



Mildura Rural City Council

Financial Statements
for the Year Ended 30 June 2015



Mildura Rural City Council

Financial Report

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Comprehensive Income Statement For the Year Ended 30 June 2015

		Consolidated		Council	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income					
Rates and charges	3	59,233	55,974	59,370	56,078
Statutory fees and fines	4	2,120	1,596	2,120	1,656
User fees	5	10,263	9,545	5,840	5,140
Grants - Operating	6	27,315	14,720	27,315	14,720
Grants - Capital	6	11,618	10,682	11,618	10,682
Contributions - monetary	7	1,292	827	1,292	827
Contributions - non-monetary assets	7	385	175	385	175
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(2,589)	(2,787)	(2,589)	(2,765)
Other income	9	5,692	4,828	5,753	4,969
Asset recognition	10	-	-	-	-
Total income		115,329	95,560	111,104	91,482
Expenses					
Employee costs	11	(41,780)	(40,991)	(40,208)	(39,928)
Materials and services	12	(29,184)	(30,622)	(28,187)	(30,152)
Bad and doubtful debts	13	(189)	(213)	(189)	(209)
Depreciation and amortisation	14	(16,832)	(17,057)	(15,945)	(16,237)
Borrowing costs	15	(1,307)	(1,445)	(1,320)	(1,435)
Other expenses	16	(1,240)	(1,479)	(1,067)	(1,355)
Impairment of non financial asset		-	(485)	-	-
Revaluation expense	17	(3,513)	-	(3,513)	-
Total expenses		(94,045)	(92,292)	(90,429)	(89,316)
Surplus/(deficit)		21,284	3,268	20,675	2,166
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net financial asset revaluation increment/(decrement)	29	-	-	609	1,102
Net asset revaluation increment/(decrement)	29	40,563	5,901	40,563	5,901
Total comprehensive result		61,847	9,169	61,847	9,169

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

Balance Sheet As at 30 June 2015

		Consolidated		Council	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets					
Current assets					
Cash and cash equivalents	18	39,171	21,712	36,388	19,373
Trade and other receivables	19	6,209	12,103	5,949	11,862
Other financial assets	20	2,288	1,018	2,288	1,018
Inventories	21	826	716	826	716
Other assets	22	322	274	257	265
Total current assets		48,816	35,823	45,708	33,234
Non-current assets					
Trade and other receivables	19	-	-	2,116	2,314
Other assets	22	-	-	30,382	29,773
Other financial assets	20	1,475	1,460	1,475	1,460
Property, infrastructure, plant and equipment	23	685,351	642,221	655,533	612,345
Intangible assets	24	5,454	3,439	5,409	3,410
Total non-current assets		692,280	647,120	694,915	649,302
Total assets		741,096	682,943	740,623	682,536
Liabilities					
Current liabilities					
Trade and other payables	25	3,941	7,618	3,656	7,457
Trust funds and deposits	26	1,527	1,277	1,527	1,277
Provisions	27	10,477	9,917	10,386	9,831
Interest-bearing loans and borrowings	28	1,824	2,772	1,801	2,707
Total current liabilities		17,769	21,584	17,370	21,272
Non-current liabilities					
Provisions	27	8,635	8,566	8,581	8,513
Interest-bearing loans and borrowings	28	19,552	19,500	19,531	19,457
Total non-current liabilities		28,187	28,066	28,112	27,970
Total liabilities		45,956	49,650	45,482	49,242
Net Assets		695,140	633,293	695,141	633,294
Equity					
Accumulated surplus		296,984	280,552	284,005	268,182
Reserves	29	398,156	352,741	411,136	365,112
Total Equity		695,140	633,293	695,141	633,294

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2015

Consolidated

	Note	Total 2015 \$'000	Accumulated Surplus 2015 \$'000	Revaluation Reserve 2015 \$'000	Other Reserves 2015 \$'000
2015					
Balance at beginning of the financial year		633,293	280,552	340,642	12,099
Surplus/(deficit) for the year		21,284	21,284	-	-
Net asset revaluation increment/(decrement)	29(a, c)	40,563	-	40,563	-
Transfers to other reserves	29(b)	-	10,858	-	(10,858)
Transfers from other reserves	29(b)	-	(15,710)	-	15,710
Balance at end of the financial year		695,140	296,984	381,205	16,951

		Total 2014 \$'000	Accumulated Surplus 2014 \$'000	Revaluation Reserve 2014 \$'000	Other Reserves 2014 \$'000
2014					
Balance at beginning of the financial year		624,124	278,173	334,741	11,210
Surplus/(deficit) for the year		3,268	3,268	-	-
Net asset revaluation increment/(decrement)	29(a, c)	5,901	-	5,901	-
Transfers to other reserves	29(b)	-	7,504	-	(7,504)
Transfers from other reserves	29(b)	-	(8,393)	-	8,393
Balance at end of the financial year		633,293	280,552	340,642	12,099

The above statement of changes in equity should be read with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2015

Council

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		2015	2015	2015	2015
		\$'000	\$'000	\$'000	\$'000
2015					
Balance at beginning of the financial year		633,294	268,182	353,005	12,107
Surplus/(deficit) for the year		20,675	20,675	-	-
Net asset revaluation increment/(decrement)	29(a)	41,172	-	41,172	-
Transfers to other reserves	29(b)	-	10,858	-	(10,858)
Transfers from other reserves	29(b)	-	(15,710)	-	15,710
Balance at end of the financial year		695,141	284,005	394,177	16,959

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		2014	2014	2014	2014
		\$'000	\$'000	\$'000	\$'000
2014					
Balance at beginning of the financial year		624,125	266,913	346,002	11,210
Surplus/(deficit) for the year		2,166	2,166	-	-
Net asset revaluation increment/(decrement)	29(a)	7,003	-	7,003	-
Transfers to other reserves	29(b)	-	7,504	-	(7,504)
Transfers from other reserves	29(b)	-	(8,401)	-	8,401
Balance at end of the financial year		626,291	268,182	353,005	12,107

The above statement of changes in equity should be read with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2015

	Note	Consolidated		Council	
		2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
Cash flows from operating activities					
Rates and charges		59,275	55,900	59,412	55,900
Statutory fees and fines		2,120	1,656	2,120	1,656
User fees		10,230	10,620	5,361	5,441
Contributions - monetary		1,357	868	1,357	868
Grants - operating		28,681	15,456	28,681	15,456
Grants - capital		18,655	4,978	18,655	4,978
Other receipts		4,078	3,954	4,340	4,127
Interest		1,180	1,022	1,112	973
Net GST refund (payment)		2,938	3,031	3,221	3,054
Trust funds and deposits taken		6,749	5,381	6,749	5,381
Materials and services		(37,937)	(35,953)	(36,498)	(34,084)
Employees costs		(42,395)	(39,949)	(40,844)	(38,882)
Trust funds and deposits repaid		(6,499)	(6,156)	(6,499)	(6,156)
Other payments		(1,194)	(1,564)	(1,256)	(1,564)
Net cash provided by/(used in) operating activities	30	47,238	19,244	45,911	17,148
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	23,24	(26,998)	(23,764)	(26,169)	(22,896)
Proceeds from sale of property, infrastructure, plant and equipment		695	1,056	695	1,036
Net Proceeds from financial assets		(1,270)	3,497	(1,270)	3,497
Net cash provided by (used in) investing activities		(27,573)	(19,211)	(26,744)	(18,363)
Cash flows from financing activities					
Finance costs		(1,307)	(1,445)	(1,320)	(1,435)
Proceeds from borrowings		1,000	1,000	1,000	1,000
Repayment of borrowings		(1,899)	(2,000)	(1,832)	(1,969)
Net cash provided by (used in) financing activities		(2,206)	(2,445)	(2,152)	(2,404)
Net increase/(decrease) in cash and cash equivalents		17,459	(2,412)	17,015	(3,619)
Cash and cash equivalents at the beginning of the financial year		21,712	24,124	19,373	22,992
Cash and cash equivalents at the end of the financial year	31	39,171	21,712	36,388	19,373
Financing arrangements	32				
Restrictions on cash assets	18				

The above cash flow statement should be read with the accompanying notes.

Statement of Capital Works For the Year Ended 30 June 2015

	Consolidated		Council	
Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Capital expenditure areas				
Property				
Land	11	1,043	11	1,043
Buildings	2,789	2,956	2,789	2,955
Total property	2,800	3,999	2,800	3,998
Plant and equipment				
Plant, machinery and equipment	3,943	4,306	3,723	3,980
Furniture and fittings	346	545	346	545
Library books and art works	356	285	356	285
Total plant and equipment	4,645	5,136	4,425	4,810
Infrastructure				
Roads	7,670	8,412	7,670	8,412
Footpaths and cycleway	388	-	388	-
Drainage	2,545	711	2,507	711
Recreational, leisure and community	1,581	1,714	1,581	1,714
Waste management	138	39	138	39
Parks, open spaces and streetscapes	6,935	3,124	6,378	2,828
Off street car parks	179	573	165	328
Total infrastructure	19,436	14,573	18,827	14,032
Total capital works	26,881	23,708	26,052	22,840
Intangible Asset (Software)	117	56	117	56
Total	117	56	117	56
Total capital works	26,998	23,764	26,169	22,896
Represented by:				
Capital Renewal	12,704	14,750	12,704	14,750
Capital New	1,989	1,974	1,989	1,974
Capital Upgrade	5,368	4,862	4,539	3,994
Capital Expansion	6,820	2,122	6,820	2,122
Intangible Asset	117	56	117	56
Total capital works	26,998	23,764	26,169	22,896

The above statement of capital works should be read with the accompanying notes.

Notes to the Financial Report For the Year Ended 30 June 2015

Introduction

- (a) The Mildura Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate. The Council's main office is located at 108 - 116 Madden Avenue, Mildura.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

Council uses the following service providers:

External Auditor - Auditor-General of Victoria

Internal Auditor - BDO Australia

Solicitors - Martin Irwin Richards of Mildura, Maddocks of Melbourne, Harwood Andrews Lawyers of Melbourne, Meerkin and Apel Lawyers of Melbourne, FOI Solutions Lawyers of Melbourne, Macpherson and Kelly Lawyers of Melbourne and Russell Kennedy of Melbourne

Bankers - Commonwealth Bank of Australia Ltd

Council maintains the following website:

www.mildura.vic.gov.au

Notes to the Financial Report For the Year Ended 30 June 2015

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (h))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (e))
- the determination of employee provisions (refer to note 1 (m))

The consolidated results in the financial report include all funds through which the Mildura Rural City Council controls resources to carry on its functions. In the process of reporting on the Mildura Rural City Council as a consolidated unit, all intra and inter entity balances and transactions have been eliminated.

Prior to 1 July 2008 the operations of Mildura airport were carried out by Mildura Rural City Council and the financial results of those operations were included as part of the financial report of Council. On 1 July 2008 the operations of Mildura Airport along with the associated assets and liabilities were transferred to a newly incorporated body – Mildura Airport Pty Ltd – which is a wholly owned subsidiary of Council. The assets and liabilities of Mildura Airport Pty Ltd and the results of its operations for the year then ended have been included in the consolidated financial report.

(b) Change in accounting policies

There have been no changes in accounting policies from the previous period.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated

Entities consolidated into Council include:

- Mildura Airport Pty Ltd

(d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full

(e) Revenue recognition

Rates, grants and contributions

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

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

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(e) Revenue recognition (cont)

User fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised as it is earned.

Dividends

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

Other Income

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

(f) Trade and other receivables and inventories

Trade receivables

Receivables are carried at amortised cost using the effective interest rate method.

A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

Inventories

Inventories held for distribution are measured at cost and adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

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

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Artworks are not depreciated.

