

Murrindindi
Shire Council

**Financial Report,
Standard Statements &
Performance Statement
For the Year Ended 30 June 2014**

Murrindindi Shire Council

Financial Report, Standard Statements and Performance Statement

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Comprehensive Income Statement For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Income			
Rates and charges	2	15,699,505	14,614,858
Statutory fees and fines	3	596,586	597,344
User fees	4	2,432,853	1,970,594
Grants - recurrent	5	4,938,342	6,157,674
Grants - non-recurrent	5	5,243,722	10,626,522
Contributions - cash	6 (a)	286,464	170,249
Contributions - non monetary assets	6 (b)	555,508	4,138,057
Reimbursements	7	370,013	220,477
Other income	9	981,407	1,172,931
Total income		<u>31,104,400</u>	<u>39,668,706</u>
Expenses			
Employee benefits	10	(11,738,720)	(12,411,954)
Materials and services	11	(9,774,020)	(13,038,776)
Depreciation and amortisation	12	(7,150,865)	(7,280,707)
Finance costs	13	(329,899)	(352,330)
Net gain (loss) on disposal of property, plant and equipment, infrastructure	8	(320,114)	35,350
Other expenses	14	(482,849)	(342,292)
Total expenses		<u>(29,796,467)</u>	<u>(33,390,709)</u>
Surplus (Deficit) for the financial year		<u>1,307,933</u>	<u>6,277,997</u>
Other comprehensive income			
Net asset revaluation increment (decrement)		13,251,651	(466,265)
Comprehensive result		<u>14,559,584</u>	<u>5,811,732</u>

The above Comprehensive Income Statement should be read with the accompanying notes.

Balance Sheet As at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	15	21,086,670	18,034,523
Trade and other receivables	16	4,613,261	4,711,000
Prepayments	17	135,882	108,481
Inventories	18	268,984	223,176
Total current assets		<u>26,104,797</u>	<u>23,077,180</u>
Non-current assets			
Trade and other receivables	16	15,824	17,024
Property, plant and equipment, infrastructure	19	296,007,825	282,294,149
Total non-current assets		<u>296,023,649</u>	<u>282,311,173</u>
Total assets		<u>322,128,446</u>	<u>305,388,353</u>
Liabilities			
Current liabilities			
Trade and other payables	20	2,577,147	2,516,093
Trust funds and deposits	21	3,052,846	738,302
Provisions	22	2,972,654	2,914,368
Interest-bearing loans and borrowings	23	900,774	842,241
Total current liabilities		<u>9,503,421</u>	<u>7,011,004</u>
Non-current liabilities			
Provisions	22	1,551,599	1,444,217
Interest-bearing loans and borrowings	23	2,796,720	3,216,009
Total non-current liabilities		<u>4,348,319</u>	<u>4,660,226</u>
Total liabilities		<u>13,851,740</u>	<u>11,671,230</u>
Net Assets		<u>308,276,707</u>	<u>293,717,123</u>
Equity			
Accumulated surplus		126,728,438	128,766,936
Asset revaluation reserve	24	171,452,414	158,200,763
Other reserves	24	10,095,855	6,749,424
Total Equity		<u>308,276,707</u>	<u>293,717,123</u>

The above Balance Sheet should be read with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2014

	Note	Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2014					
Balance at beginning of the financial year		293,717,123	128,766,936	158,200,763	6,749,424
Surplus for the year		1,307,933	1,307,933	-	-
Net asset revaluation increment	19	13,251,651	-	13,251,651	-
Transfers to other reserves	24(b)	-	(3,740,890)	-	3,740,890
Transfers from other reserves	24(b)	-	394,459	-	(394,459)
Balance at end of the financial year		308,276,707	126,728,438	171,452,414	10,095,855

		Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2013					
Balance at beginning of the financial year		287,905,391	125,677,396	158,667,028	3,560,967
Transfer from asset revaluation reserve	24(a)	-	-	-	-
Surplus for the year		6,277,997	6,277,997	-	-
Net asset revaluation increment/(decrement)	19	(466,265)	-	(466,265)	-
Transfers to other reserves	24(b)	-	(3,765,651)	-	3,765,651
Transfers from other reserves	24(b)	-	577,194	-	(577,194)
Balance at end of the financial year		293,717,123	128,766,936	158,200,763	6,749,424

The above Statement of Changes in Equity should be read with the accompanying notes

Cash Flow Statement For the Year Ended 30 June 2014

		2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
	Note		
Cash flows from operating activities			
Rates		15,572,251	14,331,475
User charges and other fines (inclusive of GST)		4,200,945	5,063,938
Grants (inclusive of GST)		10,572,996	21,335,415
Interest		680,718	791,781
Net Fire Services Property Levy received (remitted)		2,194,692	-
Net GST refund		1,242,547	1,482,419
Payments to suppliers (inclusive of GST)		(11,913,065)	(16,489,866)
Payments to employees (including redundancies)		(11,687,969)	(14,525,127)
Net cash provided by operating activities	25	<u>10,863,116</u>	<u>11,990,035</u>
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(8,419,629)	(6,960,772)
Proceeds from sale of property, plant and equipment, infrastructure		1,118,205	234,923
Receipt / (repayment) of trust funds and deposits		119,852	(248,575)
Net cash used in investing activities		<u>(7,181,572)</u>	<u>(6,974,424)</u>
Cash flows from financing activities			
Finance costs		(268,641)	(278,422)
Proceeds from interest bearing loans and borrowings		500,000	500,000
Repayment of interest bearing loans and borrowings		(860,756)	(819,117)
Net cash used in financing activities		<u>(629,397)</u>	<u>(597,539)</u>
Net increase (decrease) in cash and cash equivalents		3,052,147	4,418,072
Cash and cash equivalents at the beginning of the financial year		18,034,523	13,616,451
Cash and cash equivalents at the end of the financial year		<u>21,086,670</u>	<u>18,034,523</u>
Restrictions on cash assets	27	13,261,201	7,600,226

The above Cash Flow Statement should be read with the accompanying notes.

Introduction

(a) The Murrindindi Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at Perkins Street, Alexandra.

(b) The purpose of the Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria

Internal Auditor - HLB Mann Judd

Solicitors - Russell Kennedy

Principal Bankers - ANZ Bank

Website address - www.murrindindi.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements.

The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards

Board, the *Local Government Act 1989*, and the *Local Government (Finance and Reporting) Regulations 2004*.

The financial statements were authorised for issue by Margaret Abbey Chief Executive Officer on 26 September 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

(b) New Accounting Standards and Interpretations

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012/13 comparative period (please see note 19).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

Note 35 Income, expenses and assets by functional activities

The functional activities have been aligned with Council's goals and organisational structure. This provides greater synergy with other Council publications. The comparative figures have been recast accordingly.

Note 1
(c) **Significant accounting policies (cont.)**
Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A general provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold. However a specific provision is maintained for two properties considered doubtful due to current planning restrictions.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5.

The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

User fees and fines

User fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Reimbursements

Reimbursement revenue is recognised when the Council's right to receive payment is established.

Sale of property, plant and equipment, infrastructure

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(d) **Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.
Other inventories are measured at the lower of cost and net realisable value.
Costs are assigned on the basis of weighted average costs.

Notes to Financial Report
For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

(e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where infrastructure assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Years
Property	
buildings	30 to 80
Plant and Equipment	
fixtures, fittings and furniture	4 to 20
heritage and cultural	20 to 200
library materials	3 to 10
plant ,machinery and equipment	3 to 15
Infrastructure	
bridges- concrete	80 to 100
bridges- timber	30 to 40
drainage	50 to 85
footpaths and cycleways	20 to 70
road formations and earthworks	100 to 200
road pavements	20 to 40

Depreciation rates are consistent with the previous year.

(f) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges as well as the effect of unwinding of the discount factor used in the measurement of provisions.

(h) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class. This is a change to the levels used for previous years being assets purchased in excess of \$2,000 with the exception of computer equipment which was recognised in excess of \$1,000.

	Threshold \$
Property	
Land	1
Buildings	5,000
Plant and Equipment	
fixtures, fittings and furniture	2,000
heritage and cultural	1,000
library materials	1,000
plant ,machinery and equipment	2,000
Infrastructure	
bridges	7,500
drainage	5,000
footpaths and cycleways	5,000
road formations and earthworks	5,000
road pavements	5,000

Note 1 **Significant accounting policies (cont.)**
Recognition and measurement of assets (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture and equipment, library books and heritage assets, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or an independent expert valuer from LG Valuation Services.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

The Council recognised the value of land under roads it controlled as at 30 June 2008 measured at fair value. Land under roads acquired subsequent to 30 June 2008 is brought to account at fair value.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(j) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 21).

(k) Interest-bearing loans and borrowings

Interest bearing liabilities are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method.

Note 1
(l) **Significant accounting policies (cont.)**
Employee costs

Wages and salaries and leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts.
Provision

Provisions are recognised when the Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(n) **Leases**

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) **Impairment of assets**

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement.

(t) **Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

Notes to Financial Report For the Year Ended 30 June 2014

Note 1 **Significant accounting policies (cont.)**
(u) **Pending Accounting Standards**

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	Summary	Impact On Council	Effective date
AASB 9 Financial Instruments	AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. The standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.	Not expected to impact on Council	01-Jul-15
AASB 10 Consolidated Financial Statements	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.	01-Jul-14
	The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.		

Notes to Financial Report For the Year Ended 30 June 2014

Note 1

(u)(cont)

Pronouncement	Summary	Impact On Council	Effective date
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.	01-Jul-14
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.	01-Jul-14
	The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.		
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.	01-Jul-14
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.	01-Jul-14
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	Not expected to impact on Council	01-Jul-14

Notes to Financial Report For the Year Ended 30 June 2014

2014 **2013**
\$ **\$**

Note 2 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total value of land plus buildings and improvements.

The valuation base used to calculate general rates for 2013-2014 was \$3,531 million (2012-2013 \$3,423 million). The 2013-2014 rate in the dollar for general rate was 0.003286 of the capital improved value of the property (2012-2013 - 0.003100).

Council has a differential rate for Rural 1 land of 75% of the general rate. Rural 1 land is classified as rateable land which is not less than 40 hectares in area. There is no rating differential for land classified as Rural 2 land. Rural 2 land is any rural land that does not meet the criteria for Rural 1 land and is between 4 and 40 hectares in size.

