157,374	-

The Investment Income Reserve will hold rent from investment properties, dividends and distributions from other investments and interest earned on Capital Investment Reserve

Capital Investment Reserve

Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	785,000	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	785,000	-

The Capital Investment Reserve will hold proceeds of any sale of investment property, funds allocated by Council for investment purposes, surplus funds from investment purposes and any other funds as determined by Council

Total Restricted Reserve Accounts

Opening Balance	60,053,532	80,086,429	76,947,331
Amount Set Aside / Transfer to Reserve	16,616,539	30,800,641	25,141,727
Amount Used / Transfer from Reserve	(30,935,320)	(18,456,561)	(22,002,629)
Closing Balance	45,734,751	92,430,509	80,086,429

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

10. Reserve Accounts (continued)

b) Revaluation Reserves - Non Cash Backed

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Plant & Equipment Revaluation Reserve			
Opening Balance	-	241,514	241,514
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(211,767)	-
Closing Balance	-	29,747	241,514
Mobile Vehicle & Plant Revaluation Reserve			
Opening Balance	-	1,280,082	1,817,131
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(310,193)	(537,049)
Closing Balance	-	969,889	1,280,082
Furniture & Office Equipment Revaluation Reserve			
Opening Balance	-	215,935	215,935
Amount Set Aside / Transfer to Reserve	-	34,160	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	250,095	215,935
Recreation Equipment Revaluation Reserve			
Opening Balance	-	13,690	16,688
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	(2,998)
Closing Balance	-	13,690	13,690
Roads Revaluation Reserve			
Opening Balance	-	631,985,807	631,985,807
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	631,985,807	631,985,807
Drainage Revaluation Reserve			
Opening Balance	-	291,119,241	291,119,241
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	291,119,241	291,119,241

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

10. Reserve Accounts (continued)

b) Revaluation Reserves - Non Cash Backed (continued)

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Footpath Revaluation Reserve			
Opening Balance	-	62,534,899	62,534,899
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	62,534,899	62,534,899
Other Engineering Infrastructure Revaluation Reserve			
Opening Balance	-	2,106,318	2,106,318
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	2,106,318	2,106,318
Reserve Revaluation Reserve			
Opening Balance	-	30,011,839	30,011,839
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	30,011,839	30,011,839
Other Parks Infrastructure Revaluation Reserve			
Opening Balance	-	8,383,985	8,383,985
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	8,383,985	8,383,985
Land Revaluation Reserve			
Opening Balance	-	645,927,796	-
Amount Set Aside / Transfer to Reserve	-	-	645,927,796
Amount Used / Transfer from Reserve	-	(468,299)	-
Closing Balance	-	645,459,497	645,927,796
Building Revaluation Reserve			
Opening Balance	-	139,354,042	-
Amount Set Aside / Transfer to Reserve	-	909,859	139,354,042
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	140,263,901	139,354,042
Total Asset Revaluation Reserves			
Opening Balance	-	1,813,175,148	1,028,433,357
Amount Set Aside / Transfer to Reserve	-	944,019	785,281,838
Amount Used / Transfer from Reserve	-	(990,259)	(540,047)
Closing Balance	-	1,813,128,908	1,813,175,148

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

11. Operating Lease Commitments

At the reporting date, the City had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities):

	2016 \$	2015 \$
Not Later Than One Year	100	100
Later Than One Year but Not Later Than Five Years	400	400
Later Than Five Years	2,200	2,300
	2,700	2,800

Operating lease relates to a parcel of land for use by the City for 50 years. The City does not have the option to purchase the leased land at the expiry of the lease period.

12. Superannuation

The City makes compulsory contributions to Superannuation Plans on behalf of its employees. Amendments to the Local Government Regulations in 2006 enabled freedom of choice for superannuation under the requirements of the Commonwealth Government rules for superannuation schemes. This change allows employees to choose superannuation plans other than the WA Local Government Superannuation Plan (WALGSP) and also provides for the current WALGSP to be the default scheme should an employee not choose another scheme.