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

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

	2014/2015
<i>Property</i>	
Buildings	
buildings	60 years
<i>Plant and Equipment</i>	
Plant	
heavy equipment	
graders	10 years
loaders	7 years
mowers	5 years
rollers	12 years
sweepers	7 years
tractors	5 years
trucks	6 years
vehicles, light plant and equipment	
light plant and equipment	4 years
motor vehicle - commercial	4 years
motor vehicle - passenger	3 years
leased plant and equipment	8 years
furniture and fittings	
computers and telecommunications	4 years
fixtures, fittings and furniture	10 years
library books	7 years
<i>Infrastructure</i>	
Roads	
footpaths and cycleways	10 - 50 years

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(g) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles (cont.)

	2014/2015
road kerb and channel	50 years
road pavements	20 - 50 years
road seals	5 - 50 years
Drainage	50 - 150 years
Off Street Carparks	50 years
Recreational, leisure and community	
outdoor furniture	10-25 years
playground equipment	10 years
sporting surfaces	20 years
Parks, open spaces and streetscapes	
access paths	50 years
outdoor furniture	10-25 years
parks and reserves	15 years
playground equipment	10 years
Aerodromes	50 years
Waste Management	10-30 years
Intangible assets	
software	3 - 15 years

(h) Repairs and maintenance

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

(i) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on borrowings and finance lease charges.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(j) Recognition and measurement of assets

Acquisition

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

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

The following classes of assets have been recognised in note 23. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit \$'000
Property	
Land	
land	5
land under roads	All
Buildings	
buildings	10
Plant and Equipment	
plant and equipment	5
plant and equipment - leased	5
furniture and fittings	5
furniture and fittings - leased	5
artworks	0.5
library books	In aggregate
Infrastructure	
Roads	
footpaths and cycleways	10
road kerb and channel	10
road pavements	10
road seals	10
Drainage	10
Waste Management	10
Aerodromes	10
Off Street Carparks	10

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(j) Recognition and measurement of assets (cont.)

Recreational, leisure and community	10
Parks, open spaces and streetscapes	10
Intangible assets	
Software	1

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 23 Property Plant and Equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

Land under roads acquired after 30 June 2008 are brought to account using current market values. Council does not recognise land under roads that it controlled prior to that period in the financial report.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(k) Recognition and measurement of assets (cont.)

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(l) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(m) Financial assets

Financial assets are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(n) Investments

Investments, other than investments in associates, are measured at cost. The carrying value of Council's investment in the Mildura Airport Pty Ltd was initially measured at cost, and adjusted each balance date thereafter for changes in the Council's share (100%) of the net assets of the company. Gains or losses arising are recognised directly in equity through the Financial Assets Revaluation Reserve (note 29 (c)).

(o) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 26).

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(p) Employee costs

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

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

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

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(p) Employee costs (cont.)

(iv) Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(v) Superannuation

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

(q) Landfill rehabilitation provision

Council is obligated to restore Ouyen, Mildura and Murrayville sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(r) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 1 to 5 year period.

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 1 to 5 year period.

(s) Allocation between current and non-current

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 twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(t) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

(u) Web site costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(v) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(w) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(x) Rounding

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

(y) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(z) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 35 Contingent Liabilities and Contingent Assets.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on Day Month Year. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

a) Income and Expenditure

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	%	Ref
Income					
Rates and charges	59,140	59,370	230	0	
Fees, fines and user charges	5,340	5,840	500	9	
Statutory fees and fines	1,915	2,120	205	11	
Grants - operating	19,553	27,315	7,762	40	1
Grants - capital	15,104	11,618	(3,486)	(23)	2
Contributions - cash	867	1,292	425	49	3
Contributions - non monetary	-	385	385	100	4
Net gain on disposal of property, infrastructure, plant and equipment	250	(2,589)	(2,839)	(1,136)	5
Other income	4,446	5,753	1,307	29	6
Total income	106,615	111,104	4,489		
Expenses					
Employee benefits	(40,362)	(40,208)	154	(0)	
Materials and services	(27,077)	(28,187)	(1,110)	4	7
Bad and doubtful debts	(160)	(189)	(29)	18	
Depreciation and amortisation	(16,504)	(15,945)	559	(3)	8
Finance costs	(1,341)	(1,320)	21	(2)	
Other expenses	(4,285)	(1,067)	3,218	(75)	9
Revaluation expense	-	(3,513)	(3,513)	100	10
Total Expenses	(89,729)	(90,429)	(700)		
Surplus / (deficit)	16,886	20,675	3,789		

Notes to the Financial Report
VARIANCE EXPLANATION REPORT
For the Year Ended 30 June 2015

(l) Explanation of material variations

Variance

Ref	Item	Explanation
1	Grants - operating	The result of the forward payment of 50% of our Victorian Grants Commission funding from 2015/16 into 2014/15.
2	Grants - capital	This is due to carrying forward part of the construction of the Mildura Riverfront Redevelopment Project.
3	Contributions - cash	During the year there was additional receipts of Developer Contribution than forecast. This has been the result of increased economic activity across the municipality.
4	Contributions - non monetary	Whilst receipts of this type are not uncommon it was not expected for any non monetary contributions to be received during the year. This has been the result of increased economic activity across the municipality.
5	Net gain on disposal of property, infrastructure, plant and equipment	This has been affected by the renewal of Road and infrastructure networks that require an asset to be disposed of. Our gross proceeds from asset disposals is in line with budget forecast but the written down value of our assets disposed of has come in well above budget estimates.
6	Other income	Investment income received is higher than budgeted. This is primarily due to interest income on our rates receivables. Also an increase in landfill provision discount amount has had a non cash impact on other income.
7	Materials and services	When preparing our budget we included the expense category "office expenses" in "other expenses" but in following the model financial statements this has been shown under "material and services". This means the real variance for material and services is \$1.938M. Material and services is a very broad expense category. The largest saving has occurred on our kerbside recycling collection and sorting contract. This is due to a reduction in the dollar rate per tonne from our previous contracts. Also we have savings on electricity and reductions in the cost of fuel due to the drop in the oil price. Also a decrease in private works contracts has meant that materials purchased has decreased.
8	Depreciation and amortisation	Depreciation is less than budgeted due to a reassessment of the useful lives of our building assets which has resulted in our depreciation expenses to be lower than anticipated.
9	Other expenses	When preparing our budget we included the expense category "office expenses" in "other expenses" but in following the model financial statements this has been shown under "material and services". This means the real variance for other expenses is \$0.196M or 4.57%.
10	Revaluation expense	This is an accounting movement and is a write down of the value of Land Under Roads. The write down is due to a change in valuation methodology.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 2 Budget Comparison (cont)

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	%	Ref
b) Capital Works					
Property					
Land	1,485	11	(1,474)	(99)	1
Buildings	4,542	2,789	(1,753)	(39)	2
Plant and equipment					
Plant, machinery and equipment	2,459	3,723	1,264	51	3
Furniture and fittings	891	346	(545)	(61)	4
Library books and art works	310	356	46	15	
Infrastructure					
Roads	10,003	7,670	(2,333)	(23)	5
Footpaths and cycleway	468	388	(80)	(17)	
Drainage	4,325	2,507	(1,818)	(42)	6
Recreational, leisure and community	515	1,581	1,066	207	7
Waste management	735	138	(597)	(81)	8
Parks, open spaces and streetscapes	11,572	6,378	(5,194)	(45)	9
Off street car parks	104	165	61	59	
Intangible Assets - Software	-	117	117	100	
Total Capital Works	37,409	26,169	(11,240)		

Represented by:

Capital Renewal	15,064	12,704	(2,360)	(16)
Capital New	6,509	1,989	(4,520)	(69)
Capital Upgrade	5,564	4,539	(1,025)	(18)
Capital Expansion	10,272	6,820	(3,452)	(34)
Intangible Assets	-	117	117	100
Total Capital Works	37,409	26,169	(11,240)	

Notes to the Financial Report For the Year Ended 30 June 2015

Note 2 Budget Comparison (cont)

(i) Explanation of material variations

Variance Ref.	Item	Explanation
1	Land	Ongoing negotiations with Landowners and awaiting legal negotiations.
2	Buildings	Riverfront project is part of a \$19 million project over multiple years is currently being completed.
3	Plant, machinery and equipment	Due to Works and Infrastructure service review purchase of machinery was put on hold until it was completed late in the financial year.
4	Furniture and fittings	Implementation of the new Asset Management software is lengthy due to complexity and spans new financial year. Currently completing a fleet sustainability review and this will supply recommendation on a GPS tracking system for plant and vehicles.
5	Roads	Riverfront project is part of a \$19 million project over multiple years and is near completion. Major stairway/bridge project was not completed in the previous year and was not budgeted to be a works carry forward.
6	Drainage	Drainage works projects runs over multiple years. Code of practice for CCTV inspection changed, had to wait until industry developed technology to report under new code, delays in awarding contractor until successful tender could demonstrate compliance with new code. A drainage project combined with a road reconstruction project was delayed due to combining the two into the works program for complete July/August. A major stormwater drainage project delayed due to two easement negotiations, water service authorities and design. Project is now advertised for tender and to close mid July. MRCC works to be completed after water authorities have moved their services.
7	Recreational, leisure and community	A lighting upgrade project was funded by State Government and delayed due to receiving Electrical specifications December 2014. Order raised end of April for contractor and did not commence on site until 1 June with a complete date end August.
8	Waste management	The construction of the Bulk Up Facility at Mildura Landfill was delayed due to ongoing lease negotiations with the recycling contractors including final design and operational aspects. This process is now complete and construction time is expected to be around 8 weeks.
9	Parks, open spaces and streetscapes	Riverfront project is part of a \$19 million project over multiple years is currently in progress. Budgets have now been broken up into different categories. State funding received late 2014 for a major walking track project and works scheduled for completion mid 2016. Boat ramp was delayed originally by river levels. Project has now been respecified and out to tender in July.

Notes to the Financial Report For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000

Note 3 Rates and charges

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

The valuation base used to calculate general rates for 2014/2015 was \$6,967 million (2013/2014 \$6,592 million). The 2014/2015 rate in the dollar was \$0.006757 (2013/2014 \$0.00704).

General rates	37,362	37,569	37,499	37,673
Municipal charge	2,684	-	2,684	-
Cultural/recreational land	24	17	24	17
Mildura City Heart differential rate	2,294	2,182	2,294	2,182
Business differential rate	9,452	9,112	9,452	9,112
Garbage charges	7,417	7,094	7,417	7,094
Total rates and charges	59,233	55,974	59,370	56,078

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation will be first applied in the rating year commencing 1 July 2014.

