



# City of Bayswater

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015



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# City of Bayswater

## Financial Statements for the year ended 30 June 2015

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### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for the City of Bayswater.
  - (ii) All figures presented in these financial statements are presented in Australian Currency.
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## City of Bayswater

### General Purpose Financial Statements

for the year ended 30 June 2015

## Understanding Council's Financial Statements

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### Introduction

Each year, individual Local Governments across Western Australia are required to present a set of audited Financial Statements to their Council and Community in accordance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer as (i) presenting fairly the Council's financial results for the year and complying with (ii) Australian Accounting Standards and the *Local Government Act 1995*.

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2015.

The format of the Financial Statements is standard across all Western Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the Western Australian Local Government Accounting Manual.

The Financial Statements incorporate 6 "primary" financial statements:

#### **1. A Statement of Comprehensive Income -** (by Nature or Type)

A summary of Council's financial performance for the year, listing all income & expenses by their "nature or type". This allows users of the financial statements to identify a break up of operating revenues and expenses for the year.

#### **2. A Statement of Comprehensive Income -** (by Program)

A summary of Council's financial performance for the year, listing all income & expenses by "program". This allows users of the financial statements to identify the cost relating to each Council Program and whether or not these costs were recovered from Program revenues.

#### **3. A Statement of Financial Position**

A 30 June snapshot of Council's financial position listing its assets & liabilities.

#### **4. A Statement of Changes in Equity**

The overall change for the year (in dollars) of Council's "net wealth".

#### **5. A Statement of Cash Flows**

Indicates where Council's cash came from and where it was spent across operating, investing & financing activities.

#### **6. A Rate Setting Statement**

A Statement showing the amount of rates budgeted to be raised during the year to fund the Council's proposed Programs (and any budget surplus/deficit from prior years).

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 6 Primary Financial Statements.

### About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In Western Australia, the Auditor provides an audit report that provides an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Department of Local Government, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1995* the Financial Statements must be made available at the office of the Council.

## City of Bayswater

### Financial Statements

for the year ended 30 June 2015

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

### Statement by Chief Executive Officer

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

Signed on the \_\_\_\_\_ day of \_\_\_\_\_ 2015

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Francesca Lefante  
BA (Urb & Reg Stud), Grad Dip  
(Urb & Reg Plan)

**CHIEF EXECUTIVE OFFICER**

## City of Bayswater

Statement of Comprehensive Income (by Nature or Type)  
for the year ended 30 June 2015

	Notes	2015 Actual	Council 2015 Budget	2014 Actual	Consolidated 2015 Actual	2014 Actual
<b>Revenue</b>						
Rates	24(a)	37,737,017	37,557,852	34,781,485	37,737,017	34,781,485
Operating Grants, Subsidies & Contributions	28	14,960,224	13,181,734	11,829,268	16,925,013	13,414,273
Fees & Charges	27	20,493,548	19,761,109	19,255,950	23,499,537	22,152,140
Interest Earnings	2(a)	2,697,472	2,825,400	3,083,390	2,755,253	3,146,363
Other Revenue		509,149	411,254	971,085	509,149	1,001,175
		<u>76,397,411</u>	<u>73,737,349</u>	<u>69,921,179</u>	<u>81,425,968</u>	<u>74,495,436</u>
<b>Expenses</b>						
Employee Costs	31	(29,623,362)	(30,003,511)	(28,434,851)	(33,324,378)	(31,985,952)
Materials & Contracts		(28,746,520)	(28,960,981)	(28,061,525)	(29,776,966)	(29,046,363)
Utilities		(3,490,418)	(3,670,267)	(3,646,179)	(3,490,418)	(3,646,179)
Depreciation & Amortisation	2(a)	(10,143,709)	(7,971,000)	(8,970,403)	(10,281,916)	(9,110,929)
Interest Expenses	2(a)	(6,515)	(10,870)	(11,158)	(6,515)	(11,158)
Insurance		(795,308)	(912,221)	(912,713)	(795,308)	(912,713)
		<u>(72,805,833)</u>	<u>(71,528,850)</u>	<u>(70,036,830)</u>	<u>(77,675,502)</u>	<u>(74,713,295)</u>
<b>Operating Result from Continuing Operations</b>		<u>3,591,578</u>	<u>2,208,499</u>	<u>(115,651)</u>	<u>3,750,467</u>	<u>(217,859)</u>
Non-Operating Grants, Subsidies & Contributions	28	1,664,024	1,927,137	3,299,206	1,664,024	3,299,206
Revaluation Decrement - Infrastructure Parks & Gardens	2(a)	(964,905)	-	-	(964,905)	-
Net Share of Interests Joint Ventures	17	2,819,482	-	8,062,301	2,819,482	8,062,301
Profit on Asset Disposals	21	221,054	6,939	1,365	221,054	1,365
Loss on Asset Disposal	21	(204,359)	(175,334)	(393,362)	(204,359)	(393,362)
		<u>3,535,296</u>	<u>1,758,742</u>	<u>10,969,511</u>	<u>3,535,296</u>	<u>10,969,511</u>
<b>Net Result - Surplus (Deficit)</b>		<u>7,126,875</u>	<u>3,967,241</u>	<u>10,853,860</u>	<u>7,285,763</u>	<u>10,751,652</u>
<b>Other Comprehensive Income</b>						
Changes on revaluation of non-current assets	13	(3,966,108)	-	420,444,545	(3,966,108)	420,444,545
<b>Total Other Comprehensive Income</b>		<u>(3,966,108)</u>	<u>-</u>	<u>420,444,545</u>	<u>(3,966,108)</u>	<u>420,444,545</u>
<b>Total Comprehensive Income</b>		<u>3,160,767</u>	<u>3,967,241</u>	<u>431,298,405</u>	<u>3,319,655</u>	<u>431,196,197</u>



## City of Bayswater

Statement of Comprehensive Income (by Program)  
for the year ended 30 June 2015

	Notes	2015 Actual	Council 2015 Budget	2014 Actual	Consolidated 2015 Actual	2014 Actual
<b>Revenue</b>						
General Purpose Funding		43,136,446	43,091,812	39,283,777	43,136,446	39,283,777
Law, Order, Public Safety		358,505	256,700	329,946	358,505	329,946
Health		212,515	168,000	264,188	212,515	264,188
Education & Welfare		10,925,619	10,942,505	10,629,701	15,954,176	15,203,958
Housing		103,860	97,150	98,499	103,860	98,499
Community Amenities		11,914,585	10,886,853	10,256,833	11,914,585	10,256,833
Recreation & Culture		7,806,519	7,328,809	7,521,549	7,806,519	7,521,549
Transport		1,196,491	312,520	761,837	1,196,491	761,837
Economic Services		679,306	564,000	640,939	679,306	640,939
Other Property & Services		63,566	89,000	133,911	63,566	133,911
		<u>76,397,411</u>	<u>73,737,349</u>	<u>69,921,180</u>	<u>81,425,968</u>	<u>74,495,437</u>
<b>Expenses (excl. Finance Costs)</b>						
Governance		(5,668,156)	(5,898,128)	(5,286,623)	(5,668,156)	(5,286,623)
General Purpose Funding		(703,580)	(618,062)	(790,454)	(703,580)	(790,454)
Law, Order, Public Safety		(2,240,286)	(2,307,593)	(2,456,642)	(2,240,286)	(2,456,642)
Health		(2,180,358)	(1,551,163)	(1,459,150)	(2,180,358)	(1,459,150)
Education & Welfare		(11,145,497)	(11,796,033)	(10,293,638)	(16,015,165)	(14,970,103)
Housing		(116,554)	(112,885)	(97,325)	(116,554)	(97,325)
Community Amenities		(11,526,746)	(12,037,705)	(10,977,174)	(11,526,746)	(10,977,174)
Recreation & Culture		(27,074,691)	(26,662,054)	(26,841,574)	(27,074,691)	(26,841,574)
Transport		(7,964,905)	(7,065,764)	(7,676,160)	(7,964,905)	(7,676,160)
Economic Services		(1,665,020)	(1,457,065)	(1,277,672)	(1,665,020)	(1,277,672)
Other Property & Services		(2,513,525)	(2,011,529)	(2,869,260)	(2,513,525)	(2,869,260)
		<u>(72,799,318)</u>	<u>(71,517,981)</u>	<u>(70,025,672)</u>	<u>(77,668,986)</u>	<u>(74,702,137)</u>
<b>Finance Costs</b>						
Recreation & Culture	2(a)	(6,515)	(10,870)	(11,158)	(6,515)	(11,158)
		<u>(6,515)</u>	<u>(10,870)</u>	<u>(11,158)</u>	<u>(6,515)</u>	<u>(11,158)</u>
<b>Operating Result from Continuing Operations</b>						
		<u>3,591,578</u>	<u>2,208,498</u>	<u>(115,650)</u>	<u>3,750,467</u>	<u>(217,858)</u>
<b>Non-Operating Grants, Subsidies, Contributions</b>						
Law, Order, Public Safety		287,910	49,641	(50,539)	287,910	(50,539)
Education & Welfare		96,702	-	47,261	96,702	47,261
Community Amenities		200,228	154,386	1,031,772	200,228	1,031,772
Recreation & Culture		421	366,666	1,303,855	421	1,303,855
Transport		1,078,763	1,356,443	966,857	1,078,763	966,857
	28	<u>1,664,024</u>	<u>1,927,136</u>	<u>3,299,206</u>	<u>1,664,024</u>	<u>3,299,206</u>
<b>Profit/(Loss) on Disposal of Assets</b>						
Governance		-	(456)	-	-	-
Law, Order, Public Safety		(3,872)	(6,261)	(48,942)	(3,872)	(48,942)
Health		(21,070)	(11,164)	(38,753)	(21,070)	(38,753)
Education & Welfare		(8,582)	-	(29,835)	(8,582)	(29,835)
Housing		-	-	(11,984)	-	(11,984)
Community Amenities		221,054	(3,508)	(5,092)	221,054	(5,092)
Recreation & Culture		(33,125)	6,941	(38,583)	(33,125)	(38,583)
Transport		-	(10,997)	-	-	-
Economic Services		(35,088)	(23,944)	(20,178)	(35,088)	(20,178)
Other Property & Services		(102,623)	(119,004)	(198,630)	(102,623)	(198,630)
	21	<u>16,695</u>	<u>(168,393)</u>	<u>(391,997)</u>	<u>16,695</u>	<u>(391,997)</u>
<b>Other Income</b>						
Revaluation Decrement - Infrastructure Parks & Gardens	2(a)	(964,905)	-	-	(964,905)	-
Net Share of Interests Joint Ventures	17	2,819,482	-	8,062,301	2,819,482	8,062,301
		<u>1,854,577</u>	<u>-</u>	<u>8,062,301</u>	<u>1,854,577</u>	<u>8,062,301</u>
<b>Net Result - Surplus (Deficit)</b>						
		<u>7,126,874</u>	<u>3,967,241</u>	<u>10,853,860</u>	<u>7,285,763</u>	<u>10,751,652</u>
<b>Other Comprehensive Income</b>						
Changes on revaluation of non-current assets	13	(3,966,108)	-	420,444,545	(3,966,108)	420,444,545
<b>Total Comprehensive Income</b>		<u>3,160,767</u>	<u>3,967,241</u>	<u>431,298,405</u>	<u>3,319,656</u>	<u>431,196,197</u>

## City of Bayswater

## Statement of Financial Position

as at 30 June 2015

	Notes	Council		Consolidated	
		2015 Actual	2014 Actual	2015 Actual	2014 Actual
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	3	57,382,055	53,402,380	59,502,147	55,411,235
Trade and Other Receivables	5	4,822,310	5,839,716	4,876,951	5,902,868
Inventories	6	101,625	92,554	101,625	92,554
Other	4	193,852	116,967	193,851	116,968
<b>Total Current Assets</b>		<b>62,499,841</b>	<b>59,451,616</b>	<b>64,674,573</b>	<b>61,523,625</b>
<b>Non-Current Assets</b>					
Trade and Other Receivables	5	756,598	696,395	756,598	696,395
Property, Plant and Equipment Infrastructure	7	499,902,275	501,993,357	500,543,360	502,488,317
	8	191,997,300	191,662,236	191,997,300	191,662,236
Interests in Joint Ventures	17	29,254,916	26,435,434	29,254,916	26,435,434
<b>Total Non-Current Assets</b>		<b>721,911,088</b>	<b>720,787,422</b>	<b>722,552,173</b>	<b>721,282,382</b>
<b>TOTAL ASSETS</b>	19	<b>784,410,929</b>	<b>780,239,038</b>	<b>787,226,746</b>	<b>782,806,007</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and Other Payables	9	28,447,906	27,097,511	28,661,117	27,277,938
Borrowings	10	50,959	69,776	50,959	69,776
Provisions	11	5,377,341	5,266,462	6,032,256	5,863,080
<b>Total Current Liabilities</b>		<b>33,876,205</b>	<b>32,433,749</b>	<b>34,744,331</b>	<b>33,210,794</b>
<b>Non-Current Liabilities</b>					
Trade and Other Payables	9	11,900	11,900	11,900	11,900
Borrowings	10	36,707	88,055	36,707	88,055
Provisions	11	565,689	945,673	646,878	1,027,982
<b>Total Non-Current Liabilities</b>		<b>614,296</b>	<b>1,045,628</b>	<b>695,485</b>	<b>1,127,937</b>
<b>TOTAL LIABILITIES</b>		<b>34,490,501</b>	<b>33,479,376</b>	<b>35,439,816</b>	<b>34,338,731</b>
<b>Net Assets</b>		<b>749,920,428</b>	<b>746,759,661</b>	<b>751,786,930</b>	<b>748,467,275</b>
<b>EQUITY</b>					
Retained Surplus		214,763,647	209,453,810	215,708,296	210,084,859
Reserves - Cash/Investment Backed	12	40,934,158	39,117,120	41,856,012	40,193,685
Revaluation Surplus	13	494,222,623	498,188,731	494,222,623	498,188,731
<b>Total Equity</b>		<b>749,920,428</b>	<b>746,759,661</b>	<b>751,786,930</b>	<b>748,467,275</b>