The 2013-2014 Municipal Charge was \$274.00 (2012-2013 \$258.00) per rateable assessment. In 2013-2014 the Garbage Service Charge was \$306.00 (2012-2013 \$289.00) and Recycling Charge \$75.00 (2012-2013 \$71.00).

Residential	5,077,221	4,651,475
Commercial	523,307	483,925
Rural 1	2,818,434	2,655,470
Rural 2	2,386,934	2,258,917
Municipal charge	2,505,869	2,356,439
Garbage charge	1,875,556	1,732,304
Recycling	454,215	419,607
Revenue in lieu of rates	57,969	56,721
	15,699,505	14,614,858

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation will first be applied to the rating period commencing 1 July 2012.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2014, and the valuation will be first applied in the 2014/15 rating year.

Note 3 Statutory fees and fines

Building	211,813	185,889
Environmental health and local laws	225,461	203,720
Planning and subdivisions	111,603	139,383
Infrastructure	29,409	46,588
Other	18,300	21,764
	596,586	597,344

Note 4 User fees

External works	46,350	88,340
Quarry product	373,484	82,414
Aged care	558,464	509,027
Valuation data	8,575	98,754
Saleyard fees	381,045	343,681
Recreation pools and leisure centres	101,130	104,247
Waste - transfer station & landfill fees	901,758	683,236
Other fees and charges	62,047	60,895
	2,432,853	1,970,594

Notes to Financial Report For the Year Ended 30 June 2014

Note 5 Grants

Grants were received in respect of the following :

Summary of grants

Federally funded grants	3,910,325	5,583,163
State funded grants	6,271,739	11,201,033

	<u>10,182,064</u>	<u>16,784,196</u>
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Recurrent

Governance	1,229,439	2,599,139
Community	2,076,066	1,926,492
Environment	1,632,837	1,632,043

Total recurrent

	<u>4,938,342</u>	<u>6,157,674</u>
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Non-recurrent

Governance	463,540	633,641
Community	164,347	454,129
Economy	416,300	333,000
Environment	4,199,535	9,205,752

Total non-recurrent

	<u>5,243,722</u>	<u>10,626,522</u>
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Conditions on Grants

Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

Community	146,368	371,129
Economy	306,300	4,800
Environment	1,273,377	501,313
	<u>1,726,045</u>	<u>877,242</u>

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Community	295,580	397,641
Economy	123,653	86,105
Environment	1,258,504	1,815,528
	<u>1,677,737</u>	<u>2,299,274</u>

Net increase (decrease) in restricted assets resulting from grant revenues for the year:

	<u>48,308</u>	<u>(1,422,032)</u>
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Balance of Grants recognised as revenue in the current and previous years that had not been expended at year end

	2,844,041	2,795,733
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**Notes to Financial Report
For the Year Ended 30 June 2014**

		2014 \$	2013 \$
Note 6	Contributions		
	(a) Cash		
	Council	8	134
	Community	80,143	88,079
	Local Economy	-	5,239
	Infrastructure	206,313	74,797
	Natural Disaster	-	2,000
	Total	<u>286,464</u>	<u>170,249</u>
	(b) Non-monetary assets		
	Infrastructure	555,508	4,138,057
	Total	<u>555,508</u>	<u>4,138,057</u>
	Total Contributions	<u>841,972</u>	<u>4,308,306</u>
Note 7	Reimbursements		
	Aged and disability	58,078	60,582
	Debt recovery	124,922	65,674
	Insurance	20,221	8,868
	Fire Services Levy Collection Service	61,432	41,349
	Other	105,360	44,004
		<u>370,013</u>	<u>220,477</u>
Note 8	Gain / (Loss) on disposal of property, plant and equipment and infrastructure		
	Proceeds from sales	1,118,205	234,923
	less: Carrying amount of assets sold	<u>(1,438,319)</u>	<u>(199,573)</u>
		<u>(320,114)</u>	<u>35,350</u>
	Users of the financial report should refer to Note 19 for additional details.		
Note 9	Other income		
	Interest	604,436	591,701
	Interest on rates	98,355	190,025
	Rental	159,054	131,434
	Supervision and administration recoupment	9,949	1,852
	Return on investment	-	178,374
	Other	109,613	79,545
		<u>981,407</u>	<u>1,172,931</u>
Note 10	Employee benefits		
	Wages and salaries	10,620,453	11,105,376
	Superannuation	952,122	937,484
	Workcover	166,145	369,094
		<u>11,738,720</u>	<u>12,411,954</u>

**Notes to Financial Report
For the Year Ended 30 June 2014**

		2014 \$	2013 \$
Note 11	Materials and services		
	Utilities	580,120	604,029
	Contractors	6,481,393	9,369,963
	Legal Expenses	281,385	293,104
	Insurance	482,164	445,581
	Materials	1,099,502	1,026,289
	Contributions	515,687	548,088
	Consultants	333,769	751,722
		<u>9,774,020</u>	<u>13,038,776</u>
Note 12	Depreciation and amortisation		
	<u>Property</u>		
	Buildings	1,855,889	1,795,755
	<u>Plant and Equipment</u>		
	Plant, machinery and equipment	585,925	572,451
	Fixtures, fittings and furniture	159,498	157,413
	Heritage and cultural	2,084	2,084
	Library materials	100,434	101,520
	<u>Infrastructure</u>		
	Bridges	545,774	498,763
	Drainage	123,509	119,743
	Footpath and Cycleways	240,944	188,056
	Roads	3,536,808	3,844,922
		<u>7,150,865</u>	<u>7,280,707</u>
Note 13	Finance costs		
	Interest - borrowings	264,568	274,286
	Interest - provision for landfill rehabilitation	65,331	78,044
	Finance costs	<u>329,899</u>	<u>352,330</u>
Note 14	Other expenses		
	Auditors remuneration - auditing of the financial report	41,000	39,000
	Auditors remuneration - internal audit	24,225	18,650
	Councillors allowances	178,642	174,245
	Bad and doubtful debts	217,703	88,831
	Other	21,279	21,566
		<u>482,849</u>	<u>342,292</u>
Note 15	Cash and cash equivalents		
	Cash at Bank and on Hand	3,274,170	372,023
	Term Deposits and at Call	17,812,500	17,662,500
		<u>21,086,670</u>	<u>18,034,523</u>

Users of the financial report should refer to Note 28 for details of restrictions on cash assets and Note 30 for details of existing Council commitments

**Notes to Financial Report
For the Year Ended 30 June 2014**

		2014 \$	2013 \$
Note 16	Trade and other receivables		
	Current		
	Rates debtors	1,146,964	1,016,154
	Provision for doubtful debts	(35,261)	(31,705)
	Garbage and Recycling debtors	255,324	262,165
	Other debtors	612,875	421,002
	Provision for doubtful debts	(86,635)	(86,635)
	Government grants	2,326,406	2,647,995
	Special rate debtors	5,264	13,601
	Net GST receivable	276,330	375,981
	Accrued Interest	95,517	73,444
	Accrued Income Other	16,477	18,998
		<u>4,613,261</u>	<u>4,711,000</u>
	Non-current		
	Special rate debtors	15,824	17,024
		<u>15,824</u>	<u>17,024</u>
	Total	<u>4,629,085</u>	<u>4,728,024</u>
Note 17	Prepayments		
	Prepaid Vehicle Registration	59,025	62,702
	Councillor and Mayoral Allowances	15,105	14,703
	Other prepayments	61,752	31,076
		<u>135,882</u>	<u>108,481</u>
Note 18	Inventories		
	Quarry Product	125,540	56,038
	Other	143,444	167,138
		<u>268,984</u>	<u>223,176</u>

Notes to Financial Report For the Year Ended 30 June 2014

Note 19	Property, plant and equipment, infrastructure	2014 \$	2013 \$
	Summary		
	at cost	22,651,972	22,546,776
	Less accumulated depreciation	4,349,543	3,812,559
		<u>27,001,515</u>	<u>26,359,335</u>
	at fair value	398,871,434	360,821,111
	Less accumulated depreciation	121,026,967	96,968,159
		<u>519,898,401</u>	<u>457,789,270</u>
	Total	<u>546,899,916</u>	<u>484,148,605</u>
	Property		
	Land		
	at fair value as at 30 June 2014	21,038,267	20,397,503
		<u>21,038,267</u>	<u>20,397,503</u>
	Land under roads		
	at cost	-	78,078
	at fair value as at 30 June 2014	3,808,110	3,746,200
		<u>3,808,110</u>	<u>3,824,278</u>
	Total Land	<u>24,846,377</u>	<u>24,221,781</u>
	Buildings		
	at cost	4,933,183	2,775,830
	Less accumulated depreciation	69,535	8,267
		<u>4,863,648</u>	<u>2,767,563</u>
	at fair value as at 30 June 2014	89,333,896	85,968,192
	Less accumulated depreciation	(33,173,664)	(31,159,328)
		<u>56,160,232</u>	<u>54,808,864</u>
	Total Buildings	<u>61,023,880</u>	<u>57,576,427</u>
	Total Property	<u>85,870,257</u>	<u>81,798,208</u>

The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation.

The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

Valuation of land and buildings were undertaken by a qualified independent valuer (Peter Hann FAPI Certified Practising Valuer of LG Valuation services) as at 1 July 2012.

