TAMALA PARK REGIONAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

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Principal place of business:
Tamala Park Regional Council
PO Box 655
INNALOO
WA 6918

TAMALA PARK REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 24th day of August 2015

Tony Arias
Chief Executive Officer

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 $	2015 Budget $	2014 $
Revenue				
Interest earnings	2(a)	1,459,506	951,446	1,004,865
Other revenue		12,926	10,480	8,395
		1,472,432	961,926	1,013,260
Expenses				
Employee costs		(598,053)	(713,586)	(520,305)
Materials and contracts		(140,286)	(439,650)	(48,827)
Utility charges		(457)	(6,000)	(2,806)
Depreciation on non-current assets	2(a)	(16,250)	(17,983)	(13,626)
Insurance expenses		(12,967)	(16,900)	(10,592)
Other expenditure		(199,701)	(175,738)	(249,282)
		(967,714)	(1,369,857)	(845,438)
		504,718	(407,931)	167,822
Profit on asset disposals	19	956	6,869	0
Net result		**505,674**	**(401,062)**	**167,822**
Other comprehensive income				
Changes on revaluation of non-current assets	11	0	0	1,164
Total other comprehensive income		**0**	**0**	**1,164**
Total comprehensive income		**505,674**	**(401,062)**	**168,986**

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 $	2015 Budget $	2014 $
Revenue	2(a)			
General purpose funding		1,459,506	951,446	1,004,865
Other property and services		12,926	10,480	8,395
		1,472,432	961,926	1,013,260
Expenses	2(a)			
Governance		(161,533)	(175,438)	(140,987)
Other property and services		(806,181)	(1,194,419)	(704,451)
		(967,714)	(1,369,857)	(845,438)
Profit/(Loss) on disposal of assets				
Other property and services	19	956	6,869	0
Net result		**505,674**	**(401,062)**	**167,822**
Other comprehensive income				
Changes on revaluation of non-current assets	11	0	0	1,164
Total other comprehensive income		**0**	**0**	**1,164**
Total comprehensive income		**505,674**	**(401,062)**	**168,986**

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015

	NOTE	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	3	46,060,590	40,413,398
Trade and other receivables	4	389,124	735,068
TOTAL CURRENT ASSETS		46,449,714	41,148,466
NON-CURRENT ASSETS			
Inventories	5	1,818,182	1,818,182
Property, plant and equipment	6	151,943	140,116
TOTAL NON-CURRENT ASSETS		1,970,125	1,958,298
TOTAL ASSETS		48,419,839	43,106,764
CURRENT LIABILITIES			
Trade and other payables	7	191,738	587,695
Provisions	9	102,906	76,228
TOTAL CURRENT LIABILITIES		294,644	663,923
NON-CURRENT LIABILITIES			
Provisions	9	30,931	16,261
TOTAL NON-CURRENT LIABILITIES		30,931	16,261
TOTAL LIABILITIES		325,575	680,184
NET ASSETS		48,094,264	42,426,580
EQUITY			
Retained surplus		856,753	351,079
Members contributions	10	47,229,994	42,067,984
Revaluation surplus	11	7,517	7,517
TOTAL EQUITY		48,094,264	42,426,580

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	RETAINED SURPLUS $	CONTRIBUTED EQUITY $	REVALUATION SURPLUS $	TOTAL EQUITY $
Balance as at 1 July 2013		**183,257**	**27,823,938**	**6,353**	**28,013,548**
Comprehensive income					
Net result		167,822	(168,986)	0	(1,164)
Changes on revaluation of non-current assets	11	0	0	1,164	1,164
Total comprehensive income		167,822	(168,986)	1,164	0
Members Contributions		0	24,413,020	0	24,413,020
Return of Capital		0	(9,999,988)	0	(9,999,988)
Balance as at 30 June 2014		**351,079**	**42,067,984**	**7,517**	**42,426,580**
Comprehensive income					
Net result		505,674	(505,674)	0	0
Total comprehensive income		505,674	(505,674)	0	0
Members Contributions		0	36,667,684	0	36,667,684
Return of Capital		0	(31,000,000)	0	(31,000,000)
Balance as at 30 June 2015		**856,753**	**47,229,994**	**7,517**	**48,094,264**

