



COONAMBLE SHIRE  
COUNCIL

# Financial Statements

for the year ended 30 June 2015



# Coonamble Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

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***“Coonamble on the Castlereagh”***



# Coonamble Shire Council

## General Purpose Financial Statements

for the financial year ended 30 June 2015

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### Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Coonamble Shire Council.

(ii) Coonamble Shire Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 29 October 2015. Council has the power to amend and reissue these financial statements.

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## Coonamble Shire Council

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

## Understanding Council's Financial Statements

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### Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council & Community.

### What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2015.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

### About the Councillor/Management Statement

The financial statements must be certified by Senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for & ownership of the financial statements.

### About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

#### 1. The Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

#### 2. The Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant & Equipment.

#### 3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "Net Wealth".

#### 4. The Statement of Changes in Equity

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

### 5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

Currently the statement is prepared utilising the practise of recognising income when it is received. Given this practise the timing of the receipt of grant funds has the ability to dramatically alter the Financial Position of a council from one year to the next.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

### About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

### About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance & financial position.

### Who uses the Financial Statements ?

The financial statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

## Coonamble Shire Council

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

### Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

**The attached General Purpose Financial Statements have been prepared in accordance with:**



- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

**To the best of our knowledge and belief, these Financial Statements:**

- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

**We are not aware of any matter that would render the Reports false or misleading in any way.**

**Signed in accordance with a resolution of Council made on 08 July 2015.**

  
\_\_\_\_\_  
Michael Webb  
MAYOR  
\_\_\_\_\_  
John Walker  
COUNCILLOR  
\_\_\_\_\_  
Rick Warren  
GENERAL MANAGER  
\_\_\_\_\_  
Bruce Quarmby  
RESPONSIBLE ACCOUNTING OFFICER

## Coonamble Shire Council

## Income Statement

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
5,641	Rates & Annual Charges	3a	5,616	5,461
5,141	User Charges & Fees	3b	5,634	5,130
756	Interest & Investment Revenue	3c	586	651
222	Other Revenues	3d	642	667
5,622	Grants & Contributions provided for Operating Purposes	3e,f	5,682	4,508 <sup>2</sup>
2,836	Grants & Contributions provided for Capital Purposes	3e,f	2,678	270
<b>Other Income:</b>				
-	Net gains from the disposal of assets	5	99	45
<b>20,218</b>	<b>Total Income from Continuing Operations</b>		<b>20,937</b>	<b>16,732</b>
<b>Expenses from Continuing Operations</b>				
6,516	Employee Benefits & On-Costs	4a	6,655	6,756
13	Borrowing Costs	4b	14	3
7,130	Materials & Contracts	4c	3,687	4,914
4,225	Depreciation & Amortisation	4d	4,893	4,940
1,127	Other Expenses	4e	2,012	1,707
-	Associates using the equity method	19	13	4
<b>19,011</b>	<b>Total Expenses from Continuing Operations</b>		<b>17,274</b>	<b>18,324</b>
<b>1,207</b>	<b>Operating Result from Continuing Operations</b>		<b>3,663</b>	<b>(1,592)</b>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<b>1,207</b>	<b>Net Operating Result for the Year</b>		<b>3,663</b>	<b>(1,592)</b>
1,207	Net Operating Result attributable to Council		3,663	(1,592)
-	Net Operating Result attributable to Non-controlling Interests		-	-
<b>(1,629)</b>	<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>985</b>	<b>(1,862)</b>

<sup>1</sup> Original Budget as approved by Council - refer Note 16

<sup>2</sup> Financial Assistance Grants for 13/14 were lower reflecting one off timing differences due to a change in how the grant was paid in prior years - refer Note 3 (e)

## Coonamble Shire Council

# Statement of Comprehensive Income

for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
<b>Net Operating Result for the year</b> (as per Income statement)		<b>3,663</b>	<b>(1,592)</b>
<b>Other Comprehensive Income:</b>			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	70,268	720
<b>Total Items which will not be reclassified subsequently to the Operating Result</b>		<b>70,268</b>	<b>720</b>
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
<b>Total Other Comprehensive Income for the year</b>		<b>70,268</b>	<b>720</b>
<b>Total Comprehensive Income for the Year</b>		<b>73,931</b>	<b>(872)</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>73,931</b>	<b>(872)</b>
<b>Total Comprehensive Income attributable to Non-controlling Interests</b>		<b>-</b>	<b>-</b>



## Coonamble Shire Council

Statement of Financial Position  
as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	17,149	17,344
Investments	6b	2,000	-
Receivables	7	2,455	1,589
Inventories	8	954	888
Other	8	52	24
Non-current assets classified as "held for sale"	22	-	-
<b>Total Current Assets</b>		<b>22,610</b>	<b>19,845</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	373	624
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	268,411	196,587
Investments accounted for using the equity method	19	53	66
Investment Property	14	-	-
Intangible Assets	25	-	-
<b>Total Non-Current Assets</b>		<b>268,837</b>	<b>197,277</b>
<b>TOTAL ASSETS</b>		<b>291,447</b>	<b>217,122</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	2,147	1,730
Borrowings	10	49	45
Provisions	10	1,914	1,894
<b>Total Current Liabilities</b>		<b>4,110</b>	<b>3,669</b>
<b>Non-Current Liabilities</b>			
Payables	10	-	-
Borrowings	10	229	282
Provisions	10	84	78
<b>Total Non-Current Liabilities</b>		<b>313</b>	<b>360</b>
<b>TOTAL LIABILITIES</b>		<b>4,423</b>	<b>4,029</b>
<b>Net Assets</b>		<b>287,024</b>	<b>213,093</b>
<b>EQUITY</b>			
Retained Earnings	20	161,668	158,005
Revaluation Reserves	20	125,356	55,088
Council Equity Interest		287,024	213,093
Non-controlling Equity Interests		-	-
<b>Total Equity</b>		<b>287,024</b>	<b>213,093</b>