## City of Bayswater

Statement of Changes in Equity  
for the year ended 30 June 2015

Council	Notes	Reserves			Total Equity
		Retained Surplus	Cash / Investment Backed	Revaluation Surplus	
Balance as at 1 July 2013		199,139,889	38,577,182	77,744,186	<b>315,461,257</b>
<b>Restated Balance</b>		<b>199,139,889</b>	<b>38,577,182</b>	<b>77,744,186</b>	<b>315,461,257</b>
Net Result		10,853,860	-	-	<b>10,853,860</b>
Total Asset Revaluation	13	-	-	420,444,545	<b>420,444,545</b>
Reserve Transfers	12	(539,938)	539,938	-	-
<b>Balance as at 30 June 2014</b>		<b>209,453,810</b>	<b>39,117,120</b>	<b>498,188,731</b>	<b>746,759,661</b>
Net Result		7,126,875	-	-	<b>7,126,875</b>
Total Asset Revaluation	13	-	-	(3,966,108)	<b>(3,966,108)</b>
Reserve Transfers	12	(1,817,038)	1,817,038	-	-
<b>Balance as at 30 June 2015</b>		<b>214,763,647</b>	<b>40,934,158</b>	<b>494,222,623</b>	<b>749,920,428</b>

Consolidated	Notes	Reserves			Total Equity
		Retained Surplus	Cash / Investment Backed	Asset Revaluation Reserve	
Balance as at 1 July 2013		199,931,083	39,595,809	77,744,186	<b>317,271,078</b>
<b>Restated Balance</b>		<b>199,931,083</b>	<b>39,595,809</b>	<b>77,744,186</b>	<b>317,271,078</b>
Net Result		10,751,652	-	-	<b>10,751,652</b>
Total Asset Revaluation	13	-	-	420,444,545	<b>420,444,545</b>
Reserve Transfers	12	(597,876)	597,876	-	-
<b>Balance as at 30 June 2014</b>		<b>210,084,859</b>	<b>40,193,685</b>	<b>498,188,731</b>	<b>748,467,275</b>
Net Result		7,285,763	-	-	<b>7,285,763</b>
Total Asset Revaluation	13	-	-	(3,966,108)	<b>(3,966,108)</b>
Reserve Transfers	12	(1,662,327)	1,662,327	-	-
<b>Balance as at 30 June 2015</b>		<b>215,708,296</b>	<b>41,856,012</b>	<b>494,222,623</b>	<b>751,786,930</b>



## City of Bayswater

## Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 Actual	Council 2015 Budget	2014 Actual	Consolidated 2015 Actual	2014 Actual
<b>Cash Flows from Operating Activities</b>						
<b>Receipts:</b>						
Rates		37,642,903	37,757,852	34,769,966	37,642,903	34,769,966
Operating Grants, Subsidies and Contributions		14,960,224	13,256,734	11,746,751	16,946,118	13,418,414
Fees and Charges		20,493,548	19,761,109	17,964,571	23,382,533	20,804,111
Interest Earnings		2,697,472	2,855,000	3,083,388	2,755,253	3,146,360
Goods and Services Tax		3,874,242	2,000,000	3,626,134	3,978,651	3,716,784
Other Revenue		1,580,959	411,254	978,786	1,580,959	978,786
		81,249,349	76,041,949	72,169,596	86,286,418	76,834,421
<b>Payments:</b>						
Employee Costs		(29,628,926)	(30,178,511)	(27,339,687)	(33,314,232)	(30,822,598)
Materials and Contracts		(28,247,068)	(30,340,583)	(26,402,746)	(29,119,563)	(27,226,210)
Utilities		(3,490,418)	(3,620,267)	(3,622,781)	(3,543,759)	(3,676,967)
Insurance		(795,308)	(912,221)	(885,497)	(829,846)	(918,313)
Interest		(7,282)	(10,870)	(11,849)	(7,282)	(11,849)
Goods and Services Tax		(3,964,902)	-	(3,539,914)	(3,964,902)	(3,630,564)
Other Expenditure		502,212	-	(2,334,736)	502,212	(2,350,611)
		(65,631,691)	(65,062,452)	(64,137,210)	(70,277,372)	(68,637,112)
<b>Net Cash provided (or used in) Operating Activities</b>	14(b)	<b>15,617,658</b>	<b>10,979,497</b>	<b>8,032,386</b>	<b>16,009,047</b>	<b>8,197,309</b>
<b>Cash Flows from Investing Activities</b>						
<b>Receipts:</b>						
Non-Operating Grants, Subsidies and Contributions	28	1,664,024	1,927,137	3,299,206	1,664,024	3,299,206
Proceeds from Sale of Assets	21	938,797	653,500	715,077	946,524	715,077
<b>Payments:</b>						
Payments for Purchase of Property, Plant & Equipment	20	(3,776,815)	(7,558,328)	(4,120,994)	(4,064,694)	(4,269,358)
Payments for Construction of Infrastructure	20	(10,463,990)	(12,658,066)	(6,845,803)	(10,463,990)	(6,845,803)
		(11,637,983)	(17,635,757)	(6,952,514)	(11,918,135)	(7,100,878)
<b>Net Cash provided (or used in) Investing Activities</b>		<b>(11,637,983)</b>	<b>(17,635,757)</b>	<b>(6,952,514)</b>	<b>(11,918,135)</b>	<b>(7,100,878)</b>
<b>Cash Flows from Financing Activities</b>						
<b>Receipts:</b>						
Proceeds from Self Supporting Loans	23(a)	70,166	70,165	86,248	70,166	86,248
<b>Payments:</b>						
Repayment of Debentures	23(a)	(70,166)	(70,165)	(66,172)	(70,166)	(66,172)
		-	-	20,076	-	20,076
<b>Net Cash provided (or used in) Investing Activities</b>		<b>-</b>	<b>-</b>	<b>20,076</b>	<b>-</b>	<b>20,076</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>3,979,675</b>	<b>(6,656,260)</b>	<b>1,099,949</b>	<b>4,090,911</b>	<b>1,116,507</b>
Cash & Cash Equivalents at the beginning of the year	3	53,402,380	53,232,343	52,302,431	55,411,235	54,294,729
<b>Cash &amp; Cash Equivalents - End of the Year</b>	14(a)	<b>57,382,055</b>	<b>46,576,083</b>	<b>53,402,380</b>	<b>59,502,146</b>	<b>55,411,236</b>

## City of Bayswater

Rate Setting Statement (by Program)  
for the year ended 30 June 2015

	Notes	2015 Actual	2015 Budget	2014 Actual
<b>Revenue</b>				
General Purpose Funding (Excl Rates)		5,399,429	5,533,960	4,502,292
Law, Order, Public Safety		354,633	300,080	329,946
Health		191,445	156,836	264,188
Education and Welfare		10,917,037	10,942,505	10,629,701
Housing		103,860	97,150	98,499
Community Amenities		12,135,639	11,037,731	10,256,833
Recreation and Culture		7,773,395	7,702,416	7,521,549
Transport		1,196,491	1,657,966	761,837
Economic Services		644,217	540,056	640,939
Other Property and Services		(39,061)	(30,460)	133,911
		<u>38,677,085</u>	<u>37,938,240</u>	<u>35,139,695</u>
<b>Expenses</b>				
Governance		(5,668,156)	(5,898,128)	(5,286,623)
General Purpose Funding		(703,580)	(618,062)	(790,454)
Law, Order, Public Safety		(2,240,286)	(2,307,593)	(2,505,584)
Health		(2,180,358)	(1,551,163)	(1,497,903)
Education and Welfare		(11,145,497)	(11,796,033)	(10,323,473)
Housing		(116,554)	(112,885)	(109,309)
Community Amenities		(11,526,746)	(12,037,705)	(10,982,266)
Recreation and Culture		(27,081,206)	(26,672,924)	(26,891,315)
Transport		(7,964,905)	(7,065,764)	(7,676,160)
Economic Services		(1,665,020)	(1,457,065)	(1,297,850)
Other Property and Services		(2,513,521)	(2,011,529)	(3,067,891)
		<u>(72,805,829)</u>	<u>(71,528,851)</u>	<u>(70,428,828)</u>
		<u>(34,128,744)</u>	<u>(33,590,611)</u>	<u>(35,289,133)</u>
<b>Net Result Excluding Rates</b>				
<b>Adjustment for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure &amp; Revenue</b>				
(Profit)/Loss on Asset Disposal	21	(16,695)	168,395	391,997
Movement in Non-Current Deferred Pensioner Rates		(15,446)	-	4,267
Movement in Non-Current Employee Benefit Provisions		748,987	(149,706)	424,941
Current Self Supporting Loan Debtors Adjustment		(70,015)	-	3,843
Depreciation & Amortisation on Assets	2(a)	10,143,709	7,971,000	8,970,403
Movement of Other Non-Current Debtors		(95,869)	-	-
Aged Persons Liability Adjustment		(7,344,425)	-	(1,106,167)
<b>Net Non-Cash Expenditure &amp; Revenue</b>		<u>3,350,245</u>	<u>7,989,689</u>	<u>8,689,284</u>
<b>Capital Expenditure</b>				
Purchase Land and Buildings	20	(1,410,183)	(3,853,011)	(1,838,336)
Purchase Plant and Equipment	20	(1,788,192)	(2,111,000)	(1,754,031)
Purchase Furniture and Equipment	20	(578,439)	(1,594,317)	(528,627)
Infrastructure Assets	20	(10,463,992)	(12,658,066)	(6,845,803)
Repayment of Debentures	23(a)	(70,166)	(70,165)	(66,172)
<b>Net Capital Expenditure</b>		<u>(14,310,971)</u>	<u>(20,286,559)</u>	<u>(11,032,969)</u>
<b>Capital Revenue</b>				
Proceeds from Disposal of Assets	21	938,797	653,500	715,077
Self-Supporting Loan Principal Income	23(a)	70,166	70,165	66,172
Grants & Contributions applied for Asset Development		1,664,024	-	3,299,206
<b>Net Capital Revenue</b>		<u>2,672,987</u>	<u>723,665</u>	<u>4,080,455</u>
<b>Transfers</b>				
Transfers to Reserves (Restricted Assets)	12	(5,882,829)	(2,545,228)	(3,086,611)
Transfers from Reserves (Restricted Assets)	12	4,065,791	4,546,864	2,546,673
<b>Net Transfers</b>		<u>(1,817,038)</u>	<u>2,001,636</u>	<u>(539,938)</u>
Surplus/(Deficit) July 1 B/Fwd	24(b)	10,362,362	9,070,292	9,673,178
Surplus/(Deficit) June 30 C/Fwd	24(b)	3,865,858	3,465,964	10,362,362
<b>Amount Raised from Rates</b>	24(a)	<u>(37,737,017)</u>	<u>(37,557,852)</u>	<u>(34,781,485)</u>

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

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## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Standards Board, *Local Government Act 1995* and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

##### Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

##### (b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 18 to this financial report.

##### Principles of Consolidation

All entities through which the Council controls resources to carry on its operation have been included in the financial statements. This encompasses:

###### Main Entity

The Council of the City of Bayswater

###### Consolidation

The Council of the City of Bayswater  
The City of Bayswater Child Care Association (Inc.)

##### (c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

##### (d) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand or that are readily convertible

to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

##### (e) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

##### (f) Inventories

###### (i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

###### (ii) Land Held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale. Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

##### (g) Fixed Assets

###### Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 1: Summary of Significant Accounting Policies

##### **Mandatory Requirement to Revalue Non-Current Assets**

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

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

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

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

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

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

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

##### **Land Under Control**

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

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

##### **Initial Recognition and Measurement between Mandatory Revaluation Dates**

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less

accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

##### **Land Under Roads**

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

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

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

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

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

##### **Fair Value of Assets and Liabilities**

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

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

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

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

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

##### **Fair Value Hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an



## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 1: Summary of Significant Accounting Policies

input that is significant to the measurement can be categorised into as follows:

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

##### Market approach

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

##### Income approach

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

##### Cost approach

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

##### Valuation techniques

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

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

##### (h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner

which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

##### Capitalisation Threshold:

Plant & Equipment	\$2,000
Computer Equipment	\$2,000
Furniture & Equipment	\$2,000
Building Improvements	\$2,000
Land & Buildings	No Limit

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Plant	5 to 15 years
Furniture & Equipment	4 to 10 years
Buildings	30 to 50 years
Computer Equipment	3 years
Work Equipment	5 to 15 years
Toys	3 years
Fleet Vehicles	3 years
Roads	50 years
Footpaths	
- Concrete	50 years
- Asphalt	25 years
Drains	100 years
Reserves	
- Passive Reserves	100 years
- Medians	50 years
- Civic Gardens	30 years
- Verges	30 years
- Active Reserves	20 years
Street Furniture	
- Crash Barriers	10 years
- Bus Shelters	20 years
- Seats	10 years
- Parking Signs	5 years
- Street Name Plates	10 years

The assets residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

##### (i) Financial Instruments

###### Initial Recognition and Measurement

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

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



## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 1: Summary of Significant Accounting Policies

##### Classification and Subsequent Measurement

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in a active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

##### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in a active market. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless

management intends to dispose of the investment within 12 months of the Statement of Financial Position date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

##### (v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

##### Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s). In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately.

Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point. In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

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

##### Derecognition

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

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

##### (j) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 1: Summary of Significant Accounting Policies

values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

##### (k) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

##### (l) Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

##### (m) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are tested annually for impairment. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments made. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

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

##### (n) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

##### (o) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid of the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

##### (p) Employee Benefits

###### Short-term employee benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

###### Other long-term employee benefits

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

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

##### (q) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of their employees. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 1: Summary of Significant Accounting Policies

##### (r) Borrowing Costs

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

##### (s) Investment in Associates

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

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

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

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

##### (t) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(s) for a description of the equity method of accounting.

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

##### (u) Rates, Grants, Donations and Other Contributions

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

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

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

##### (v) Current and Non-Current Classification

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

##### (w) Rounding Off Figures

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

##### (x) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year. When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

##### (y) Budget Comparative Figures

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

##### (z) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

##### (aa) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Property, Plant and Equipment - unless the assets are to be traded in after 30 June and

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 1: Summary of Significant Accounting Policies

the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of Council that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income.