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

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 $	2015 Budget $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Interest earnings		1,459,506	986,514	926,748
Goods and services tax		142,676	20,000	3,508
Other revenue		353,545	10,480	8,395
		1,955,727	1,016,994	938,651
Payments				
Employee costs		(553,558)	(713,586)	(553,618)
Materials and contracts		(530,790)	(529,075)	189,200
Utility charges		(457)	(6,000)	(2,806)
Insurance expenses		(12,967)	(16,900)	(10,592)
Goods and services tax		(145,951)	(20,000)	(119,572)
Other expenditure		(199,701)	(175,738)	(250,545)
		(1,443,424)	(1,461,299)	(747,933)
Net cash provided by (used in) operating activities	12(b)	512,303	(444,305)	190,718
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(65,303)	(69,000)	(6,968)
Proceeds from sale of fixed assets		38,182	41,000	0
Net cash provided by (used in) investment activities		(27,121)	(28,000)	(6,968)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from members contributions		36,584,572	13,435,010	24,798,685
Repayment of members contributions		(31,422,562)	(31,422,562)	(10,554,639)
Net cash provided by (used In) financing activities		5,162,010	(17,987,552)	14,244,046
Net increase (decrease) in cash held		5,647,192	(18,459,857)	14,427,796
Cash at beginning of year		40,413,398	40,413,398	25,985,602
Cash and cash equivalents at the end of the year	12(a)	46,060,590	21,953,541	40,413,398

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

TAMALA PARK REGIONAL COUNCIL
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015

		NOTE	2015 Actual $	2015 Budget $	2014 Actual $
	Revenue				
	General purpose funding		1,459,506	951,446	1,004,865
	Other property and services		13,882	17,349	8,395
			1,473,388	968,795	1,013,260
	Expenses				
	Governance		(161,533)	(175,438)	(140,987)
	Other property and services		(806,181)	(1,194,419)	(704,451)
			(967,714)	(1,369,857)	(845,438)
	Net result excluding rates		505,674	(401,062)	167,822
	Adjustments for cash budget requirements:				
	Non-cash expenditure and revenue				
	Initial recognition of assets due to change to regulations				
	(Profit)/Loss on asset disposals	19	(956)	(6,869)	0
	Movement in employee benefit provisions (non-current)		14,670	0	(2,398)
	Depreciation and amortisation on assets	2(a)	16,250	17,983	13,626
	Capital Expenditure and Revenue				
	Purchase of furniture and equipment		0	(3,000)	(6,968)
	Purchase plant and equipment	6(b)	(65,303)	(66,000)	0
	Proceeds from disposal of fixed assets	19	38,182	41,000	0
	Repayment of members contributions	10	5,162,010	(17,987,552)	14,244,046
ADD	Estimated surplus/(deficit) July 1 b/fwd	21(b)	40,484,543	40,484,543	26,068,415
LESS	Estimated surplus/(deficit) June 30 c/fwd	21(b)	46,155,070	22,079,043	40,484,543
	Total amount raised from general rate	21(a)	0	0	0

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

All Funds through which the Regional 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. A separate statement of those monies appears at Note 18 to these financial statements.

(b) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.
The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(c) Cash and Cash Equivalents

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

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

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

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

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

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

(f) Fixed Assets

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

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

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

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

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

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

In 2013, the Regional 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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 Regional 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.

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

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in the following way:
Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Computer equipment	4 years
Furniture and equipment	4 to 10 years
Printers, photocopiers and scanners	5 years
Floorcoverings	8 years
Phones and faxes	6 to 7 years
Plant and equipment	5 to 12 years

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

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

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

Capitalisation threshold
Expenditure on items of equipment under $1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Regional 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 are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

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

(j) Employee Benefits

Short-term employee benefits

Provision is made for the Regional 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 Regional 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 Regional 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 Regional Council’s obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Regional 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.

(k) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Provisions

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

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

(m) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Regional 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 15.