Contributions relating to superannuation plans are recognised as expenses in the Income Statement. The amount of superannuation contributions made by the City during the reporting period was \$8,846,145 (2015: \$8,616,520)

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

13. Trust Funds

Funds over which the City has no control and which are not included in the Financial Statements are as follows:

Purpose of Trust Fund	Opening Balance 1 July 2015 \$	Receipts \$	Paid Out \$	Closing Balance 30 June 2016 \$
Verge Bonds	4,095,000	2,120,000	2,178,500	4,036,500
Book Bonds	250	820	745	325
Client Bonds	400	2,900	2,800	500
Hall Hire Bonds	44,388	246,451	244,887	45,952
Other Bonds	665,256	21,900	3,257	683,899
Key Bonds	9,927	250	380	9,797
Performance Bonds	4,106,827	238,590	677,737	3,667,680
Reserve Hire Bond	1,250	30,327	20,307	11,270
Unclaimed Monies	253,371	12,183	5,506	260,048
Land - Section 20A	1,722,744	-	-	1,722,744
Laneways	1,284,038	97,845	164,908	1,216,975
BRB Levy	(4,149)	1,383,134	1,379,516	(531)
Other Trusts	859,137	20,147	-	879,284
Payment in Lieu of Open Space	9,999,742	1,324,067	-	11,323,809
	23,038,181	10,204,559	9,384,488	23,858,252

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

14. Commitments and Contingencies

a) Capital Expenditure Commitments

At the reporting date, the City had capital expenditure commitments of \$8,304,113 for the purchase of property, plant & equipment and infrastructure which have not been provided for elsewhere in the financial statements.

b) Commitments to Compensation for Compulsory Land Acquisitions

From time to time, the City of Stirling has reason to invoke powers of compulsory purchase of land to facilitate the advancement of specific projects such as road widening.

The City intends to acquire land in the following streets in order to carry out road widening operations. Anticipated costs are based on the City's valuations plus solatium, if an agreed amount is not available. Any amounts paid prior to 30 June 2016 have been included in the amounts provided in this note.

	2016 \$	2015 \$
Grindleford Road, Balcatta	-	-
Harbourne Street, Glendalough	447,741	447,741
Scarborough Beach Road, Innaloo	767,412	767,412
Oswald Street, Innaloo	223,000	223,000
	1,438,153	1,438,153

c) Contingent Liability - Guarantee for Mindarie Regional Council

The City, along with other member councils of the Mindarie Regional Council, has agreed to provide a financial guarantee to the operators of the resource recovery facility to be built at the Mindarie Regional Council site at Neerabup.

The guarantee will cover Mindarie Regional Council's obligations to make a termination payment to the facility operators if there is a Force Majeure event, a default event under the Resource Recovery Facility Agreement by the Mindarie Regional Council or where member Councils of Mindarie Regional Council fail to pay the applicable gate fees.

The financial guarantee is to provide comfort to the operator (and its Financiers) by providing a direct contractual relationship between each member council and the operator.

Contingent Asset - Investment in Tamala Park Regional Council

The City along with the City of Perth, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. As at the 30 June 2016 the City has adjusted the equity of its investment by its share of any development and sale of land by the Tamala Park Regional Council.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

15. Investments

a) Equity Contributions in Other Unlisted Entities

	2016 \$	2015 \$
Tamala Park Regional Council	16,406,857	16,031,421
Mindarie Regional Council	1,234,804	1,145,455
	17,641,661	17,176,876

Mindarie Regional Council

The City, along with the City of Perth, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Mindarie Regional Council. The Mindarie Regional Council's objective is to establish and operate a long term refuse disposal site on Mindarie Super lot 118.

The City has contributed one third of the land and establishment costs of the refuse disposal facility. The City uses the refuse disposal facility at Mindarie to deposit all non recyclable waste collected by the City's domestic and commercial waste services.

The City has received its share of lease fees, since the facility became operational. Capital contributions paid during establishment are represented in the accounts of the City as a Non Current Asset.

The City currently has a contingent liability in relation to the Mindarie Regional Council Details of this contingent liability are provided in note 14(c).

The City considers the Mindarie Regional Council to have nil future economic value to the City once the landfill of the site is completed and restoration has been made to public open space. The investment has initially been recognised at cost and will be revalued to fair value in the future according to any Local Government (Financial Management) Regulations.

Tamala Park Regional Council

The City, along with the City of Perth, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. On the 21 February 2006 the Council received a report advising the formal establishment of the Tamala Park Regional Council under Section 3.61 of the Local Government Act. The Tamala Park Regional Council formally came into existence on the 3rd February 2006.