## Coonamble Shire Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2015</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		158,253	55,088	<b>213,341</b>	-	<b>213,341</b>
a. Correction of Prior Period Errors	20 (c)	(248)	-	<b>(248)</b>	-	<b>(248)</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/14)</b>		<b>158,005</b>	<b>55,088</b>	<b>213,093</b>	-	<b>213,093</b>
<b>c. Net Operating Result for the Year</b>		<b>3,663</b>	-	<b>3,663</b>	-	<b>3,663</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	70,268	<b>70,268</b>	-	<b>70,268</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>70,268</b>	<b>70,268</b>	-	<b>70,268</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>3,663</b>	<b>70,268</b>	<b>73,931</b>	-	<b>73,931</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>161,668</b>	<b>125,356</b>	<b>287,024</b>	-	<b>287,024</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2014</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		159,845	54,368	<b>214,213</b>	-	<b>214,213</b>
a. Correction of Prior Period Errors	20 (c)	(248)	-	<b>(248)</b>	-	<b>(248)</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/13)</b>		<b>159,597</b>	<b>54,368</b>	<b>213,965</b>	-	<b>213,965</b>
<b>c. Net Operating Result for the Year</b>		<b>(1,592)</b>	-	<b>(1,592)</b>	-	<b>(1,592)</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	720	<b>720</b>	-	<b>720</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>720</b>	<b>720</b>	-	<b>720</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>(1,592)</b>	<b>720</b>	<b>(872)</b>	-	<b>(872)</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>158,005</b>	<b>55,088</b>	<b>213,093</b>	-	<b>213,093</b>

## Coonamble Shire Council

## Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
5,635	Rates & Annual Charges		5,622	5,490
5,003	User Charges & Fees		5,401	5,455
777	Investment & Interest Revenue Received		677	570
8,476	Grants & Contributions		8,464	4,787
-	Bonds, Deposits & Retention amounts received		196	-
13	Other		1,260	1,128
<b>Payments:</b>				
(5,516)	Employee Benefits & On-Costs		(6,625)	(6,478)
(8,174)	Materials & Contracts		(4,804)	(5,960)
(13)	Borrowing Costs		(12)	(3)
-	Bonds, Deposits & Retention amounts refunded		(60)	(4)
(1,126)	Other		(2,285)	(1,680)
<b>5,075</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>7,834</b>	<b>3,305</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
-	Sale of Real Estate Assets		36	92
225	Sale of Infrastructure, Property, Plant & Equipment		254	938
1	Deferred Debtors Receipts		20	-
<b>Payments:</b>				
-	Purchase of Investment Securities		(2,000)	-
(6,586)	Purchase of Infrastructure, Property, Plant & Equipment		(6,290)	(5,483)
-	Deferred Debtors & Advances Made		-	(50)
<b>(6,360)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(7,980)</b>	<b>(4,503)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
-	Proceeds from Borrowings & Advances		-	289
<b>Payments:</b>				
(45)	Repayment of Borrowings & Advances		(49)	(7)
<b>(45)</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>(49)</b>	<b>282</b>
<b>(1,330)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>(195)</b>	<b>(916)</b>
12,252	plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	11a	17,344	18,260
<b>10,922</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>17,149</b>	<b>17,344</b>
Additional Information:				
	plus: <b>Investments on hand - end of year</b>	6b	2,000	-
	<b>Total Cash, Cash Equivalents &amp; Investments</b>		<b>19,149</b>	<b>17,344</b>

Please refer to Note 11 for additional cash flow information

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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n/a - not applicable

# Coonamble Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

#### (a) Basis of preparation

##### (i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulations, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

##### (ii) Compliance with International Financial Reporting Standards (IFRSs)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Accordingly in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act (LGA), Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

##### (iii) New and amended standards adopted by Council

During the current year, the following relevant accounting standards became mandatory and have been adopted by Council:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosures of Interests in Other Entities

AASB 10 introduced a new definition of control based on the substance of the relationship and required Councils to consider their involvement with other entities regardless of whether there was a financial interest.

AASB 11 classified joint arrangements into either joint ventures (equity accounting) or joint operations (accounting for share of assets and liabilities).

AASB 12 has increased the level of disclosures required where Council has any interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

##### (iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

##### (v) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of non current assets (eg. Infrastructure, Property, Plant & Equipment and

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 1. Summary of Significant Accounting Policies

Investment Property) that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

#### (vi) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

#### (vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Council and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (i) Estimated fair values of infrastructure, property, plant and equipment.

#### **Critical judgements in applying Council's accounting policies**

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

#### (b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

#### **Rates, Annual Charges, Grants and Contributions**

Rates, annual charges, 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 and annual charges 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 the impairment on rates receivables has not been established as unpaid rates represent 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 is valued at their fair value at the date of transfer.

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, **(i)** it is probable that the economic benefits comprising the contribution will flow to the Council and **(ii)** 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

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

A detailed Note relating to developer contributions can be found at Note 17.

#### User Charges, Fees and Other Income

User charges, fees and other income (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 the impairment of these receivables is recognised when collection in full is no longer probable.

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

#### Sale of Infrastructure, Property, Plant and Equipment

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

#### Interest and Rents

Rental income is accounted for on a straight-line basis over the lease term.

Interest Income from Cash & Investments is accounted for using the effective interest rate at the date that interest is earned.

#### Dividend Income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Other Income

Other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

#### (c) Principles of Consolidation

These financial statements incorporate **(i)** the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30 June 2015) and **(ii)** all the related operating results (for the financial year ended the 30th June 2015).

Detailed information relating to the entities that Council Controls can be found at Note 19 (a).