(n) Rates, Grants, Donations and Other Contributions

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

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

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

(o) Superannuation

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

(p) 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 Regional Council's operational cycle. In the case of liabilities where the Regional 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 sale where it is held as non-current based on the Regional Council's intentions to release for sale.

(q) Rounding Off Figures

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

(r) Comparative Figures

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

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

(s) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:
[1] Applicable to reporting periods commencing on or after the given date.

(u) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

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

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

2. REVENUE AND EXPENSES

(a) Net Result

The Net result includes:

(i) Charging as an expense:

	2015 $	2014 $
Auditors remuneration		
- Audit of the annual financial report	7,000	9,680
Depreciation		
Improvements to leasehold property	5,539	5,539
Furniture and equipment	1,618	1,554
Plant and equipment	9,093	6,533
	16,250	13,626
Other revenue		
Reimbursements and recoveries	0	0
Other	12,926	8,395
	12,926	8,395

	2015 Actual $	2015 Budget $	2014 Actual $
Interest earnings			
- Other funds	1,459,506	951,446	1,004,865
	1,459,506	951,446	1,004,865

(b) Statement of Objective

The Tamala Park Regional Council is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

COMMUNITY VISION

The Tamala Park Regional Council will endeavour to provide high quality services to the community through the various service orientated programs which it has established.
Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GENERAL PURPOSE FUNDING
Objective:
To collect interest on investments

Activities:
Interest revenue.

OTHER PROPERTY AND SERVICES
Objective:
To monitor and control council's overheads operating accounts.

Activities:
Other unclassified Activities.

(c) Conditions over Grants/Contributions

The Tamala Park Regional Council does not hold any grants/contributions over which there are conditions.

	Note	2015 $	2014 $
3. CASH AND CASH EQUIVALENTS			
Unrestricted		46,060,590	40,413,398
		46,060,590	40,413,398
4. TRADE AND OTHER RECEIVABLES			
Current			
Sundry debtors		180,487	542,087
GST receivable		3,846	4,417
Accrued Interest		175,391	150,564
Settlement bonds		29,400	38,000
		389,124	735,068
5. INVENTORIES			
Non-current			
Land held for resale - cost			
Cost of acquisition		1,818,182	1,818,182
		1,818,182	1,818,182

	2015 $	2014 $
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Improvements to leasehold property at:		
- Management valuation 2013 - level 3	101,260	101,260
Less accumulated depreciation	(11,078)	(5,539)
	90,182	95,721
Furniture and equipment at:		
- Management valuation 2014 - level 3	800	800
- Additions after valuation - cost	6,968	6,968
Less accumulated depreciation	(3,172)	(1,554)
	4,596	6,214
Plant and equipment at:		
- Management valuation 2014 - level 3	38,181	38,181
- Disposals	(38,181)	0
- Additions after valuation - cost	65,303	0
- User defined	0	0
Less accumulated depreciation	(8,138)	0
	57,165	38,181
	151,943	140,116

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year $	Additions $	(Disposals) $	Revaluation Increments/ (Decrements) $	Impairment (Losses)/ Reversals $	Depreciation (Expense) $	Transfers $	Carrying Amount at the End of Year $
Improvements to leasehold property	95,721	0	0	0	0	(5,539)	0	90,182
Furniture and equipment	6,214	0	0	0	0	(1,618)	0	4,596
Plant and equipment	38,181	65,303	(37,226)	0	0	(9,093)	0	57,165
Total property, plant and equipment	**140,116**	**65,303**	**(37,226)**	**0**	**0**	**(16,250)**	**0**	**151,943**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Improvements to leasehold property	Level 3	Management	Depreciated replacement Cost	June 2013	Level 3 inputs in the fair value hierarchy
Furniture and equipment	Level 3	Management	Observable open market value	June 2013	Level 3 inputs in the fair value hierarchy
Plant and equipment	Level 3	Management	Observable open market value	June 2014	Level 3 inputs in the fair value hierarchy

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

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

7. TRADE AND OTHER PAYABLES

	2015 $	2014 $
Current		
Sundry creditors	163,501	561,027
Accrued salaries and wages	7,080	5,510
ATO liabilities	14,965	13,388
FBT Liabilities	1,692	770
Accrued expenses	4,500	7,000
	191,738	587,695

8. LONG-TERM BORROWINGS

The Regional Council did not have any long term borrowings at the reporting date.