#### (ab) Intangible Assets

Council has not classified any assets as Intangible.

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

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

#### Council has not adopted any of these standards early.

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new suite of consolidation standards resulted in some material changes to Council's accounting policies. These standards comprised AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 127 (revised 2011) Separate Financial Statements and AASB 128 (revised 2011) Investments in Associates and Joint Ventures. The impact of these standards is summarised below:

AASB 11 Joint Arrangements replaced AASB 131 Interests in Joint Ventures for the 2014-15 financial year. AASB 11 specifies how a joint arrangement, where two or more parties have control, should be accounted for. Under AASB 11 joint arrangements are classified as either joint operations or joint ventures and this, in turn, determines the accounting treatment. This classification is based on the rights and obligations of the parties and, when relevant, other facts and circumstances. Previously, AASB 131 classified joint arrangements based primarily on legal form. Under that standard there were three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets.

AASB 12 is a new disclosure standard applicable to interests in subsidiaries, joint ventures, associates and unconsolidated structured entities. In general applying this standard has resulted in greater disclosure (refer Note 17).

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, AASB 9 Financial Instruments is the only new accounting standard with a future application date that is expected to have a material impact on council's financial statements.

AASB 9, which replaces AASB 139 Financial Instruments: Recognition and Measurement, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

Due to its recent release, Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 Revenue from Contracts with Customers will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2017 and will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

From 1 July 2016 AASB 124 Related Party Disclosures will apply to Council. This means that council will disclose more information about related parties and transactions with those related parties. Council is currently preparing for this change by identifying related parties. Related parties will include the Mayor, councillors and some council staff. In addition the close family members of those people and any organisations that they control or are associated with will be classified as related parties.

The amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

#### Not applicable to Local Government per se;

There are no other standards that are "not yet effective" and expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

#### (ad) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.



## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 2. Operating Revenues and Expenses

	Notes	2015 Actual	Council 2015 Budget	2014 Actual	Consolidated 2015 Actual	2014 Actual
<b>(a) Net Result</b>						
The Result includes:						
<b>(i) Charging as an Expense:</b>						
<b>Significant Expense</b>						
The significant expense relates to the reduction in the fair value of the Council's Parks & Gardens Infrastructure through profit and loss.						
		964,905	-	-	964,905	-
<b>Auditors Remuneration</b>						
- Audit		35,141	35,500	17,756	35,141	29,656
- Other Services		1,100	-	1,100	1,100	1,100
<b>Bad &amp; Doubtful Debts</b>						
Rates	25(b)	4,662	-	3,844	4,662	3,844
General Debtors	25(b)	7,799	-	38,004	7,799	38,004
<b>Depreciation &amp; Amortisation</b>						
<i>Property, Plant &amp; Equipment</i>						
	7(b)					
- Buildings		3,659,432	2,546,000	2,889,588	3,676,047	2,899,415
- Furniture & Equipment		293,053	400,000	249,525	376,722	334,785
- Fleet		445,485	250,000	285,304	468,903	312,318
- Computer Equipment		254,321	150,000	173,627	268,826	192,052
- Plant		293,503	465,000	285,678	293,503	285,678
<i>Infrastructure</i>						
	8(b)					
- Roads		2,875,580	2,320,000	2,763,730	2,875,580	2,763,730
- Drainage		315,445	295,000	308,881	315,445	308,881
- Footpaths		496,980	445,000	474,720	496,980	474,720
- Parks & Gardens		1,110,680	1,098,700	1,151,570	1,110,680	1,151,570
- Other Infrastructure		399,230	1,300	387,780	399,230	387,780
		<b>10,143,709</b>	<b>7,971,000</b>	<b>8,970,403</b>	<b>10,281,916</b>	<b>9,110,929</b>
<b>Interest Expenses (Finance Costs)</b>						
Debentures	23(a)	6,515	10,870	11,158	6,515	11,158
		<b>6,515</b>	<b>10,870</b>	<b>11,158</b>	<b>6,515</b>	<b>11,158</b>
<b>(ii) Crediting as Revenue:</b>						
<b>Significant Revenue (Through Profit &amp; Loss)</b>						
Changes in Non-Current Assets Revaluation		(3,966,108)	-	420,444,545	(3,966,108)	420,444,545
Initial Recognition WALGA - Unit Housing Trust	17	178,885	-	-	178,885	-
Increase in Equity Joint Venture	17	2,640,597	-	8,062,301	2,640,597	8,062,301
		<b>(1,146,626)</b>	<b>-</b>	<b>428,506,846</b>	<b>(1,146,626)</b>	<b>428,506,846</b>
<b>Interest Earnings</b>						
Investments - Reserve Funds		1,293,983	1,340,000	1,332,496	1,349,400	1,370,428
Investments - Other Funds		1,009,227	1,147,400	1,390,579	1,011,591	1,415,620
Other Interest Revenue	26	394,263	338,000	360,315	394,263	360,315
		<b>2,697,472</b>	<b>2,825,400</b>	<b>3,083,390</b>	<b>2,755,253</b>	<b>3,146,363</b>

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 2. Operating Revenues and Expenses (continued)

##### (b). Statement of Objectives, Reporting Programs and Nature or Type

City of Bayswater is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

##### **REPORTING PROGRAM DESCRIPTIONS**

Council operations that are disclosed encompass the following service orientated activities/programs:

##### **GOVERNANCE**

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

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

##### **GENERAL PURPOSE FUNDING**

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants, and interest revenue.

##### **LAW, ORDER, PUBLIC SAFETY**

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

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

##### **HEALTH**

Objective: To provide services to achieve community and environmental health

Activities: Maternal and infant health facilities, immunisation, meat inspection services, inspection of food outlets, noise control and pest control services.

##### **EDUCATION AND WELFARE**

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

Activities: Pre-school and other education services, child minding facilities, playgroups, senior citizens' centres, meals on wheels and home care services. Aged Care facilities.

##### **HOUSING**

Objective: To provide and maintain housing .

Activities: Provision and maintenance of housing.

##### **COMMUNITY AMENITIES**

Objective: To provide services required by the community.

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

##### **RECREATION AND CULTURE**

Objective: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

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

##### **TRANSPORT**

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

Activities: Construction (if not capitalised) and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.



## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 2. Operating Revenues and Expenses (continued)

##### (b). Statement of Objectives, Reporting Programs and Nature or Type (continued)

###### **ECONOMIC SERVICES**

Objective: To help promote the shire and its economic wellbeing.

Activities: Tourism and area promotion. Provision of services including weed control, vermin control and standpipes. Building control.

###### **OTHER PROPERTY & SERVICES**

Objective: To monitor and control council's overheads operating accounts.

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

##### (c) Nature or Type Classifications

City of Bayswater is required by the Australian Accounting Standards to disclose revenue and expenditure according to its nature or type classification. The following nature or function descriptions are also required by State Government regulations.

###### **REVENUE**

###### **Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and waste and sewerage rates.

###### **Operating Grants, Subsidies and Contributions**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

###### **Non-Operating Grants, Subsidies and Contributions**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

###### **Profit on Asset Disposal**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

###### **Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

###### **Interest Earnings**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

###### **Other Revenue**

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates, etc.

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 2. Operating Revenues and Expenses (continued)

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##### (c) Nature or Type Classifications (continued)

##### **EXPENDITURE**

##### **Employee Costs**

All costs associated with the employment of persons such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefits tax etc.

##### **Material and Contracts**

All expenditure on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

##### **Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to respective agencies for the provision of power, gas or water. Excludes expenditure incurred for the re-instatement of road works on behalf of these agencies.

##### **Depreciation & Amortisation on Non-Current Assets**

Depreciation and amortisation expense raised on all classes of assets.

##### **Loss on Asset Disposal**

Loss on the disposal of fixed assets.

##### **Interest Expenses**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and re-financing expenses.

##### **Insurance**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

##### **Other Expenditure**

Statutory fees, taxes, provision of bad debts. Donations and subsidies made to community groups.

Notes to the Financial Statements  
for the year ended 30 June 2015

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-13	Received <sup>2</sup> 2014	Expended <sup>3</sup> 2014	Closing Balance <sup>1</sup> 30-Jun-14	Received <sup>2</sup> 2015	Expended <sup>3</sup> 2015	Closing Balance 30-Jun-15
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions</b>							
<b>Grant/Subsidy/Contribution</b>							
Road Grants	27,497	-	(27,497)	-	-	-	-
Swan River Trust - Eric Singleton Bird Sanctuary	11,110	-	(11,110)	-	-	-	-
Crossover Contributions	200,120	80,378	-	<b>280,498</b>	107,758	-	<b>388,256</b>
Eric Strauss Centre	222,110	-	-	<b>222,110</b>	-	-	<b>222,110</b>
Swan River Trust - Water Quality Monitoring	1,228	-	-	<b>1,228</b>	-	(1,228)	-
Swan River Trust - Water Quality Officer	21,273	-	(21,273)	-	-	-	-
Recreational Grants - Jetties	255,081	-	(255,081)	-	-	-	-
Recreational Grants - Sports for All	56,801	54,170	(83,886)	<b>27,085</b>	60,000	(57,855)	<b>29,230</b>
Emergency Services - Bayswater SES	41,632	(41,632)	-	-	-	-	-
Swan River Trust - Eric Singleton Bird Sanctuary	177,918	750,000	-	<b>927,918</b>	175,000	(1,102,918)	-
Swan River Trust - Weld Square Living Stream	50,000	75,000	(96,557)	<b>28,443</b>	25,000	(53,443)	-
Swan River Trust - Foreshore Stabilisation	-	-	-	-	78,963	-	<b>78,963</b>
Grant/Contribution/Subsidy - Various	187,094	-	(2,746)	<b>184,348</b>	5,507	(34,930)	<b>154,925</b>
Dept of Sport & Recreation - Morley Noranda Recreation Club	-	200,000	-	<b>200,000</b>	400,000	(64,697)	<b>535,303</b>
Department of Sport & Recreation - Lightning Park	-	200,000	(23,647)	<b>176,353</b>	200,000	(359,582)	<b>16,771</b>
Safer Streets Programme - CCTV	-	-	-	-	270,000	-	<b>270,000</b>
Main Roads - Broun Avenue	-	127,381	(105,296)	<b>22,085</b>	-	(22,085)	-
Bassendean Water Quality Monitoring	-	-	-	-	5,910	-	<b>5,910</b>
<b>Total Unspent Grants, Subsidies &amp; Contributions</b>	<b>1,251,864</b>	<b>1,445,297</b>	<b>(627,093)</b>	<b>2,070,068</b>	<b>1,328,138</b>	<b>(1,696,738)</b>	<b>1,701,468</b>

Notes:

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

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 3. Cash and Cash Equivalents

	Notes	Council		Consolidated	
		2015 Actual	2014 Actual	2015 Actual	2014 Actual
Cash - Unrestricted		14,746,428	12,215,192	15,309,140	12,579,697
Cash - Restricted		42,635,626	41,187,188	44,193,006	42,831,538
<b>Total Cash and Cash Equivalents</b>	14(a)	<b>57,382,055</b>	<b>53,402,380</b>	<b>59,502,147</b>	<b>55,411,235</b>
<b>The following restrictions have been imposed by regulations or other externally imposed requirements:</b>					
City Buildings & Amenities	12	1,956,305	1,555,109	1,956,305	1,555,109
Bore & Reticulation	12	784,897	1,091,141	784,897	1,091,141
Building Furniture & Equipment	12	602,483	582,863	602,483	582,863
Major Capital Works	12	5,236,357	5,727,595	5,236,357	5,727,595
Plant & Works Equipment	12	181,584	466,532	181,584	466,532
Workers Compensation	12	463,903	432,284	463,903	432,284
Long Service Leave & Entitlements	12	1,128,971	1,115,144	1,128,971	1,115,144
Bayswater Waves Aquatic Centre	12	534,732	518,370	534,732	518,370
The RISE	12	535,819	518,370	535,819	518,370
Maylands Waterland	12	53,582	51,837	53,582	51,837
Aged Persons Homes - General Reserves	12	14,834,551	13,307,735	14,834,551	13,307,735
Aged Persons Homes - Prudential Requirements	12	2,349,800	2,392,299	2,349,800	2,392,299
Aged Persons Homes - Employee Entitlements	12	-	144,396	-	144,396
Civic Centre	12	535,819	518,370	535,819	518,370
Roads & Drainage	12	534,564	518,370	534,564	518,370
Footpath/Cycleway	12	535,819	518,370	535,819	518,370
Playground & Parks	12	1,187,235	518,370	1,187,235	518,370
Golf Courses	12	1,068,139	1,036,740	1,068,139	1,036,740
Street Scapes	12	528,752	518,370	528,752	518,370
Information Technology	12	-	518,370	-	518,370
Eric Singleton Bird Sanctuary	12	1,071,639	1,036,740	1,071,639	1,036,740
Les Hansman Centre Development	12	4,288,911	3,628,588	4,288,911	3,628,588
Senior Citizens Building	12	321,492	311,022	321,492	311,022
Morley City Centre	12	535,819	518,370	535,819	518,370
Landfill Restoration	12	535,819	518,370	535,819	518,370
Sustainable Environment	12	535,819	518,370	535,819	518,370
Morley Sport & Recreation Centre	12	535,819	518,370	535,819	518,370
Community Housing	12	30,654	16,655	30,654	16,655
General Waste Management	12	24,874	-	24,874	-
Child Care Association - Building Reserve	12	-	-	136,848	151,230
Child Care Association - Equipment Reserve	12	-	-	417,959	431,855
Child Care Association - Capital Works Reserve	12	-	-	195,888	324,553
Child Care Association - Motor Vehicle reserve	12	-	-	171,159	168,927
<b>Total Reserves</b>		<b>40,934,158</b>	<b>39,117,120</b>	<b>41,856,012</b>	<b>40,193,685</b>
Unspent Grants/Contributions	2(d)	1,701,468	2,070,068	1,701,468	2,070,068
<b>Total Unspent Grants/Contributions</b>		<b>1,701,468</b>	<b>2,070,068</b>	<b>1,701,468</b>	<b>2,070,068</b>
City of Bayswater Child Care Association - Long Service Leave		-	-	635,526	567,785
<b>Other Restrictions</b>		-	-	635,526	567,785
<b>Total Restricted Cash</b>		<b>42,635,626</b>	<b>41,187,188</b>	<b>44,193,006</b>	<b>42,831,538</b>