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

#### (i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.



## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

The following entities have been included as part of the Consolidated Fund:

- General Purpose Operations
- Water Supply
- Sewerage Service

##### (ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these statements.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these statements.

A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

##### (iii) Joint Arrangements

###### Joint Ventures

Joint Ventures represent operational arrangements where the parties joint control parties have rights to the net assets of the arrangement.

Any interests in Joint Ventures are accounted for using the equity method and are carried at cost.

Under the equity method, Council's share of the operation's profits/(losses) are recognised in the income statement, and its share of movements in retained earnings & reserves are recognised in the balance sheet.

Detailed information relating to Council's Joint Ventures can be found at Note 19 (b).

##### (iv) Associates

Council has no interest in any Associates.

##### (v) County Councils

Council is a member of the following County Councils (which are bodies corporate under the Local Government Act);

###### ▪ Castlereagh Macquarie County Council

Destruction and suppression of noxious weeds. The County Council comprises the Councils of Coonamble, Gilgandra, Warren, Walgett & Warrumbungle.

The governing body of the Castlereagh Macquarie County Council is responsible for managing its own affairs.

Council is of the opinion that it neither controls nor significantly influences the above County Council/s and accordingly these entities have not been consolidated or otherwise included within these financial statements.

##### (vi) Unconsolidated Structured Entities

Council has no interest in any Unconsolidated Structured Entities.

##### (d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

###### Finance Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as



## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

##### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

##### (e) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes;

- cash **on hand**,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with original maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

##### (f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss**,

- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

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

Financial has no Financial Assets at fair value

##### (ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

## Coonamble Shire Council

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

## Note 1. Summary of Significant Accounting Policies

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

#### Financial Assets – Reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

#### General Accounting & Measurement of Financial Instruments:

##### (i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

##### (ii) Subsequent Measurement

**Available-for-sale financial assets** and **financial assets at fair value through profit and loss** are subsequently carried at fair value.

**Loans and receivables** and **held-to-maturity** investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "**fair value through profit or loss**" category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as "**available-for-sale**" are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

#### Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

##### (iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

##### (g) Fair value estimation

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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

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

##### (h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

##### (i) Inventories

###### Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

###### Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided

if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

##### (j) Infrastructure, Property, Plant and Equipment (I,PP&E)

###### Acquisition of assets

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(p),
- **Water and Sewerage Networks**  
(External Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**  
(Internal Valuation)
- **Plant and Equipment**  
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**  
(External Valuation)
- **Drainage Assets** (External Valuation)
- **Bulk Earthworks** (External Valuation)
- **Community Land** (External Valuation)
- **Land Improvements**  
(as approximated by depreciated historical cost)
- **Other Structures**  
(as approximated by depreciated historical cost)
- **Other Assets**  
(as approximated by depreciated historical cost)

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 1. Summary of Significant Accounting Policies

### Initial Recognition

On initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

### Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

### Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the

extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water - Rates Reference Manual.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5 year cycle.

### Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following:

<b>Land</b>	
- council land	100% Capitalised
- open space	100% Capitalised
- land under roads	100% Capitalised

<b>Plant &amp; Equipment</b>	
Office Furniture	> \$5,000
Office Equipment	> \$5,000
Other Plant & Equipment	> \$5,000

<b>Buildings &amp; Land Improvements</b>	
Park Furniture & Equipment	> \$5,000

<b>Building</b>	
- construction/extensions	100% Capitalised
- renovations	> \$10,000
Other Structures	> \$5,000

<b>Water &amp; Sewer Assets</b>	
Reticulation extensions	> \$5,000
Other	> \$5,000

## Coonamble Shire Council

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

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

##### Stormwater Assets

Drains & Culverts	> \$5,000
Other	> \$5,000

##### Transport Assets

Road construction & reconstruction	> \$10,000
Reseal/Re-sheet & major repairs:	> \$10,000
Bridge construction & reconstruction	> \$10,000

##### Other Infrastructure Assets

Swimming Pools	> \$10,000
Other Open Space/Recreational Assets	> \$10,000
Other Infrastructure	> \$10,000

#### Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

##### Plant & Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	3 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	5 to 15 years

##### Other Equipment

- Playground equipment	5 to 15 years
- Benches, seats etc	10 to 20 years

##### Buildings

- Buildings – Masonry	50 to 100 years
- Other	20 to 40 years

##### Stormwater Drainage

- Drains	80 to 100 years
- Culverts	100 years

##### Transportation Assets

- Sealed Roads : Surface	20 to 30 year
- Sealed Roads : Structure	Infinite
- Unsealed roads: Surface	30 years
- Unsealed roads: Structure	Infinite
- Bridge : Concrete	100 years
- Bridge : Other	100 years
- Road Pavements	20-30 years
- Kerb, Gutter & Paths	60 years

##### Water & Sewer Assets

- Dams and reservoirs	80 to 100 years
- Bores	20 to 40 years
- Reticulation pipes : PVC	80 years
- Reticulation pipes : Other	25 to 75 years
- Pumps and telemetry	15 to 20 years

##### Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	50 years
- Other Open Space/ Recreational Assets	20 to 50 years

All asset residual values and useful lives are reviewed and adjusted (if appropriate), at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

#### Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

#### (k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local



## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

Government Act (1993) classified as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

##### **(l) Land under roads**

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

##### **(m) Intangible Assets**

Council has not classified any assets as Intangible.

##### **(n) Crown Reserves**

Crown Reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating the reserves are recognised within Council's Income Statement.

Representations are currently being sought across State and Local Government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

##### **(o) Rural Fire Service assets**

Under section 119 of the Rural Fires Act 1997, *"all fire fighting equipment purchased or constructed*

*wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed"*.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to exclude the assets, their values and depreciation charges from these financial statements.

##### **(p) Investment property**

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Council has no Investment Properties.

##### **(q) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries**

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.



## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the discount is disclosed as a borrowing cost in Note 4(b).

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date.

These costs are charged to the income statement.

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific Information relating to Council's provisions relating to Close down, Restoration and Remediation costs can be found at Note 26.

#### (s) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

##### (t) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

##### (u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### (v) Borrowing costs

Borrowing costs are expensed.

##### (w) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

##### (x) Employee benefits

###### (i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be wholly settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

All other short-term employee benefit obligations are presented as payables.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

##### (ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be wholly settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

##### (iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

##### Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair

value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

The last valuation of the Scheme was performed by Martin Stevenson on 20<sup>th</sup> February, 2013

However the position is monitored annually and the Actuary has estimated that as at 30 June 2015 the prior period deficit still exists.

Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2015 was \$ 233,111

The amount of additional contributions included in the total employer contribution advised above is \$116,568.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$129,600 as at 30 June 2015.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

##### Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/06/15.

##### (y) Self insurance

Council does not self insure.

##### (z) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

##### Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

##### (aa) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

##### Goods & Services Tax (GST)

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

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

##### **(ab) New accounting standards and interpretations**

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

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

##### **(ac) Rounding of amounts**

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

##### **(ad) Comparative Figures**

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

##### **(ae) Disclaimer**

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

# Coonamble Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2014	2015	2014
Governance	-	-	-	243	194	165	(243)	(194)	(165)	-	271	291,394	13,701
Administration	590	267	327	5,236	4,378	4,588	(4,646)	(4,111)	(4,261)	-	-	-	3,511
Public Order & Safety	49	387	370	305	588	609	(256)	(201)	(239)	-	26	-	948
Health	7	5	3	269	246	191	(262)	(241)	(188)	-	-	-	21
Environment	3,189	3,032	567	944	849	829	2,245	2,183	(262)	2,615	91	-	-
Community Services & Education	55	58	62	116	116	151	(61)	(58)	(89)	39	74	-	1,369
Housing & Community Amenities	181	179	148	335	209	273	(154)	(30)	(125)	-	-	-	5,226
Water Supplies	939	963	1,088	769	1,179	1,062	170	(216)	26	12	186	-	17,997
Sewerage Services	939	856	758	752	692	715	187	164	43	11	11	-	16,209
Recreation & Culture	224	170	237	1,373	1,285	1,332	(1,149)	(1,115)	(1,095)	128	91	-	12,964
Agriculture	55	12	72	10	2	8	45	10	64	-	-	-	-
Mining, Manufacturing & Construction	1,309	1,405	1,361	1,631	1,468	1,614	(322)	(63)	(253)	-	-	-	2,434
Transport & Communication	4,153	4,964	4,867	6,418	5,381	6,173	(2,265)	(417)	(1,306)	761	1,005	-	141,172
Economic Affairs	374	400	497	610	674	610	(236)	(274)	(113)	-	14	-	1,503
<b>Total Functions &amp; Activities</b>	<b>12,064</b>	<b>12,698</b>	<b>10,357</b>	<b>19,011</b>	<b>17,261</b>	<b>18,320</b>	<b>(6,947)</b>	<b>(4,563)</b>	<b>(7,963)</b>	<b>3,566</b>	<b>1,769</b>	<b>291,394</b>	<b>217,056</b>
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	13	4	-	(13)	(4)	-	-	53	66
General Purpose Income <sup>1</sup>	8,154	8,239	6,375	-	-	-	8,154	8,239	6,375	3,555	1,783	-	-
<b>Operating Result from Continuing Operations</b>	<b>20,218</b>	<b>20,937</b>	<b>16,732</b>	<b>19,011</b>	<b>17,274</b>	<b>18,324</b>	<b>1,207</b>	<b>3,663</b>	<b>(1,592)</b>	<b>7,121</b>	<b>3,552</b>	<b>291,447</b>	<b>217,122</b>

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 2(b). Council Functions / Activities - Component Descriptions

**Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:**

#### **GOVERNANCE**

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

#### **ADMINISTRATION**

Corporate Support and Other Support Services (not otherwise attributed to the listed functions / activities).

#### **PUBLIC ORDER & SAFETY**

Fire protection, animal control, beach control, enforcement of local government regulations, emergency services, other.

#### **HEALTH**

Inspection, immunisations, food control, health centres, other, administration.

#### **ENVIRONMENT**

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

#### **COMMUNITY SERVICES & EDUCATION**

Administration, family day care, child care, youth services, other family and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

#### **HOUSING & COMMUNITY AMENITIES**

Housing, town planning, street lighting, other sanitation and garbage, public cemeteries, public conveniences,

#### **WATER SUPPLIES**

#### **SEWERAGE SERVICES**

#### **RECREATION & CULTURE**

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens (lakes), other sport and recreation.

#### **AGRICULTURE**

#### **MINING, MANUFACTURING & CONSTRUCTION**

Building control, abattoirs, quarries & pits, other.

#### **TRANSPORT & COMMUNICATION**

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RMS works, other.

#### **ECONOMIC AFFAIRS**

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, commercial nurseries, other business undertakings.



## Coonamble Shire Council

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

#### Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		497	459
Farmland		3,658	3,612
Business		131	128
<b>Total Ordinary Rates</b>		<b>4,286</b>	<b>4,199</b>
<b>Special Rates</b>			
Nil			
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		441	440
Water Supply Services		315	278
Sewerage Services		574	544
<b>Total Annual Charges</b>		<b>1,330</b>	<b>1,262</b>
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>		<b>5,616</b>	<b>5,461</b>

Council has used 2015 year valuations provided by the NSW Valuer General in calculating its rates.