9. PROVISIONS

	Provision for Annual Leave $	Provision for Long Service Leave $	Total $
Opening balance at 1 July 2014			
Current provisions	68,128	8,100	76,228
Non-current provisions	0	16,261	16,261
	68,128	24,361	92,489
Additional provision	31,052	14,080	45,132
Amounts used	0	(8,100)	(8,100)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	3,726	590	4,316
Balance at 30 June 2015	102,906	30,931	133,837
Comprises			
Current	102,906	0	102,906
Non-current	0	30,931	30,931
	102,906	30,931	133,837

10. MEMBERS CONTRIBUTIONS

	2015 $	2015 Budget $	2014 $
(a) Town of Victoria Park			
Opening balance	3,535,548	3,535,548	2,334,462
Land development expenses	(1,957,706)	(4,037,987)	(2,382,974)
Proceeds of sale of member land	5,006,422	5,157,571	4,449,297
Return of Contribution	(2,583,334)	(2,583,333)	(833,332)
Rates equivalent	(35,214)	(35,214)	(46,221)
TPRC Nett Result	42,140	(33,422)	14,316
	4,007,855	2,003,163	3,535,548
(b) City of Perth			
Opening balance	3,535,548	3,535,548	2,334,462
Land development expenses	(1,957,706)	(4,037,987)	(2,382,974)
Proceeds of sale of member land	5,006,422	5,157,571	4,449,297
Return of Contribution	(2,583,334)	(2,583,333)	(833,332)
Rates equivalent	(35,214)	(35,214)	(46,221)
TPRC Nett Result	42,140	(33,422)	14,316
	4,007,855	2,003,163	3,535,548
(c) Town of Cambridge			
Opening balance	3,535,548	3,535,548	2,334,462
Land development expenses	(1,957,706)	(4,037,987)	(2,382,974)
Proceeds of sale of member land	5,006,422	5,157,571	4,449,297
Return of Contribution	(2,583,334)	(2,583,333)	(833,332)
Rates equivalent	(35,214)	(35,214)	(46,221)
TPRC Nett Result	42,140	(33,422)	14,316
	4,007,855	2,003,163	3,535,548
(d) City of Joondalup			
Opening balance	7,071,097	7,071,097	4,668,925
Land development expenses	(3,915,418)	(8,075,973)	(4,765,948)
Proceeds of sale of member land	10,012,845	10,315,141	8,898,594
Return of Contribution	(5,166,666)	(5,166,667)	(1,666,665)
Rates equivalent	(70,426)	(70,426)	(92,442)
TPRC Nett Result	84,279	(66,844)	28,633
	8,015,711	4,006,328	7,071,097
(e) City of Wanneroo			
Opening balance	7,071,097	7,071,097	4,668,925
Land development expenses	(3,915,418)	(8,075,973)	(4,765,948)
Proceeds of sale of member land	10,012,845	10,315,141	8,898,594
Return of Contribution	(5,166,666)	(5,166,667)	(1,666,665)
Rates equivalent	(70,426)	(70,426)	(92,442)
TPRC Nett Result	84,279	(66,844)	28,633
	8,015,711	4,006,328	7,071,097
(f) City of Vincent			
Opening balance	3,535,548	3,535,548	2,334,462
Land development expenses	(1,957,706)	(4,037,987)	(2,382,974)
Proceeds of sale of member land	5,006,422	5,157,571	4,449,297
Return of Contribution	(2,583,334)	(2,583,333)	(833,332)
Rates equivalent	(35,214)	(35,214)	(46,221)
TPRC Nett Result	42,140	(33,422)	14,316
	4,007,855	2,003,163	3,535,548