Fair values assessments have been performed at 30 June 2014 for land and buildings. This assessment demonstrated a movement in fair value of 7%, values have been indexed by this amount. A full revaluation will be conducted in 2014/15

Land under roads is valued at fair value. Fair value is based on Council valuations at 30 June 2014 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

Notes to Financial Report For the Year Ended 30 June 2014

Note 19 Property, plant and equipment, infrastructure (Continued)

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Land-specialised	-	-	17,391,597
Land-non specialised	-	3,646,670	-
Land under roads	-	-	3,808,110
Buildings-non specialised	-	12,715,800	-
Buildings-specialised	-	-	48,308,080
Total	-	16,362,470	69,507,787

No transfers between levels occurred during the year

	2014 \$	2013 \$
Plant, machinery and equipment		
at cost	6,505,806	6,285,384
Less accumulated depreciation	(3,090,071)	(2,779,503)
	<u>3,415,735</u>	<u>3,505,881</u>
Fixtures, fittings and furniture		
at cost	1,783,495	1,617,738
Less accumulated depreciation	(920,965)	(812,620)
	<u>862,530</u>	<u>805,118</u>
Heritage and cultural		
at cost	334,141	206,223
Less accumulated depreciation	(12,523)	(10,439)
	<u>321,618</u>	<u>195,784</u>
Library materials		
at cost	799,500	809,073
Less accumulated depreciation	(351,605)	(335,620)
	<u>447,895</u>	<u>473,453</u>
Total Plant and Equipment	<u>5,047,778</u>	<u>4,980,236</u>
<u>Infrastructure</u>		
Roads		
at cost	3,128,671	-
Less accumulated depreciation	-	-
	<u>3,128,671</u>	<u>-</u>
at fair value as at 30 June 2014	214,810,785	209,776,156
Less accumulated depreciation	(67,002,533)	(61,895,355)
	<u>147,808,252</u>	<u>147,880,801</u>
Total Roads	<u>150,936,923</u>	<u>147,880,801</u>

Notes to Financial Report
For the Year Ended 30 June 2014

Note 19 Property, plant and equipment, infrastructure (Continued)

Bridges

at cost	-	6,817,421
Less accumulated depreciation	-	138,243
	-	6,679,178

at fair value as at 30 June 2014	53,355,109	24,795,102
Less accumulated depreciation	(17,781,684)	(1,257,747)
	35,573,425	23,537,355

Total Bridges	35,573,425	30,216,533
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*** Footpaths and Cycleways**

at cost	270,779	
Less accumulated depreciation	-	
	270,779	

at fair value as at 30 June 2014	8,321,210	8,126,182
Less accumulated depreciation	(2,787,831)	(2,481,547)
	5,533,379	5,644,635

Total Footpaths and Cycleways	5,804,158	5,644,635
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Drainage

at cost	2,387,246	1,842,202
Less accumulated depreciation	(43,914)	(20,887)
	2,343,332	1,821,315

at fair value as at 30 June 2014	8,204,057	8,011,776
Less accumulated depreciation	(281,255)	(174,182)
	7,922,802	7,837,594

Total Drainage	10,266,134	9,658,909
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Total Infrastructure	202,580,640	193,400,878
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Notes to Financial Report For the Year Ended 30 June 2014

Note 19 Property, plant and equipment, infrastructure (cont.)

Valuation of infrastructure road assets has been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2013.

Valuations of bridges have been independently determined by Pitt and Sherry Pty Ltd. The valuation was first applied in the financial year ended 30 June 2014

Valuations have been indexed using Victorian road and bridge construction cost data provided by the Australian Bureau of Statistics

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

The asset class roads and footpaths and cycleways have been segregated for the 2013/14 reporting period.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Bridges	-	-	35,573,425
Drainage	-	-	10,266,134
Footpaths and Cycleways	-	-	5,804,158
Roads	-	-	150,936,923
Total	-	-	202,580,640

	2014	2013
	\$	\$
Works in progress		
Buildings at cost	1,871,781	1,403,626
Drainage at cost	3,200	31,976
Footpaths and Cycleways	128,763	9,346
Heritage and cultural	0	113,291
Bridges	131,629	412,634
Roads	373,778	143,954
Total Works in progress	<u>2,509,151</u>	<u>2,114,827</u>
 Total Property, Plant and Equipment, Infrastructure	 <u>296,007,826</u>	 <u>282,294,149</u>

Notes to Financial Report For the Year Ended 30 June 2014

Note 19 Property, plant and equipment, infrastructure (cont.) Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Oliver Boyd of LG Valuations to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as **Level 2** under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by Oliver Boyd of LG Valuations. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land Under Roads

Land under roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Notes to Financial Report For the Year Ended 30 June 2014

Note 19 Property, plant and equipment, infrastructure (cont.)

Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as

There were no changes in valuation methodologies throughout the period to 30 June 2014.
For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of level 3 fair value

	2014	Specialised Land	Specialised Buildings	Land under roads	Infrastructure		
Opening Balance	16,330,138	44,763,580	3,824,279	193,400,879			
Depreciation	-	(1,552,358)	-	(4,447,036)			
Impairment Loss	-	-	-	-			
Revaluation	1,061,459	2,954,875	(20,819)	8,332,565			
Acquisitions	-	1,246,399	4,650	4,767,917			
Disposals	-	-	-	(59,591)			
Transfer	-	895,584	-	585,907			
Closing Balance	17,391,597	48,308,080	3,808,110	202,580,641			

Notes to Financial Report
For the Year Ended 30 June 2014

Note 19 Description of significant unobservable inputs into level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land	Market based direct comparison approach (refer above)	Extent and impact of restrictions of use	50-70%	Increases or decreases in the extent of restrictions would result in a significant lower or higher fair value
Specialised Buildings	Depreciation Replacement Cost	Direct cost per square metre	\$500-\$4000	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of specialised buildings	30-80	Increases or decreases in the useful life would result in a significant lower or higher fair value
Land Under Roads	Market based direct comparison approach(refer above)	Direct cost per Ha	\$10,400	Increases or decreases in the extent of restrictions would result in a significant lower or higher fair value
Land Under Roads	Market based direct comparison approach(refer above)	Extent and impact of restrictions on use	85%	Increases or decreases in the extent of restrictions would result in a significant lower or higher fair value
Bridges	Depreciation Replacement Cost	Direct Cost per square metre	\$1500-\$2500	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	30-100	Increases or decreases in the useful life would result in a significant lower or higher fair value
Drainage Pits	Depreciation Replacement Cost	Direct Cost per pit	\$1400-\$2500	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	50-85	Increases or decreases in the useful life would result in a significant lower or higher fair value
Drainage Pipes	Depreciation Replacement Cost	Direct Cost per metre	\$150-\$2500	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	80-100	Increases or decreases in the useful life would result in a significant lower or higher fair value
Footpaths	Depreciation Replacement Cost	Direct Cost per square metre	\$50-\$75	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	20-70	Increases or decreases in the useful life would result in a significant lower or higher fair value
Roads	Depreciation Replacement Cost	Direct Cost per square metre	\$2-\$107	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	20-140	Increases or decreases in the useful life would result in a significant lower or higher fair value

**Notes to Financial Report
For the Year Ended 30 June 2014**

Note 19 Property, plant and equipment, infrastructure (cont.)

Movement in carrying amounts

2014	Balance at beginning of financial year	Acquisition of assets	Gifted assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 12)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
land	20,397,503	-	-	1,284,026	-	(643,262)	-	21,038,267
land under roads	3,824,279	4,650	-	(20,819)	-	-	-	3,808,110
Total land	24,221,782	4,650	-	1,263,207	-	(643,262)	-	24,846,377
buildings	57,576,426	1,248,779	-	3,655,879	(1,855,889)	(509,889)	908,574	61,023,880
Total buildings	57,576,426	1,248,779	-	3,655,879	(1,855,889)	(509,889)	908,574	61,023,880
Total property	81,798,208	1,253,429	-	4,919,086	(1,855,889)	(1,153,151)	908,574	85,870,257
Plant and Equipment								
plant, machinery and equipment	3,505,881	721,357	-	-	(585,925)	(225,578)	-	3,415,735
fixtures, fittings and furniture	805,119	216,908	-	-	(159,498)	-	-	862,529
heritage and cultural	195,784	14,627	-	-	(2,084)	-	113,291	321,618
library materials	473,453	74,876	-	-	(100,434)	-	-	447,895
Total plant and equipment	4,980,237	1,027,768	-	-	(847,941)	(225,578)	113,291	5,047,777
Infrastructure								
bridges	30,216,533	974,195	22,500	4,552,929	(545,774)	(59,591)	412,634	35,573,426
drainage	9,658,909	292,164	220,904	185,690	(123,509)	-	31,976	10,266,134
* footpaths and cycleways	5,644,635	217,774	43,660	129,689	(240,944)	-	9,346	5,804,160
roads	147,880,800	2,728,276	268,444	3,464,258	(3,536,808)	-	131,951	150,936,921
Total infrastructure	193,400,877	4,212,409	555,508	8,332,565	(4,447,035)	(59,591)	585,907	202,580,640
Works in progress								
buildings	1,403,626	1,376,729	-	-	-	-	(908,574)	1,871,781
bridges	412,634	131,629	-	-	-	-	(412,634)	131,629
drainage	31,976	3,200	-	-	-	-	(31,976)	3,200
* footpaths and cycleways	9,346	128,763	-	-	-	-	(9,346)	128,763
heritage and cultural	113,291	-	-	-	-	-	(113,291)	-
roads	143,954	361,775	-	-	-	-	(131,951)	373,778
Total works in progress	2,114,827	2,002,096	-	-	-	-	(1,607,772)	2,509,151
Total property, plant and equipment, infrastructure	282,294,149	8,495,702	555,508	13,251,651	(7,150,865)	(1,438,320)	-	296,007,825

* The asset class roads and paths has been segregated for the 2013/14 reporting period.

**Notes to Financial Report
For the Year Ended 30 June 2014**

Note 19 *Property, plant and equipment, infrastructure (cont.)
Movement in carrying amounts*

	2013	Balance at beginning of financial year	Acquisition of assets	Gifted assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 12)	Written down value of disposals	Transfers	Balance at end of financial year
		\$	\$	\$	\$	\$	\$	\$	\$
Property									
land		20,316,437	-	-	81,066	-	-	-	20,397,503
land under roads		3,746,201	71,311	6,767	-	-	-	-	3,824,279
Total land		24,062,638	71,311	6,767	81,066	-	-	-	24,221,782
buildings		51,326,021	1,406,466	248,690	5,270,331	(1,795,755)	-	1,120,673	57,576,426
Total buildings		51,326,021	1,406,466	248,690	5,270,331	(1,795,755)	-	1,120,673	57,576,426
Total property		75,388,659	1,477,777	255,457	5,351,397	(1,795,755)	-	1,120,673	81,798,208
Plant and Equipment									
plant, machinery and equipment		3,871,978	353,399	-	-	(572,451)	(147,045)	-	3,505,881
fixtures, fittings and furniture		710,493	253,040	-	-	(157,413)	(1,001)	-	805,119
heritage and cultural		197,868	-	-	-	(2,084)	-	-	195,784
library materials		492,055	82,918	-	-	(101,520)	-	-	473,453
Total plant and equipment		5,272,394	689,357	-	-	(833,468)	(148,046)	-	4,980,237
Infrastructure									
roads		158,404,624	2,622,639	579,653	(7,643,056)	(3,844,922)	-	(2,238,138)	147,880,800
footpaths and cycleways		4,543,623	122,189	246,582	920,297	(188,056)	-	-	5,644,635
bridges		23,944,766	113,482	2,965,378	688,241	(498,763)	(19,724)	3,023,153	30,216,533
drainage		9,422,355	75,002	90,988	216,856	(119,743)	(31,802)	5,253	9,658,909
Total infrastructure		196,315,368	2,933,312	3,882,601	(5,817,662)	(4,651,484)	(51,526)	790,268	193,400,877
Works in progress									
buildings		1,274,353	1,249,946	-	-	-	-	(1,120,673)	1,403,626
bridges		-	412,634	-	-	-	-	-	412,634
drainage		16,290	20,939	-	-	-	-	(5,253)	31,976
heritage and cultural		-	113,291	-	-	-	-	-	113,291
plant, machinery and equipment		-	-	-	-	-	-	-	0
roads and paths		874,799	63,516	-	-	-	-	(785,015)	153,300
Total works in progress		2,165,442	1,860,326	-	-	-	-	(1,910,941)	2,114,827
Total property, plant and equipment, infrastructure		279,141,863	6,960,772	4,138,058	(466,265)	(7,280,707)	(199,572)	-	282,294,149