Note 4 Statutory fees and fines

Licences and permits	323	467	323	467
Statutory planning fees	410	326	410	326
Infringements and costs	749	753	749	753
Land information certificates	102	46	102	46
Valuations database	407	-	407	-
Other statutory fees and fines	129	4	129	64
Total statutory fees and fines	2,120	1,596	2,120	1,656

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 5 User fees				
Rent/lease fees	813	728	531	456
Animal control and local Laws	397	363	397	363
Child care/children's programs	284	235	284	235
Aged and health services	1,157	1,180	1,157	1,180
Airport fees and charges	4,141	4,133	-	-
Other fees and charges	357	300	357	300
Contract works	1,138	1,080	1,138	1,080
Entrance charges	500	679	500	679
Waste management services	1,287	713	1,287	713
Commission/agency fees	189	134	189	134
Total user fees	10,263	9,545	5,840	5,140

Note 6 Grants

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	4,330	3,420	4,330	3,420
State funded grants	34,603	21,982	34,603	21,982
Total summary of grants	38,933	25,402	38,933	25,402

Recurrent

Capital

Commonwealth Government - Roads to recovery	1,810	1,770	1,810	1,770
Total recurrent capital grants	1,810	1,770	1,810	1,770

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 6 Grants (cont)				
Operating				
Victoria Grants Commission - general purpose	14,327	4,592	14,327	4,592
Victoria Grants Commission - local roads	5,550	1,832	5,550	1,832
Family services	387	526	387	526
Youth services	477	604	477	604
Primary care partnership	379	342	379	342
Other	-	9	-	9
Maternal and child health	615	562	615	562
Social development and projects	134	221	134	221
Environment	67	65	67	65
Environmental health	7	62	7	62
Local laws	95	97	95	97
Healthy together	861	701	861	701
Emergency management	29	29	29	29
Arts and culture	180	175	180	175
Aged and disability services	2,713	2,664	2,713	2,664
Libraries	367	362	367	362
Road construction and maintenance	144	159	144	159
Total recurrent operating grants	26,332	13,002	26,332	13,002
Total recurrent grants	28,142	14,772	28,142	14,772
Non-recurrent				
Capital				
Road construction and maintenance	1,664	5,233	1,664	5,233
Family services	-	255	-	255
Other	-	242	-	242
Community Development	6	-	6	-
Social development and projects	-	20	-	20
Environment	354	123	354	123
Local Laws	46	-	46	-
Arts and culture	80	-	80	-
Libraries	12	11	12	11
Recreation and sport	7,646	3,028	7,646	3,028
Total non-recurrent capital grants	9,808	8,912	9,808	8,912

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 6 Grants (cont)				
Operating				
Airport operations	-	1,000	-	1,000
Youth services	5	29	5	29
Community development	337	-	337	-
Healthy together	40	10	40	10
Aged and disability services	3	3	3	3
Family Services	30	11	30	11
Other	-	10	-	10
Social development and projects	176	165	176	165
Environment	124	99	124	99
Primary Care Partnership	5	-	5	-
Planning and development	8	15	8	15
Emergency management	120	141	120	141
Arts and culture	125	235	125	235
Libraries	10	-	10	-
Total non-recurrent operating grants	983	1,718	983	1,718
Total non-recurrent grants	10,791	10,630	10,791	10,630
Conditions on grants				
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	3,333	2,590	3,333	2,590
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	3,116	4,729	3,116	4,729
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	217	(2,139)	217	(2,139)

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 7 Contributions				
Monetary				
Community services	293	241	293	241
Developer contributions	705	291	705	291
Capital contributions	264	249	264	249
Other	30	46	30	46
Total	1,292	827	1,292	827
Non-monetary assets				
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>				
Infrastructure	385	175	385	175
Total	385	175	385	175
Total contributions	1,677	1,002	1,677	1,002
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment				
Proceeds of sale	695	1,056	695	1,036
Written down value of assets disposed	(3,284)	(3,843)	(3,284)	(3,801)
Total	(2,589)	(2,787)	(2,589)	(2,765)
Note 9 Other income				
Interest	691	692	796	643
Interest on rates	316	330	316	330
Sales	740	359	740	359
Other	141	118	31	117
Child care reimbursement	1,131	1,058	1,131	1,058
Fuel tax rebate	240	163	240	163
Workcover costs reimbursements	150	168	150	168
Legal costs recouped	247	167	247	167
Wages reimbursement	-	196	-	196
Airport reimbursement	-	-	4	194
Aged care package reimbursement	431	387	431	387
Cemetery reimbursement	253	238	253	238
Utilities reimbursement	308	333	308	333
Other costs reimbursed	463	619	525	616
Increase in landfill provision discounted amount	581	-	581	-
Total other income	5,692	4,828	5,753	4,969

Notes to the Financial Report
For the Year Ended 30 June 2015

Consolidated		Council	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

Note 10 Asset recognition

During the previous year Council undertook an extensive survey of its roads and outdoor infrastructure networks. In doing so, it identified assets which had not previously been recorded in its assets registers.

Asset recognition

-	-	-	-
-	-	-	-

Note 11 Employee costs

Wages and salaries	37,987	37,590	36,545	36,592
Payroll tax	8	8	8	27
Superannuation	3,574	3,187	3,444	3,103
Fringe benefits tax	211	206	211	206
Total employee costs	41,780	40,991	40,208	39,928

Super

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	499	509	499	509
Employer contributions - other funds	-	-	-	-
	499	509	499	509

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 11 Employee costs (cont)				
Employer contributions payable at reporting date.				
Accumulation funds				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,203	1,870	2,073	1,778
Employer contributions - other funds	-	710	873	710
	<u>2,203</u>	<u>2,580</u>	<u>2,946</u>	<u>2,488</u>
Employer contributions payable at reporting date.	<u>157</u>	<u>119</u>	<u>140</u>	<u>106</u>

Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are made or due

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of [Employer name] in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 12 Materials and services				
Materials and services	2,379	2,806	2,047	2,748
Grants, contributions and donations	3,610	3,227	3,550	3,227
Utilities	3,891	4,120	3,700	3,902
Contract payments	9,038	9,520	8,809	9,494
Information technology	932	862	932	862
Insurance	821	825	821	838
Consultants	1,403	2,015	1,403	2,015
Office administration	3,155	3,074	3,048	3,121
General maintenance	3,955	4,173	3,877	3,945
Total materials and services	29,184	30,622	28,187	30,152

Note 13 Bad and doubtful debts

Other debtors	15	57	15	53
Infringements	174	156	174	156
Total bad and doubtful debts	189	213	189	209

Note 14 Depreciation and amortisation

Buildings

Buildings	2,435	3,412	2,259	3,252
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Plant and equipment

Plant and equipment	2,408	2,252	2,138	2,021
Plant and equipment (leased)	-	24	-	24
Furniture and fittings	208	130	208	130
Furniture and fittings (leased)	4	18	4	18
Library books	167	162	167	162

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 14 Depreciation and amortisation (cont)				
<i>Infrastructure</i>				
Roads	7,872	7,730	7,872	7,730
Drainage	982	1,042	973	1,010
Landfill	319	239	319	239
Recreational, leisure and community	848	1,015	837	1,007
Parks, open spaces and streetscapes	898	505	874	452
Off street carpark	197	83	128	72
Aerodromes	328	325	-	-
Total	16,666	16,937	15,779	16,117
Intangible assets				
Software	166	120	166	120
Total	166	120	166	120
Total depreciation and amortisation	16,832	17,057	15,945	16,237
Note 15 Borrowing costs				
Interest - borrowings	1,304	1,440	1,317	1,430
Interest - finance leases	3	5	3	5
Total borrowing costs	1,307	1,445	1,320	1,435
Note 16 Other expenses				
Auditors' remuneration - VAGO - audit of the financial statements and performance statement	70	71	57	58
Auditors' remuneration - Internal	159	164	159	164
Councillors' allowances	306	297	306	297
Directors' Fees	82	82	-	-
Refunds	46	41	46	41
Operating lease rentals	150	124	150	124
Other	427	700	349	671
Total other expenses	1,240	1,479	1,067	1,355

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 17 Revaluation Expense				
Land under roads	3,225	-	3,225	-
Waste management	288	-	288	-
	<u>3,513</u>	<u>-</u>	<u>3,513</u>	<u>-</u>

Note 18 Cash and cash equivalents

Cash on hand	36	34	11	11
Cash at bank	17,527	7,868	17,377	7,346
Short term deposits	21,608	13,810	19,000	12,016
Total cash and cash equivalents	<u>39,171</u>	<u>21,712</u>	<u>36,388</u>	<u>19,373</u>

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Statutory Reserve funds (note 29)	1,851	2,261	1,851	2,368
Trust funds and deposits (note 26)	1,527	1,019	1,527	1,019
Restricted funds	<u>3,378</u>	<u>3,280</u>	<u>3,378</u>	<u>3,387</u>
Total unrestricted cash and cash equivalents	<u>35,793</u>	<u>18,432</u>	<u>33,010</u>	<u>15,986</u>

Intended Allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

Unexpended grants (note 6)	3,333	4,073	3,333	4,073
Discretionary reserves (note 29)	15,100	9,846	15,100	9,739
Long service leave 25% (note 27)	1,665	1,583	1,665	1,583
Cash held to fund carried forward capital works	6,850	3,719	6,850	3,719
Total funds subject to intended allocations	<u>26,948</u>	<u>19,221</u>	<u>26,948</u>	<u>19,114</u>
Total cash and cash equivalents free of intended allocations	<u>8,845</u>	<u>(789)</u>	<u>6,062</u>	<u>(3,128)</u>

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 19 Trade and other receivables				
<i>Current</i>				
Rates debtors	3,469	3,511	3,469	3,511
Infringement debtors	1,237	1,095	1,237	1,095
Provision for doubtful debts - infringements	(1,043)	(850)	(1,043)	(850)
General debtors ⁽¹⁾	1,470	7,321	914	6,890
Provision for doubtful debts - other debtors	(63)	(92)	(59)	(88)
Accrued income	652	624	652	624
GST receivable	487	494	487	494
Loan to Mildura Airport Pty Ltd	-	-	292	186
Total	6,209	12,103	5,949	11,862
<i>Non-current</i>				
Loan to Mildura Airport Pty Ltd	-	-	2,116	2,314
Total	-	-	2,116	2,314
Total trade and other receivables	6,209	12,103	8,065	14,176

a) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	862	3,010	862	2,591
Past due by up to 30 days	31	80	31	77
Past due between 31 and 180 days	136	4,365	136	4,359
Past due between 181 and 365 days	80	92	80	89
Past due by more than 1 year	1,042	869	1,042	869
Total trade & other receivables	2,151	8,416	2,151	7,985

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	942	741	938	741
New Provisions recognised during the year	189	213	189	209
Amounts already provided for and written off as uncollectible	(25)	(29)	(25)	(29)
Amounts provided for but recovered during the year	-	17	-	17
Balance at end of year	1,106	942	1,102	938

(1) 2014 general debtors includes Natural Disaster Relief Recovery funding of \$4,197,684 and Mildura Riverfront Project funding \$2,244,000

Notes to the Financial Report
For the Year Ended 30 June 2015

Consolidated		Council	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

Note 19 Trade and other receivables (cont)

c) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$189,287 (2014: \$208,969) were impaired. The amount of the provision raised against these debtors was \$189,287 (2014: \$208,969). The individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	-	-	-	-
Past due by up to 30 days	-	-	-	-
Past due between 31 and 180 days	-	-	-	-
Past due between 181 and 365 days	15	34	15	34
Past due by more than 1 year	174	175	174	175
Total trade & other receivables	189	209	189	209

Note 20 Other financial assets

Current

Term deposits	2,288	1,018	2,288	1,018
Total	2,288	1,018	2,288	1,018

Non-current

Floating notes	1,475	1,460	1,475	1,460
Total	1,475	1,460	1,475	1,460

Note 21 Inventories

Inventories held for distribution	826	716	826	716
Total inventories	826	716	826	716

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 22 Other assets				
Prepayments				
<i>Current</i>				
Prepayments	322	274	257	265
Total prepayments	322	274	257	265
<i>Non-current</i>				
Interest in Mildura Airport Pty Ltd	-	-	30,382	29,773
Total	-	-	30,382	29,773
Total other assets	322	274	30,639	30,038