## Coonamble Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(b) User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Water Supply Services		529	451
Sewerage Services		126	101
<b>Total User Charges</b>		<b>655</b>	<b>552</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Regulatory/ Statutory Fees		116	91
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>116</b>	<b>91</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges)</b> (per s.608)			
Aerodrome		21	6
Caravan Park		4	5
Cemeteries		54	50
Lease Rentals		15	16
Library & Art Gallery		-	2
Private Works		299	175
Quarry Revenues		1,382	1,345
Recreational Grounds Fees		19	12
RMS (formerly RTA) Charges (State Roads not controlled by Council)		2,866	2,657
Saleyards		73	115
Swimming Centres		43	42
Water Connection Fees		-	5
Other		87	57
<b>Total Fees &amp; Charges - Other</b>		<b>4,863</b>	<b>4,487</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>5,634</b>	<b>5,130</b>

## Coonamble Shire Council

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

#### Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		36	54
- Interest earned on Investments (interest & coupon payment income)		550	597
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b><u>586</u></b>	<b><u>651</u></b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates & Annual Charges (General Fund)		27	46
General Council Cash & Investments		371	347
<b>Restricted Investments/Funds - External:</b>			
Water Fund Operations		77	157
Sewerage Fund Operations		111	101
<b><u>Total Interest &amp; Investment Revenue Recognised</u></b>		<b><u>586</u></b>	<b><u>651</u></b>
<b>(d) Other Revenues</b>			
Commissions & Agency Fees		90	89
Energy Rebate		98	98
Farming Income		12	72
Insurance Rebate		83	38
Recycling Income (non domestic)		-	12
Reimbursement - Bushfire		321	319
Sales - General		12	25
Other		26	14
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>642</u></b>	<b><u>667</u></b>

## Coonamble Shire Council

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

## Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance	3,530	1,759	-	-
Pensioners' Rates Subsidies - General Component	25	24	-	-
<b>Total General Purpose</b>	<b>3,555</b>	<b>1,783</b>	<b>-</b>	<b>-</b>

<sup>1</sup> The Financial Assistance Grant for the comparative 13/14 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 13/14 year by up to 50% as had occurred in previous years.

**Specific Purpose**

## Pensioners' Rates Subsidies:

- Water	12	14	-	-
- Sewerage	11	11	-	-
- Domestic Waste Management	15	16	-	-
Water Supplies	-	172	-	-
Child Care	-	20	-	-
Community Care	39	38	-	-
Economic Development	-	-	-	164
Environmental Protection	48	91	2,552	-
Library	54	40	-	-
NSW Rural Fire Services	-	26	-	-
Recreation & Culture	24	51	50	106
Street Lighting	35	31	-	-
Tourist Area Promotion	-	14	-	-
Transport (Roads to Recovery)	650	975	-	-
Transport (Other Roads & Bridges Funding)	-	-	76	-
<b>Total Specific Purpose</b>	<b>888</b>	<b>1,499</b>	<b>2,678</b>	<b>270</b>
<b>Total Grants</b>	<b>4,443</b>	<b>3,282</b>	<b>2,678</b>	<b>270</b>

**Grant Revenue is attributable to:**

- Commonwealth Funding	4,099	2,709	-	-
- State Funding	344	295	2,678	270
- Other Funding	-	278	-	-
	<b>4,443</b>	<b>3,282</b>	<b>2,678</b>	<b>270</b>

## Coonamble Shire Council

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

## Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
<b>(f) Contributions</b>				
<b>Developer Contributions:</b>				
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the LGA):</b>				
Nil				
<b>Other Contributions:</b>				
RMS Contributions (Regional Roads, Block Grant)	1,239	1,226	-	-
<b>Total Other Contributions</b>	<b>1,239</b>	<b>1,226</b>	<b>-</b>	<b>-</b>
<b>Total Contributions</b>	<b>1,239</b>	<b>1,226</b>	<b>-</b>	<b>-</b>
<b><u>TOTAL GRANTS &amp; CONTRIBUTIONS</u></b>	<b><u>5,682</u></b>	<b><u>4,508</u></b>	<b><u>2,678</u></b>	<b><u>270</u></b>

\$ '000	Actual 2015	Actual 2014
<b>(g) Restrictions relating to Grants and Contributions</b>		
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	447	445
<b>add:</b> Grants & contributions recognised in the current period but not yet spent:	151	258
<b>less:</b> Grants & contributions recognised in a previous reporting period now spent:	(357)	(256)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>(206)</b>	<b>2</b>
<b>Unexpended and held as Restricted Assets</b>	<b><u>241</u></b>	<b><u>447</u></b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	241	447
	<b><u>241</u></b>	<b><u>447</u></b>

# Coonamble Shire Council

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

### Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		5,262	5,244
Travelling		140	151
Employee Leave Entitlements (ELE)		588	592
Superannuation		625	640
Workers' Compensation Insurance		117	185
Fringe Benefit Tax (FBT)		28	31
Training Costs (other than Salaries & Wages)		125	89
Other		21	19
<b>Total Employee Costs</b>		<b>6,906</b>	<b>6,951</b>
less: Capitalised Costs		(251)	(195)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>6,655</b>	<b>6,756</b>
Number of "Equivalent Full Time" Employees at year end		<b>98</b>	<b>101</b>
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		14	3
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>14</b>	<b>3</b>
<b>(ii) Other Borrowing Costs</b>			
Nil			
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>14</b>	<b>3</b>
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		1,050	2,408
Contractor & Consultancy Costs			
- Administration		80	106
- Building, electrical, plumbing		68	174
- Bridge Repairs		15	49
- External Plant Hire		409	43
- Roadmarking Services		1,111	1,431
- Planning		105	119
- Rangers		5	21
- Quarry		197	89
- Waste Management		376	315
- Other		222	94
Auditors Remuneration <sup>(1)</sup>		29	41
Legal Expenses:			
- Legal Expenses: Other		20	24
<b>TOTAL MATERIALS &amp; CONTRACTS</b>		<b>3,687</b>	<b>4,914</b>