**Notes to Financial Report
For the Year Ended 30 June 2014**

		2014 \$	2013 \$
Note 20	Trade and other payables		
	Trade payables	2,212,492	2,080,776
	Loan Interest	42,607	46,680
	Accrued wages	234,832	284,418
	Accrued expenses	87,216	104,219
		<u>2,577,147</u>	<u>2,516,093</u>
Note 21	Trust funds and deposits		
	Refundable building deposits	44,500	52,000
	Refundable planning permit bonds	232,028	218,658
	Refundable contract deposits	165,630	193,122
	Fire Service Property Levy	2,194,692	-
	Other refundable deposits	415,996	274,522
		<u>3,052,846</u>	<u>738,302</u>

These amounts have been received from individuals or companies to guarantee performance of obligations under various building permits, planning permits and contract agreements.

These funds will be refunded when requirements have been finalised or paid in accordance with instructions of individuals or companies on whose behalf the monies are held.

Notes to Financial Report For the Year Ended 30 June 2014

Note 22 Provisions

	Annual leave	Long service leave	Landfill restoration	Total
2014	\$	\$	\$	\$
Balance at beginning of the financial year	997,569	2,102,251	1,258,765	4,358,585
Additional provisions	742,946	273,080	65,331	1,081,357
Amounts used	(729,095)	(186,594)	-	(915,689)
Balance at the end of the financial year	1,011,420	2,188,737	1,324,096	4,524,253
2013				
Balance at beginning of the financial year	1,038,156	2,072,583	1,180,721	4,291,460
Additional provisions	714,395	319,086	78,044	1,111,525
Amounts used	(754,982)	(289,418)	-	(1,044,400)
Balance at the end of the financial year	997,569	2,102,251	1,258,765	4,358,585

	2014 \$	2013 \$
(a) Employee benefits		
Current provision expected to be settled within 12		
Annual leave	673,444	707,554
Long service leave	130,500	110,347
	<u>803,944</u>	<u>817,901</u>
Current provision expected to be settled after 12		
Annual leave	337,976	290,015
Long service leave	1,830,734	1,806,452
	<u>2,168,710</u>	<u>2,096,467</u>
Total Current provision	<u>2,972,654</u>	<u>2,914,368</u>
Non-current		
Long service leave	227,503	185,452
	<u>227,503</u>	<u>185,452</u>
Aggregate carrying amount of employee benefits:		
Current	2,972,654	2,914,368
Non-current	227,503	185,452
	<u>3,200,157</u>	<u>3,099,820</u>

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	4.00%	4.00%
Weighted average discount rates	3.16%	2.93%

(b) Provisions

Non-current		
Landfill Restoration	1,324,096	1,258,765
A provision has been recognised for the costs to be incurred for the restoration of the landfill site used for waste management. It is anticipated that the landfill will require restoration within 30 years. This value was recently reviewed as part of Council's Waste Strategy.		
Total Provisions	<u>4,524,253</u>	<u>4,358,585</u>

**Notes to Financial Report
For the Year Ended 30 June 2014**

	2014 \$	2013 \$
Note 23 Interest-bearing loans and borrowings		
Current		
Bank loans - secured	<u>900,774</u>	<u>842,241</u>
	<u>900,774</u>	<u>842,241</u>
Non-current		
Bank loans - secured	<u>2,796,720</u>	<u>3,216,009</u>
Total	<u>3,697,494</u>	<u>4,058,250</u>
The maturity profile for Council's borrowings is:		
Not later than one year	900,774	842,241
Later than one year and not later than five years	1,809,856	2,541,432
Later than five years	<u>986,864</u>	<u>674,577</u>
	<u>3,697,494</u>	<u>4,058,250</u>
Bank Loans are secured by a charge over the general rates of the Council.		
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	900,774	842,241
Non-current	<u>2,796,720</u>	<u>3,216,009</u>
	<u>3,697,494</u>	<u>4,058,250</u>

**Notes to Financial Report
For the Year Ended 30 June 2014**

Note 24	Reserves	2014	2013
		\$	\$
	Asset revaluation reserves (a)	171,452,414	158,200,763
	Other reserves (b)	10,095,855	6,749,424
		<u>181,548,269</u>	<u>164,950,187</u>

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a)	\$	\$	\$
2014			
Property			
Land	15,165,409	1,284,026	16,449,435
Land under roads	289,872	(20,819)	269,053
Buildings	21,319,598	3,655,879	24,975,477
	<u>36,774,879</u>	<u>4,919,086</u>	<u>41,693,965</u>
Infrastructure			
Bridges	688,241	4,552,929	5,241,170
Drainage	6,167,706	185,690	6,353,396
* Footpaths and Cycleways	4,212,367	129,689	4,342,056
Roads	110,357,569	3,464,258	113,821,827
	<u>121,425,883</u>	<u>8,332,565</u>	<u>129,758,448</u>
Total Asset revaluation reserves	<u>158,200,763</u>	<u>13,251,651</u>	<u>171,452,414</u>
2013			
Property			
Land	15,084,343	81,066	15,165,409
Land under roads	289,872	-	289,872
Buildings	16,049,267	5,270,331	21,319,598
	<u>31,423,482</u>	<u>5,351,397</u>	<u>36,774,879</u>
Infrastructure			
Roads & paths	121,292,695	-6,722,759	114,569,936
Bridges	-	688,241	688,241
Drainage	5,950,850	216,856	6,167,706
	<u>127,243,545</u>	<u>-5,817,662</u>	<u>121,425,883</u>
Total Asset revaluation reserves	<u>158,667,027</u>	<u>-466,265</u>	<u>158,200,763</u>

Asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (h).

* The asset class roads and paths has been segregated for the 2013/14 reporting period.

**Notes to Financial Report
For the Year Ended 30 June 2014**

Note 24 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
(b) Other reserves				
2014				
Alexandra Community Leisure Centre	8,379	2,502	-	10,881
Alexandra Saleyards	-	-	-	-
Coster Street Units Reserve	37,116	5,806	-	42,922
Defined Benefits Superannuation	-	300,000	-	300,000
Garbage Reserve	3,093,242	988,684	(292,398)	3,789,528
Gifted and Novated Assets Reserve	920,000	0	-	920,000
Infrastructure Contributions Parking	65,480	-	(24,400)	41,080
Infrastructure Balance MAP funding	-	434,022	-	434,022
Infrastructure Maintenance Reserve	435,366	248,650	-	684,016
Infrastructure Unexpended Capital Works Res	-	426,843	-	426,843
Marysville Caravan Park	55,573	57,916	-	113,489
New and Expanded Assets Reserve	1,575,783	1,034,684	-	2,610,467
Public Open Space Reserve	379,004	15,000	-	394,004
Marysville Community Fund	-	63,531	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	18,674	512	-	19,186
Yea Saleyards	101,011	162,740	(77,661)	186,090
Total Other reserves	6,749,424	3,740,890	(394,459)	10,095,855

**Notes to Financial Report
For the Year Ended 30 June 2014**

Note 24 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2013				
Alexandra Community Leisure Centre	19,244	-	(10,865)	8,379
Alexandra Saleyards	48,710	-	(48,710)	-
Coster Street Units Reserve	22,252	14,924	(60)	37,116
Garbage Reserve	2,283,737	809,505	-	3,093,242
Gifted and Novated Assets Reserve		920,000	-	920,000
Infrastructure Contributions Parking	65,480	-	-	65,480
Infrastructure Renewal Reserve	206,780	228,586	-	435,366
Marysville Caravan Park	24,920	30,653	-	55,573
New and Expanded Assets Reserve		1,575,783	-	1,575,783
Public Open Space Reserve	333,004	46,000	-	379,004
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	16,247	2,427	-	18,674
Yea Saleyards	480,797	137,773	(517,559)	101,011
Total Other reserves	3,560,967	3,765,651	(577,194)	6,749,424

Alexandra Community Leisure Centre reserve is surplus operational funds set aside for future capital works.

Coster Street Units reserve represents funds set aside for future maintenance costs of these units.

Defined Benefits reserve has been created to meet any obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund

Garbage reserve represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (eg. Cell construction, cell capping and Leachate management over the next 10 years)

Gifted and Novated reserve is funds set aside from State Government funding to new assets gifted after the 2009 bushfires.

Infrastructure Renewal Reserve represents funds set aside for addressing council's long term infrastructure renewal obligations

Infrastructure Contributions reserve represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure balance MAP represents the final payment received from State Government related to the Murrindindi Assistance Package

Infrastructure Unexpended Capital works relate to carried forward items from 2013/14 that will be completed in early 2014/15.

Marysville Caravan Park reserve is surplus operational funds set aside for future capital works.

Marysville Community Fund are funds set aside from sale of Council assets in Marysville that are to be reinvested in infrastructure in Marysville.

New and Expanded assets reserve represents funds set aside for future renewal on assets gifted following the 2009 bushfires

Public Open Space represents payments from Subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land

Road Maintenance reserve consists of contributions from Subdividers to future road maintenance cost impacted by respective subdivisions.

Shaw Avenue reserve represents funds set aside for redevelopment of remaining land.

Yea Caravan Park reserve is surplus operational funds set aside for future capital works.

Alexandra Saleyards reserve has been closed.