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment

Consolidated

	specialised land \$'000	non specialised land \$'000	land under roads \$'000	Total Land \$'000	non specialised buildings \$'000	specialised buildings \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
2015									
Property									
At fair value 1 July 14	37,383	11,820	4,670	53,873	7,756	196,771	204,527	624	259,024
Accumulated depreciation at 1 July 2014	-	-	-	-	(3,626)	(93,069)	(96,695)	-	(96,695)
	37,383	11,820	4,670	53,873	4,130	103,702	107,832	624	162,329
Movements in fair value									
Acquisition of assets at fair value	-	-	-	-	162	2,373	2,535	265	2,800
Revaluation increments/decrements	887	(1,417)	(4,266)	(4,796)	34	5,823	5,857	-	1,061
Contributions by developer	-	-	2	2	-	-	-	-	2
Fair value of assets disposed	-	(226)	-	(226)	-	(2,319)	(2,319)	-	(2,545)
Transfers	-	-	-	-	-	224	224	(224)	-
	887	(1,643)	(4,264)	(5,020)	196	6,101	6,297	41	1,318
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(92)	(2,343)	(2,435)	-	(2,435)
Revaluation increments/decrements	-	-	-	-	21	(3,745)	(3,724)	-	(3,724)
Accumulated depreciation of disposals	-	-	-	-	-	2,057	2,057	-	2,057
	-	-	-	-	(71)	(4,031)	(4,102)	-	(4,102)
At fair value 30 June 2015	38,270	10,177	406	48,853	7,952	202,872	210,824	665	260,342
Accumulated depreciation at 30 June 2015	-	-	-	-	(3,697)	(97,100)	(100,797)	-	(100,797)
	38,270	10,177	406	48,853	4,255	105,772	110,027	665	159,545

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

	plant and equipment \$'000	plant and equipment (leased) \$'000	furniture and fittings \$'000	furniture and fittings (leased) \$'000	artwork \$'000	library books \$'000	Total plant and equipment \$'000	Work In Progress \$'000	Total plant and equipment \$'000
2015									
Plant and equipment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	29,291	197	3,639	1,240	27,496	3,138	65,001	510	65,511
Accumulated depreciation at 1 July 2014	(13,321)	(197)	(2,739)	(1,236)	-	(1,961)	(19,454)	-	(19,454)
	15,970	-	900	4	27,496	1,177	45,547	510	46,057
Movements in fair value									
Acquisition of assets at fair value	3,941	-	310	-	57	276	4,584	61	4,645
Revaluation increments/decrements	-	-	-	-	28	-	28	-	28
Fair value of assets disposed	(2,367)	-	-	-	-	-	(2,367)	-	(2,367)
Transfers to Intangible Assets	-	-	-	-	-	-	-	(190)	(190)
Transfers	64	-	131	-	-	11	206	(206)	-
	1,638	-	441	-	85	287	2,451	(335)	2,116
Movements in accumulated depreciation									
Depreciation	(2,408)	-	(208)	(4)	-	(167)	(2,787)	-	(2,787)
Accumulated depreciation of disposals	1,785	-	-	-	-	-	1,785	-	1,785
	(623)	-	(208)	(4)	-	(167)	(1,002)	-	(1,002)
At fair value 30 June 2015	30,929	197	4,080	1,240	27,581	3,425	67,452	175	67,627
Accumulated depreciation at 30 June 2015	(13,944)	(197)	(2,947)	(1,240)	-	(2,128)	(20,456)	-	(20,456)
	16,985	-	1,133	-	27,581	1,297	46,996	175	47,171

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

2015	roads	kerb and channel	footpaths and cycleways	Total Roads	Work in progress	Total Roads
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	382,631	54,478	42,141	479,250	1,054	480,304
Accumulated depreciation at 1 July 2014	(140,330)	(32,377)	(25,471)	(198,178)	-	(198,178)
	242,301	22,101	16,670	281,072	1,054	282,126
Movements in fair value						
Acquisition of assets at fair value	6,938	292	388	7,618	440	8,058
Revaluation increments/decrements	10,557	1,309	(3,161)	8,705	-	8,705
Contributions by developer	141	97	50	288	-	288
Fair value of assets disposed	(6,907)	(89)	(284)	(7,280)	-	(7,280)
Transfers	932	-	9	941	(941)	-
	11,661	1,609	(2,998)	10,272	(501)	9,771
Movements in accumulated depreciation						
Depreciation	(6,351)	(870)	(651)	(7,872)	-	(7,872)
Accumulated depreciation of disposals	(7,878)	(918)	(31)	(8,827)	-	(8,827)
Impairment losses recognised in operating result	4,907	87	185	5,179	-	5,179
	(9,322)	(1,701)	(497)	(11,520)	-	(11,520)
At fair value 30 June 2015	394,292	56,087	39,143	489,522	553	490,075
Accumulated depreciation at 30 June 2015	(149,652)	(34,078)	(25,968)	(209,698)	-	(209,698)
	244,640	22,009	13,175	279,824	553	280,377

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

2015	drainage	landfill	aerodromes	recreational, leisure and community	parks, open spaces and streetscapes	off street carparks	Total Infrastructure	Work in Progress	Total Infrastructure
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	127,980	9,443	17,786	19,955	12,423	5,690	193,277	5,355	198,632
Accumulated depreciation at 1 July 2014	(27,945)	(2,728)	(1,715)	(10,691)	(2,406)	(1,438)	(46,923)	-	(46,923)
	100,035	6,715	16,071	9,264	10,017	4,252	146,354	5,355	151,709
Movements in fair value									
Acquisition of assets at fair value	1,083	-	-	103	59	179	1,424	9,954	11,378
Revaluation increments/decrements	(660)	(1,832)	-	39,387	225	9,671	46,791	-	46,791
Contributions by developer	95	-	-	-	-	-	95	-	95
Fair value of assets disposed	(161)	-	-	-	-	-	(161)	-	(161)
Transfers from provision	-	812	-	-	-	-	812	-	812
Transfers	22	40	74	(973)	-	1,155	318	(318)	-
	379	(980)	74	38,517	284	11,005	49,279	9,636	58,915
Movements in accumulated depreciation									
Depreciation	(982)	(319)	(328)	(848)	(898)	(197)	(3,572)	-	(3,572)
Accumulated depreciation of disposals	48	-	-	-	-	-	48	-	48
Revaluation increments/decrements	(911)	1,464	-	(8,622)	822	(1,595)	(8,842)	-	(8,842)
Transfers	-	-	-	415	-	(415)	-	-	-
	(1,845)	1,145	(328)	(9,055)	(76)	(2,207)	(12,366)	-	(12,366)
At fair value 30 June 2015	128,359	8,463	17,860	58,472	12,707	16,695	242,556	14,991	257,547
Accumulated depreciation at 30 June 2015	(29,790)	(1,583)	(2,043)	(19,746)	(2,482)	(3,645)	(59,289)	-	(59,289)
	98,569	6,880	15,817	38,726	10,225	13,050	183,267	14,991	198,258

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

	specialised land	non specialised land	Land under roads	Total Land	non specialised buildings	specialised buildings	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014									
Property									
At fair value 1 July 2013	37,383	10,814	4,670	52,867	7,367	185,867	193,234	10,576	256,677
Accumulated depreciation at 1 July 2013	-	-	-	-	(3,497)	(90,432)	(93,929)	-	(93,929)
	37,383	10,814	4,670	52,867	3,870	95,435	99,305	10,576	162,748
Movements in fair value									
Acquisition of assets at fair value	-	1,029	-	1,029	313	2,264	2,577	646	4,252
Fair value of assets disposed	-	(23)	-	(23)	-	(671)	(671)	-	(694)
Impairment losses recognised in operating result	-	-	-	-	-	(441)	(441)	-	(441)
Reclassification	-	-	-	-	-	-	-	(770)	(770)
Transfers	-	-	-	-	76	9,752	9,828	(9,828)	-
	-	1,006	-	1,006	389	10,904	11,293	(9,952)	2,347
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(129)	(3,283)	(3,412)	-	(3,412)
Accumulated depreciation of disposals	-	-	-	-	-	646	646	-	646
	-	-	-	-	(129)	(2,637)	(2,766)	-	(2,766)
At fair value 30 June 2014	37,383	11,820	4,670	53,873	7,756	196,771	204,527	624	259,024
Accumulated depreciation at 30 June 2014	-	-	-	-	(3,626)	(93,069)	(96,695)	-	(96,695)
	37,383	11,820	4,670	53,873	4,130	103,702	107,832	624	162,329

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

2014	plant and equipment \$'000	plant and equipment (leased) \$'000	furniture and fittings \$'000	furniture and fittings (leased) \$'000	artwork \$'000	library books \$'000	Total plant and equipment \$'000	Work In Progress \$'000	Total plant and equipment \$'000
Plant and equipment									
At fair value 1 July 2013	26,397	286	3,261	1,240	27,474	2,886	61,544	408	61,952
Accumulated depreciation at 1 July 2013	(12,685)	(173)	(2,609)	(1,218)	-	(1,799)	(18,484)	-	(18,484)
	13,712	113	652	22	27,474	1,087	43,060	408	43,468
Movements in fair value									
Acquisition of assets at fair value	4,292	-	198	-	22	252	4,764	372	5,136
Fair value of assets disposed	(2,680)	(89)	-	-	-	-	(2,769)	-	(2,769)
Impairment losses recognised in operating result	(7)	-	-	-	-	-	(7)	-	(7)
Reclassification	1,199	-	-	-	-	-	1,199	-	1,199
Transfers	90	-	180	-	-	-	270	(270)	-
	2,894	(89)	378	-	22	252	3,457	102	3,559
Movements in accumulated depreciation									
Depreciation	(2,252)	(24)	(130)	(18)	-	(162)	(2,586)	-	(2,586)
Accumulated depreciation of disposals	1,672	-	-	-	-	-	1,672	-	1,672
Reclassification	(56)	-	-	-	-	-	(56)	-	(56)
	(636)	(24)	(130)	(18)	-	(162)	(970)	-	(970)
At fair value 30 June 2014	29,291	197	3,639	1,240	27,496	3,138	65,001	510	65,511
Accumulated depreciation at 30 June 2014	(13,321)	(197)	(2,739)	(1,236)	-	(1,961)	(19,454)	-	(19,454)
	15,970	-	900	4	27,496	1,177	45,547	510	46,057

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

2014	roads	kerb and channel	footpaths and cycleways	Total Roads	Work in progress	Total Roads
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2013	374,552	53,522	37,412	465,486	4,964	470,450
Accumulated depreciation at 1 July 2013	(135,625)	(31,409)	(22,507)	(189,541)	-	(189,541)
	238,927	22,113	14,905	275,945	4,964	280,909
Movements in fair value						
Acquisition of assets at fair value	6,692	246	473	7,411	1,004	8,415
Revaluation increments/decrements	1,605	764	281	2,650	-	2,650
Contributions by developer	38	28	43	109	-	109
Fair value of assets disposed	(4,941)	(149)	(417)	(5,507)	-	(5,507)
Reclassification	-	-	4,187	4,187	-	4,187
Transfers	4,685	67	162	4,914	(4,914)	-
	8,079	956	4,729	13,764	(3,910)	9,854
Movements in accumulated depreciation						
Depreciation	(6,011)	(871)	(848)	(7,730)	-	(7,730)
Revaluation increments/decrements	(2,640)	(218)	(2,179)	(5,037)	-	(5,037)
Accumulated depreciation of disposals	3,946	121	270	4,337	-	4,337
Reclassification	-	-	(207)	(207)	-	(207)
	(4,705)	(968)	(2,964)	(8,637)	-	(8,637)
At fair value 30 June 2014	382,631	54,478	42,141	479,250	1,054	480,304
Accumulated depreciation at 30 June 2014	(140,330)	(32,377)	(25,471)	(198,178)	-	(198,178)
	242,301	22,101	16,670	281,072	1,054	282,126