## Note 4. Other Current Assets

Prepayments		193,852	116,967	193,852	116,967
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## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 5. Trade &amp; Other Receivables

	Council		Consolidated	
	2015 Actual	2014 Actual	2015 Actual	2014 Actual
<b>Current</b>				
Rates	664,481	585,813	664,481	585,813
GST Net Position	291,866	201,206	291,866	201,206
Self Supporting Loan Debtors	50,959	70,015	50,959	70,015
Private Works	7,949	90,421	7,949	90,421
Recreation	54,534	69,372	54,534	69,372
Rentals/Leases	38,866	1,441	38,866	1,441
Government Grants	1,301,912	2,531,055	1,301,912	2,534,557
Reimbursements/Contributions	2,006,742	1,828,134	2,061,383	1,887,784
Home Care	18,891	23,576	18,891	23,576
Infringements	222,567	-	222,567	-
Other	163,543	438,683	163,543	438,683
<b>Total Current Trade &amp; Other Receivables</b>	<b>4,822,310</b>	<b>5,839,716</b>	<b>4,876,951</b>	<b>5,902,868</b>
<b>Non-Current</b>				
Rates Outstanding - Pensioners	597,071	581,625	597,071	581,625
Self Supporting Loan Debtors	36,707	87,817	36,707	87,817
Other	122,820	26,952	122,820	26,952
<b>Total Non-Current Trade &amp; Other Receivables</b>	<b>756,598</b>	<b>696,395</b>	<b>756,598</b>	<b>696,395</b>

## Note 6. Inventories

<b>Current</b>				
Fuel and Materials	101,625	92,554	101,625	92,554
<b>Total Current Inventories</b>	<b>101,625</b>	<b>92,554</b>	<b>101,625</b>	<b>92,554</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 7a. Property, Plant and Equipment

	Notes	Council		Consolidated	
		2015 Actual	2014 Actual	2015 Actual	2014 Actual
Land - Independent Valuation 2014		303,246,397	303,492,000	303,246,397	303,492,000
		303,246,397	303,492,000	303,246,397	303,492,000
Land Under Control - Independent Valuation 2013		15,860,000	15,860,000	15,860,000	15,860,000
		15,860,000	15,860,000	15,860,000	15,860,000
Buildings - Independent Valuation 2014		207,289,916	207,289,916	207,898,929	207,696,452
Additions after Valuation		1,410,183	-	1,410,183	-
Less Accumulated Depreciation		(36,790,970)	(33,131,538)	(36,922,163)	(33,246,116)
		171,909,129	174,158,378	172,386,949	174,450,336
Furniture & Equipment - Management Valuation 2013		1,699,184	1,699,184	2,140,045	2,091,505
Additions after Valuation		484,115	321,629	484,115	321,629
Less Accumulated Depreciation		(586,666)	(293,613)	(907,971)	(536,698)
		1,596,633	1,727,200	1,716,189	1,876,436
Fleet - Independent Valuation 2013		3,146,319	3,146,319	3,228,504	3,228,181
Additions after Valuation		1,984,374	1,261,322	1,984,374	1,261,322
Disposals		(1,182,487)	(739,892)	(1,182,487)	(739,892)
Less Accumulated Depreciation		(815,804)	(370,319)	(869,298)	(418,270)
		3,132,402	3,297,430	3,161,093	3,331,341
Computer Equipment - Management Valuation 2013		597,854	597,854	669,543	659,875
Additions after Valuation		622,951	206,998	622,951	206,998
Less Accumulated Amortisation		(427,948)	(173,627)	(484,619)	(215,793)
		792,857	631,225	807,875	651,080
Plant - Independent Valuation 2013		3,322,407	3,322,407	3,322,407	3,322,407
Additions after Valuation		1,557,848	492,709	1,557,848	492,709
Disposals		(549,295)	(315,391)	(549,295)	(315,391)
Less Accumulated Amortisation		(966,104)	(672,601)	(966,104)	(672,601)
		3,364,856	2,827,124	3,364,856	2,827,124
<b>Total Property, Plant &amp; Equipment</b>	7(b)	<u>499,902,275</u>	<u>501,993,357</u>	<u>500,543,360</u>	<u>502,488,317</u>



Notes to the Financial Statements  
for the year ended 30 June 2015

Note 7b. Property, Plant and Equipment (continued)

Movements in Carrying Amounts

Council		Land Under Control	Land Under Control	Buildings	Furniture & Equipment	Fleet	Computer Equipment	Plant	Total
	Notes								
Balance as at 1 July 2014		303,492,000	15,860,000	174,158,378	1,727,200	3,297,430	631,225	2,827,124	501,993,357
Additions - Renewal	20	-	-	1,410,183	162,486	723,052	415,953	1,065,140	3,776,814
Disposals	21	(245,603)	-	-	-	(442,595)	-	(233,904)	(922,102)
Depreciation	2(a)	-	-	(3,659,432)	(293,053)	(445,485)	(254,321)	(293,503)	(4,945,794)
<b>Property, Plant &amp; Equipment at 30 June 2015</b>		<b>303,246,397</b>	<b>15,860,000</b>	<b>171,909,129</b>	<b>1,596,633</b>	<b>3,132,402</b>	<b>792,857</b>	<b>3,364,857</b>	<b>499,902,275</b>

Consolidated		Land Under Control	Land Under Control	Buildings	Furniture & Equipment	Fleet	Computer Equipment	Plant	Total
	Notes								
Balance as at 1 July 2014		303,492,000	15,860,000	174,450,335	1,876,436	3,331,340	651,080	2,827,125	502,488,316
Additions - Renewal		-	-	1,612,661	216,472	744,799	425,621	1,065,142	4,064,695
Disposals		(245,603)	-	-	-	(446,144)	-	(233,904)	(925,651)
Depreciation	2(a)	-	-	(3,676,047)	(376,722)	(468,903)	(268,826)	(293,503)	(5,084,001)
<b>Property, Plant &amp; Equipment at 30 June 2015</b>		<b>303,246,397</b>	<b>15,860,000</b>	<b>172,386,949</b>	<b>1,716,186</b>	<b>3,161,092</b>	<b>807,875</b>	<b>3,364,860</b>	<b>500,543,360</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 8a. Infrastructure

	Notes	Council		Consolidated	
		2015 Actual	2014 Actual	2015 Actual	2014 Actual
Roads - Management Valuation 2015		100,654,170	103,260,020	100,654,170	103,260,020
Drainage - Management Valuation 2015		39,225,337	39,823,683	39,225,337	39,823,683
Footpaths - Management Valuation 2015		26,798,130	25,989,750	26,798,130	25,989,750
Parks & Gardens - Management Valuation 2015		18,505,813	18,425,213	18,505,813	18,425,213
Other Infrastructure - Management Valuation 2015		3,889,300	4,163,570	3,889,300	4,163,570
Works in Progress - Management Valuation		2,924,550	-	2,924,550	-
<b>Total Infrastructure</b>	8(b)	<u>191,997,300</u>	<u>191,662,236</u>	<u>191,997,300</u>	<u>191,662,236</u>

Notes to the Financial Statements  
for the year ended 30 June 2015

Note 8b. Infrastructure (continued)

Movements in Carrying Amounts

Council		Roads	Drainage	Footpaths	Parks & Gardens	Other Infrastructure	Works in Progress	Total
	Notes							
Balance as at 1 July 2014		103,260,020	39,823,683	25,989,750	18,425,213	4,163,570	-	191,662,236
Additions								
- Renewal	20	3,417,250	259,167	559,247	3,260,503	43,275	2,924,550	10,463,992
Revaluation - Increments	13	-	-	746,113	-	81,685	-	827,798
Revaluation - (Decrements)	13	(3,147,520)	(542,068)	-	(2,069,224)	-	-	(5,758,811)
Depreciation (Expense)	2(a)	(2,875,580)	(315,445)	(496,980)	(1,110,680)	(399,230)	-	(5,197,915)
<b>Infrastructure at 30 June 2015</b>		<b>100,654,170</b>	<b>39,225,337</b>	<b>26,798,130</b>	<b>18,505,813</b>	<b>3,889,300</b>	<b>2,924,550</b>	<b>191,997,300</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 9. Trade and Other Payables

	Council		Consolidated	
	2015 Actual	2014 Actual	2015 Actual	2014 Actual
<b>Current</b>				
Sundry Creditors	4,855,811	4,347,288	4,995,738	4,527,715
Accrued Interest on Debentures	1,019	1,785	1,019	1,785
Accrued Salaries and Wages	620,143	356,601	693,427	356,601
Refundable Contributions <sup>1</sup>	22,965,491	22,391,836	22,965,491	22,391,836
Other	5,443	-	5,443	-
<b>Total Current Trade and Other Payables</b>	<b>28,447,906</b>	<b>27,097,511</b>	<b>28,661,117</b>	<b>27,277,938</b>
<b>Non-Current</b>				
Creditors and Accruals	11,900	11,900	11,900	11,900
<b>Total Non-Current Trade and Other Payables</b>	<b>11,900</b>	<b>11,900</b>	<b>11,900</b>	<b>11,900</b>

<sup>1</sup> The City of Bayswater Aged Persons Homes holds \$22,965,491 in refundable contributions (Accommodation Bonds). These contributions have been classified as current liabilities as the provider does not have the right to defer settlement. However the expected settlement of the liability is expected to be greater than twelve months.

Accommodation bonds are charged for admittance in accordance with current State and Federal Government regulations. These fees can vary according to each individuals financial status and, in accordance with current policy embodying the relevant regulations, varying amounts are deducted for "Retention" over a period of 5 years.

## Note 10. Borrowings

	Notes	Council		Consolidated	
		2015 Actual	2014 Actual	2015 Actual	2014 Actual
<b>Current</b>					
Secured by Floating Charge - Debentures	23(a)	50,959	69,776	50,959	69,776
<b>Total Current Borrowings</b>		<b>50,959</b>	<b>69,776</b>	<b>50,959</b>	<b>69,776</b>
<b>Non-Current</b>					
Secured by Floating Charge - Debentures	23(a)	36,707	88,055	36,707	88,055
<b>Total Non-Current Borrowings</b>		<b>36,707</b>	<b>88,055</b>	<b>36,707</b>	<b>88,055</b>

Additional detail on borrowings is provided in Note 23.

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 11. Provisions

	Council		Consolidated	
	2015 Actual	2014 Actual	2015 Actual	2014 Actual
<b>Current</b>				
Annual Leave	2,772,350	2,633,917	3,073,420	2,955,845
Long Service Leave	2,604,991	2,632,545	2,958,836	2,907,235
<b>Total Current Provisions</b>	<b>5,377,341</b>	<b>5,266,462</b>	<b>6,032,256</b>	<b>5,863,080</b>
<b>Non-Current</b>				
Annual Leave	-	344,357	-	344,357
Long Service Leave	565,689	601,316	646,878	683,624
<b>Total Non-Current Provisions</b>	<b>565,689</b>	<b>945,673</b>	<b>646,878</b>	<b>1,027,982</b>

## Movements in Provisions (Council)

Class of Provision	2014	2015				Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	2,978,274	2,185,725	(2,395,384)	3,735	-	2,772,350
Long Service Leave	3,233,861	429,860	(604,781)	111,741	-	3,170,680
<b>TOTAL</b>	<b>6,212,135</b>	<b>2,615,585</b>	<b>(3,000,165)</b>	<b>115,476</b>	<b>-</b>	<b>5,943,030</b>

Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 12. Reserves - Cash/Investment Backed

	2015 Actual	2015 Budget	2014 Actual
<b>(a). City Buildings &amp; Amenities</b>			
Opening Balance	1,555,109	1,556,000	1,500,000
Amount Set Aside / Transfer to Reserve / Interest	444,379	54,460	55,109
Amount Used / Transfer from Reserve	(43,183)	(110,000)	-
	<u>1,956,305</u>	<u>1,500,460</u>	<u>1,555,109</u>
<b>(b). Bore &amp; Reticulation</b>			
Opening Balance	1,091,141	1,091,584	1,055,584
Amount Set Aside / Transfer to Reserve / Interest	277,572	38,210	35,557
Amount Used / Transfer from Reserve	(583,816)	(583,816)	-
	<u>784,897</u>	<u>545,978</u>	<u>1,091,141</u>
<b>(c). Building Furniture &amp; Equipment</b>			
Opening Balance	582,863	583,208	562,208
Amount Set Aside / Transfer to Reserve / Interest	19,620	20,410	20,655
	<u>602,483</u>	<u>603,618</u>	<u>582,863</u>
<b>(d). Major Capital Works</b>			
Opening Balance	5,727,595	5,156,436	7,810,822
Amount Set Aside / Transfer to Reserve / Interest	1,464,872	130,000	249,969
Amount Used / Transfer from Reserve	(1,956,110)	(1,721,902)	(2,333,196)
	<u>5,236,357</u>	<u>3,564,534</u>	<u>5,727,595</u>
<b>(e). Plant &amp; Works Equipment</b>			
Opening Balance	466,532	466,500	450,000
Amount Set Aside / Transfer to Reserve / Interest	15,052	16,325	16,532
Amount Used / Transfer from Reserve	(300,000)	(300,000)	-
	<u>181,584</u>	<u>182,825</u>	<u>466,532</u>
<b>(f). Workers Compensation</b>			
Opening Balance	432,284	432,465	416,965
Amount Set Aside / Transfer to Reserve / Interest	263,766	15,135	15,319
Amount Used / Transfer from Reserve	(232,147)	-	-
	<u>463,903</u>	<u>447,600</u>	<u>432,284</u>
<b>(g). Long Service Leave &amp; Entitlements</b>			
Opening Balance	1,115,144	1,115,126	1,075,626
Amount Set Aside / Transfer to Reserve / Interest	233,827	39,000	39,518
Amount Used / Transfer from Reserve	(220,000)	(220,000)	-
	<u>1,128,971</u>	<u>934,126</u>	<u>1,115,144</u>
<b>(h). Bayswater Waves Aquatic Centre</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,447	18,150	18,370
Amount Used / Transfer from Reserve	(1,085)	(80,000)	-
	<u>534,732</u>	<u>456,150</u>	<u>518,370</u>



## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 12. Reserves - Cash/Investment Backed (continued)

	2015 Actual	2015 Budget	2014 Actual
<b>(i). The RISE</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,449	18,150	18,370
	<u>535,819</u>	<u>536,150</u>	<u>518,370</u>
<b>(j). Maylands Waterland</b>			
Opening Balance	51,837	51,850	50,000
Amount Set Aside / Transfer to Reserve / Interest	1,745	1,820	1,837
	<u>53,582</u>	<u>53,670</u>	<u>51,837</u>
<b>(k). Aged Persons Homes - General Reserves</b>			
Opening Balance	13,307,735	14,004,186	11,105,805
Amount Set Aside / Transfer to Reserve / Interest	1,526,816	1,719,720	2,201,930
Amount Used / Transfer from Reserve	-	(560,000)	-
	<u>14,834,551</u>	<u>15,163,906</u>	<u>13,307,735</u>
<b>(l). Aged Persons Homes - Prudential Requirements</b>			
Opening Balance	2,392,299	2,349,801	2,392,299
Amount Set Aside / Transfer to Reserve / Interest	-	77,543	-
Amount Used / Transfer from Reserve	(42,499)	(206,750)	-
	<u>2,349,800</u>	<u>2,220,594</u>	<u>2,392,299</u>
<b>(m) Aged Persons Homes - Employee Entitlements</b>			
Opening Balance	144,396	144,396	357,873
Amount Used / Transfer from Reserve	(144,396)	(144,396)	(213,477)
	<u>-</u>	<u>-</u>	<u>144,396</u>
<b>(n). Civic Centre</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,449	18,150	18,370
	<u>535,819</u>	<u>536,150</u>	<u>518,370</u>
<b>(o). Roads &amp; Drainage</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,444	18,150	18,370
Amount Used / Transfer from Reserve	(1,250)	(200,000)	-
	<u>534,564</u>	<u>336,150</u>	<u>518,370</u>
<b>(p). Footpath/Cycleway</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,449	18,150	18,370
	<u>535,819</u>	<u>536,150</u>	<u>518,370</u>
<b>(q). Playground &amp; Parks</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	668,865	18,150	18,370
	<u>1,187,235</u>	<u>536,150</u>	<u>518,370</u>

## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 12. Reserves - Cash/Investment Backed (continued)

	2015 Actual	2015 Budget	2014 Actual
<b>(r). Golf Courses</b>			
Opening Balance	1,036,740	1,037,000	1,000,000
Amount Set Aside / Transfer to Reserve / Interest	34,848	36,300	36,740
Amount Used / Transfer from Reserve	(3,449)	(100,000)	-
	<u>1,068,139</u>	<u>973,300</u>	<u>1,036,740</u>
<b>(s). Street Scapes</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,428	18,150	18,370
Amount Used / Transfer from Reserve	(7,046)	(200,000)	-
	<u>528,752</u>	<u>336,150</u>	<u>518,370</u>
<b>(t). Information Technology</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	12,440	18,150	18,370
Amount Used / Transfer from Reserve	(530,810)	(120,000)	-
	<u>-</u>	<u>416,150</u>	<u>518,370</u>
<b>(u). Eric Singleton Bird Sanctuary</b>			
Opening Balance	1,036,740	1,037,000	1,000,000
Amount Set Aside / Transfer to Reserve / Interest	34,899	36,300	36,740
	<u>1,071,639</u>	<u>1,073,300</u>	<u>1,036,740</u>
<b>(v). Les Hansman Centre Development</b>			
Opening Balance	3,628,588	3,610,000	3,500,000
Amount Set Aside / Transfer to Reserve / Interest	660,323	126,350	128,588
	<u>4,288,911</u>	<u>3,736,350</u>	<u>3,628,588</u>
<b>(w). Senior Citizens Building</b>			
Opening Balance	311,022	311,000	300,000
Amount Set Aside / Transfer to Reserve / Interest	10,470	10,900	11,022
	<u>321,492</u>	<u>321,900</u>	<u>311,022</u>
<b>(x). Morley City Centre</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,449	18,150	18,370
	<u>535,819</u>	<u>536,150</u>	<u>518,370</u>
<b>(y). Landfill Restoration</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,449	18,150	18,370
	<u>535,819</u>	<u>536,150</u>	<u>518,370</u>
<b>(z). Sustainable Environment</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,449	18,150	18,370
	<u>535,819</u>	<u>536,150</u>	<u>518,370</u>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 12. Reserves - Cash/Investment Backed (continued)

	2015 Actual	2015 Budget	2014 Actual
<b>(aa). Morley Sport &amp; Recreation Centre</b>			
Opening Balance	518,370	518,000	500,000
Amount Set Aside / Transfer to Reserve / Interest	17,449	18,150	18,370
	<u>535,819</u>	<u>536,150</u>	<u>518,370</u>
<b>(ab). Community Housing</b>			
Opening Balance	16,655	11,300	-
Amount Set Aside / Transfer to Reserve / Interest	13,999	4,955	16,655
	<u>30,654</u>	<u>16,255</u>	<u>16,655</u>
<b>(ac). General Waste Management</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve / Interest	24,874	-	-
	<u>24,874</u>	<u>-</u>	<u>-</u>
<b>Total Reserves - Council</b>	<u><u>40,934,158</u></u>	<u><u>37,172,216</u></u>	<u><u>39,117,120</u></u>
<b>Reserves - Other</b>			
<b>(a). Child Care Association - Building Reserve</b>			
Opening Balance	151,230	-	163,946
Amount Set Aside / Transfer to Reserve / Interest	24,778	-	42,947
Amount Used / Transfer from Reserve	(39,160)	-	(55,663)
	<u>136,848</u>	<u>-</u>	<u>151,230</u>
<b>(b). Child Care Association - Equipment Reserve</b>			
Opening Balance	431,855	-	412,839
Amount Set Aside / Transfer to Reserve / Interest	41,056	-	43,639
Amount Used / Transfer from Reserve	(54,952)	-	(24,623)
	<u>417,959</u>	<u>-</u>	<u>431,855</u>
<b>(c). Child Care Association - Capital Works Reserve</b>			
Opening Balance	324,553	-	287,025
Amount Set Aside / Transfer to Reserve / Interest	33,507	-	48,988
Amount Used / Transfer from Reserve	(162,172)	-	(11,460)
	<u>195,888</u>	<u>-</u>	<u>324,553</u>
<b>(d). Child Care Association - Motor Vehicle reserve</b>			
Opening Balance	168,927	-	154,817
Amount Set Aside / Transfer to Reserve / Interest	2,232	-	14,110
	<u>171,159</u>	<u>-</u>	<u>168,927</u>
<b>Total Reserves - Consolidated</b>	<u><u>41,856,012</u></u>	<u><u>37,172,216</u></u>	<u><u>40,193,685</u></u>

## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 12. Reserves - Cash/Investment Backed (continued)

	2015 Actual	2015 Budget	2014 Actual
<b>Summary of Reserve Transfers</b>			
<b>Transfers to Reserves</b>			
City Buildings & Amenities	444,379	54,460	55,109
Bore & Reticulation	277,572	38,210	35,557
Building Furniture & Equipment	19,620	20,410	20,655
Major Capital Works	1,464,872	130,000	249,969
Plant & Works Equipment	15,052	16,325	16,532
Workers Compensation	263,766	15,135	15,319
Long Service Leave & Entitlements	233,827	39,000	39,518
Bayswater Waves Aquatic Centre	17,447	18,150	18,370
The RISE	17,449	18,150	18,370
Maylands Waterland	1,745	1,820	1,837
Aged Persons Homes - General Reserves	1,526,816	1,719,720	2,201,930
Aged Persons Homes - Prudential Requirements	-	77,543	-
Civic Centre	17,449	18,150	18,370
Roads & Drainage	17,444	18,150	18,370
Footpath/Cycleway	17,449	18,150	18,370
Playground & Parks	668,865	18,150	18,370
Golf Courses	34,848	36,300	36,740
Street Scapes	17,428	18,150	18,370
Information Technology	12,440	18,150	18,370
Eric Singleton Bird Sanctuary	34,899	36,300	36,740
Les Hansman Centre Development	660,323	126,350	128,588
Senior Citizens Building	10,470	10,900	11,022
Morley City Centre	17,449	18,150	18,370
Landfill Restoration	17,449	18,150	18,370
Sustainable Environment	17,449	18,150	18,370
Morley Sport & Recreation Centre	17,449	18,150	18,370
General Waste Management	24,874	-	-
Community Housing	13,999	4,955	16,655
<b>Total Transfers to Reserves</b>	<b>5,882,829</b>	<b>2,545,228</b>	<b>3,086,611</b>
<b>Transfers from Reserves</b>			
City Buildings & Amenities	(43,183)	(110,000)	-
Bore & Reticulation	(583,816)	(583,816)	-
Major Capital Works	(1,956,110)	(1,721,902)	(2,333,196)
Plant & Works Equipment	(300,000)	(300,000)	-
Workers Compensation	(232,147)	-	-
Long Service Leave & Entitlements	(220,000)	(220,000)	-
Bayswater Waves Aquatic Centre	(1,085)	(80,000)	-
Aged Persons Homes - General Reserves	-	(560,000)	-
Aged Persons Homes - Prudential Requirements	(42,499)	(206,750)	-
Aged Persons Homes - Employee Entitlements	(144,396)	(144,396)	(213,477)
Roads & Drainage	(1,250)	(200,000)	-
Golf Courses	(3,449)	(100,000)	-
Street Scapes	(7,046)	(200,000)	-
Information Technology	(530,810)	(120,000)	-
<b>Total Transfers from Reserves</b>	<b>(4,065,791)</b>	<b>(4,546,864)</b>	<b>(2,546,673)</b>
<b>Total Net Transfer to/(from) Reserves</b>	<b>1,817,038</b>	<b>(2,001,636)</b>	<b>539,938</b>

## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 12. Reserves - Cash/Investment Backed (continued)

	2015 Actual	2015 Budget	2014 Actual
<b>Summary of Reserve Transfers - Other</b>			
<b>Transfers to Reserves</b>			
Child Care Association - Building Reserve	24,778	-	42,947
Child Care Association - Equipment Reserve	41,056	-	43,639
Child Care Association - Capital Works Reserve	33,507	-	48,988
Child Care Association - Motor Vehicle reserve	2,232	-	14,110
<b>Total Transfers to Reserves</b>	<b>101,573</b>	<b>-</b>	<b>149,684</b>
<b>Transfers from Reserves</b>			
Child Care Association - Building Reserve	(39,160)	-	(55,663)
Child Care Association - Equipment Reserve	(54,952)	-	(24,623)
Child Care Association - Capital Works Reserve	(162,172)	-	(11,460)
<b>Total Transfers from Reserves</b>	<b>(256,284)</b>	<b>-</b>	<b>(91,746)</b>
<b>Total Net Transfer to/(from) Reserves - Other</b>	<b>(154,711)</b>	<b>-</b>	<b>57,938</b>

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

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

**City Buildings & Amenities**

For the purpose of preserving and renewing Council's buildings.

**Bore & Reticulation**

For the installation of new bores and reticulation, and the replacement of old bore and reticulation systems, due to wear and tear.

**Building Furniture & Equipment**

To provide a cash backed reserve for the purpose of furniture & equipment required in Council's buildings.

**Major Capital Works**

To finance the cost of major capital works programs as approved by Council.

**Plant & Works Equipment**

To fund the cost of acquiring plant & equipment needed to provide for the day-to-day operational requirements of the City.

**Workers Compensation**

To finance Workers' Compensation costs in excess of premium deposits, using the burning cost method (as per Council's Workers Compensation Policy).

**Long Service Leave & Entitlements**

To provide for the payment to employees of Long Service Leave and other approved entitlements.

**Bayswater Waves Aquatic Centre**

To fund asset management requirements of the Bayswater Waves Aquatic Centre.

**The RISE**

To fund asset managements requirements of the RISE.

**Maylands Waterland**

To fund asset management requirements of the Maylands Waterland facility.

**Aged Persons Homes - General Reserves**

This reserve restricts funds held for the Independent Living Units and Residential Care Facilities owned and controlled by the City. These funds are managed in accordance with the relevant statutory requirements and policies.

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 12. Reserves - Cash/Investment Backed (continued)

##### **Aged Persons Homes - Prudential Requirements**

To provide a cash backed prudential reserve to meet the accommodation obligations for Residential Care Facilities and Independent Living Units.

##### **Aged Persons Homes - Employee Entitlements**

To provide restricted funds to meet the City's contractual obligations for Residential Care Facilities and Independent Living Unit activities.

##### **Civic Centre**

To make provision for the asset management needs of the Civic Centre

##### **Roads & Drainage**

To set aside funds for the asset management requirements of the City's road and drainage infrastructure.

##### **Footpath/Cycleway**

To set aside funds for the asset management requirements of the City's footpath and cycleways infrastructure.

##### **Playground & Parks**

To set aside funds for the asset management requirements of the City's playground and parks infrastructure.

##### **Golf Courses**

To set aside funds for the asset management requirements of the City's golf courses.

##### **Street Scapes**

To provided for the renewal of urban streetscapes.

##### **Information Technology**

To provided for the maintenance of the City's information technology requirements including general computer replacements for elected members and employees

##### **Eric Singleton Bird Sanctuary**

To set aside funds for the asset management requirements of the Eric Singleton Bird Sanctuary.

##### **Les Hansman Centre Development**

To set aside funds for the redevelopment of the Les Hansman Community Centre.

##### **Senior Citizens Building**

To set aside funds for the asset management requirements of the City's senior citizens centres.