Yea Saleyards reserve is surplus operational funds set aside for future capital works.

Notes to Financial Report For the Year Ended 30 June 2014

	2014 \$	2013 \$
Note 25		
Reconciliation of cash flows from operating activities to surplus		
Surplus for the financial year	1,307,933	6,277,997
Depreciation and amortisation	7,150,865	7,280,707
Contributions - non-monetary	(555,508)	(4,138,057)
Finance Costs	268,641	278,422
Net Fire Services Property Levy received (remitted)	2,194,692	
(Gain)/loss on disposal of property, plant and equipment, infrastructure	320,114	(35,350)
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	98,939	5,538,370
(Increase)/Decrease in inventories	(45,808)	90,104
(Increase)/Decrease in other current assets	(27,401)	65,313
Increase/(Decrease) in trade and other payables	(15,019)	(3,434,596)
Increase in provisions	165,668	67,125
Net cash provided by operating activities	<u>10,863,116</u>	<u>11,990,035</u>
Note 26		
Financing arrangements		
Secured bank loans at fixed interest rates:		
Facility available	3,697,494	4,058,250
Used facility	<u>3,697,494</u>	<u>4,058,250</u>
Unused facility	<u>-</u>	<u>-</u>
Secured bank overdraft subject to annual review and repayable at call:		
Facility available	400,000	400,000
Used facility	<u>-</u>	<u>-</u>
Unused facility	<u>400,000</u>	<u>400,000</u>
Should the bank overdraft be utilised the liability would be secured by a mortgage over the general rates of Council.		
Note 27		
Restricted assets		
Council has cash and cash equivalents (note 15) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (Recreational Lands Reserves).		
Trust funds and Deposits (note 21)	3,052,846	738,302
Quarry Bank Guarantee	112,500	112,500
Reserve funds (note 24)	<u>10,095,855</u>	<u>6,749,424</u>
	<u>13,261,201</u>	<u>7,600,226</u>

Note 28 Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Murrindindi Shire Council to the relevant superannuation plans in respect to the services of Murrindindi Shire Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Murrindindi Shire Council is required to comply with

Murrindindi Shire Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Murrindindi Shire Council and the Murrindindi Shire Council's legal or constructive obligation is limited to these contributions. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014, this was 9.25% required under Superannuation Guarantee legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit

As provided under Paragraph 34 of AASB 119, Murrindindi Shire Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Murrindindi Shire Council in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Note 28 Superannuation (Cont.)

Funding arrangements

Murrindindi Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

Murrindindi Shire Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

Regular Contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Murrindindi Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, Murrindindi Shire Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Notes to Financial Report
For the Year Ended 30 June 2014

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. As at the 31/3/2014 the VBI was 104.6% requiring no further action from Council.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Murrindindi Shire Council) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Murrindindi Shire Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Notes to Financial Report For the Year Ended 30 June 2014

Note 28 Superannuation (Cont.)

Retrenchment increments

During 2013-14, Murrindindi Shire Council's was not required to make payments to the Fund in respect of retrenchment increments.

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31/12/2011
	\$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	<u>4,642,133</u>
Difference between Assets and Accrued Benefits	<u>(326,809)</u>
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.5% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014

In accordance with Councils Enterprise Bargaining Agreement, employees with greater than 15 years of service receive an extra 2% superannuation contribution while employees with greater than 10 years service receive an extra 1% contribution.

Notes to Financial Report For the Year Ended 30 June 2014

Note 28 Superannuation (Cont.)

Superannuation contributions

Council made contributions to the following funds:

Defined Benefits fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

2014	2013
79,681	103,619
<u>79,681</u>	<u>103,619</u>

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

Employer contributions to Other Funds

639,134	659,402
233,307	174,463
<u>872,441</u>	<u>833,865</u>

There were no contributions outstanding to the above schemes as at 30 June 2014

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$81,956.

Notes to Financial Report
For the Year Ended 30 June 2014

Note 29 Commitments

The Council has entered into the following commitments

2014	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Garbage & Recycling Collection	400,000	-	-	-	400,000
Cleaning Council Buildings and Streets	162,148	162,148	162,148	-	486,444
Document Output Devices	34,708	23,139	-	-	57,847
Valuation Services	179,274	-	-	-	179,274
Other	22,000	-	-	-	22,000
Total	798,130	185,287	162,148	-	1,145,565
Capital					
Buildings & improvements	157,097	-	-	-	157,097
Total	955,227	185,287	162,148	-	1,302,662

2013	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Garbage & Recycling Collection	960,000	400,000	-	-	1,360,000
Cleaning Council Buildings and Streets	34,708	34,708	34,708	-	104,124
Consultancies	18,000	179,274	-	-	197,274
Other	310,797	-	-	-	310,797
Council Reserves - revegetation	66,827				66,827
Total	1,390,332	613,982	34,708	-	2,039,022
Capital					
Buildings & improvements	1,271,392	-	-	-	1,271,392
Total	2,661,724	613,982	34,708	-	3,310,414

Note 30 Operating leases

2014
\$

2013
\$

Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

Not later than one year	210,813	248,358
Later than one year and not later than five years	271,091	315,242
Later than five years	14,866	78,606
	<u>496,770</u>	<u>642,206</u>

**Notes to Financial Report
For the Year Ended 30 June 2014**

Note 31

Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments			
	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	15	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of 2.45% (2.7% in 2012/13). Interest rate at balance date was 2.45% (2.7% in 2012/13)
		Interest is recognised as it accrues.	Funds returned fixed interest rate of between 3.2% and 4.17% (3.7% and 5.06% in 2012/2013) net of fees.
		Investments and bills are valued at cost.	
		Investments are held to maximise interest returns of surplus cash.	
		Interest revenues are recognised as they accrue.	
Trade and other receivables			
Other debtors	16	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.	General debtors are unsecured and interest free. Credit terms are usually 30 days.
		Collectability of overdue accounts is assessed on an ongoing basis.	
Financial liabilities			
Trade and other payables	20	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	23	Loans are carried at their principal amounts. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.57% (6.34% in 2012/2013).

Notes to Financial Report
For the Year Ended 30 June 2014

Note 31 Financial instruments (cont.)

(b) Risk Exposure

(i) Financial assets - interest rate and credit risk exposure

	Weighted average effective interest rate	Carrying amount	Interest rate Exposure			Not past due and not impaired	Less than 1 month	1 to 3 months	Past due but not impaired		Over 5 years	Impaired financial assets
		\$	Fixed interest rate	Floating interest rate	Non-interest bearing	\$	\$	\$	1 year	1 to 5 years	\$	\$
2014												
Cash and cash equivalents	3.35%	21,086,670	17,812,500	-	3,274,170	21,086,670	-	-	-	-	-	-
Trade and other receivables	0.00%	2,964,640	-	-	2,964,640	1,291,394	218,304	24,629	360,853	1,069,460	-	86,635
Total financial assets		24,051,310	17,812,500	-	6,238,810	22,378,064	218,304	24,629	360,853	1,069,460	-	86,635
2013												
Cash and cash equivalents	3.74%	18,034,523	17,662,500	-	372,023	18,034,523	-	-	-	-	-	-
Trade and other receivables	0.00%	3,043,099	-	-	3,043,099	1,065,337	195,888	19,018	1,762,856	-	-	86,635
Total financial assets		21,077,622	17,662,500	-	3,415,122	19,099,860	195,888	19,018	1,762,856	-	-	86,635

(ii) Financial liabilities - interest rate and liquidity risk exposure

	Weighted average effective interest rate	Carrying amount	Interest rate Exposure			Contractual cash flows	Less than 1 month	1 to 3 months	Maturity dates		Over 5 years
		\$	Fixed interest rate	Floating interest rate	Non-interest bearing	\$	\$	\$	1 year	1 to 5 years	\$
2014											
Trade and other payables	0.00%	2,577,147	-	-	2,577,147	2,577,147	2,577,147	-	-	-	-
Trust funds and deposits	0.00%	858,154	-	-	858,154	858,154	-	-	858,154	-	-
Interest-bearing loans and borrowings	6.57%	3,697,494	3,697,494	-	-	3,697,494	-	-	900,774	1,809,856	986,864
Total financial liabilities		7,132,795	3,697,494	-	3,435,301	7,132,795	2,577,147	-	1,758,928	1,809,856	986,864
2013											
Trade and other payables	0.00%	2,516,093	-	-	2,516,093	2,516,093	2,516,093	-	-	-	-
Trust funds and deposits	0.00%	738,302	-	-	738,302	738,302	-	-	738,302	-	-
Interest-bearing loans and borrowings	6.34%	4,058,250	4,058,250	-	-	4,058,250	-	-	842,241	2,541,432	674,577
Total financial liabilities		7,312,645	4,058,250	-	3,254,395	7,312,645	2,516,093	-	1,580,543	2,541,432	674,577

Notes to Financial Report For the Year Ended 30 June 2014

Note 31 Financial instruments (cont.)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014	2013	2014	2013
	\$	\$	\$	\$
<i>(1) Financial assets</i>				
Cash and cash equivalents	21,086,670	18,034,523	21,086,670	18,034,523
Trade and other receivables	2,964,640	3,043,099	2,964,640	3,043,099
<i>Total financial assets</i>	<u>24,051,310</u>	<u>21,077,622</u>	<u>24,051,310</u>	<u>21,077,622</u>
<i>(2) Financial liabilities</i>				
Trade and other payables	2,577,147	2,516,093	2,577,147	2,516,093
Trust funds and deposits	858,154	738,302	858,154	738,302
Interest-bearing loans and borrowings	3,697,494	4,058,250	3,697,494	4,058,250
<i>Total Financial liabilities</i>	<u>7,132,795</u>	<u>7,312,645</u>	<u>7,132,795</u>	<u>7,312,645</u>

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which Council is exposed are discussed below.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that Council use. Non- derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process.

Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

Council manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Note 31 Financial instruments (cont.)

Notes to Financial Report For the Year Ended 30 June 2014

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss.

Council have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

- Council have a policy for establishing credit limits for the entities we deal with;
- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the major debtor is the Victorian Government. Apart from the Victorian Government Council do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 32.

Details of credit risk exposure are provided in Note 31(b)(i)

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- Council will not have sufficient funds to settle a transaction on the date;
- Council will be forced to sell financial assets at a value which is less than what they are worth; or
- Council may be unable to settle or recover a financial assets at all.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Details of liquidity risk exposure are provided in Note 31(b)(ii)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets,

the Council believes the following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 2.5%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council over the previously 12 months, on a weighted average basis, if the above movements were to occur.