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

	drainage	waste management	aerodromes	recreational, leisure and community	parks, open spaces and streetscapes	off street car parks	Total Infrastructure	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014									
Infrastructure									
At fair value 1 July 2013	118,511	7,186	17,786	18,366	13,570	5,092	180,511	10,009	190,520
Accumulated depreciation at 1 July 2013	(27,071)	(2,489)	(1,390)	(9,676)	(3,916)	(1,355)	(45,897)	-	(45,897)
	91,440	4,697	16,396	8,690	9,654	3,737	134,614	10,009	144,623
Movements in fair value									
Acquisition of assets at fair value	401	47	-	1,486	545	479	2,958	2,947	5,905
Revaluation increments/decrements	2,598	-	-	-	4,355	-	6,953	-	6,953
Contributions by developer	66	-	-	-	-	-	66	-	66
Fair value of assets disposed	-	-	-	-	(2,273)	-	(2,273)	-	(2,273)
Impairment losses recognised in operating result	-	-	-	(4)	(28)	(5)	(37)	-	(37)
Reclassification	-	-	-	-	(4,557)	(59)	(4,616)	-	(4,616)
Transfers from provision	-	2,114	-	-	-	-	2,114	-	2,114
Transfers	6,404	96	-	107	811	183	7,601	(7,601)	-
	9,469	2,257	-	1,589	(1,147)	598	12,766	(4,654)	8,112
Movements in accumulated depreciation									
Depreciation	(1,042)	(239)	(325)	(1,015)	(505)	(83)	(3,209)	-	(3,209)
Accumulated depreciation of disposals	-	-	-	-	745	-	745	-	745
Revaluation increments/decrements	168	-	-	-	1,007	-	1,175	-	1,175
Reclassification	-	-	-	-	263	-	263	-	263
	(874)	(239)	(325)	(1,015)	1,510	(83)	(1,026)	-	(1,026)
At fair value 30 June 2014	127,980	9,443	17,786	19,955	12,423	5,690	193,277	5,355	198,632
Accumulated depreciation at 30 June 2014	(27,945)	(2,728)	(1,715)	(10,691)	(2,406)	(1,438)	(46,923)	-	(46,923)
	100,035	6,715	16,071	9,264	10,017	4,252	146,354	5,355	151,709

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

2015 Property	Specialised Land \$'000	Non Specialised Land \$'000	land under roads \$'000	Total Land \$'000	Non Specialised Buildings \$'000	Specialised Buildings \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 14	37,383	11,820	4,670	53,873	7,756	187,309	195,065	560	249,498
Accumulated depreciation at 1 July 2014	-	-	-	-	(3,626)	(92,613)	(96,239)	-	(96,239)
	37,383	11,820	4,670	53,873	4,130	94,696	98,826	560	153,259
Movements in fair value									
Acquisition of assets at fair value	-	-	-	-	162	2,373	2,535	265	2,800
Revaluation increments/decrements	887	(1,417)	(4,266)	(4,796)	34	5,823	5,857	-	1,061
Contributions by developer	-	-	2	2	-	-	-	-	2
Fair value of assets disposed	-	(226)	-	(226)	-	(2,319)	(2,319)	-	(2,545)
Transfers	-	-	-	-	-	224	224	(224)	-
	887	(1,643)	(4,264)	(5,020)	196	6,101	6,297	41	1,318
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(92)	(2,167)	(2,259)	-	(2,259)
Revaluation increments/decrements	-	-	-	-	21	(3,745)	(3,724)	-	(3,724)
Accumulated depreciation of disposals	-	-	-	-	-	2,057	2,057	-	2,057
	-	-	-	-	(71)	(3,855)	(3,926)	-	(3,926)
At fair value 30 June 15	38,270	10,177	406	48,853	7,952	193,410	201,362	601	250,816
Accumulated depreciation at 30 June 2015	-	-	-	-	(3,697)	(96,468)	(100,165)	-	(100,165)
	38,270	10,177	406	48,853	4,255	96,942	101,197	601	150,651

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

2015	plant and equipment \$'000	plant and equipment (leased) \$'000	furniture and fittings \$'000	furniture and fittings (leased) \$'000	artwork \$'000	library books \$'000	Total plant and equipment \$'000	Work In Progress \$'000	Total plant and equipment \$'000
Plant and equipment									
At fair value 1 July 14	26,685	-	3,639	1,240	27,496	3,138	62,198	510	62,708
Accumulated depreciation at 1 July 2014	(12,695)	-	(2,739)	(1,236)	-	(1,961)	(18,631)	-	(18,631)
	13,990	-	900	4	27,496	1,177	43,567	510	44,077
Movements in fair value									
Acquisition of assets at fair value	3,721	-	310	-	57	276	4,364	61	4,425
Revaluation increments/decrements	-	-	-	-	28	-	28	-	28
Fair value of assets disposed	(2,367)	-	-	-	-	-	(2,367)	-	(2,367)
Transfers to intangible assets	-	-	-	-	-	-	-	(190)	(190)
Transfers	64	-	131	-	-	11	206	(206)	-
	1,418	-	441	-	85	287	2,231	(335)	1,896
Movements in accumulated depreciation									
Depreciation	(2,138)	-	(208)	(4)	-	(167)	(2,517)	-	(2,517)
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	1,785	-	-	-	-	-	1,785	-	1,785
	(353)	-	(208)	(4)	-	(167)	(732)	-	(732)
At fair value 30 June 2015	28,103	-	4,080	1,240	27,581	3,425	64,429	175	64,604
Accumulated depreciation at 30 June 2015	(13,048)	-	(2,947)	(1,240)	-	(2,128)	(19,363)	-	(19,363)
	15,055	-	1,133	-	27,581	1,297	45,066	175	45,241

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

	roads	kerb and channel	footpaths and cycleways	Total Roads	Work in progress	Total Roads
2015	\$'000	\$'000	\$'000		\$'000	\$'000
Infrastructure						
At fair value 1 July 2014	382,631	54,478	42,141	479,250	1,054	480,304
Accumulated depreciation at 1 July 2014	(140,330)	(32,377)	(25,471)	(198,178)	-	(198,178)
	242,301	22,101	16,670	281,072	1,054	282,126
Movements in fair value						
Acquisition of assets at fair value	6,938	292	388	7,618	440	8,058
Revaluation increments/decrements	10,557	1,309	(3,161)	8,705	-	8,705
Contributions by developer	141	97	50	288	-	288
Fair value of assets disposed	(6,907)	(89)	(284)	(7,280)	-	(7,280)
Transfers	932	-	9	941	(941)	-
	11,661	1,609	(2,998)	10,272	(501)	9,771
Movements in accumulated depreciation						
Depreciation	(6,351)	(870)	(651)	(7,872)	-	(7,872)
Revaluation increments/decrements	(7,878)	(918)	(31)	(8,827)	-	(8,827)
Accumulated depreciation of disposals	4,907	87	185	5,179	-	5,179
	(9,322)	(1,701)	(497)	(11,520)	-	(11,520)
At fair value 30 June 2015	394,292	56,087	39,143	489,522	553	490,075
Accumulated depreciation at 30 June 2015	(149,652)	(34,078)	(25,968)	(209,698)	-	(209,698)
	244,640	22,009	13,175	279,824	553	280,377

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

	drainage	waste management	aerodromes	recreational, leisure and community	parks, open spaces and streetscapes	off street carpark	Total Infrastructure	Work in Progress	Total Infrastructure
2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure									
At fair value 1 July 2014	127,556	9,443	-	19,687	12,090	3,449	172,225	5,355	177,580
Accumulated depreciation at 1 July 2014	(27,893)	(2,728)	-	(10,660)	(2,265)	(1,151)	(44,697)	-	(44,697)
	99,663	6,715	-	9,027	9,825	2,298	127,528	5,355	132,883
Movements in fair value									
Acquisition of assets at fair value	1,045	-	-	103	59	165	1,372	9,397	10,769
Revaluation increments/decrements	(660)	(1,832)	-	39,387	225	9,671	46,791	-	46,791
Contributions by developer	95	-	-	-	-	-	95	-	95
Fair value of assets disposed	(161)	-	-	-	-	-	(161)	-	(161)
Transfers from provision	-	812	-	-	-	-	812	-	812
Transfers	22	40	-	(973)	-	1,155	244	(244)	-
	341	(980)	-	38,517	284	10,991	49,153	9,153	58,306
Movements in accumulated depreciation									
Depreciation	(973)	(319)	-	(837)	(874)	(128)	(3,131)	-	(3,131)
Accumulated depreciation of disposals	48	-	-	-	-	-	48	-	48
Revaluation increments/decrements	(911)	1,464	-	(8,622)	822	(1,595)	(8,842)	-	(8,842)
Transfers	-	-	-	415	-	(415)	-	-	-
	(1,836)	1,145	-	(9,044)	(52)	(2,138)	(11,925)	-	(11,925)
At fair value 30 June 2015	127,897	8,463	-	58,204	12,374	14,440	221,378	14,508	235,886
Accumulated depreciation at 30 June 2015	(29,729)	(1,583)	-	(19,704)	(2,317)	(3,289)	(56,622)	-	(56,622)
	98,168	6,880	-	38,500	10,057	11,151	164,756	14,508	179,264

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

2014 Property	Specialised Land	Non Specialised Land	land under roads \$'000	Total Land \$'000	Non Specialised Buildings	Specialised Buildings	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2013	37,383	10,814	4,670	52,867	7,367	181,673	189,040	4,288	246,195
Accumulated depreciation at 1 July 2013	-	-	-	-	(3,497)	(90,136)	(93,633)	-	(93,633)
	37,383	10,814	4,670	52,867	3,870	91,537	95,407	4,288	152,562
Movements in fair value									
Acquisition of assets at fair value	-	1,029	-	1,029	313	2,264	2,577	391	3,997
Fair value of assets disposed	-	(23)	-	(23)	-	(671)	(671)	-	(694)
Transfers	-	-	-	-	76	4,043	4,119	(4,119)	-
	-	1,006	-	1,006	389	5,636	6,025	(3,728)	3,303
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(129)	(3,123)	(3,252)	-	(3,252)
Accumulated depreciation of disposals	-	-	-	-	-	646	646	-	646
	-	-	-	-	(129)	(2,477)	(2,606)	-	(2,606)
At fair value 30 June 2014	37,383	11,820	4,670	53,873	7,756	187,309	195,065	560	249,498
Accumulated depreciation at 30 June 2014	-	-	-	-	(3,626)	(92,613)	(96,239)	-	(96,239)
	37,383	11,820	4,670	53,873	4,130	94,696	98,826	560	153,259

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

	plant and equipment	plant and equipment (leased)	furniture and fittings	furniture and fittings (leased)	artwork	library books	Total plant and equipment	Work In Progress	Total plant and equipment
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment									
At fair value 1 July 2013	24,897	286	3,261	1,240	27,474	2,886	60,044	408	60,452
Accumulated depreciation at 1 July 2013	(12,290)	(173)	(2,609)	(1,218)	-	(1,799)	(18,089)	-	(18,089)
	12,607	113	652	22	27,474	1,087	41,955	408	42,363
Movements in fair value									
Acquisition of assets at fair value	3,966	-	198	-	22	252	4,438	372	4,810
Fair value of assets disposed	(2,638)	(286)	-	-	-	-	(2,924)	-	(2,924)
Reclassification	370	-	-	-	-	-	370	-	370
Transfers	90	-	180	-	-	-	270	(270)	-
	1,788	(286)	378	-	22	252	2,154	102	2,256
Movements in accumulated depreciation									
Depreciation	(2,021)	(24)	(130)	(18)	-	(162)	(2,355)	-	(2,355)
Accumulated depreciation of disposals	1,672	197	-	-	-	-	1,869	-	1,869
Reclassification	(56)	-	-	-	-	-	(56)	-	(56)
	(405)	173	(130)	(18)	-	(162)	(542)	-	(542)
At fair value 30 June 2014	26,685	-	3,639	1,240	27,496	3,138	62,198	510	62,708
Accumulated depreciation at 30 June 2014	(12,695)	-	(2,739)	(1,236)	-	(1,961)	(18,631)	-	(18,631)
	13,990	-	900	4	27,496	1,177	43,567	510	44,077