The Tamala Park Regional Council's activities will centre around the development of part Lot 118 Mindarie. Lot 118 was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council, this lot is now being developed with a purpose of creating a new urban land development and a new urban community.

The investment in the Tamala Park Regional Council has been recognised at the value of its equity contributions. The City has undertaken a revaluation of its investments to fair value according to Local Government (Financial Management) Regulations.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

15. Investments (continued)

a) Equity Contributions in Other Unlisted Entities (continued)

City of Stirling Equity Share of Investment In Tamala Park Regional Council

	2016 \$	2015 \$
Tamala Park Regional Council	16,031,421	14,142,193
Equity Share of Sales	8,461,634	10,877,241
Equity Share of Finished Goods	(3,950,536)	2,702,607
Equity Distribution	(5,000,002)	(10,333,332)
Land Held for Resale	864,340	(1,357,288)
	16,406,857	16,031,421
Total Equity Tamala Park Regional Council	49,220,570	48,094,263
City's Share of Equity (One Third)	16,406,857	16,031,421

16. Notes to The Statement of Cash Flows

a) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash at bank and investments in short term money market activity, net of any outstanding bank overdraft. All trust monies are excluded.

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2016 \$	2015 \$
Cash at Bank	32,910	41,354
Short Maturity Investment	138,212,347	132,383,183
	138,245,257	132,424,537

b) Non-Cash Investing Activities

During the reporting period the City did not acquire any assets by means of donations.

c) Taxation

Except for the Goods and Service and Fringe Benefits Tax, the activities of the City are exempt from taxation.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

16. Notes to The Statement of Cash Flows (continued)

d) Reconciliation of Net Cash Used in Operating Activities to Change in Net Assets.

	2016 \$	2015 \$
Net Result	25,451,508	40,024,446
Depreciation	29,656,441	27,386,473
(Decrease)/Increase in Allowance for Doubtful Debts	(29,789)	27,029
Increase in Employee Entitlements	1,932,999	9,248
(Decrease)/Increase in Payables & Provisions	(3,387,124)	3,075,392
(Decrease)/Increase in Income in Advance	(42,047)	162,003
(Increase)/Decrease in Receivables	(1,427,932)	2,887,005
(Increase)/Decrease in Prepayments	(61,360)	247,788
Increase in Inventories	(362,377)	(25,059)
(Increase)/Decrease in Investments	(89,349)	1,973,480
(Increase) in Assets Under Construction	(12,842,923)	(10,680,166)
Loss on Sale of Non-Current Assets	1,213,791	591,485
Acquired Assets	(142,496)	112,895
(Decrease) in Value of Non-Current Assets	(1,221,315)	-
Equity Share of Investment	3,461,632	(4,628,177)
Government Subsidies	(2,959,872)	(21,963,013)
Net Cash from Operating Activities	39,149,787	39,200,829

e) Credit Standby Arrangements

	2016 \$	2015 \$
Bank Overdraft Limit	500,000	500,000
Bank Overdraft at Reporting Date	-	-
Total Amount of Credit Unused	500,000	500,000

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

17. Rates and Service Charges

a) General Rate

	2016 Budget \$	2016 Actual \$	2015 Actual \$
General Rate			
GRV Rate in the \$: 4.563 cents	99,379,562	99,329,905	95,394,422
Rateable Value General Rates \$2,177,943,480			
Estimated Number of Properties 63,049			
Minimum Payments			
GRV Number of Assessments 30,964 at \$805	24,926,020	24,842,773	24,221,187
GRV Number of Assessments 23 at \$760	17,480	17,480	17,066
Interim Rates	1,228,500	1,511,038	1,868,890
Specific Area Rate			
GRV Rate in the \$: 3.160 cents			
Rateable Value Specific Area \$701,700			
Number of Properties 23	22,174	21,333	17,823
Total General Rates Levied	125,573,736	125,722,529	121,519,388
Plus			
Late Payment Penalties	280,000	318,166	308,888
Instalment Charges & Interest	475,000	350,451	481,443
Arrears Rates	613,000	627,007	594,749
General Purpose Grant	4,642,130	2,254,971	6,961,739
Pensioner Deferred Rates Interest Grant	50,000	-	-
Other General Purpose Funding	7,216,603	6,734,696	6,163,766
Total General Purpose Funding Shown on Income Statement	138,850,469	136,007,820	136,029,973