As interest bearing loans and borrowings are at a fixed interest there would be no impact on net operating result or equity.

Market risk exposure

	Interest rate risk			
	-1% 100 basis points		1% 100 basis points	
	Profit	Equity	Profit	Equity
Carrying amount at year end				
\$	\$	\$	\$	\$
2014				
Financial assets:				
Cash and cash equivalents	21,086,670	(165,575)	165,575	165,575
Financial liabilities:				
Interest-bearing loans and borrowings	3,697,494	-	-	-
2013				
Financial assets:				
Cash and cash equivalents	18,034,523	(127,065)	127,065	127,065
Financial liabilities:				
Interest-bearing loans and borrowings	4,058,250	-	-	-

Note 32 Contingent liabilities and contingent assets

Contingent liabilities

Notes to Financial Report
For the Year Ended 30 June 2014

Legal Liabilities

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Landfill

Council operates a landfill at Alexandra. Council will have to carry out site revegetation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Note 33 Events occurring after balance date

Council is unaware of any circumstances occurring after balance date which would render particulars in the financial statements to be misleading or inaccurate.

Notes to Financial Report For the Year Ended 30 June 2014

Note 34 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors Councillor Margaret Rae - Mayor

Councillor Andrew Derwent
Councillor Bernie Magner
Councillor Christine Challen
Councillor Cris Ruhr
Councillor John Kennedy
Councillor John Walsh

Chief Executive Officer Margaret Abbey

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2014 No.	2013 No.
\$0 - \$9,999	-	5
\$10,000 - \$19,999	5	6
\$20,000 - \$29,999	-	-
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	1
\$200,000 - \$210,000	1	-
\$280,000 - \$289,999	-	1
	<u>8</u>	<u>13</u>
	\$	\$
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	387,118	454,246

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2012/13, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year. (2012/13, \$0).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year. (2012/13, \$0).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

Income Range:	2014 No.	2013 No.
Less than \$130,000	2	-
\$130,000 - \$139,999	2	3
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	-	1
\$210,000 - \$219,999	-	1
	<u>7</u>	<u>7</u>
	\$	\$
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	962,397	1,087,293

Notes to Financial Report For the Year Ended 30 June 2014

Note 35

Income, expenses and assets by function/activities

	2014	2013
	\$	\$
Income		
Community	3,123,040	3,188,159
Council	16,053,230	16,549,276
Economy	824,617	742,432
Environment	10,074,536	13,166,844
Natural Disaster	1,028,968	6,021,995
	31,104,391	39,668,706
Expenses		
Community	6,709,294	6,818,239
Council	4,027,767	3,880,070
Economy	991,998	1,149,843
Environment	17,743,383	16,527,464
Natural Disaster	324,025	5,015,093
	29,796,467	33,390,709
Surplus for the year	1,307,924	6,277,997
Assets attributed to functional areas		
Community	47,715,885	46,115,217
Council	9,547,612	8,884,756
Economy	7,929,166	6,787,910
Environment	255,267,545	241,876,422
Natural Disaster	1,668,238	1,724,048

Community

Supporting and promoting health and wellbeing, social connectedness and community involvement.
Activities include - Children and family, aged and disability, library and recreation services, family day care, and youth support.

Council

Providing strategic leadership and effective governance that supports the aspirations of our community.
Activities include governance, customer services, business, financial and executive services

Economy

Supporting the sustainable growth of Murrindindi Shire's business and local economy.

Environment

Activities include economic development, tourism and visitor information centres, caravan parks and saleyards
Managing our natural and built environment in a responsible manner.
Activities include environmental management and waste services.

Natural Disaster

Building control, development approvals parks and gardens and infrastructure works.
Works resulting from Bushfires and Floods.

Notes to Financial Report For the Year Ended 30 June 2014

Note 36	Financial ratios (Performance indicators)	2014 \$	2014 (%)	2013 \$	2013 (%)	2012 \$	2012 (%)
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- (a) **Debt servicing ratio** (to identify the capacity of Council to service its outstanding debt)

Debt servicing costs	329,899	=	1.06%	352,330	=	0.89%	331,693	=	0.56%
Total revenue	31,104,400			39,668,706			59,693,515		

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

- (b) **Debt commitment ratio** (to identify Council's debt redemption strategy)

Debt servicing & redemption costs	1,190,655	=	7.58%	1,171,447	=	8.02%	980,704	=	7.24%
Rate revenue	15,699,505			14,614,858			13,538,350		

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

- (c) **Revenue ratio** (to identify Council's dependence on rate income)

Rate revenue	15,699,505	=	50.47%	14,614,858	=	36.84%	13,538,350	=	22.68%
Total revenue	31,104,400			39,668,706			59,693,515		

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

- (d) **Debt exposure ratio** (to identify Council's exposure to debt)

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 27) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

**Notes to Financial Report
For the Year Ended 30 June 2014**

Note 36	Financial ratios (Performance indicators) (cont.)	2014	2014 (%)	2013	2013 (%)	2011	2012 (%)
(e)	Working capital ratio (to assess Council's ability to meet current commitments)						
	$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{26,104,797}{9,503,421} = 2.75$			$\frac{23,077,180}{7,011,004} = 3.29$		$\frac{24,353,038}{10,677,327} = 2.28$	

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f)	Adjusted working capital ratio (to assess Council's ability to meet current commitments)						
	$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{26,104,797}{7,334,711} = 3.56$			$\frac{23,077,180}{5,204,552} = 4.43$		$\frac{24,353,038}{8,905,133} = 2.73$	

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

**Notes to Financial Report
For the Year Ended 30 June 2014**

	Note	2014 \$	2013 \$
Note 37 Capital expenditure			
Capital expenditure areas			
Land under roads		4,650	71,311
Buildings		2,625,508	2,656,412
Fixtures, furniture and equipment		216,908	253,040
Heritage and cultural		14,627	113,291
Library books		74,876	82,918
Plant, machinery and equipment		721,357	353,399
Bridges		1,105,824	526,116
Drainage		295,364	95,941
Footpaths and Cycleways		346,537	122,189
Roads		3,090,051	2,686,155
Total capital works		<u>8,495,702</u>	<u>6,960,772</u>
Represented by:			
Renewal of infrastructure	(a)	3,920,998	3,095,140
Upgrade of infrastructure	(b)	1,338,929	1,575,273
New Infrastructure		2,208,006	1,582,987
New other		424,269	707,372
New bridges			
New drainage			
New library books			
Renewal Other		603,500	-
Total capital works		<u>8,495,702</u>	<u>6,960,772</u>

Property, plant and equipment, infrastructure movement

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

Total capital works		8,495,702	6,960,772
Contributed Assets		555,508	4,138,057
Asset revaluation movement	19	13,251,651	(466,265)
Depreciation/amortisation	12	(7,150,865)	(7,280,707)
Written down value of assets sold or destroyed	19	(1,438,320)	(199,572)
Net movement in property, plant and equipment, infrastructure	19	<u>13,713,676</u>	<u>3,152,285</u>

Details of movements by asset class is provided in note 19

(a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally.

It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally.

Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

Note 38 Special committees and other activities

Council has management control over several recreation reserves, which are delegated through the special committees listed below. Each Committee operates under specified delegations, as per Section 86 of the *Local Government Act 1989*. Council provides each Committee with a detailed Governance Manual outlining the obligations and responsibilities the Committee delegated in its role as a manager of community facilities on behalf of Council. Council retains ultimate control of each Committee and requires submission of annual financial accounts, following each Committee's Annual General Meeting which is to be held between July 1 and October 31 each year.

Buxton Recreation Reserve Committee of Management
C J Dennis & Castella Public Hall Reserve Committee of Management
Eildon Alliance Boat Ramp Committee of Management
Eildon Community Resource Centre Committee of Management
Friends of Yea Railway Committee of Management
Gallipoli Park Precinct Committee of Management
Glenburn Community Centre Committee of Management
Kingleake Memorial Reserve Committee of Management
Mt. Pleasant Reserve Committee of Management
Strath Creek Reserves & Hall Committee of Management
Thornton Recreation Reserve & Hall Committee of Management
Yea Pioneer Reserve Committee of Management
Yea Saleyards Committee of Management
Yea Showgrounds & Recreation Reserve Committee of Management
Yea Wetlands Committee of Management

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



Andrew Bond
Principal Accounting Officer

Date : 26 September 2014
Alexandra

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2014 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 24 September 2014 to certify the financial statements in their final form.

Margaret Rae
Councillor



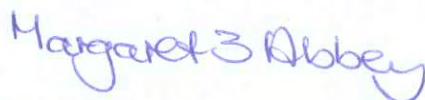
Date : 26 September 2014
Alexandra

John Kennedy
Councillor



Date : 26 September 2014
Alexandra

Margaret Abbey
Chief Executive Officer



Date : 26 September 2014
Alexandra

STANDARD INCOME STATEMENT

For the year ending 30 June 2014

	Budget 2013/14	Variances		Ref	Actuals 2013/14
	\$	\$	%		\$
Revenue					
Rates and charges	15,754,536	(55,031)	(0.3)		15,699,505
Statutory fees and fines	598,470	(1,884)	(0.3)		596,586
User fees	2,055,866	376,987	18.3	1	2,432,853
Contributions -Cash	280,760	5,704	2.0		286,464
Contributions -Non Cash	-	555,508	-	2	555,508
Grants - recurrent	6,191,607	(1,253,265)	(20.2)	3	4,938,342
Grants - non-recurrent	5,665,044	(421,322)	(7.4)		5,243,722
Reimbursements	116,600	253,413	217.3	4	370,013
Other revenue	491,929	489,478	99.5	5	981,407
Total revenue	31,154,812	(50,412)			31,104,400
Expenses					
Employee benefits	11,512,716	226,004	2.0		11,738,720
Materials and services	11,191,489	(1,417,469)	(12.7)	6	9,774,020
Finance costs	335,957	(6,058)	(1.8)		329,899
Depreciation and amortisation	7,797,492	(646,627)	(8.3)		7,150,865
Other expenses	278,591	204,258	73.3	7	482,849
Total expenses	31,116,245	1,639,892			29,476,353
Proceeds from Sale of Fixed Assets	351,305	766,900	218.3	8	1,118,205
Less Carrying value of assets sold	351,305	1,087,014	309.4	9	1,438,319
Net gain (loss) on disposal of assets	-	320,114			(320,114)
Surplus (deficit) for the year	38,567	1,269,366			1,307,933