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

	roads	kerb and channel	footpaths and cycleways	Total Roads	Work in progress	Total Roads
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure						
At fair value 1 July 2013	374,552	53,522	37,412	465,486	4,964	470,450
Accumulated depreciation at 1 July 2013	(135,625)	(31,409)	(22,507)	(189,541)	-	(189,541)
	238,927	22,113	14,905	275,945	4,964	280,909
Movements in fair value						
Acquisition of assets at fair value	6,692	246	473	7,411	1,004	8,415
Revaluation increments/decrements	1,605	764	281	2,650	-	2,650
Contributions by developer	38	28	43	109	-	109
Fair value of assets disposed	(4,941)	(149)	(417)	(5,507)	-	(5,507)
Reclassification	-	-	4,187	4,187	-	4,187
Transfers	4,685	67	162	4,914	(4,914)	-
	8,079	956	4,729	13,764	(3,910)	9,854
Movements in accumulated depreciation						
Depreciation	(6,011)	(871)	(848)	(7,730)	-	(7,730)
Revaluation increments/decrements	(2,640)	(218)	(2,179)	(5,037)	-	(5,037)
Accumulated depreciation of disposals	3,946	121	270	4,337	-	4,337
Reclassification	-	-	(207)	(207)	-	(207)
Transfers	-	-	-	-	-	-
	(4,705)	(968)	(2,964)	(8,637)	-	(8,637)
At fair value 30 June 2014	382,631	54,478	42,141	479,250	1,054	480,304
Accumulated depreciation at 30 June 2014	(140,330)	(32,377)	(25,471)	(198,178)	-	(198,178)
	242,301	22,101	16,670	281,072	1,054	282,126

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Council

	drainage	waste management	aerodromes	recreational, leisure and community	parks, open spaces and streetscapes	off street carpark	Total Infrastructure	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014									
Infrastructure									
At fair value 1 July 2013	118,087	7,186	-	18,094	13,251	3,032	159,650	10,009	169,659
Accumulated depreciation at 1 July 2013	(27,051)	(2,489)	-	(9,653)	(3,828)	(1,079)	(44,100)	-	(44,100)
	91,036	4,697	-	8,441	9,423	1,953	115,550	10,009	125,559
Movements in fair value									
Acquisition of assets at fair value	401	47	-	1,486	503	234	2,671	2,947	5,618
Revaluation increments/decrements	2,598	-	-	-	4,356	-	6,954	-	6,954
Contributions by developer	66	-	-	-	-	-	66	-	66
Fair value of assets disposed	-	-	-	-	(2,274)	-	(2,274)	-	(2,274)
Reclassification	-	-	-	-	(4,557)	-	(4,557)	-	(4,557)
Transfers from provision	-	2,114	-	-	-	-	2,114	-	2,114
Transfers	6,404	96	-	107	811	183	7,601	(7,601)	-
	9,469	2,257	-	1,593	(1,161)	417	12,575	(4,654)	7,921
Movements in accumulated depreciation									
Depreciation	(1,010)	(239)	-	(1,007)	(452)	(72)	(2,780)	-	(2,780)
Revaluation increments/decrements	168	-	-	-	1,006	-	1,174	-	1,174
Accumulated depreciation of disposals	-	-	-	-	746	-	746	-	746
Reclassification	-	-	-	-	263	-	263	-	263
	(842)	(239)	-	(1,007)	1,563	(72)	(597)	-	(597)
At fair value 30 June 2014	127,556	9,443	-	19,687	12,090	3,449	172,225	5,355	177,580
Accumulated depreciation at 30 June 2014	(27,893)	(2,728)	-	(10,660)	(2,265)	(1,151)	(44,697)	-	(44,697)
	99,663	6,715	-	9,027	9,825	2,298	127,528	5,355	132,883

Notes to the Financial Report For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

Valuation of land and buildings

An valuation of Council's land and buildings was performed by qualified valuer Mr Con Demis AAPI, Certified Practicing Valuer (Council Officer). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Land	-	10,177	38,676
Buildings	-	4,255	96,942
Total	-	14,432	135,618

Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Ken Conrick (Dip. Tech. Surveying & Grad Dip. Mining Eng.) (Council Officer)

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
roads	-	-	244,640
kerb and channel	-	-	22,009
footpaths and cycleways	-	-	13,175
drainage	-	-	98,168
waste management	-	-	6,880
recreational, leisure and community	-	-	38,500
parks, open spaces and streetscapes	-	-	10,057
off street carparks	-	-	11,151

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 23 Property, infrastructure, plant and equipment (cont)

	2015 \$'000	2014 \$'000
<i>Description of significant unobservable inputs into level 3 valuations</i>		
<i>Specialised land and land under roads</i> is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.003 and \$350.00 per square metre. Land under roads was revalued this year with a restriction of use has been applied.	38,676	52,844
<i>Specialised buildings</i> are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$66 to \$6184 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.	96,942	82,487
<i>Infrastructure assets</i> are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure asses are determined on the basis of the current condition of the asset and vary from 1 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.	444,580	385,992
Reconciliation of specialised land		
Land under roads	406	4,670
Land	38,270	37,383
Total specialised land	38,676	42,053

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 24 Intangible assets				
Software at cost	1,230	1,014	1,230	1,014
Intangible assets software				
Opening work in progress	75	75	75	75
Transfers in	190	-	190	-
Transfers out	(265)	-	(265)	-
Closing work in progress	-	75	-	75
Water Rights - at valuation 30/06/14	45	2,350	-	2,321
Water Rights - at valuation 30/06/15	4,179	-	4,179	-
Total intangible assets	5,454	3,439	5,409	3,410
Gross carrying amount				
Balance at 1 July 2013	-	3,598	-	3,571
Additions	-	56	-	56
Other	-	162	-	160
Balance at 1 July 2014	3,816	3,816	3,787	3,787
Additions	382	-	382	-
Revaluation increment/(decrement)	1,874	-	1,858	-
Balance at 30 June 2015	6,072	3,816	6,027	3,787
Accumulated amortisation and impairment				
Balance at 1 July 2013	-	332	-	332
Amortisation expense	166	120	166	120
Balance at 1 July 2014	452	452	452	452
Amortisation expense	-	-	-	-
Balance at 30 June 2015	618	452	618	452
Net book value at 30 June	5,454	3,364	5,409	3,335

Details of the Mildura Rural City Council's Water Rights; and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water Rights	-	4,179	-
Total	-	4,179	-

Water rights are valued at current market values. The valuation is based on market transactions being the trading of water shares. The valuations were completed by Mr Con Demis AAPI, Certified Practising Valuer, recognised valuer, (Council Officer), as at 30 June 2014 and as at 30 June 2015.

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Note 25 Trade and other payables				
Trade payables	3,231	5,879	3,038	5,730
Accrued expenses	710	1,739	618	1,727
Total trade and other payables	3,941	7,618	3,656	7,457

Note 26 Trust funds and deposits

Refundable contract deposits	319	279	319	279
Fire service levy	487	258	487	258
Refundable civic facilities deposits	2	3	2	3
Retention amounts	215	324	215	324
Income received in advance	42	-	42	-
Other refundable deposits	462	413	462	413
Total trust funds and deposits	1,527	1,277	1,527	1,277

Purpose and nature of items

Refundable contract deposits

Footpath retention

Retentions collected from private contractors where damage may occur to a Council owned footpath.

Refundable civic facilities deposits

Facility hire bonds

Bonds collected from persons for a booking for the use of a facility which is owned by Council.

Retention amounts

Other retention funds

Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Fire Service Levy

Fire Service Levy

Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Notes to the Financial Report For the Year Ended 30 June 2015

	Consolidated	Council
Note 26 Trust funds and deposits (cont)		
<i>Other Refundable deposits</i>		
Security deposits	Deposits levied against private contractors where damage could occur to a Council owned asset.	
Planning bonds	Bonds collected from developers for statement of compliance but works are incomplete. Refunded when all works are completed.	
Trust funds	Funds held in trust for private drainage works.	
Purchase recoups	Monies collected on behalf of other entities for payment of accounts received by Council.	
Building permit levies	Levies collected on behalf of the Building Commission.	
EPA levy	Levies collected on behalf of the Environment Protection Authority.	
Roden White Kilburn Trust	Monies trusted to Rio Vista to enable live performances to take place in the Rio Vista building.	
Art purchase fund	Monies donated to the Mildura Arts Centre for the purchase of art works.	
Rio Vista restoration fund	Heritage funding received for restoration projects to the Rio Vista building.	
Mildura Visitor Information Centre Trust	Commission retained by Mildura Visitor Information Centre for accommodation bookings are made.	

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 27 Provisions

Consolidated

	Annual leave	Long service leave	Rostered day off and time off in lieu	Redundancy	Landfill rehabilitation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015						
Balance at beginning of the financial year	4,000	6,386	651	46	7,400	18,483
Additional provisions	3,237	1,155	1,580	-	812	6,784
Amounts used	(3,113)	(828)	(1,587)	(46)	(581)	(6,155)
Balance at the end of the financial year	4,124	6,713	644	-	7,631	19,112
2014						
Balance at beginning of the financial year	3,692	5,721	604	-	5,286	15,303
Additional provisions	3,243	1,320	1,556	46	2,114	8,279
Amounts used	(2,935)	(655)	(1,509)	-	-	(5,099)
Balance at the end of the financial year	4,000	6,386	651	46	7,400	18,483

Council

	Annual leave	Long service leave	Rostered day off and time off in lieu	Redundancy	Landfill rehabilitation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015						
Balance at beginning of the financial year	3,914	6,333	651	46	7,400	18,344
Additional provisions	3,232	1,134	1,580	-	812	6,758
Amounts used	(3,113)	(808)	(1,587)	(46)	(581)	(6,135)
Balance at the end of the financial year	4,033	6,659	644	-	7,631	18,967
2014						
Balance at beginning of the financial year	3,606	5,688	604	-	5,286	15,184
Additional provisions	3,243	1,300	1,556	46	2,114	8,259
Amounts used	(2,935)	(655)	(1,509)	-	-	(5,099)
Balance at the end of the financial year	3,914	6,333	651	46	7,400	18,344

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 27 Provisions (cont)

	Consolidated		Council	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
(a) Employee provisions				
Current provisions expected to be settled within 12 months				
Annual leave	2,762	2,706	2,671	2,620
Long service leave	781	695	781	695
Redundancy	-	46	-	46
Rostered day off and time off in lieu	644	651	644	651
Total	4,187	4,098	4,096	4,012
Current provisions expected to be settled after 12 months				
Annual leave	1,362	1,294	1,362	1,294
Long service leave	4,928	4,525	4,928	4,525
Total	6,290	5,819	6,290	5,819
Total Current provisions	10,477	9,917	10,386	9,831
Non-current				
Long service leave	1,004	1,166	950	1,113
Total	1,004	1,166	950	1,113
Aggregate carrying amount of employee provisions:				
Current	10,477	9,917	10,386	9,831
Non-current	1,004	1,166	950	1,113
Total	11,481	11,083	11,336	10,944