##### **Morley City Centre**

To provided funds for the future development of the Morley City Centre.

##### **Landfill Restoration**

To provide funding for the review and any restoration requirements of the Swan River Foreshore.

##### **Sustainable Environment**

To provide funding for strategic environmental projects such as foreshore rehabilitation and the Eric Singleton Bird Sanctuary

##### **Morley Sport & Recreation Centre**

To set aside funds for the asset management requirements of the Morley Sport & Recreation Centre.

##### **Community Housing**

To set aside funds for the asset management requirements of Community Housing.

##### **General Waste Management**

To set aside funds for the future development of Waste Management.

##### **Child Care Association - Building Reserve**

To provide funding for future building upgrades and development.

##### **Child Care Association - Equipment Reserve**

To provide funds for equipment replacements.

##### **Child Care Association - Capital Works Reserve**

For the development of care facilities.

##### **Child Care Association - Motor Vehicle reserve**

To provide funds for the replacement of motor vehicles.



## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 13. Revaluation Surplus

	Notes	2015 Actual	2014 Actual
Revaluation surpluses have arisen on revaluation of the following classes of assets:			
<b>(a). Land Under Control</b>			
Opening Balance		298,895,614	-
Revaluation Increment	7(b)	-	298,895,614
		<b>298,895,614</b>	<b>298,895,614</b>
<b>(b). Buildings</b>			
Opening Balance		105,331,423	-
Revaluation Increment	7(b)	-	105,331,423
		<b>105,331,423</b>	<b>105,331,423</b>
<b>(c). Computer Equipment</b>			
Opening Balance		171,025	171,025
		<b>171,025</b>	<b>171,025</b>
<b>(d). Plant</b>			
Opening Balance		95,196	95,196
		<b>95,196</b>	<b>95,196</b>
<b>(e). Roads</b>			
Opening Balance		49,725,504	41,580,565
Revaluation Increment	8(b)	-	8,144,939
Revaluation Decrement	8(b)	(3,147,520)	-
		<b>46,577,984</b>	<b>49,725,504</b>
<b>(f). Drainage</b>			
Opening Balance		15,878,061	14,637,218
Revaluation Increment	8(b)	-	1,240,843
Revaluation Decrement	8(b)	(542,068)	-
		<b>15,335,993</b>	<b>15,878,061</b>
<b>(g). Footpaths</b>			
Opening Balance		17,271,463	16,000,717
Revaluation Increment	8(b)	746,113	1,270,746
		<b>18,017,576</b>	<b>17,271,463</b>
<b>(h). Parks &amp; Gardens</b>			
Opening Balance		1,104,319	-
Revaluation Increment	8(b)	-	1,104,319
Revaluation Decrement	8(b)	(1,104,319)	-
		-	<b>1,104,319</b>
<b>(i). Other Infrastructure</b>			
Opening Balance		4,456,661	-
Revaluation Increment	8(b)	81,685	4,456,661
		<b>4,538,346</b>	<b>4,456,661</b>
<b>(j). Other</b>			
Opening Balance		5,259,465	5,259,465
		<b>5,259,465</b>	<b>5,259,465</b>
<b>Total Revaluation Surplus</b>		<b>494,222,623</b>	<b>498,188,731</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 14. Notes to the Statement of Cash flows

	Notes	2015 Actual	Council 2015 Budget	2014 Actual	Consolidated 2015 Actual	2014 Actual
<b>(a). Reconciliation of Cash</b>						
For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:						
Cash and Cash Equivalents	3	<u>57,382,055</u>	<u>46,576,083</u>	<u>53,402,380</u>	<u>59,502,147</u>	<u>55,411,235</u>
<b>(b). Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>						
Net Result		3,160,767	3,967,241	431,298,405	3,319,654	431,196,197
Depreciation		10,143,709	7,971,000	8,970,403	10,281,917	9,110,929
Write Down (Up) in Fair Value of Investments		964,905	-	-	964,905	-
Write down of Property, Plant and Equipment		-	-	-	-	96,958
(Profit)/Loss on Sale of Assets		(16,695)	168,393	391,997	(20,873)	391,997
Net Losses/(Gains) on Discontinued Operations		-	-	-	-	(103,413)
Share of Net (Profits) or Losses Joint Ventures		(2,819,483)	-	(8,062,301)	(2,819,483)	(8,062,301)
Other Non Cash Movements - Infrastructure Revaluation		3,966,109	-	(420,444,545)	3,966,109	(420,444,545)
Decrease/(Increase) in Receivables		887,036	-	(1,253,645)	895,548	(1,253,727)
Increase/(Decrease) in Provision for Doubtful Debts		-	-	(37,850)	-	(37,850)
Decrease/(Increase) in Inventories		(9,071)	-	35,868	(9,071)	35,868
Decrease/(Increase) in Other Current Assets		(76,885)	-	(93,065)	(76,885)	(93,065)
Increase/(Decrease) in Payables & Accruals		1,351,161	800,000	(462,463)	1,383,944	(397,512)
Increase/(Decrease) in Accrued Interest Payable		(767)	-	(692)	(767)	(692)
Increase/(Decrease) in Employee Leave Entitlements		(269,104)	-	989,482	(211,927)	1,057,672
Grants/Contributions for the Development of Assets		(1,664,024)	(1,927,137)	(3,299,206)	(1,664,024)	(3,299,206)
<b>Net Cash from Operating Activities</b>		<u>15,617,658</u>	<u>10,979,497</u>	<u>8,032,387</u>	<u>16,009,047</u>	<u>8,197,309</u>

## Note 15. Contingent Liabilities

Nil

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 16. Capital and Leasing Commitments

	2015 Actual	2014 Actual
<b>(a). Finance Lease Commitments</b>		
<b>Payable:</b>		
- not later than one year	-	-
- later than one year but not later than five years	-	115,284
- later than five years	-	-
Minimum Lease Payments	-	115,284
Less Future Finance Charges	-	-
<b>Total Lease Liability</b>	<b>-</b>	<b>115,284</b>
<b>(b). Capital Expenditure Commitments</b>		
<b>Contracted for:</b>		
Building Construction & Improvements	1,598,029	1,001,778
Recreation Development	249,018	181,374
Road/Footpath Development	288,115	623,984
Parks/Environment Development	1,789,873	4,438,268
Other Capital Expenditure Commitments	350,086	676,855
<b>Total Capital Expenditure Commitments</b>	<b>4,275,121</b>	<b>6,922,259</b>
<b>Payable:</b>		
- not later than one year	4,275,121	6,922,259
<b>Total Capital Expenditure Commitments</b>	<b>4,275,121</b>	<b>6,922,259</b>

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 17. Joint Ventures

Council's objectives can and in some cases are best met through the use of separate entities & operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, Bodies and other Outside Organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards.

The City of Bayswater is in joint venture with:

##### (a) Homeswest - Community Housing Project

Ten (10) Houses.

- Stage 1 No 2 Haddrill Street (4 Units)
- Stage 2 No 20 Francis Street (6 Units)

The City has a 25% interest in the project. Operating costs are funded by the City from rental received on the houses. Excess income over expenditure is retained as a restricted cash item for future community housing projects.

##### (b) City of Swan - Altone Park - a community, sporting and recreational facility

The financial statements reflect the City of Bayswater's interest in the joint development with the City of Swan for the development of a community recreation and sporting facility at Altone Park.

The City of Bayswater has the following interest in the assets and liabilities of the venture.

- Pavilion - 50%
- Recreation Centre - 50%
- Library - 33%

Operating costs are shared on the basis of each interest.

The City's share of the assets and liabilities to each venture are recorded in the statement of financial position under the following classifications:

\$	2015 Actual	2014 Actual
Buildings		
- Community Housing Project	1,355,562	1,370,449
- Altone Park	-	959,008

##### (c) Eastern Metropolitan Regional Council

The City of Bayswater is a participant in the Eastern Metropolitan Regional Council (EMRC).

Comprising six member councils it is primarily concerned with refuse, environmental and safety services.

	2015	%	2014
<b>City of Bayswater</b>	<b>29,076,031</b>	<b>19.70%</b>	<b>26,435,434</b>
Town of Bassendean	6,702,763	4.54%	6,057,177
Shire of Mundaring	16,479,545	11.17%	15,138,568
City of Swan	53,502,350	36.24%	47,467,605
Shire of Kalamunda	24,996,679	16.93%	22,716,221
City of Belmont	16,858,963	11.42%	15,247,744
	<b>147,616,331</b>	<b>100%</b>	<b>133,062,749</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 17. Joint Ventures (continued)

	2015 Council Actual	2014 Council Actual
The City's interest in the assets and liabilities of the EMRC is as follows:		
Current Assets	15,466,205	14,386,422
Non-Current Assets	16,054,138	14,467,601
<b>Total Assets</b>	<b>31,520,343</b>	<b>28,854,023</b>
Current Liabilities	1,054,953	1,067,484
Non Current Liabilities	1,389,359	1,351,105
<b>Total Liabilities</b>	<b>2,444,312</b>	<b>2,418,589</b>
<b>Net Assets</b>	<b>29,076,031</b>	<b>26,435,434</b>

Increase in interest in the EMRC during 2014/15 \$2,640,597

**(d) WALGA Local Government Housing Trust**

The City of Bayswater retains an equity interest in the Western Australian Local Government Association (WALGA) as a consequence of a contribution towards the cost of purchasing Local Government House.

The total funds retained in the Local Government House Trust towards the cost of the WALGA building amounted to \$582,000 over 620 unit at The City of Bayswater has for the first time capitalised its share of 10 Units amounting to \$178,885 based on the Trust's 2014 financial statement.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
WALGA - Unit Housing Trust	178,885	-	178,885	-
EMRC	2,640,597	8,062,301	29,076,031	26,435,434
<b>Total</b>	<b>2,819,482</b>	<b>8,062,301</b>	<b>29,254,916</b>	<b>26,435,434</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 18. Trust Funds

	Balance 1-Jul-14	Amounts Received	Amounts Paid	Balance 30-Jun-15
Cash in Lieu of POS	3,713,486	167,029	(183,808)	3,696,707
Town Planning Bonds/Other BRB/BCITF	313,669	237,838	(39,367)	512,140
Crossover/Verge Bonds	41,890	732,896	(727,328)	47,458
Unclaimed Monies	608,560	303,596	(335,430)	576,726
Retentions and Deposits	41,334	1,076	(1,000)	41,410
Other Bonds	37,699	54,432	(256,183)	(164,052)
Other	51,051	275,708	(302,228)	24,531
	267,921	278,429	-	546,350
	<b>5,075,610</b>	<b>2,051,004</b>	<b>(1,845,344)</b>	<b>5,281,270</b>

## Note 19. Total Assets Classified by Function and Activity

	Council		Consolidated	
	2015 Actual	2014 Actual	2015 Actual	2014 Actual
Governance / Administration	850,019	668,178	850,019	668,178
Law, Order, Public Safety	2,807,902	2,790,644	2,807,902	2,790,644
Health	1,025,095	1,065,216	1,025,095	1,065,216
Education & Welfare	54,386,028	67,883,275	57,201,845	68,378,234
Housing	1,523,315	1,546,665	1,523,315	1,546,665
Community Amenities	319,680,717	291,466,202	319,680,717	291,466,202
Recreation & Culture	134,320,354	137,050,287	134,320,354	137,050,287
Transport	170,584,959	169,124,701	170,584,959	169,124,701
Economic Services	347,619	361,507	347,619	361,507
Other Property & Services	6,552,447	21,698,917	6,552,447	21,698,917
Unallocated	92,332,474	86,583,447	92,332,474	88,655,455
	<b>784,410,929</b>	<b>780,239,039</b>	<b>787,226,746</b>	<b>782,806,006</b>



## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 20. Acquisition of Assets

	2015 Actual	2015 Budget
<b>By Program</b>		
<b>Governance</b>		
Computer Equipment	366,126	800,626
Furniture & Equipment	23,037	-
<b>Law, Order, Public Safety</b>		
Building	90,826	311,641
Fleet	27,402	-
<b>Health</b>		
Furniture & Equipment	2,018	-
Fleet	75,907	-
<b>Education &amp; Welfare</b>		
Building	45,416	621,195
Furniture & Equipment	51,151	-
Fleet	128,183	-
<b>Community Amenities</b>		
Community Amenities	-	266,279
<b>Recreation &amp; Culture</b>		
Building	1,145,499	10,761,140
Furniture & Equipment	109,316	-
Fleet	83,307	-
Plant	182,800	-
Infrastructure	6,185,053	-
<b>Transport</b>		
Infrastructure	4,278,939	5,319,513
<b>Economic Services</b>		
Fleet	150,741	-
<b>Other Property &amp; Services</b>		
Building	128,442	-
Computer Equipment	49,827	-
Fleet	234,476	2,136,000
Plant	882,340	-
	<b>14,240,806</b>	<b>20,216,394</b>
<b>By Class</b>		
<i>Property, Plant &amp; Equipment</i>		
	7(b)	
- Buildings	1,410,183	3,853,011
- Furniture & Equipment	162,486	941,317
- Fleet	723,052	818,000
- Computer Equipment	415,953	653,000
- Plant	1,065,140	1,293,000
<i>Infrastructure</i>		
	8(b)	
- Roads	3,417,250	4,007,513
- Drainage	259,167	200,000
- Footpaths	559,247	740,000
- Parks & Gardens	3,260,503	7,510,553
- Street Furniture	-	200,000
- Other Infrastructure	43,275	-
- Works in Progress	2,924,550	-
	<b>14,240,806</b>	<b>20,216,394</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 21. Disposal of Assets