STANDARD INCOME STATEMENT

For the year ending 30 June 2014

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
1	User fees	Waste and transfer stations fees exceeded expectations by \$218k particularly due to increases in revenue collected for commercial waste. Aged care fees also contributed \$50k above expectations due to higher usage of this service, and the Yea Saleyards contributed \$40k above budget expectations due to continued growth in cattle throughput.
2	Contributions -Non Cash (revenue)	Council received in excess of \$500k of developer contributions in 2013/14 which were unbudgeted.
3	Grants - recurrent (revenue)	Less than anticipated non-recurrent grants due to carried forward income relating to projects that are scheduled to be completed in the 2014/15 financial year such as the Y Water Centre grants being delayed in line with building construction timelines.
4	Reimbursements (revenue)	Higher than budgeted reimbursement due to additional insurance receipts of \$20k, recovery of Fire Services Levy costs \$61k and \$125k recovery of legal costs arising from rate recovery actions.
5	Other revenue	Cash flows were higher than expected resulting in additional interest income on investments \$420k . Rental income was higher than expected due to improved contract terms negotiated with a number of tenants.
6	Materials and services	This result was below budget expectations due to reductions in materials and services, with expenditure on new and expanded assets of \$1m remaining unspent. These funds were transferred to a reserve. A delay relating to NDF funding of \$325k also contributed to this decrease.
7	Other expenses	Increased allowance of \$130k for doubtful debts relating to a write-off of a debt relating to works undertaken during the reconstruction period following the 2009 bushfires
8	Proceeds from Sale of Fixed Assets	Plant replacement program delayed, with several items ordered but not received prior to June 30. \$125k is carried forward to offset this in 2014/15. \$59k of bridge replacements written down as per independent audit assessment, and a further \$88k shortfall relates to the delay in settlement of industrial land in Yea which is contingent on installation of new sewerage infrastructure.
9	Less Carrying value of assets sold	as per Note 8 above

Murrindindi Shire Council
2013/2014 Standard Statements

STANDARD BALANCE SHEET

As at 30 June 2014

	Budget 2013/14 \$	Variances \$	%	Ref	Actuals 2013/14 \$
Current assets					
Cash and cash equivalents	10,142,801	10,943,869	107.9	10	21,086,670
Trade and other receivables	2,303,066	2,198,201	95.4	11	4,501,267
Accrued Income	50,000	61,994	124.0	12	111,994
Inventories	160,000	108,984	68.1	13	268,984
Prepayments	170,000	(34,118)	(20.1)	14	135,882
Total current assets	12,825,867	13,278,930			26,104,797
Non-current assets					
Trade and other receivables	36,450	(20,626)	(56.6)	15	15,824
Property, plant and equipment, infrastructure	300,221,709	(4,213,884)	(1.4)		296,007,825
Total non-current assets	300,258,159	(4,234,510)			296,023,649
Total assets	313,084,026	9,044,420			322,128,446
Current liabilities					
Trade and other payables	2,418,418	158,729	6.6		2,577,147
Trust funds and deposits	484,767	2,568,079	529.8	16	3,052,846
Provisions	2,581,434	391,220	15.2	17	2,972,654
Interest bearing loans and borrowings	898,247	2,527	0.3		900,774
Total current liabilities	6,382,866	3,120,555			9,503,421
Non-current liabilities					
Provisions	1,800,298	(248,699)	(13.8)	18	1,551,599
Interest bearing loans and borrowings	2,801,794	(5,074)	(0.2)		2,796,720
Total non-current liabilities	4,602,092	(253,773)			4,348,319
Total liabilities	10,984,958	2,866,782			13,851,740
Net assets	302,099,068	6,177,639			308,276,707
Equity					
Accumulated surplus	136,609,702	(9,881,264)	(7.2)		126,728,438
Asset revaluation reserve	159,819,862	11,632,552	7.3		171,452,414
Other reserves	5,669,504	4,426,351	78.1	19	10,095,855
Total equity	302,099,068	6,177,639			308,276,707

STANDARD BALANCE SHEET

As at 30 June 2014

Ref.	Item	Explanation
10	Cash and cash equivalents	The actual cash at the start of the year was \$5m higher than the adopted budgeted due to grants received in advance and delayed capital works in 2012-13. An amount in excess of \$2m for a Fire Services Property Levy was received in late June and will be remitted in 2014/15. Income from assets sales exceeded budget by \$767k due to assets sales budgeted to be completed in 2012-13 being completed in 2013-14. A more detailed overview of the cash variance can be obtained from reviewing the Standard Statement Cash Flow Statement.
11	Trade and other receivables	Receivables greater than expected due to Government contributions outstanding including NDFA funds for flood recovery works.
12	Accrued Income	Additional interest income accrued at year end due to the higher than expected cash balance and the timing of maturity of cash deposits.
13	Inventories	Higher than anticipated levels of stock at Yea depot \$11k, Alexandra depot \$12k and Topsy quarry \$85k.
14	Prepayments	Less prepayments occurred than originally anticipated. Council's original budget was an over estimation in this area.
15	Trade and other receivables	Greater than expected special charge street schemes payers have elected to pay in full, including \$20k for Marks and Pratts road schemes.
16	Trust funds and deposits	Funds held at year end for Fire Services Property Levy \$2.1m not included in the budget. Contract retentions for construction works remained higher than anticipated \$149k. General trust accounts \$110k and suspense accounts \$113k greater than anticipated.
17	Provisions	The budget incorrectly anticipated the mix between current and non current leave provisions. Overall the leave provisions are within tolerance.
18	Provisions	Refer above.
19	Other reserves	Extra \$1.3m transferred into the Waste Management reserve due to higher than anticipated fee income and delay in some works. Infrastructure reserves relating to the new and expanded assets increased by \$2.45m across a number of different reserves. An amount of \$426k was transferred into the newly created capital works reserve.

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2014

	Budget 2013/14 \$	Variances \$	%	Ref	Actuals 2013/14 \$
Cash flows from operating activities					
Receipts from Ratepayers	15,590,702	(18,451)	(0.1)		15,572,251
User Charges and Reimbursements (inclusive of GST)	3,432,800	768,145	22.4	20	4,200,945
Government Grants (inclusive of GST)	13,356,651	(2,783,655)	(20.8)	21	10,572,996
Interest received	275,975	404,743	146.7	22	680,718
Net GST refund/payment	-	1,242,547	-		1,242,547
Net Fire Services Property Levy received and remitted	-	2,194,692	-	24	2,194,692
Payments to Suppliers (inclusive of GST)	(13,040,080)	1,127,015	(8.6)	25	(11,913,065)
Payments to employees	(11,679,591)	(8,378)	0.1		(11,687,969)
Net cash inflow (outflow) from operating activities	7,936,457	2,926,659			10,863,116
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment, infrastructure	351,305	766,900	218.3	26	1,118,205
Payments for property, plant and equipment, infrastructure	(10,254,229)	1,834,600	(17.9)	27	(8,419,629)
Net cash inflow (outflow) from investing activities	(9,902,924)	2,601,500			(7,301,424)
Cash flows from financing activities					
Proceeds from interest bearing loans and borrowings	500,000	-	-		500,000
Repayment of interest bearing loans and borrowings	(858,260)	(2,496)	0.3		(860,756)
Finance Costs	(275,122)	6,481	(2.4)		(268,641)
Trust Funds & Deposits	(323,077)	442,929	(137.1)	28	119,852
Net cash inflow (outflow) from financing activities	(956,459)	446,914			(509,545)
Net increase (decrease) in cash and cash equivalents	(2,922,926)	5,975,073			3,052,147
Cash and cash equivalents at the beginning of the year	13,065,727	4,968,796	38.0	29	18,034,523
Cash and cash equivalents at the end of the year	10,142,801	10,943,869			21,086,670
<u>Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities</u>					
<u>For the year ending 30 June 2013</u>					
Surplus (deficit)	38,567	1,269,366			1,307,933
Depreciation and amortisation	7,797,492	(646,627)	(8.3)		7,150,865
(Profit) Loss on sale of property, plant and equipment, infrastructure	-	320,114	-		320,114
Finance Costs - cash proportion	275,122	(6,481)	(2.4)		268,641
Net movement in current assets and liabilities	(174,724)	1,990,287	(1,139.1)		1,815,563
Net cash inflow (outflow) from operating activities	7,936,457	2,926,659			10,863,116

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2014

Ref.	Item	Explanation
20	User Charges and Reimbursements (inclusive of GST)	Receipts for user fees and reimbursements exceeded budget expectations, refer to explanations note 1 and 4 to Standard Statements Income Statement. Budget figures do not include GST.
21	Government Grants (inclusive of GST)	The budget anticipated a reduction of the amount of government grant debtors outstanding, this has not occurred due to delays in settlement of NDFA flood claims
22	Interest received	Higher than anticipated receipts of interest due to greater than budgeted levels of cash available for investment
24	Net GST refund/payment	Council's published 2012/13 budget did not include GST within the Cash Flow Statement.
25	Net Fire Services Property Levy received and remitted	Council's published 2012/13 budget did not include an allowance for any FSPL collected but not remitted at year end.
25	Payments to Suppliers (inclusive of GST)	Refer to explanation note to the Standard Statements Income Statement note 6.
26	Proceeds from sale of property, plant and equipment, infrastructure	Refer to explanation note to the Standard Statements Income Statement note 8.
27	Payments for property, plant and equipment, infrastructure	Refer to explanatory notes to the Standard Statement of Capital works notes 30-36.
28	Trust Funds & Deposits	These monies are mostly private construction security bonds held for warranty purpose. The exact timing of the release of the security and resulting cash outflow is not always predictable. The budget was based on the best available information at the time for these private construction works.
29	Cash and cash equivalents at the beginning of the year	Cash available at the commencement of the year was higher than projected reflecting the level of capital works that were to be carried forward and completed in the 2013/14 year.