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

17. Rates and Service Charges (continued)

b) Security Service Charges

The City provided a Security Patrol service with a mission "To reduce the incidence of preventable crime, anti-social behaviour and residents fear of crime within the boundaries of the City of Stirling through patrols and proactive security measures". The charge per property was fixed at \$29.50 and the revenue raised was \$2,825,618. The original budget was \$2,796,000.

c) Instalment Option for Rates

The City operates four payment option plans consisting of a one payment option that is eligible to be in the City's early payment incentive scheme plus a one payment option that is ineligible for the City's early payment incentive scheme, plus two or four instalment options. The one payment option must be received within 35 days of issue of statements and comprised of any arrears, current rubbish charge, current security charge and current pool fence inspection charge (if any). To be eligible for the early payment incentive scheme the one payment option must be received within 28 days of issue of statements. For the two and four instalment options, payments are required to be 25% or 50% of current rates, plus the instalment charge and instalment interest. Subsequent instalments comprise 25% or 50% of current rates plus any instalment charge and instalment interest.

The instalment administration charge was \$9 for each instalment after the initial instalment was paid. This charge is in addition to instalment interest.

The amount of revenue raised from the imposition of the instalment charge was \$627,007.

The original budget was \$613,000.

d) Rates Early Payment Incentive Scheme

The City operated an incentive scheme in which 34 prizes were donated by sponsors. To be eligible, full payment of all rates and charges must have been received by 21 August 2015. This excluded pensioner rates deferred under the provisions of the Rates and Charges (Rebates and Deferments) Act 1992. The selection method involved a computer programme that selected all assessments eligible to be in the draw. The draw was conducted in the presence of several senior officers.

The total cost to the City of Stirling for the incentive scheme was \$66,619.

The original budget was \$107,590.

e) Concession and Write Offs

The total cost or reduction of revenue from the waiver or grant of concession was Nil.

The total amount of rates written off was Nil. The original budget was Nil.

f) Late Payment Interest

The rate of interest charged for the late payment of rates and service charges was 9%.

The amount of revenue raised from the imposition of the interest for the late payment of rates and service charges was \$318,166. The original budget was \$280,000.

The rate of interest charged for the late payment of any other money was 9%.

The amount of revenue raised from the imposition of the interest for the late payment of any other money was Nil. The original budget was Nil.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

18. Information About Fees to Council Members

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Communications & IT Allowance	49,000	49,000	50,470
Travel Expenses	30,000	14,499	16,926
Meeting Fee Allowance	448,050	448,611	450,105
Mayoral Allowance	87,550	87,659	83,762
Deputy Mayoral Allowance	21,887	21,792	21,941
	636,487	621,561	623,204

19. Major Land Transaction Information

a) The Development and Subdivision of Tamala Park

Tamala Park Regional Council

The Tamala Park Regional Council was established for the specific purpose of creating an urban development on 165 hectares of land immediately south of Neerabup Road and the Mindarie Regional Council. The project is expected to have a ten-year life cycle with more than 2,500 lots developed for housing that will be progressively sold in stages. The first stage of the development commenced in early 2011 and the first lots were released for sale in July 2012.

The City along with the City of Perth, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. The City will contribute one third of any funding required for capital or operating costs and will also be entitled to one third of revenue from the sale of lots of land.

As at 30 June 2016 the value of the City's equity share of its investment in the Tamala Park Regional Council was \$16,406,857 (refer note 15).

City of Stirling Equity Share of Sales & Expenditure of Tamala Park Land

	2016 \$	Total to 30 June 2015 \$	Total \$
Income from Sales	12,846,498	37,821,208	50,667,706
Cost of lots Sold	(3,023,146)	(13,065,280)	(16,088,426)
Direct Selling Costs	(1,013,712)	(4,026,679)	(5,040,391)
Marketing Costs	(111,599)	(126,018)	(237,617)
Administration Cost	(709,221)	(268,822)	(978,043)
Finance	-	(2,667)	(2,667)
Contingencies	-	(6,788)	(6,788)
Surplus/(Deficit)	7,988,820	20,324,954	28,313,774

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

20. Financial Risk Management

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

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

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

The City held the following financial instruments at the balance date:

	Carrying Value		Fair Value	
	2016 \$	2015 \$	2016 \$	2015 \$
Financial Assets				
Cash & Cash Equivalents	138,245,257	132,424,537	138,245,257	132,424,537
Receivables	8,508,553	7,080,621	8,508,553	7,080,621
	146,753,810	139,505,158	146,753,810	139,505,158
Financial Liabilities				
Payables	29,879,130	31,956,333	29,879,130	31,956,333
	29,879,130	31,956,333	29,879,130	31,956,333

Fair Value for Cash and Cash Equivalent, Receivables, Payables and Borrowings are estimated as the carrying value, which approximates to fair value.