# Coonamble Shire Council

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

### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
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#### (c) Materials & Contracts (continued)

##### 1. Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

##### (i) Audit and Other Assurance Services

- Audit & review of financial statements: Council's Auditor

##### Remuneration for audit and other assurance services

29	41
<b>29</b>	<b>41</b>
<b>29</b>	<b>41</b>

##### Total Auditor Remuneration

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014

#### (d) Depreciation, Amortisation & Impairment

Plant and Equipment	-	-	917	1,030
Office Equipment	-	-	109	95
Buildings - Non Specialised	-	-	110	125
Buildings - Specialised	-	-	206	226
Other Structures	-	-	143	170
Infrastructure:				
- Roads	-	-	2,279	2,322
- Bridges	-	-	146	-
- Footpaths	-	-	22	-
- Stormwater Drainage	-	-	28	20
- Water Supply Network	-	-	489	502
- Sewerage Network	-	-	444	450
<b>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</b>	<b>-</b>	<b>-</b>	<b>4,893</b>	<b>4,940</b>



## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		49	41
Bad & Doubtful Debts		140	-
Bank Charges		-	11
Commission		-	17
Contributions/Levies to Other Levels of Government		586	582
Councillor Expenses - Mayoral Fee		16	16
Councillor Expenses - Councillors' Fees		65	64
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		17	24
Donations, Contributions & Assistance to other organisations (Section 356)		96	80
Electricity & Heating		265	241
Farming Costs		4	4
Insurance		364	316
Printing & Stationery		49	72
Street Lighting		85	80
Subscriptions & Publications		73	53
Sundry		32	51
Telephone & Communications		52	55
Valuation Fees		23	-
Other		96	-
<b><u>TOTAL OTHER EXPENSES</u></b>		<b><u>2,012</u></b>	<b><u>1,707</u></b>

#### Note 5. Gains or Losses from the Disposal of Assets

<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		164	26
less: Carrying Amount of Property Assets Sold / Written Off		(35)	(23)
<b>Net Gain/(Loss) on Disposal</b>		<b>129</b>	<b>3</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		90	912
less: Carrying Amount of P&E Assets Sold / Written Off		(110)	(860)
<b>Net Gain/(Loss) on Disposal</b>		<b>(20)</b>	<b>52</b>
<b>Real Estate Assets Held For Sale</b>			
Proceeds from Disposal - Real Estate Assets		36	92
less: Carrying Amount of Real Estate Assets Sold / Written Off		(46)	(102)
<b>Net Gain/(Loss) on Disposal</b>		<b>(10)</b>	<b>(10)</b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>		<b><u>99</u></b>	<b><u>45</u></b>

## Coonamble Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		2,649	-	844	-
Cash-Equivalent Assets <sup>1</sup>					
- Deposits at Call		1,000	-	1,500	-
- Short Term Deposits		13,500	-	15,000	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>17,149</b>	<b>-</b>	<b>17,344</b>	<b>-</b>
<b>Investments (Note 6b)</b>					
- Long Term Deposits		2,000	-	-	-
<b>Total Investments</b>		<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>19,149</b>	<b>-</b>	<b>17,344</b>	<b>-</b>

<sup>1</sup> Those Investments where time to maturity (from date of purchase) is < 3 mths.

**Cash, Cash Equivalents & Investments were  
classified at year end in accordance with  
AASB 139 as follows:**

**Cash & Cash Equivalents**

<b>a. "At Fair Value through the Profit &amp; Loss"</b>		<b>17,149</b>	<b>-</b>	<b>17,344</b>	<b>-</b>
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**Investments**

<b>b. "Held to Maturity"</b>	6(b-ii)	2,000	-	-	-
<b>Investments</b>		<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 6(b-i)****Reconciliation of Investments  
classified as "Held to Maturity"**

Additions		2,000	-	-	-
<b>Balance at End of Year</b>		<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Comprising:**

- Long Term Deposits		2,000	-	-	-
<b>Total</b>		<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of investments held.

## Coonamble Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
<b>\$ '000</b>				
<b>Total Cash, Cash Equivalents and Investments</b>	<b>19,149</b>	<b>-</b>	<b>17,344</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	8,549	-	8,240	-
Internal Restrictions (refer below)	9,417	-	8,093	-
Unrestricted	1,183	-	1,011	-
	<b>19,149</b>	<b>-</b>	<b>17,344</b>	<b>-</b>

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

### Details of Restrictions

#### External Restrictions - Included in Liabilities

RMS (formerly RTA) Advances (B)	39	-	(26)	13
Unspent Loan Funds	289	-	(82)	207
<b>External Restrictions - Included in Liabilities</b>	<b>328</b>	<b>-</b>	<b>(108)</b>	<b>220</b>

#### External Restrictions - Other

Specific Purpose Unexpended Grants (F)	447	-	(206)	241
Water Supplies (G)	2,433	96	-	2,529
Sewerage Services (G)	4,537	490	-	5,027
Domestic Waste Management (G)	495	37	-	532
<b>External Restrictions - Other</b>	<b>7,912</b>	<b>623</b>	<b>(206)</b>	<b>8,329</b>
<b>Total External Restrictions</b>	<b>8,240</b>	<b>623</b>	<b>(314)</b>	<b>8,549</b>