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2014

Capital Works Areas	Budget 2013/14 \$	Variances \$	%	Ref	Actuals 2013/14 \$
Land under roads	-	4,650	-		4,650
Buildings	4,920,007	(2,294,499)	(46.6)	30	2,625,508
Fixtures , furniture and equipment	592,071	(375,163)	(63.4)	31	216,908
Heritage and cultural	-	14,627	-		14,627
Library books	87,000	(12,124)	(13.9)	32	74,876
Plant, machinery and equipment	608,003	113,354	18.6	33	721,357
Bridges	863,283	242,541	28.1	34	1,105,824
Drainage	452,000	(156,636)	(34.7)	35	295,364
Roads and paths	2,731,865	704,723	25.8	36	3,436,588
Total capital works	10,254,229	(1,758,527)	(17.1)		8,495,702
Represented by:					
Renewal of infrastructure	4,501,477	23,021	0.5		4,524,498
Upgrade of infrastructure	1,164,758	174,171	15.0		1,338,929
New assets	4,587,994	(1,955,719)	(42.6)		2,632,275
Total capital works	10,254,229	1,758,527	17.1		8,495,702

Property, plant and equipment, infrastructure movement reconciliation worksheet	Budget 2013/14 \$	Variances \$	%		Actuals 2013/14 \$
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:					
Total capital works	10,254,229	(1,758,527)	(17.1)		8,495,702
Contributed assets	-	555,508	-		555,508
Asset revaluation movement	-	13,251,651	-		13,251,651
Depreciation and amortisation	(7,797,492)	646,627	(8.3)		(7,150,865)
Written down value of assets sold	(351,305)	(1,087,015)	309.4		(1,438,320)
Net movement in property, plant and equipment, infrastructure	2,105,432	11,608,244			13,713,676

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2014

Ref.	Item	Explanation
30	Buildings	A number of projects originally scheduled for completion in 2013/14 have now been carried forward to 2014/15 - including community spaces renewal (\$392k), Eildon Township renewal (\$392k), various pool upgrades (\$323k), completion of the Y Water Centre (\$268k) and completion of major works at the Alexandra Landfill (\$100k).
31	Fixtures , furniture and equipment	The implementation of Council's electronic document management system is to be completed in 2014/15, with \$70k of this project carried forward. A further \$30k of cost savings were realised in corporate capital projects.
32	Library Books	Library capital program underspent due to performance issues with suppliers of DVD's and audio visual goods. \$16k to be carried forward into 2014/15.
33	Plant, machinery and equipment	Plant replacement program delayed, with several items ordered but not received prior to June 30. \$125k carried forward to offset this in 2014/15.
34	Bridges	Through grant funding, Council advanced works on the development of the Ghin Ghin bridge renewal, as well as completing the Breakaway and McGuigans bridges
35	Drainage	Drainage works were incomplete at year end. \$148k of works carried forward which relates to grant funding from LGIP.
36	Roads and paths	\$500k of roads and paths not originally budgeted were carried forward from 2012/13 due to incomplete works.
	General Note on Capital Works.	Please Note: A complete listing of all capital works projects completed within the 2013/2014 financial year has been provided in the front section of the Annual Report.

Notes to the Standard Statements

1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for General Purpose Financial Report and the Budget. The result reported in these statements are

consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which are included on pages 1 to 4 of the Financial Report.

They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's Strategic Resource Plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. Council has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by Council on 18 June 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in the Council Plan in order to meet Council's business plan and financial performance targets for both the short and long term.

Detailed information on the actual financial results are contained in the General Purpose Financial Report on pages 1 to 4. The detailed budget can be obtained by contacting Council or through Council's website.

The Standard Statements must be read with reference to these documents.

STANDARD STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

CERTIFICATION OF STANDARD STATEMENTS

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



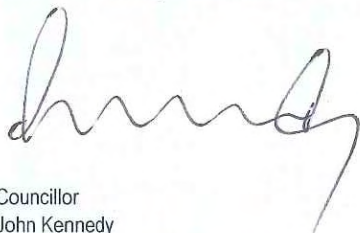
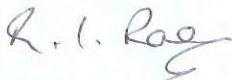
Principal Accounting Officer
Andrew Bond
Dated: 24 September 2014

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 24 September 2014, to certify the standard statements in their final form.

Councillor
Margaret Rae
Dated: 26 September 2014



Councillor
John Kennedy
Dated: 26 September 2014



Chief Executive Officer
Margaret Abbey
Dated: 26 September 2014

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Murrindindi Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2014 of the Murrindindi Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Murrindindi Shire Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Murrindindi Shire Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements 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.

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

Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Murrindindi Shire Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Murrindindi Shire Council for the year ended 30 June 2014 included both in the Murrindindi Shire Council's annual report and on the website. The Councillors of the Murrindindi Shire Council are responsible for the integrity of the Murrindindi Shire Council's website. I have not been engaged to report on the integrity of the Murrindindi Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
29 September 2014

7.4.2L
for John Doyle
Auditor-General

**Performance Statement
For the Year
1 July 2013 to 30 June 2014**

			2013/14 Performance Target	2013/14 Actual Result	Note
Key Strategic Activity	Activity	Performance measure			
Goal 1 – Our Community					
Actively engage with community health and wellbeing issues through implementation of the Municipal Public Health and Wellbeing Plan.	Implementation of actions in the Municipal Public Health and Wellness Plan.	Completion of all actions in the Municipal Public Health and Wellness Plan.	30 June 2014	Target achieved	
Goal 2 - Our Environment					
Finalise the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources.	Our practices show a reduction in waste to Landfill.	35% diversion of waste from landfill.	30 June 2014	Target achieved	
Complete a review of the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan.	Completion of the Review of the Municipal Strategic Statement (MSS).	Completion of the Review of the Municipal Strategic Statement (MSS).	30 June 2014	Target partially achieved	1
Manage and renew our existing infrastructure assets in a responsible manner.	Capital Works Program	Delivery of Capital Works Program	Minimum 95 percent of program budget expended by 30 June 2014.	Target not achieved 80%	2
Goal 3 – Our Economy					
Maximise the potential of the local workforce through education, training and employment opportunities.	No. of training and/or workforce development initiatives implemented that address needs identified in the Murrindindi Training Needs Analysis 2013.	2 new initiatives per annum.	30 June 2014	Target achieved	
Advocate for the provision of infrastructure and services that supports business growth.	Value of new commercial building developments.	3% increase per annum	30 June 2014	Target not achieved	3
Goal 4 – Our Council					
Actively develop and implement a long term vision for Murrindindi Shire.	Completion of the Murrindindi 2030 Vision	Adoption of Murrindindi 2030 Vision	31 December 2013	Target not achieved	4
Promote an equitable rating strategy for all ratepayers.	Completion of the review of the Rating Strategy	Completion of the review of the Rating Strategy	31 December 2013	Target not achieved	5

The above statement should be read in conjunction with the accompanying notes

Performance Statement
For the Year
1 July 2013 to 30 June 2014

NOTES TO AND FORMING PART OF THE PERFORMANCE STATEMENT
FOR 2013 / 2014

1. The review of the Municipal Strategic Statement was undertaken during the year, but was expanded to include a full review of the Local Planning Policy Framework (LPPF) within the Murrindindi Planning Scheme. This followed the introduction of a new format for the LPPF by the State Government during the year. The LPPF was rewritten to conform with the new guidelines and to incorporate the relevant strategic directions as contained within the Council Plan 2013-2017. As at 30 June 2014, the initial review had commenced and presented to Council for endorsement for purposes of informal public exhibition. It is anticipated the fully reviewed MSS and LPPF will be formally adopted by Council within the first half of the 2014/15 year.
2. The 2013/2014 Capital Works Program expenditure is 80% of the adopted budget. This represents a significant increase on expenditure when compared with the 2012/2013 year where 68% of the program was expended. However when adjusted to account for savings and works re-scheduled for completion within the 2014/15 year (inclusive of plant and machinery purchases and corporate systems), the percentage of expenditure on scheduled works is 90% of the revised annual budget allocation. The project that impacted most on the full delivery of the program, the Y Water Centre, was to be completed and formally opened early in the 2013/14 year.
3. The total for 2012/2013 financial year was \$21,189,993 and the total for 2013/2014 financial year was \$20,778,000. This is a decline in value of works of 1.95%. (\$411,993). Council forecasts this to increase dramatically in 2014/15 due to the revised completion date of the \$27million VIBE Hotel and Conference Centre in Marysville, which is now scheduled to be opened in 2014/15. Rebuild rates of both commercial and residential premises since the 2009 bushfires has been lower than expectations, with less than 50% of properties rebuilt, having received building approval or in the process of being rebuilt as at
4. The Murrindindi 2030 Vision scope was expanded to include greater consultation with the community during 2013/14. The visioning work is now expected to be completed early in the 2014/15 financial year.
5. A Rating Strategy Report was discussed during the year following a program of community consultation, to determine the best options available for Council going forward to achieve its growth objectives and ensure equity in the collection of rates. This report recommended a number of options to be considered by Council for revising its rating structure. Council has informally considered this report and has requested that further financial modelling be undertaken prior to finalising a preferred position in relation to the recommendations contained in the Rating Strategy Report by 31 December 2014.

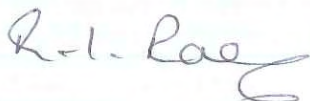
COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, that accompanying performance statement of the Murrindindi Shire Council in respect of 2013/2014 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in Council's

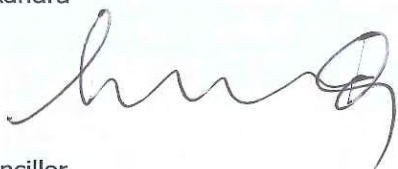
Community Plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

As at the time of signing, we are not aware of any circumstances which would render any particulars in the statement to be misleading or inaccurate.



Councillor
Margaret Rae

Dated: 26 September 2014
Alexandra



Councillor
John Kennedy

Dated: 26 September 2014
Alexandra



Chief Executive Officer
Margaret Abbey

Dated: 26 September 2014
Alexandra

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Murrindindi Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Murrindindi Shire Council which comprises the statement, the related notes and the Council approval of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Murrindindi Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

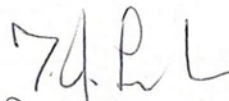
Auditor's Opinion

In my opinion, the performance statement of the Murrindindi Shire Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Murrindindi Shire Council for the year ended 30 June 2014 included both in the Murrindindi Shire Council's annual report and on the website. The Councillors of the Murrindindi Shire Council are responsible for the integrity of the Murrindindi Shire Council's website. I have not been engaged to report on the integrity of the Murrindindi Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
29 September 2014


John Doyle
Auditor-General