Held-to-maturity investments are based on the quoted market price at the reporting date or independent valuation. The City did not hold any Held-to maturity investments at reporting date.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

20. Financial Risk Management (continued)

a) Cash and Cash Equivalent

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

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

The City manages these risks by diversifying its portfolio and only placing surplus cash with banking institutions with a high credit rating.

b) Receivables

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

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

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

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

c) Payables and Borrowing

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can be extended and overdraft facilities drawn upon if required. There is no risk associated with borrowing as this is a book figure representing un-presented cheques.

	Due Within 1 Year \$	Due Between 1 & 5 Years \$	Total Contractual Cash flows \$	Carrying Values \$
2016				
Payables	29,879,130	-	29,879,130	29,879,130
	29,879,130	-	29,879,130	29,879,130
2015				
Payables	31,956,333	-	31,956,333	31,956,333
	31,956,333	-	31,956,333	31,956,333

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

20. Financial Risk Management (continued)

d) Interest Rate Risk

The City is exposed to interest rate risk mainly through financial assets and liabilities. The following table details the City's exposure to interest rate risk as at reporting date.

	Av Int Rate %	Var Int Rate \$	Fixed Interest Rate Maturity			Non Int Bearing \$	Total
			Less than 1 Year \$	1 to 5 Years \$	More than 5 Years \$		
2016							
Financial Assets							
Cash	2.83	-	-	-	-	32,910	32,910
Cash & Cash Equivalents	2.83	-	138,212,347	-	-	-	138,212,347
Total		-	138,212,347	-	-	32,910	138,245,257
Financial Liabilities							
Payables	-	-	-	-	-	13,857,098	13,857,098
Bank Overdraft	1.90	-	-	-	-	-	-
Unpresented Cheques/EFT's	-	-	-	-	-	5,258,873	5,258,873
Employee Entitlements	-	-	-	-	-	15,852,106	15,852,106
Total		-	-	-	-	34,968,077	34,968,077
2015							
Financial Assets							
Cash	3.16	-	-	-	-	43,642	43,642
Cash & Cash Equivalents	3.16	-	111,028,363	-	-	-	111,028,363
Total		-	111,028,363	-	-	43,642	111,072,005
Financial Liabilities							
Payables	-	-	-	-	-	14,468,830	14,468,830
Bank Overdraft	2.09	-	-	-	-	-	-
Unpresented Cheques/EFT's	-	-	-	-	-	2,236,153	2,236,153
Employee Entitlements	-	-	-	-	-	13,909,860	13,909,860
Total		-	-	-	-	30,614,843	30,614,843

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

20. Financial Risk Management (continued)

e) Sensitivity to Interest Rate Risk

The City has significant funds invested and returns from those investments are dependent upon current interest rates. If interest rates were to increase or decrease by 1%, the annual return would increase or decrease by \$1,382,453. There is no real interest rate risk in relation to financial liabilities because the overdraft disclosure is purely a book figure representing unpresented cheques.

f) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the City. The Council has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The City measures credit risk on a fair value basis.

The City does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

g) Fair Value of Financial Instruments

The City considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

21. Performance Measurements

Financial Information by Ratio:

	2016	2015	2014	2013	2012
Current Ratio					
Current Assets Minus Restricted Current Assets	3.0831	2.9252	2.4041	2.7306	3.5718
Current Liabilities Minus Liabilities Associated with Restricted Assets					
Asset Sustainability Ratio					
Capital Renewal & Replacement Expenditure	2.5187	2.7274	1.9540	2.0858	1.8377
Depreciation Expense					
Debt Service Cover Ratio					
Annual Operating Surplus Before Interest & Depreciation	0.0000	0.0000	0.0000	0.0000	0.0000
Principal & Interest					
Operating Surplus Ratio					
Operating Revenue Minus Operating Expense	0.0500	0.1039	0.0583	0.0913	0.1069
Own Source Operating Revenue					
Own Source Revenue Ratio					
Own Source Operating Revenue	1.0713	1.1252	0.9811	0.9876	0.9911
Operating Expense					
Asset Consumption Ratio					
Depreciated Replacement Cost of Assets	0.9382	0.9410	0.9105	0.6339	Not required
Current Replacement Cost of Depreciated Assets					
Asset Renewal Funding Ratio					
Assets Renewals	1.8890	1.9464	1.9868	1.4759	Not required
Depreciation, Amortisation & Impairment					
The Debt Ratio					
Total Liabilities	0.0109	0.0115	0.0147	0.0307	0.0257
Total Assets					
The Rate Coverage Ratio					
Net Rate Revenue	0.6033	0.5909	0.5940	0.5790	0.5687
Operating Revenue					
Outstanding Rates Ratio					
Rates Outstanding	0.0337	0.0331	0.0329	0.0377	0.0406
Rates Collectable					
Untied Cash to Trade Creditors Ratio					
Untied Cash	3.0335	2.8217	2.1562	2.7471	3.6606
Unpaid Trade Creditors					

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

22. Subsequent Event

There has been no subsequent events of a material nature to report since the end of the financial year.

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

23. Opening and Closing Funds

Determination of Opening Funds

	Note	2015 Actual \$	2014 Actual \$
Current Assets			
Cash & Cash Equivalents		132,424,537	111,072,005
Trade & Other Receivables		7,080,621	9,967,626
Other Assets		162,519	410,307
Inventories		2,939,572	1,607,344
Total Current Assets		142,607,249	123,057,282
Current Liabilities			
Payables & Provisions		31,956,333	28,350,102
Total Current Liabilities		31,956,333	28,350,102
Net Current Assets		110,650,916	94,707,180
Budget Adjustments (Non-Cash)			
Less: Committed Cash		148,087	578,701
Add: Current Long Service Leave	9	5,688,937	5,072,692
Add: Current Annual Leave	9	6,188,658	5,806,653
Budget Adjustments Net		11,729,508	10,300,644
Less: Restricted Financial Assets Reserves	5b	80,086,429	76,947,331
Restricted Assets Town Planning Schemes	5b	3,638,076	3,530,039
Opening Fund on Rate Setting Statement		38,655,919	24,530,454

Notes to and Forming Part of the Financial Statements (continued)

For the year ended 30 June 2016

23. Opening and Closing Funds (continued)

Determination of Closing Funds

	Note	2016 Actual \$	2015 Actual \$
Current Assets			
Cash & Cash Equivalents		138,245,257	132,424,537
Trade & Other Receivables		8,508,553	7,080,621
Other Assets		223,879	162,519
Inventories		3,301,949	2,939,572
Total Current Assets		150,279,638	142,607,249
Current Liabilities			
Payables & Provisions		29,879,130	31,956,333
Total Current Liabilities		29,879,130	31,956,333
Net Current Assets		120,400,508	110,650,916
Budget Adjustments (Non-Cash)			
Less: Committed Cash	4g	701,621	148,087
Add: Current Long Service Leave	9	6,334,262	5,688,937
Add: Current Annual Leave	9	6,224,118	6,188,658
Budget Adjustments Net		11,856,759	11,729,508
Less: Restricted Financial Assets Reserves	5b	92,430,509	80,086,429
Restricted Assets Town Planning Schemes	5b	3,745,806	3,638,076
Closing Funds on Rate Setting Statement		36,080,952	38,655,919

INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE CITY OF STIRLING

Report on the Financial Report

We have audited the accompanying financial report of the City of Stirling, which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statements of changes in equity, and statements of cash flows for the year ended 30 June 2016, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Council responsibility for the financial report

The Council of the City of Stirling is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Stirling's financial position and of their performance.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion on the financial report

In our opinion, the financial report of the City of Stirling:

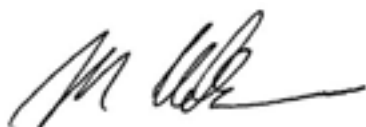
- (i) presents fairly of the City of Stirling's financial position as at 30 June 2016 and of its performance for the financial year ended 30 June 2016, and
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations),
- (iii) are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they apply to financial statements.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner – Audit & Assurance

Perth, 5 October 2016





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