	Notes	Net Book Value		Sale Price		Profit/(Loss)	
		Actual	Budget	Actual	Budget	Actual	Budget
The following assets were disposed of during the year.							
<b>By Program</b>							
<i>Property, Plant &amp; Equipment</i>							
Administration		-	16,456	-	16,000	-	(456)
Law Order & Public Safety		21,049	21,261	17,177	15,000	(3,872)	(6,261)
Health		56,602	57,164	35,532	46,000	(21,070)	(11,164)
Welfare		19,623	35,508	11,041	32,000	(8,582)	(3,508)
Community Amenities		245,603	-	466,657	-	221,054	-
Economic Services		121,790	103,944	86,702	80,000	(35,088)	(23,944)
Other Property & Services		369,366	495,504	266,743	376,500	(102,623)	(119,004)
Recreation & Culture		88,069	43,061	54,944	50,000	(33,125)	6,939
Transport		-	48,997	-	38,000	-	(10,997)
<b>Total</b>		<b>922,102</b>	<b>821,895</b>	<b>938,797</b>	<b>653,500</b>	<b>16,695</b>	<b>(168,395)</b>

	Council		Consolidated		
	2015 Actual	2015 Budget	2014 Actual	2015 Actual	2014 Actual
<b>Summary</b>					
Profit on Asset Disposals	221,054	6,939	1,365	221,054	1,365
Loss on Asset Disposals	(204,359)	(175,334)	(393,362)	(204,359)	(393,362)
<b>Net Profit/(Loss) on Disposal of Assets</b>	<b>16,695</b>	<b>(168,395)</b>	<b>(391,997)</b>	<b>16,695</b>	<b>(391,997)</b>

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 22. Financial Ratios

	Amounts 2015	Indicator 2015	Target	Prior Periods 2014 2013	
<i>Liquidity Ratio</i>					
<b>1. Current Ratio</b> <sup>(1)</sup>					
Current Assets less Restricted Current Assets	19,864,214	<b>1.28 : 1</b>	> 1.00 : 1	1.17	2.05
Current Liabilities less Liabilities Associated with Restricted Assets	15,562,883				
<i>Debt Ratio</i>					
<b>2. Debt Service Cover Ratio</b> <sup>(2)</sup>					
Operating Surplus before Interest and Depreciation Exp	15,613,074	<b>203.61 : 1</b>	> 2.00 : 1	213.84	650.25
Principal and Interest Repayments	76,682				
<i>Coverage Ratio</i>					
<b>3. Own Source Revenue Coverage Ratio</b> <sup>(3)</sup>					
Own Source Operating Revenue	61,658,244	<b>84.45%</b>	> 40%	82.60%	140.04%
Operating Expense	73,010,192				
<i>Financial Performance Ratio</i>					
<b>4. Operating Surplus Ratio</b> <sup>(4)</sup>					
Operating Revenue less Operating Expense	5,462,850	<b>8.86%</b>	> 1%	12.99%	24.05%
Own Source Operating Revenue	61,658,245				
<i>Asset Management Ratios</i>					
<b>5. Asset Consumption Ratio</b> <sup>(5)</sup>					
Depreciated Replacement Cost of Depreciable Assets	369,868,628	<b>68.70%</b>	> 50%	70.86%	54.55%
Current Replacement Cost of Depreciable Assets	538,346,977				
*** These ratios have been amended to reflect the interpretation and clarification of definitions in the Financial Management Regulations.				***	***
<b>6. Asset Sustainability Ratio</b> <sup>(6)</sup>					
Capital Renewal and Replacement Expenditure	14,240,806	<b>140.39%</b>	90-110%	122.26%	99.26%
Depreciation Expense	10,143,709				
<b>7. Asset Renewal Funding Ratio</b> <sup>(7)</sup>					
NPV of Planned Capital Renewals over 10 years	534,948,000	<b>82.23%</b>	75-95%	86.47%	82.09%
NPV of Required Capital Expenditure over 10 years	650,577,407				

## Notes

- (1) This is a modified commercial ratio designed to focus on the liquidity position of the Council that has arisen from past year's transactions.
- (2) This ratio is the measurement of Council's ability to repay its debt including lease payments.
- (3) This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.
- (4) This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.
- (5) This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.
- (6) This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.
- (7) This ratio is a measure of the ability of Council to fund its projected asset renewal / replacements in the future.

City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

Note 23. Information on Borrowings

	Borrowing Institution	Interest Rate %	Principal 1-Jul-14	New Loans	Principal Repayments		Principal 30-Jun-15		Interest Repayments		
					Actual	Budget	Actual	Budget	Actual	Budget	
<b>(a). Debenture Repayments</b>											
<b>Recreation &amp; Culture</b>											
- 191 Buildings	*	WATC	Variable	36,570	-	15,061	15,060	21,509	21,510	1,269	4,482
- 222 Morley/Noranda Rec. Club Inc	*	WATC	7.15%	9,194	-	2,218	2,218	6,976	6,976	395	750
- 219 Northern Suburbs Hebrew	*	WATC	5.63%	18,498	-	10,349	10,349	8,149	8,149	433	826
- 218 Bayswater Bowling	*	WATC	5.93%	56,983	-	37,427	37,427	19,556	19,556	2,238	2,557
- 217 Windmills Club	*	WATC	5.55%	2,357	-	1,872	1,872	485	485	86	92
- 214 Gibney Reserve Clubrooms	*	WATC	6.55%	34,231	-	3,240	3,239	30,991	30,992	2,094	2,163
				<b>157,833</b>	<b>-</b>	<b>70,167</b>	<b>70,165</b>	<b>87,666</b>	<b>87,668</b>	<b>6,515</b>	<b>10,870</b>

Funding of Borrowings All loan repayments were funded by general purpose income.

- 1 Self- Supporting Loan \* Those loans denoted with "\*" are subject of a repayment agreement that secured the reimbursement from a community organisation of all costs associated with the loan.
- 2 WATC = WA Treasury Corporation

Note 24(a). Rating Information

Notes	Rate in \$	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
<b>Rate Type</b>											
<b>General Rate</b>											
<b>Residential - General</b>	0.047760	22,184	563,523,018	23,822,873	391,346	-	24,214,219	23,816,356	300,000	-	23,816,356
<b>Commercial</b>	0.047760	622	115,938,199	5,589,360	42,880	-	5,632,240	5,592,371		-	5,892,371
<b>Industrial</b>	0.047760	842	70,902,824	3,435,733	50,505	-	3,486,238	3,434,205		-	3,434,205
<b>Sub-Total</b>		<b>23,648</b>	<b>750,364,041</b>	<b>32,847,967</b>	<b>484,731</b>	<b>-</b>	<b>33,332,698</b>	<b>32,842,932</b>	<b>300,000</b>	<b>-</b>	<b>33,142,932</b>
<b>Minimum Rates</b>											
Residential	767	5,653	10,675,938	4,326,852	-	-	4,326,852	4,340,453	-	-	4,340,453
Comm/Industrial	767	101	454,591	77,467	-	-	77,467	77,467	-	-	77,467
<b>Sub-Total</b>		<b>5,754</b>	<b>11,130,529</b>	<b>4,404,319</b>	<b>-</b>	<b>-</b>	<b>4,404,319</b>	<b>4,417,920</b>	<b>-</b>	<b>-</b>	<b>4,417,920</b>
							<b>37,737,017</b>				<b>37,560,852</b>
Write Off							-	(3,000)			(3,000)
<b>Totals</b>							<b>37,737,017</b>	<b>37,257,852</b>	<b>300,000</b>		<b>37,557,852</b>

## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 24(b). Surplus/(Deficit) B/Fwd and C/Fwd

	Notes	2015 Carried Fwd Actual	2014 Brought Fwd Actual
<b>Current Assets</b>			
Cash - Unrestricted	3	14,746,428	12,215,192
Cash - Restricted Reserves	3	40,934,158	39,117,120
Cash - Restricted Unspent Grants/Contributions	2(d)	1,701,468	2,070,068
Rates - Current	5	664,481	585,813
Sundry Debtors	5	3,865,962	5,052,697
GST Receivable	5	291,866	201,206
Inventories			
- Fuel and Materials	6	101,625	92,554
Prepayments		193,852	116,968
		<b>62,499,840</b>	<b>59,451,617</b>
<b>Current Liabilities</b>			
Sundry Creditors	9	4,855,811	4,347,288
Accrued Interest on Debentures	9	1,019	1,785
Accrued Salaries and Wages	9	620,143	356,601
Other Current Trade and Other Payables	9	22,970,934	22,391,836
Current Employee Benefits Provision	11	5,377,341	5,266,462
Current Loan Liability	10	50,959	69,776
		<b>33,876,205</b>	<b>32,433,749</b>
		<b>28,623,634</b>	<b>27,017,869</b>
<b>Net Current Assets</b>			
<b>Less:</b>			
Reserves - Restricted Cash	3	(40,934,158)	(39,117,120)
<b>Add Back:</b>			
Current Loan Liability	10	50,959	69,776
Self- Supporting Loan Principal Repayments	10	(50,959)	-
Cash Backed Employee Provisions	12	1,128,971	-
Aged Persons Homes - Refundable Contributions		15,047,411	22,391,836
		<b>3,865,858</b>	<b>10,362,362</b>

## Note 25. Discounts, Incentives, Concessions &amp; Write-offs

## (a) Discounts

Nil

	Notes	Total Cost / Value	Budget Cost / Value
<b>(b). Write-Offs</b>			
Rate Assessment	2(a)	4,662	-
General Debtors	2(a)	7,799	-
		<b>7,799</b>	<b>-</b>

## Note 26. Interest Charges and Instalments

	Interest Rate %	Admin. Charge	Revenue	Budgeted Revenue
Interest on Unpaid Rates	11.00%		136,431	92,000
Interest on Instalments Plan	5.50%		139,899	130,000
Charges on Instalment Plan	\$5.00		117,933	116,000
			<b>394,263</b>	<b>338,000</b>

Ratepayers had the option of paying rates in four instalments, due on 15 August 2014, 15 October 2014, 17 December 2014, 18 February 2015

## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 27. Fees &amp; Charges

	2015 Actual	2015 Budget	2014 Actual
Governance	159,449	348,860	200,013
General Purpose Funding	18,335	-	18,348
Law, Order, Public Safety	292,982	199,700	255,207
Health	156,104	138,000	215,227
Education and Welfare	900,883	588,077	590,263
Housing	100,345	97,150	97,082
Community Amenities	10,321,159	10,316,853	9,648,994
Recreation and Culture	7,477,646	7,217,609	7,297,706
Transport	385,206	282,360	291,061
Economic Services	673,798	564,000	634,515
Other Property and Services	7,640	8,500	7,534
	<b>20,493,548</b>	<b>19,761,109</b>	<b>19,255,950</b>

## Note 28. Grants, Subsidies &amp; Contributions

	Council		Consolidated	
	2015 Actual	2014 Actual	2015 Actual	2014 Actual

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

## (a). By Nature &amp; Type

Operating Grants and Subsidies	12,340,235	9,340,882	14,305,023	10,950,544
Contributions	2,619,990	2,488,386	2,619,990	2,463,729
Non-Operating Grants, Subsidies and Contributions	1,664,024	3,299,206	1,664,024	3,299,206
	<b>16,624,248</b>	<b>15,128,474</b>	<b>18,589,037</b>	<b>16,713,479</b>

## (b). By Program

General Purpose Funding	3,243,063	1,560,898	3,243,063	1,503,038
Law, Order, Public Safety	353,433	24,200	353,433	24,200
Health	56,411	48,961	56,411	48,961
Education & Welfare	8,893,402	8,755,255	10,858,190	10,422,777
Housing	3,514	1,417	3,514	1,417
Community Amenities	1,793,655	1,639,612	1,793,655	1,639,612
Recreation & Culture	329,293	1,527,698	329,293	1,503,041
Transport	1,890,048	1,437,632	1,890,048	1,437,632
Economic Services	5,504	6,423	5,504	6,423
Other Property & Services	55,925	126,378	55,925	126,378
	<b>16,624,248</b>	<b>15,128,474</b>	<b>18,589,036</b>	<b>16,713,479</b>

## Note 29. Employee Numbers

	2015 Actual	2014 Actual	2013 Actual
The number of full-time equivalent employees at balance date	347	330	339



## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 30. Councillor Remuneration

	2015 Actual	2015 Budget	2014 Actual
The following fees, expenses and allowances were paid to council members and/or the Mayor.			
Meeting Fees	355,350	355,350	347,629
Mayor's Allowance	87,550	87,550	89,139
Deputy Mayor's Allowance	21,888	21,888	53,528
Telecommunications / Information Technology / Other	38,765	48,263	14,522
	<u>503,553</u>	<u>513,051</u>	<u>504,818</u>

## Note 31. Employee Costs

Wages and Salaries	26,047,355	25,206,988
Superannuation	2,900,844	2,727,917
Workers' Compensation Insurance	775,126	563,909
Conferences/Training	276,535	276,329
<b>Total Employee Costs</b>	<u>29,999,860</u>	<u>28,775,143</u>
less: Capitalised Costs	(376,498)	(340,292)
	<u>29,623,362</u>	<u>28,434,851</u>

## Note 32. Financial Risk Management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

The City held the following financial instruments at balance date.

	Notes	Carrying Value		Fair Value	
		2015	2014	2015	2014
<b>Financial Assets</b>					
Cash and Cash Equivalents	3	57,382,055	53,402,380	57,382,055	53,402,380
Receivables (Current & Non-Current)	5	5,578,908	6,536,110	5,578,908	6,536,110
Investment in Joint Venture		29,254,916	26,435,434	29,254,916	26,435,434
		<u>92,215,878</u>	<u>86,373,924</u>	<u>92,215,878</u>	<u>86,373,924</u>
<b>Financial Liabilities</b>					
Payables (Current & Non-Current)	9	5,494,315	4,717,575	5,494,315	4,717,575
Refundable Contributions	9	22,965,491	22,391,836	22,965,491	22,391,836
Borrowings (Current & Non-Current)	10	87,665	157,831	81,906	148,854
		<u>28,547,471</u>	<u>27,267,242</u>	<u>28,541,712</u>	<u>27,258,265</u>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market value.
- **Borrowings & Held to Maturity** Investments - estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles.

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 32. Financial Risk Management (continued)

##### (a). Cash & Cash Equivalents, Financial assets "at Fair Value through the Profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance Section manages the Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the relevant legislation. The policy is regularly reviewed by Council and an Investment Report is tabled before Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees in accordance with investment restrictions prescribed in the Local Government (Financial Management) Regulations 1996.