**B** Advances by Roads and Maritime Services for (RMS) works on the State's classified roads.

**F** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)

**G** Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

## Coonamble Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Plant & Vehicle Replacement	2,101	806	(399)	2,508
Employees Leave Entitlement	755	250	-	1,005
Carry Over Works	92	99	(36)	155
Aerodrome	50	50	(50)	50
Caravan Park	140	36	-	176
Cemetery	20	15	-	35
Common	2	-	(2)	-
Depot Improvements	8	-	(2)	6
Development	286	100	(71)	315
Election Expenses	14	-	-	14
Emergency Services Building maintenance	100	-	-	100
Farming	86	-	(71)	15
Indoor Arena Reserve	323	-	(40)	283
Land Acquisition	85	-	(82)	3
Levee Reserve	1,284	100	(472)	912
Local Environmental Plan	29	-	(4)	25
Museum	6	-	-	6
Office Equipment	132	163	(5)	290
Premises Refurbishment	141	79	(50)	170
Quarry	261	308	(15)	554
Quarry Rehabilitation	90	10	-	100
Riverwalk	2	-	-	2
Road Reloaming	575	200	(69)	706
Road Reserve Sealed	650	200	(22)	828
Rural Fire Service	36	-	-	36
Security Camera Reserve	3	7	(3)	7
Showground	99	8	-	107
Showground - Gulargambone	10	-	-	10
Single Invitation Contract	200	-	-	200
Stormwater Drainage	25	-	-	25
Street Lighting	15	5	-	20
Street Numbering contribution	5	-	-	5
Urban Streets	468	100	(51)	517
Weir Improvement	-	30	-	30
Saleyards	-	20	-	20
Other Community Development	-	10	-	10
Strategic Plan Review	-	20	-	20
Kerb & Gutter replacement	-	39	-	39
Footpath replacement	-	25	-	25
Training reserve	-	50	-	50
Sportsground	-	19	-	19
Main Street development	-	19	-	19
<b>Total Internal Restrictions</b>	<b>8,093</b>	<b>2,768</b>	<b>(1,444)</b>	<b>9,417</b>
<b>TOTAL RESTRICTIONS</b>	<b>16,333</b>	<b>3,391</b>	<b>(1,758)</b>	<b>17,966</b>

## Coonamble Shire Council

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

#### Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		197	269	187	347
Interest & Extra Charges		21	43	45	95
User Charges & Fees		1,742	212	1,020	270
Accrued Revenues					
- Interest on Investments		68	-	83	-
Deferred Debtors		-	30	-	50
Government Grants & Subsidies		314	-	288	-
Net GST Receivable		171	-	64	-
Other Debtors		7	-	10	-
<b>Total</b>		<b>2,520</b>	<b>554</b>	<b>1,697</b>	<b>762</b>
<b>less: Provision for Impairment</b>					
Rates & Annual Charges		(36)	(95)	(55)	(138)
User Charges & Fees		(29)	(86)	(53)	-
<b>Total Provision for Impairment - Receivables</b>		<b>(65)</b>	<b>(181)</b>	<b>(108)</b>	<b>(138)</b>
<b><u>TOTAL NET RECEIVABLES</u></b>					
		<b>2,455</b>	<b>373</b>	<b>1,589</b>	<b>624</b>
<b>Externally Restricted Receivables</b>					
<b>Water Supply</b>					
- Specific Purpose Grants		-	-	2	-
- Rates & Availability Charges		119	131	245	-
<b>Sewerage Services</b>					
- Rates & Availability Charges		53	32	41	43
- Other		8	19	36	-
<b>Total External Restrictions</b>		<b>180</b>	<b>182</b>	<b>324</b>	<b>43</b>
<b>Internally Restricted Receivables</b>					
Nil					
<b>Unrestricted Receivables</b>		<b>2,275</b>	<b>191</b>	<b>1,265</b>	<b>581</b>
<b>TOTAL NET RECEIVABLES</b>		<b>2,455</b>	<b>373</b>	<b>1,589</b>	<b>624</b>

#### Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 8.50% (2014 9.00%).  
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

## Coonamble Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 8. Inventories & Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Real Estate for resale (refer below)		367	-	413	-
Stores & Materials		243	-	190	-
Trading Stock		344	-	285	-
<b>Total Inventories</b>		<b>954</b>	<b>-</b>	<b>888</b>	<b>-</b>
<b>Other Assets</b>					
Prepayments		52	-	24	-
<b>Total Other Assets</b>		<b>52</b>	<b>-</b>	<b>24</b>	<b>-</b>
<b><u>TOTAL INVENTORIES / OTHER ASSETS</u></b>		<b><u>1,006</u></b>	<b><u>-</u></b>	<b><u>912</u></b>	<b><u>-</u></b>

### Externally Restricted Assets

There are no restrictions applicable to the above assets.

## Coonamble Shire Council

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

## Note 8. Inventories &amp; Other Assets (continued)

\$ '000	2015		2014	
	Current	Non Current	Current	Non Current
<b>Other Disclosures</b>				
<b>(a) Details for Real Estate Development</b>				
Industrial/Commercial	367	-	413	-
<b>Total Real Estate for Resale</b>	<b>367</b>	<b>-</b>	<b>413</b>	<b>-</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition Costs	367	-	413	-
<b>Total Costs</b>	<b>367</b>	<b>-</b>	<b>413</b>	<b>-</b>
<b>Total Real Estate for Resale</b>	<b>367</b>	<b>-</b>	<b>413</b>	<b>-</b>
<b>Movements:</b>				
Real Estate assets at beginning of the year	413	-	515	-
- WDV of Sales (exp)	(46)	-	(102)	-
<b>Total Real Estate for Resale</b>	<b>367</b>	<b>-</b>	<b>413</b>	<b>-</b>

**(b) Current Assets not anticipated to be settled within the next 12 months**

The following Inventories & Other Assets, even though classified as current are not expected to be recovered in the next 12 months;

	2015	2014
Real Estate for Resale	367	373
	<b>367</b>	<b>373</b>

**(c) Inventories recognised as an expense for the year included:**

- Stores & Materials	263	290
- Trading Stock	1,015	1,025

**(d) Inventory Write Downs**

\$596.31 was recognised as an expense relating to the write down of Inventory balances held during the year.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other assets held.