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

Weighted average increase in employee costs	4.44%	4.44%	4.44%	4.44%
Weighted average discount rates	3.03%	3.57%	3.03%	3.57%
Weighted average settlement period	12	12	12	12

(b) Landfill restoration

Under the Environmental Protection Act Council is obligated to restore the Mildura Landfill site to a particular standard. Current projections indicate that the Mildura Landfill site will cease operation in 2048 and restoration work is expected to commence shortly thereafter. The forecast life of the Mildura Landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

The following assumptions were adopted in measuring the present value of landfill rehabilitation:

Projected increase in costs	2.25%	3.00%	2.25%	3.00%
Projected discount rates starting at year 1	1.93%	2.46%	1.93%	2.46%

Non-current

Landfill restoration	7,631	7,400	7,631	7,400
Total landfill restoration	7,631	7,400	7,631	7,400
Total provisions				
Current	10,477	9,917	10,386	9,831
Non-current	8,635	8,566	8,581	8,513
Total provisions	19,112	18,483	18,967	18,344

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 28 Interest-bearing loans and borrowings				
<i>Current</i>				
Borrowings - secured	1,809	2,758	1,786	2,693
	1,809	2,758	1,786	2,693
<i>Non-current</i>				
Borrowings - secured	19,535	19,468	19,514	19,425
	19,535	19,468	19,514	19,425
Total	21,344	22,226	21,300	22,118
The maturity profile for Council's borrowings is:				
Loans - security				
Not later than one year	1,809	2,758	1,786	2,693
Later than one year and not later than five years	6,359	6,506	6,338	6,463
Later than five years	13,176	12,962	13,176	12,962
Total	21,344	22,226	21,300	22,118
<i>Finance leases</i>				
Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):				
Not later than one year	17	17	17	17
Later than one year and not later than five years	18	35	18	35
Later than five years	-	-	-	-
Minimum lease payments	35	52	35	52
Less: Future finance charges	3	6	3	6
Total	32	46	32	46
<i>Current</i>				
Leases	15	14	15	14
	15	14	15	14
<i>Non-current</i>				
Leases	17	32	17	32
	17	32	17	32
Total finance leases	32	46	32	46
The finance lease is a Hire Purchase agreement through the National Australia Bank where the risk lies solely with the lessee. The repayment schedule was set at the signing of the agreement and can only be varied where the lessor considers such variations necessary. The title to the goods passes to the lessee upon meeting the payment schedule.				
Aggregate carrying amount of interest-bearing loans and borrowings:				
Current	1,824	2,772	1,801	2,707
Non-current	19,552	19,500	19,531	19,457
Total interest-bearing loans and borrowings	21,376	22,272	21,332	22,164

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves

Consolidated

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserve				
2015				
Property				
Buildings	58,831	2,133	-	60,964
Land	17,658	-	(530)	17,128
Land under roads	1,041	-	(1,041)	-
	77,530	2,133	(1,571)	78,092
Plant and Equipment				
Artwork	14,567	28	-	14,595
	14,567	28	-	14,595
Infrastructure				
Aerodromes	9,594	-	-	9,594
Drainage	39,635	-	(1,571)	38,064
Off street carpark	368	8,076	-	8,444
Recreational, leisure and community	1,180	30,765	-	31,945
Parks, open spaces and streetscapes	5,767	1,047	-	6,814
Roads	191,566	-	(122)	191,444
Waste management	80	-	(80)	-
	248,190	39,888	(1,773)	286,305
Water rights				
Water rights	355	1,858	-	2,213
	355	1,858	-	2,213
Total asset revaluation reserve	340,642	43,907	(3,344)	381,205

Notes to the Financial Report
For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserve 2014				
Property				
Land	17,658	-	-	17,658
Land under roads	1,041	-	-	1,041
Buildings	58,831	-	-	58,831
	77,530	-	-	77,530
Plant and equipment				
Artwork	14,567	-	-	14,567
	14,567	-	-	14,567
Infrastructure				
Aerodromes	9,594	-	-	9,594
Drainage	36,869	2,766	-	39,635
Off street carparks	368	-	-	368
Recreational, leisure and community	1,180	-	-	1,180
Parks, open spaces and streetscapes	405	5,362	-	5,767
Roads	193,953	-	(2,387)	191,566
Waste management	80	-	-	80
	242,449	8,128	(2,387)	248,190
Water rights				
Water rights	195	160	-	355
	195	160	-	355
Total asset revaluation reserve	334,741	8,288	(2,387)	340,642

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
2015				
<i>Non discretionary reserves</i>				
Apex Park reserve	557	87	(212)	432
Car parking	34	-	(34)	-
Developer Contribution reserve	1,041	903	(919)	1,025
DGR Donations reserve - MAC theatre	107	4	(2)	109
Drainage	401	-	(215)	186
Nature strips and trees	18	-	(18)	-
Resort/Recreation/Open Space	103	-	(103)	-
Library book bequest reserve	99	-	-	99
Total	2,360	994	(1,503)	1,851
<i>Discretionary reserves</i>				
Landfill redevelopment reserve	7,331	7,425	(7,866)	6,890
Artwork acquisition reserve	81	43	(69)	55
Asset renewal reserve	414	-	(414)	-
Landfill rehabilitation reserve	1,073	165	(280)	958
Primary Care Partnership reserve	210	474	(565)	119
Street light poles	10	-	(2)	8
Small towns development reserve	620	-	(159)	461
VGC advance grants reserve	-	6,609	-	6,609
Total	9,739	14,716	(9,355)	15,100
Total other reserves	12,099	15,710	(10,858)	16,951

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves (cont)	\$'000	\$'000	\$'000	\$'000
2014				
<i>Non discretionary reserves</i>				
Apex Park reserve	485	90	(18)	557
Car parking	33	1	-	34
Developer contribution reserve	765	304	(28)	1,041
DGR Donations reserve - MAC theatre	79	28	-	107
Drainage	395	6	-	401
Nature strips and trees	18	-	-	18
Resort/Recreation/Open Space	103	-	-	103
Library Book Bequest Reserve	99	-	-	99
Total	1,977	429	(46)	2,360
<i>Discretionary reserves</i>				
Artwork acquisition reserve	56	31	(6)	81
Asset renewal reserve	411	5	(2)	414
Landfill redevelopment reserve	7,081	7,186	(6,936)	7,331
Landfill rehabilitation reserve	979	178	(84)	1,073
Primary Care Partnership reserve	185	411	(386)	210
Small towns redevelopment reserve	511	153	(44)	620
Street light poles	10	-	-	10
Total	9,233	7,964	(7,458)	9,739
Total other reserves	11,210	8,393	(7,504)	12,099

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Council

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
(a) Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000
2015				
Property				
Buildings	58,694	2,133	-	60,827
Land	17,658	-	(530)	17,128
Land under roads	1,041	-	(1,041)	-
	77,393	2,133	(1,571)	77,955
Plant and equipment				
Artwork	14,567	28	-	14,595
	14,567	28	-	14,595
Infrastructure				
Roads	191,566	-	(122)	191,444
Drains	39,635	-	(1,571)	38,064
Recreational, leisure and community	1,180	30,765	-	31,945
Parks, open spaces and streetscapes	5,767	1,047	-	6,814
Waste management	80	-	(80)	-
Off street carparks	368	8,076	-	8,444
Aerodromes	9,594	-	-	9,594
	248,190	39,888	(1,773)	286,305
Water rights				
Water rights	355	1,858	-	2,213
	355	1,858	-	2,213
Total asset revaluation reserve	340,505	43,907	(3,344)	381,068

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Council	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
(a) Asset revaluation reserve 2014	\$'000	\$'000	\$'000	\$'000
Property				
Buildings	58,694	-	-	58,694
Land	17,658	-	-	17,658
Land under roads	1,041	-	-	1,041
	77,393	-	-	77,393
Plant and equipment				
Artwork	14,567	-	-	14,567
	14,567	-	-	14,567
Infrastructure				
Aerodromes	9,594	-	-	9,594
Drainage	36,869	2,766	-	39,635
Off street carparks	368	-	-	368
Recreational, leisure and community	1,180	-	-	1,180
Parks, open spaces and streetscapes	405	5,362	-	5,767
Roads	193,953	-	(2,387)	191,566
Waste management	80	-	-	80
	242,449	8,128	(2,387)	248,190
Water rights				
Water rights	195	160	-	355
	195	160	-	355
Total asset revaluation reserve	334,604	8,288	(2,387)	340,505

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Council

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2015				
<i>Non discretionary reserves</i>				
Apex Park reserve	557	87	(212)	432
Car parking	34	-	(34)	-
Drainage	401	-	(215)	186
Resort/Recreation/Open Space	103	-	(103)	-
Developer Contribution reserve	1,041	903	(919)	1,025
DGR donations reserve - MAC Theatre	107	4	(2)	109
Nature strips and trees	18	-	(18)	-
Library book bequest reserve	107	-	-	107
Total	2,368	994	(1,503)	1,859
<i>Discretionary reserves</i>				
Landfill redevelopment	7,331	7,425	(7,866)	6,890
Street light poles	10	-	(2)	8
Asset renewal reserve	414	-	(414)	-
Landfill rehabilitation reserve	1,073	165	(280)	958
Artwork acquisition reserve	81	43	(69)	55
Primary Care Partnership reserve	210	474	(565)	119
VGC advance grants reserve	-	6,609	-	6,609
Small towns development reserve	620	-	(159)	461
Total	9,739	14,716	(9,355)	15,100
Total other reserves	12,107	15,710	(10,858)	16,959

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Council

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves (cont.)	\$'000	\$'000	\$'000	\$'000
2014				
<i>Non discretionary reserves</i>				
Apex Park reserve	485	90	(18)	557
Car parking	33	1	-	34
Drainage	395	6	-	401
Resort/Recreation/Open Space	103	-	-	103
Nature strips and trees	18	-	-	18
Developer Contribution reserve	765	304	(28)	1,041
Library book bequest reserve	99	8	-	107
DGR donations reserve - MAC Theatre	79	28	-	107
Total	1,977	437	(46)	2,368
<i>Discretionary reserves</i>				
Artwork acquisition reserve	56	31	(6)	81
Asset renewal reserve	411	5	(2)	414
Landfill redevelopment	7,081	7,186	(6,936)	7,331
Landfill rehabilitation reserve	979	178	(84)	1,073
Primary Care Partnership reserve	185	411	(386)	210
Small towns redevelopment reserve	511	153	(44)	620
Street light pole	10	-	-	10
Total	9,233	7,964	(7,458)	9,739
Total other reserves	11,210	8,401	(7,504)	12,107

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Name of Reserve	Nature and Purpose
<i>Non discretionary reserves</i>	
Apex Park reserve	Set up under a Committee of Management agreement with N.R.E., where surplus funds are to be set aside for improvements to the park lands.
Car parking reserve	Statutory contributions under development plans to be used for the advancement of car parking facilities within the municipality.
Developer Contribution reserve	Statutory developer contributions to be used for infrastructure asset categories which do not have a dedicated reserve above.
DGR donations reserve - MAC Theatre	Reserve to hold deductible gifts for the Mildura Arts Centre theatre and is a requirement of being registered as a deductible gift recipient by the Australian Taxation Office.
Drainage reserve	Developer contributions and E.P.A. grant, to be used for drainage studies.
Nature strips and trees reserve	Statutory developer contributions to be spent on street beautification.
Resort/Recreation/Open Space reserve	Statutory developer contributions to be used for parks development.
Library book bequest reserve	Established to hold Library Book Bequest from deceased estate.
<i>Discretionary reserves</i>	
Artwork acquisition reserve	A reserve created to account for any annual unspent capital works expenditure allocation towards the restoration and expansion of Council's permanent artwork collection.
Asset renewal reserve	Established in order to take advantage of any possible matching funding, by way of government grants, for renewal of Council assets.
Drainage maintenance and infrastructure reserve	Set up to establish funds for major capital works and maintenance to drainage works in the Mildura Rural City Council area.
Landfill redevelopment reserve	Surplus on waste management operations, to be used for landfill reinstatement and purchase of new landfill sites.
Landfill rehabilitation reserve	A reserve created to provide for future landfill rehabilitation expenditure.
Plant replacement reserve	Surplus on plant operations, to be used for new and replacement plant.
Primary Care Partnership reserve	A reserve created to account for the unspent portion of Primary Care Partnership grant funding received.
Street light pole reserve	Developer contributions for replacement of specialised street lighting poles in various subdivisions.
Small town redevelopment reserve	A reserve for funds set aside for long term strategies for the small towns within the municipality.
VGC advance grants reserve	Transfer VGC grant received in advance