	30-Jun-15	30-Jun-14
	\$	\$
<b>Impact of a 1% <sup>(1)</sup> movement in interest rates on cash and investments</b>		
Equity	573,820	534,024
Statement of Comprehensive Income	573,820	534,024

##### Notes:

1. Sensitivity percentages based on management's expectations of future possible market movements.  
(Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents and managed funds.)

2. Maximum impact.

##### (b). Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

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

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

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

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

## City of Bayswater

## Notes to the Financial Statements

for the year ended 30 June 2015

## Note 32. Financial Risk Management (continued)

A profile of Council's receivables credit risk at balance date follows:

	30-Jun-15	30-Jun-14
	%	%
<b>Percentage of Rates and Annual Charges</b>		
Current	48.17%	49.45%
Overdue	51.83%	50.55%
<b>Percentage of Other Receivables</b>		
Current	92.46%	91.66%
Overdue	7.54%	8.34%

## (c). Payables &amp; Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can be extended & overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<b>2015</b>					
Payables	5,494,315	-	-	5,494,315	5,494,315
Refundable Contributions	-	-	-	22,965,491	22,965,491
Borrowings	58,027	40,541	6,755	105,323	87,665
	<u>5,552,342</u>	<u>40,541</u>	<u>6,755</u>	<u>28,565,129</u>	<u>28,547,471</u>
<b>2014</b>					
Payables	4,717,575	-	-	4,717,575	4,717,575
Refundable Contributions	-	-	-	22,391,836	22,391,836
Borrowings	80,417	93,164	12,159	185,740	157,831
	<u>4,797,992</u>	<u>93,164</u>	<u>12,159</u>	<u>27,295,151</u>	<u>27,267,242</u>

<sup>1</sup> The City of Bayswater Aged Persons Homes holds \$22,965,491 in refundable contributions (Accommodation Bonds). These contributions have been classified as current liabilities as the provider does not have the right to defer settlement. However the expected settlement of the liability is expected to be greater than twelve months.

Accommodation bonds are charged for admittance in accordance with current State and Federal Government regulations. These fees can vary according to each individual's financial status and, in accordance with current policy embodying the relevant regulations, varying amounts are deducted for "Retention" over a period of 5 years.

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a basis that is most suitable for the circumstance. Council officers regularly review interest rate movements to determine if it would be advantageous to refinance or renegotiate part, or all of the loan portfolio.

The following interest rates were applicable to the Council's Borrowings at balance date:

	30-Jun-15		30-Jun-14	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank Loans - Fixed	4.72%	87,666	1.39%	157,831
		<u>87,666</u>		<u>157,831</u>

**Notes:**

1. The interest rate risk applicable to Variable Rate Bank Loan is not considered significant.

## City of Bayswater

Notes to the Financial Statements  
for the year ended 30 June 2015

## Note 33. Fair Value Measurements

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities,

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly,

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The City's land, buildings and infrastructure assets were revalued in 2014 (Plant & Equipment were revalued in 2013).

Additions since valuation to 30 June 2014 are at cost.

The City of Bayswater Child Care Association assets and liabilities are carried at cost and have been excluded.

(1) The following table presents all assets and liabilities that have been measured & recognised at fair values:

	Fair Value Measurement using:			Total
	Level 1	Level 2	Level 3	
	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
<b>2015</b>				
<b>Property, Plant &amp; Equipment</b>				
Land	-	303,246,397	-	303,246,397
Land - Under Control	-	15,860,000	-	15,860,000
Buildings	-	18,036,554	153,872,575	171,909,129
Furniture & Equipment	-	1,596,633	-	1,596,633
Fleet	-	3,132,402	-	3,132,402
Computer Equipment	-	-	792,857	792,857
Plant	-	3,364,857	-	3,364,857
<b>Total Property, Plant &amp; Equipment</b>	<b>-</b>	<b>345,236,843</b>	<b>154,665,432</b>	<b>499,902,275</b>
<b>Infrastructure</b>				
Roads	-	-	100,654,170	100,654,170
Drainage	-	-	39,225,337	39,225,337
Footpaths	-	-	26,798,130	26,798,130
Parks & Gardens	-	-	18,505,813	18,505,813
Other	-	-	3,889,300	3,889,300
<b>Total Infrastructure</b>	<b>-</b>	<b>-</b>	<b>189,072,750</b>	<b>189,072,750</b>
<b>2014</b>				
<b>Property, Plant &amp; Equipment</b>				
Land	-	303,492,000	-	303,492,000
Land - Under Control	-	15,860,000	-	15,860,000
Buildings	-	20,285,803	153,872,575	174,158,378
Furniture & Equipment	-	1,727,200	-	1,727,200
Fleet	-	3,297,430	-	3,297,430
Computer Equipment	-	-	631,225	631,225
Plant	-	2,827,124	-	2,827,124
<b>Total Property, Plant &amp; Equipment</b>	<b>-</b>	<b>347,489,557</b>	<b>154,503,800</b>	<b>501,993,357</b>
<b>Infrastructure</b>				
Roads	-	-	103,260,020	103,260,020
Drainage	-	-	39,823,683	39,823,683
Footpaths	-	-	25,989,750	25,989,750
Parks & Gardens	-	-	18,425,213	18,425,213
Other	-	-	4,163,570	4,163,570
<b>Total Infrastructure</b>	<b>-</b>	<b>-</b>	<b>191,662,236</b>	<b>191,662,236</b>

(2) Transfers between Level 1 & Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 33. Fair Value Measurements (continued)

#### **(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values**

##### *(1) Recurring Value Methods*

*The following methods are used to determine the fair value measurements.*

*The City's Land and Buildings were revalued in 2014 by APV Valuers & Asset Management.*

#### **Land**

Level 2 valuation inputs were used to value land held in freehold title as well as land used for special purpose which is restricted under current zoning rules.

The valuation of freehold (saleable) land has been carried out using the market approach and they have been assessed on the basis of the estimated amount which each interest in each property being valued might reasonably be expected to realise in an exchange between market participants given highest and best use.

The most significant inputs into this valuation approach are price per square metre.

The valuation of restricted or otherwise non-saleable land has been valued using the cost approach.

#### **Specific Considerations**

**Contaminated Sites** - Several sites valued are deemed to be potentially contaminated by activities carried out by council. These valuations represent the current replacement cost of the land the council would need to acquire "non-contaminated" land and as such any instances or possibilities of contamination have been disregarded.

**Zonings** - A number of parcels of land have been given zonings that relate to public open space, conservation areas and specific locality zonings. These zonings are not representative of surrounding land use. The high level of development restrictions would not be considered normal in a open market situation.

Valuation has been based on the highest and best use of the land. In an open market situation these properties would be zoned similarly to surrounding land uses.

It should be noted that there is no evidence of sales within specific zoned areas.

Sale prices under comparable land sites in close proximity are adjusted for key attributes such as property size.

The most significant inputs into this valuation approach are price per square metre.

#### **Buildings**

##### Level 2 Valuation Inputs

These were used to determine the fair value of a range of properties. This included the bulk of residential and commercial properties.

The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation were price per metre.

##### Level 3 Valuation Inputs

Specialised buildings were valued using professionally qualified Registered Valuers. The approach estimated the replacement cost for for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metre could be supported by market evidence (Level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having level 3 valuation inputs.

#### **Plant & Equipment**

Plant and Equipment fair values were determined by independent valuers as at 30 June 2013.

Subsequent to the 2013 council's revalued assets are reviewed to ensure that the carrying amount does not differ significantly from that determined using fair value at reporting date.

Level 2 valuation inputs have been applied having regard to the condition and useful life of the asset class except for computer equipment which has been valued at Level 3.

## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 33. Fair Value Measurements (continued)

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##### Infrastructure

All council infrastructure assets were fair valued using a depreciated replacement cost valuation technique. This method used assets current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The gross cost of replacing the full service potential of the asset was established then adjusted to take into account the expired service potential of the asset.

The current replacement cost was measured by referencing the lowest cost at which the asset could be obtained in the normal course of business.

The total cost values have been calculated using work code unit costs based on current tender and general market rates.

All council infrastructure has been valued at fair value utilizing in house professional Asset Management staff.

Level 3 valuation inputs have been applied to all asset categories.

##### Infrastructure Categories

###### Roads

The road asset comprises seal, Pavement and Kerbing components.

The City of Bayswater's sealed road length is 351.4 Km and does not include MRWA controlled roads.

Valuation methodology comprises

- (1) Current replacement cost to replace the entire network : Current Replacement Cost = Unit Cost X Quantity
- (2) Depreciated Cost is the value the asset has deteriorate : Valuation Depreciation Rate (Critical Life) = (100/Critical Life (Years) % Per Annum

Critical Life - The lowest calculated life of longevity in years between "Conditioned Assessed Life and Design Assessed Life (Annual Revaluation)."

###### Footpaths

The footpath network comprises

- Concrete Paths
- Brick Paved Paths
- Asphalt Paths
- Slab Paths

The City of Bayswater's footpath length is 317.2 Km.

Valuation methodology comprises

- (1) Current replacement cost to replace the entire network : Current Replacement Cost = Unit Cost X Quantity
- (2) Depreciated Cost is the value the asset has deteriorate : Valuation Depreciation Rate (Critical Life) = (100/Critical Life (Years) % Per Annum

Critical Life - The lowest calculated life of longevity in years between "Conditioned Assessed Life and Design Assessed Life (Annual Revaluation)

###### Drainage

The drainage network comprises Pits, Covers and Pipes

The City of Bayswater's length of pipes is 209.7KM

Valuation methodology comprises

- (1) Current replacement cost to replace the entire network : Current Replacement Cost = Unit Cost X Quantity
- (2) Depreciated Cost is the value the asset has deteriorate : Valuation Depreciation Rate (Critical Life) = (100/Critical Life (Years) % Per Annum

Critical Life - The lowest calculated life of longevity in years between "Conditioned Assessed Life and Design Assessed Life (Annual Revaluation)



## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 33. Fair Value Measurements (continued)

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##### Parks/Reserves/Car Parking

Valuation methodology comprises

- (1) Current replacement cost to replace the entire network : Current Replacement Cost = Unit Cost X Quantity
- (2) Depreciated Cost is the value the asset has deteriorate : Valuation Depreciation Rate (Critical Life) = (100/Critical Life (Years)) % Per Annum

Critical Life - The lowest calculated life of longevity in years between "Conditioned Assessed Life and Design Assessed Life (Annual Revaluation)

##### Miscellaneous Infrastructure

The components split out to establish fair value for this category comprise the following

- Bus Shelters
- Public Litter Bins
- Lighting
- Entry Statements
- Signage Poles
- Street Signs and Parking Signs

Valuation methodology comprises

- (1) Current replacement cost to replace the entire network : Current Replacement Cost = Unit Cost X Quantity
- (2) Depreciated Cost is the value the asset has deteriorate : Valuation Depreciation Rate (Critical Life) = (100/Critical Life (Years)) % Per Annum

Critical Life - The lowest calculated life of longevity in years between "Conditioned Assessed Life and Design Assessed Life (Annual Revaluation)

#### (5). Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- Borrowings

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorized in their entirety and a description of the valuation technique and inputs used:

Description	Note	Fair Value Hierarchy	Valuation Technique	Inputs Used
		Level		
Borrowings	23	2	Income approach using discounted cash flow methodology	Current Treasury borrowing rates for similar instruments

#### (6). Highest and best use

All of Council's non financial assets are considered to being utilised for their highest and best use.

#### (7). Fair Value Sensitivity to Unobservable Inputs

Relationship between asset consumption rating scale and the level of consumed service potential.

\$	Sensitivity to Unobservable Market Inputs		Amount of Potential Impact	
	Lower %	Upper %	Lower \$	Upper \$
<b>Property, Plant &amp; Equipment</b>				
Buildings	5.00	5.00	(7,693,630)	7,693,630
<b>Total Property, Plant &amp; Equipment</b>			<b>(7,693,630)</b>	<b>7,693,630</b>
<b>Infrastructure</b>				
Roads	10.00	10.00	(10,065,417)	10,065,417
Drainage	10.00	10.00	(3,922,537)	3,922,537
Footpaths	10.00	10.00	(2,679,813)	2,679,813
Parks & Gardens	10.00	10.00	(1,850,581)	1,850,581
Other	10.00	10.00	(388,930)	388,930
<b>Total Infrastructure</b>			<b>(18,907,278)</b>	<b>18,907,278</b>

#### Note 34. Events occurring after the Reporting Period

Council is unaware of any material or significant "non-adjusting events" that should be disclosed.



## City of Bayswater

### Notes to the Financial Statements

for the year ended 30 June 2015

#### Note 35. Council Information & Contact Details

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##### Principal Place of Business:

61 Broun Avenue  
Morley WA 6062

##### Contact Details

##### Mailing Address:

PO Box 467  
Morley WA 6943

##### Opening Hours:

8.30am-4.30pm (Monday to Friday)

**Telephone:** 08 9272 0622

**Facsimile:** 08 9272 0665

**Internet:** [www.bayswater.wa.gov.au](http://www.bayswater.wa.gov.au)

**Email:** [mail@bayswater.wa.gov.au](mailto:mail@bayswater.wa.gov.au)

##### Officers

##### CHIEF EXECUTIVE OFFICER

Francesca Lefante BA (Urb & Reg Stud), Grad Dip (Urb & Reg Plan)

##### Elected Members

##### MAYOR

Councillor Sylvan Albert

##### AUDITORS

Macri Partners  
Suite 2 137 Burswood Road  
Burswood 6100

##### COUNCILLORS

Councillor Barry McKenna  
Councillor Stephanie Coates  
Councillor Martin Toldo  
Councillor Michael Sabatino (Deputy Mayor)  
Councillor Chris Cornish  
Councillor Mike Anderton  
Councillor Alan Radford  
Councillor Michelle Sutherland  
Councillor John Rifici  
Councillor Terry Kenyon, JP

##### Other Information

**ABN:** 61-054-003-131

## City of Bayswater

### General Purpose Financial Statements for the year ended 30 June 2015

#### Auditor's Report

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