	2015 $	2015 Budget $	2014 $
(g) City of Stirling			
Opening balance	14,142,194	14,142,194	9,337,850
Land development expenses	(7,830,834)	(16,151,945)	(9,527,684)
Proceeds of sale of member land	20,025,689	20,630,283	17,795,785
Return of Contribution	(10,333,332)	(10,333,334)	(3,333,330)
Rates equivalent	(140,854)	(140,854)	(184,883)
TPRC Nett Result	168,558	(133,687)	54,456
	16,031,421	8,012,657	14,142,194
TOTAL MEMBERS CONTRIBUTIONS	48,094,264	24,037,966	42,426,580
Total Opening balance	42,426,580	42,426,580	28,013,548
Land development expenses	(23,492,495)	(48,455,839)	(28,591,476)
Proceeds of sale of member land	60,077,067	61,890,849	53,390,161
Return of Contribution	(31,000,000)	(31,000,000)	(9,999,988)
Rates equivalent	(422,562)	(422,562)	(554,651)
TPRC Nett Result	505,674	(401,062)	168,986
TOTAL EQUITY	48,094,264	24,037,966	42,426,580

11. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

	2015 $	2014 $
(a) Improvements to leasehold property		
Opening balance	6,353	6,353
Revaluation increment	0	0
	6,353	6,353
(b) Plant and equipment		
Opening balance	1,164	0
Revaluation increment	0	1,164
	1,164	1,164
TOTAL ASSET REVALUATION SURPLUS	7,517	7,517

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015 $	2015 Budget $	2014 $
Cash and cash equivalents	46,060,590	21,953,541	40,413,398

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

	2015 $	2015 Budget $	2014 $
Net result	505,674	(401,062)	167,822
Non-cash flows in Net result:			
Depreciation	16,250	17,983	13,626
(Profit)/Loss on sale of asset	(956)	(6,869)	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	345,944	(257,697)	(219,369)
Increase/(Decrease) in payables	(395,957)	179,840	264,227
Increase/(Decrease) in provisions	41,348	23,500	(35,588)
Net cash from operating activities	512,303	(444,305)	190,718

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

The Regional Council does not have any undrawn borrowing facilities at 30 June 2015

13. CONTINGENT LIABILITIES

There were no known contingent liabilites at 30 June 2015.

14. CAPITAL AND LEASING COMMITMENTS

The Regional Council did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Regional Council did not have any future capital expenditure commitments at the reporting date.

15. JOINT VENTURE ARRANGEMENTS

The Regional Council is not involved in any joint venture arrangements.

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015 $	2014 $
Governance	4,596	6,214
Other property and services	176,747	171,901
Unallocated	48,238,496	42,928,649
	48,419,839	43,106,764

17. FINANCIAL RATIOS

	2015	2014	2013
Current ratio	157.65	61.98	61.22
Asset sustainability ratio	4.02	0.51	0.00
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	0.35	0.17	(1.13)
Own source revenue coverage ratio	1.51	1.20	0.47

The above ratios are calculated as follows:

Current ratio: $\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$

Asset sustainability ratio: $\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$

Debt service cover ratio: $\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$

Operating surplus ratio: $\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$

Own source revenue coverage ratio: $\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 39 of this document.

18. TRUST FUNDS

The Regional Council holds no funds in trust for other entities.

19. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual $	Budget $	Actual $	Budget $	Actual $	Budget $
Plant and Equipment						
Other property and services						
Audi Q5	37,226	34,131	38,182	41,000	956	6,869
	37,226	34,131	38,182	41,000	956	6,869

Profit	956	6,869
Loss	0	0
	956	6,869

20. INFORMATION ON BORROWINGS

(b) New Debentures - 2014/15

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

(c) Unspent Debentures

The Regional Council did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

The Regional Council does not have an overdraft facility.

21. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates RATE TYPE	Rate in $	Number of Properties	Rateable Value $	Rate Revenue $	Interim Rates $	Back Rates $	Total Revenue $	Budget Rate Revenue $	Budget Interim Rate $	Budget Back Rate $	Budget Total Revenue $
Differential general rate											
Gross rental value valuations											
Unimproved value valuations											
Sub-Totals		0	0	0	0	0	0	0	0	0	0
Minimum payment	**Minimum $**										
Gross rental value valuations											
Unimproved value valuations											
Sub-Totals		0	0	0	0	0	0	0	0	0	0
							0				0
Ex-gratia rates											
Discounts/concessions (refer note 24)							0				0
Total amount raised from general rate							**0**				**0**
Specified Area Rate (refer note 22)							0				0
Totals							0				0

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

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

	2015 (30 June 2015 Carried Forward) $	2015 (1 July 2014 Brought Forward) $	2014 (30 June 2014 Carried Forward) $
Surplus/(Deficit) 1 July 14 brought forward	46,155,070	40,484,543	40,484,543
Comprises:			
Cash and cash equivalents			
Unrestricted	46,060,590	40,413,398	40,413,398
Sundry debtors	180,487	542,087	542,087
GST receivable	3,846	4,417	4,417
Accrued Interest	175,391	150,564	150,564
Settlement bonds	29,400	38,000	38,000
Less:			
Trade and other payables			
Sundry creditors	(163,501)	(561,027)	(561,027)
Accrued salaries and wages	(7,080)	(5,510)	(5,510)
ATO liabilities	(14,965)	(13,388)	(13,388)
FBT Liabilities	(1,692)	(770)	(770)
Accrued expenses	(4,500)	(7,000)	(7,000)
Provisions			
Provision for annual leave	(102,906)	(68,128)	(68,128)
Provision for long service leave	0	(8,100)	(8,100)
Net current assets	**46,155,070**	**40,484,543**	**40,484,543**
Surplus/(deficit)	**46,155,070**	**40,484,543**	**40,484,543**

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

22. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Regional Council did not impose any Specified Area Rates.

23. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Regional Council did not impose any service charges.

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

The Regional Council did not offer any discounts, provide any concessions or allow any write offs.

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

The Regional Council did not impose interest charges.

26. FEES & CHARGES

There were no fees and charges applied in the financial year

27. GRANT REVENUE

The Regional Council did not receive any Grant Revenue in the financial year.

28. EMPLOYEE NUMBERS	2015	2014
The number of full-time equivalent employees at balance date	3	3

29. ELECTED MEMBERS REMUNERATION	2015 $	2015 Budget $	2014 $
The following fees, expenses and allowances were paid to council members and/or the president.			
Elected Members Remuneration	131,708	128,750	114,837
Alternate Elected Members Remuneration	420	2,000	0
Chairman's Allowance	15,338	19,750	15,418
Deputy Chairman's allowance	4,857	4,938	4,129
	152,323	155,438	134,384

30. MAJOR LAND TRANSACTIONS

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

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

32. FINANCIAL RISK MANAGEMENT

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

The Regional Council does not engage in transactions expressed in foreign currencies and is therefore not foreign currency risk.

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

The Regional Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	46,060,590	40,413,398	46,060,590	40,413,398
Receivables	389,124	735,068	389,124	735,068
	46,449,714	41,148,466	46,449,714	41,148,466
Financial liabilities				
Payables	191,738	587,695	191,738	587,695
	191,738	587,695	191,738	587,695

Fair value is determined as follows:

• Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

(a) Cash and Cash Equivalents

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

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

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

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Regional Council.

32. FINANCIAL RISK MANAGEMENT (continued)

The Regional Council manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2015 $	2014 $
Impact of a 1% [1] movement in interest rates on cash		
- Equity	462,469	300,559
- Statement of Comprehensive Income	462,468	300,559

Notes:
[1] Sensitivity percentages based on management's expectation of future possible market movements.

(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of other receivables		
- Current	53%	90%
- Overdue	2%	10%

32. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

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

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

	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying values $
2015					
Payables	191,738	0	0	191,738	191,738
	191,738	0	0	191,738	191,738
2014					
Payables	587,695	0	0	587,695	587,695
	587,695	0	0	587,695	587,695

RATIO INFORMATION

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

	2015	2014	2013
Asset consumption ratio	0.80	0.81	0.78
Asset renewal funding ratio	1.963	N/A	1.17

The above ratios are calculated as follows:

Asset consumption ratio $\dfrac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$

Asset renewal funding ratio $\dfrac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$