Notes to the Financial Report For the Year Ended 30 June 2015

Note 29 Reserves (cont)

Council

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(c) Financial assets revaluation				
2015				
Interest in Mildura Airport Pty Ltd	12,500	609	-	13,109
	<u>12,500</u>	<u>609</u>	<u>-</u>	<u>13,109</u>
Total financial assets revaluation	<u>12,500</u>	<u>609</u>	<u>-</u>	<u>13,109</u>
2014				
Interest in Mildura Airport Pty Ltd	11,398	1,102	-	12,500
	<u>11,398</u>	<u>1,102</u>	<u>-</u>	<u>12,500</u>
Total financial assets revaluation	<u>11,398</u>	<u>1,102</u>	<u>-</u>	<u>12,500</u>

Notes to the Financial Report
For the Year Ended 30 June 2015

	Consolidated		Council	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)				
Surplus (deficit) for the year	21,284	3,268	20,675	2,166
Depreciation/amortisation	16,832	17,057	15,945	16,237
(Profit) loss on disposal of property, plant and equipment, infrastructure	2,589	2,787	2,589	2,765
Impairment losses	-	485	-	-
Gain/(loss) on recognition of non current assets	(16)	(2)	-	-
Contributions - non-monetary assets	(385)	(175)	(385)	(175)
Interest expense	1,307	1,445	1,320	1,435
Revaluation of financial asset	(15)	(69)	(15)	(69)
Decrease in asset carrying amount	3,513	-	3,513	-
Increase in landfill provision discount amount	(581)	-	(581)	-
Change in assets and liabilities:				
(Increase)/decrease in trade and other receivables	5,894	(5,810)	6,111	(6,115)
(Increase)/decrease in prepayments	(48)	41	8	42
Increase/(decrease) in accrued income	3	-	-	-
Increase/(decrease) in trust fund deposits	250	(775)	250	(775)
Increase/(decrease) in trade and other payables	(3,677)	(109)	(3,801)	555
(Increase)/decrease in inventories	(110)	36	(110)	36
Increase/(decrease) in provisions	398	1,065	392	1,046
Net cash provided by/(used in) operating activities	47,238	19,244	45,911	17,148

Note 31 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 18)	39,171	21,712	36,388	19,373
Total reconciliation of cash and cash equivalents	39,171	21,712	36,388	19,373

Note 32 Financing arrangements

The Council does not have an overdraft facility	-	-	-	-
	-	-	-	-

Notes to the Financial Report For the Year Ended 30 June 2015

Note 33 Commitments

The Council has entered into the following commitments

Consolidated

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2015					
<i>Operating</i>					
Swimming pool management	55	-	-	-	55
Telecommunications	779	672	-	-	1,451
Waste management	1,884	99	-	-	1,983
Cleaning services	347	240	-	-	587
Security services	323	3	-	-	326
Project design	1,199	-	-	-	1,199
Other	2,651	390	-	-	3,041
Total	7,238	1,404	-	-	8,642
<i>Capital</i>					
Building construction	253	-	-	-	253
Design and project management	2	-	-	-	2
Office equipment	3	-	-	-	3
Other	510	-	-	-	510
Recreation	4,473	-	-	-	4,473
Roadworks	189	-	-	-	189
Drainage	77	-	-	-	77
Plant and equipment	249	-	-	-	249
Waste management	1,083	-	-	-	1,083
Total	6,839	-	-	-	6,839

Notes to the Financial Report For the Year Ended 30 June 2015

Note 33 Commitments (cont)

Consolidated

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2015	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Operating</i>					
Swimming pool management	783	137	-	-	920
Telecommunications	779	802	1,152	-	2,733
Waste management	2,412	490	-	-	2,902
Cleaning services	368	379	-	-	747
Security services	506	521	-	-	1,027
Project design	1,195	-	-	-	1,195
Other	2,259	1,077	134	-	3,470
<i>Total</i>	8,302	3,406	1,286	-	12,994
<i>Capital</i>					
Building construction	97	-	-	-	97
Design and project management	54	-	-	-	54
Office equipment	90	-	-	-	90
Other	7	-	-	-	7
Recreation	1,527	-	-	-	1,527
Roadworks	500	-	-	-	500
Drainage	293	-	-	-	293
Plant and equipment	1,025	-	-	-	1,025
Waste management	126	-	-	-	126
<i>Total</i>	3,719	-	-	-	3,719

Notes to the Financial Report For the Year Ended 30 June 2015

Note 33 Commitments (cont)

The Council has entered into the following commitments

Council

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2015					
<i>Operating</i>					
Swimming pool management	55	-	-	-	55
Telecommunications	779	672	-	-	1,451
Waste management	1,884	99	-	-	1,983
Cleaning services	347	240	-	-	587
Security services	323	3	-	-	326
Project design	1,199	-	-	-	1,199
Other	2,651	390	-	-	3,041
Total	7,238	1,404	-	-	8,642
<i>Capital</i>					
Building construction	253	-	-	-	253
Design and project management	2	-	-	-	2
Office equipment	3	-	-	-	3
Other	510	-	-	-	510
Recreation	4,473	-	-	-	4,473
Roadworks	189	-	-	-	189
Drainage	77	-	-	-	77
Plant and equipment	249	-	-	-	249
Waste management	1,083	-	-	-	1,083
Total	6,839	-	-	-	6,839

Notes to the Financial Report For the Year Ended 30 June 2015

Note 33 Commitments (cont)

Council

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2014	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Operating</i>					
Swimming pool management	783	137	-	-	920
Telecommunications	779	802	1,152	-	2,733
Waste management	2,412	490	-	-	2,902
Cleaning services	368	379	-	-	747
Security services	506	521	-	-	1,027
Project design	1,195	-	-	-	1,195
Other	2,259	1,077	134	-	3,470
<i>Total</i>	8,302	3,406	1,286	-	12,994
<i>Capital</i>					
Building construction	97	-	-	-	97
Design and project management	54	-	-	-	54
Office equipment	90	-	-	-	90
Other	7	-	-	-	7
Recreation	1,527	-	-	-	1,527
Roadworks	500	-	-	-	500
Drainage	293	-	-	-	293
Plant and equipment	1,025	-	-	-	1,025
Waste management	126	-	-	-	126
<i>Total</i>	3,719	-	-	-	3,719

Notes to the Financial Report
For the Year Ended 30 June 2015

Consolidated		Council	
2015	2014	2015	2014
\$'000	\$'000	\$'000	\$'000

Note 34 Operating leases

(a) Operating lease commitments

At the reporting date, the Council had the no obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities

(b) Operating lease receivables

The Council has entered into commercial property leases on its property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	457	436	228	216
Later than one year and not later than five years	1,294	1,398	736	805
Later than five years	1,096	1,130	660	758
	<u>2,847</u>	<u>2,964</u>	<u>1,624</u>	<u>1,779</u>

Notes to the Financial Report **For the Year Ended 30 June 2015**

Note 35 Contingent liabilities and contingent assets

Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Funding arrangements

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.5% pa
Salary information 4.25% pa
Price inflation (CPI) 2.75% pa.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Note 35 Contingent liabilities and contingent assets (cont)

Funding calls

If the defined benefit category is in an unsatisfactory financial position at actuarial investigation or the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Council was notified of the results of the actuarial investigation during January 2015.

Guarantees for loans to other entities

Guarantees by Council to financial institutions over loans taken out by sporting clubs and community organisations within the municipality and performance guarantees for construction contracts amounting to \$251,836 (2014: \$251,836)

Contingent assets

Developer contributions projected to be received in respect to residential subdivisions currently under development.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 36 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

(b) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 36 Financial Instruments (cont)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks we:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value

(e) Fair value

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 1.5%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report For the Year Ended 30 June 2015

Note 37 Related party transactions

(i) Responsible Persons

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

Councillors	Glenn Milne (Mayor)	1/07/2014 to 30/06/2015
	John Arnold	1/07/2014 to 30/06/2015
	Judi Harris	1/07/2014 to 30/06/2015
	Max Thorburn	1/07/2014 to 30/06/2015
	Mark Eckel	1/07/2014 to 30/06/2015
	Sharyon Peart	1/07/2014 to 30/06/2015
	Ali Cupper	1/07/2014 to 30/06/2015
	Greg Brown	1/07/2014 to 30/06/2015
	Jill Joslyn	1/07/2014 to 30/06/2015
Chief Executive Officer	Gerard José	6/10/2014 to 30/06/2015
Acting Chief Executive Officer	Garry Healy	1/07/2014 to 5/10/2014

(ii) Remuneration of Responsible Persons

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

	2015 No.	2014 No.
\$20,000 - \$29,999	8	8
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	-
\$190,000 - \$199,999	1	-
\$420,000 - \$429,999	-	1
	<u>10</u>	<u>10</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	481	702

(iii) Retirement Benefits of Responsible Persons

Retirement benefits have been made by Council to a Responsible Person. Total \$0. (2013/14, \$100,000).

Notes to the Financial Report For the Year Ended 30 June 2015

Note 38 Related party transactions (cont)

(iv) Loans to Responsible Persons

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2013/14, Nil).

(v) Transactions with Responsible Persons

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2013/14, Nil).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive or whose total annual remuneration exceeds \$136,000.

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

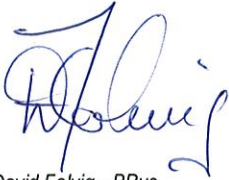
	2015	2014
Income Range:	No.	No.
\$136,000 - \$139,999	-	4
\$140,000 - \$149,999	5	5
\$150,000 - \$159,999	7	2
\$160,000 - \$169,999	1	1
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	1	2
\$230,000 - \$239,999	1	1
	<u>16</u>	<u>16</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	2,643	2,614

Note 38 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.



David Folvig - BBus
Principal Accounting Officer

Date : 25 September 2015
Mildura

In our opinion the accompanying financial statements present fairly the financial transactions of Mildura Rural City Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

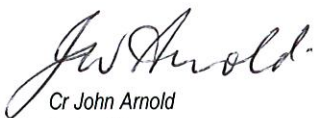
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.



Cr Glenn Milne
Councillor

Date : 25 September 2015
Mildura



Cr John Arnold
Councillor

Date : 25 September 2015
Mildura



Gerard Jose
Chief Executive Officer

Date : 25 September 2015
Mildura

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mildura Rural City Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Mildura Rural City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited. The financial report is the consolidated statements of the consolidated entity, comprising Mildura Rural City Council and the entity that it controlled at the year's end and from time to time during the year as disclosed in note1(c) to the consolidated financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Mildura Rural City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

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

Auditor's Responsibility

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

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

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

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

Independent Auditor's Report (continued)


Independence

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Mildura Rural City Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
25 September 2015


Dr Peter Frost
Acting Auditor-General