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

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2014					Asset Movements during the Reporting Period					as at 30/6/2015				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment									Dep'n	Impairment	
Plant & Equipment	-	13,203	6,845	-	6,358	556	(110)	(917)	-	-	-	13,584	7,697	-	5,887
Office Equipment	-	933	692	-	241	60	-	(109)	-	-	-	992	800	-	192
Land:															
- Operational Land	-	2,132	-	-	2,132	-	(35)	-	-	-	-	2,097	-	-	2,097
- Community Land	-	1,426	-	-	1,426	106	-	-	-	-	-	1,532	-	-	1,532
Buildings - Non Specialised	-	5,040	2,595	-	2,445	-	-	(110)	-	-	-	5,040	2,705	-	2,335
Buildings - Specialised	-	28,801	14,056	-	14,745	139	-	(206)	-	-	-	28,951	14,273	-	14,678
Other Structures	-	14,097	5,463	-	8,634	3,322	-	(143)	-	-	-	17,410	5,597	-	11,813
Infrastructure:															
- Roads	-	163,612	43,154	-	120,458	2,133	-	(2,279)	-	67,442	-	223,169	35,415	-	187,754
- Bridges	-	14,359	2,894	-	11,465	-	-	(146)	-	1,647	-	14,575	1,609	-	12,966
- Footpaths	-	1,560	272	-	1,288	10	-	(22)	-	315	-	1,742	151	-	1,591
- Stormwater Drainage	-	1,982	623	-	1,359	-	-	(28)	-	238	-	2,459	890	-	1,569
- Water Supply Network	-	20,454	6,966	-	13,488	198	-	(489)	-	396	-	21,160	7,567	-	13,593
- Sewerage Network	-	27,047	14,499	-	12,548	70	-	(444)	-	230	-	27,593	15,189	-	12,404
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	-	<b>294,646</b>	<b>98,059</b>	-	<b>196,587</b>	<b>6,594</b>	<b>(145)</b>	<b>(4,893)</b>	-	<b>70,268</b>	-	<b>360,304</b>	<b>91,893</b>	-	<b>268,411</b>

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$5,348) and New Assets (\$524).  
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other Infrastructure, Property, Plant & Equipment.

## Coonamble Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000 Class of Asset	Actual 2015				Actual 2014			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Water Supply</b>								
Infrastructure	-	21,160	7,566	<b>13,594</b>	-	20,454	6,966	<b>13,488</b>
<b>Total Water Supply</b>	-	<b>21,160</b>	<b>7,566</b>	<b>13,594</b>	-	<b>20,454</b>	<b>6,966</b>	<b>13,488</b>
<b>Sewerage Services</b>								
Infrastructure	-	27,593	15,189	<b>12,404</b>	-	27,047	14,499	<b>12,548</b>
<b>Total Sewerage Services</b>	-	<b>27,593</b>	<b>15,189</b>	<b>12,404</b>	-	<b>27,047</b>	<b>14,499</b>	<b>12,548</b>
<b>Domestic Waste Management</b>								
Other Structures	-	171	31	<b>140</b>	-	171	31	<b>140</b>
<b>Total DWM</b>	-	<b>171</b>	<b>31</b>	<b>140</b>	-	<b>171</b>	<b>31</b>	<b>140</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	-	<b>48,924</b>	<b>22,786</b>	<b>26,138</b>	-	<b>47,672</b>	<b>21,496</b>	<b>26,176</b>

## Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

## Coonamble Shire Council

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

## Note 10a. Payables, Borrowings &amp; Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		733	-	738	-
Goods & Services - capital expenditure		464	-	160	-
Payments Received In Advance		148	-	114	-
Accrued Expenses:					
- Borrowings		3	-	1	-
- Salaries & Wages		225	-	205	-
- Other Expenditure Accruals		370	-	425	-
Security Bonds, Deposits & Retentions		204	-	68	-
Common Balance		-	-	19	-
Total Payables		2,147	-	1,730	-
Borrowings					
Loans - Secured <sup>1</sup>		49	229	45	282
Total Borrowings		49	229	45	282
Provisions					
Employee Benefits;					
Annual Leave		844	-	808	-
Long Service Leave		1,070	84	1,086	78
Total Provisions		1,914	84	1,894	78
Total Payables, Borrowings & Provisions		4,110	313	3,669	360
(i) Liabilities relating to Restricted Assets					
		2015		2014	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		61	-	68	-
Sewer		35	23	33	31
Other		220	-	76	252
Liabilities relating to externally restricted assets		316	23	177	283
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		316	23	177	283
Total Liabilities relating to Unrestricted Assets		3,794	290	3,492	77
TOTAL PAYABLES, BORROWINGS & PROVISIONS		4,110	313	3,669	360

<sup>1</sup> Loans are secured over the General Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

## Coonamble Shire Council

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

#### Note 10a. Payables, Borrowings & Provisions (continued)

	Actual 2015	Actual 2014
\$ '000		

##### (ii) Current Liabilities not anticipated to be settled within the next 12 months

The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Provisions - Employees Benefits	1,213	948
Payables - Security Bonds, Deposits & Retentions	32	11
	<u>1,245</u>	<u>959</u>

#### Note 10b. Description of and movements in Provisions

Class of Provision	2014	2015				Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	808	301	(382)	117	-	844
Long Service Leave	1,164	107	(181)	64	-	1,154
<b>TOTAL</b>	<b>1,972</b>	<b>408</b>	<b>(563)</b>	<b>181</b>	<b>-</b>	<b>1,998</b>

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

## Coonamble Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	17,149	17,344
Less Bank Overdraft	10	-	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>17,149</b>	<b>17,344</b>

## (b) Reconciliation of Net Operating Result to Cash provided from Operating Activities

<b>Net Operating Result from Income Statement</b>		<b>3,663</b>	<b>(1,592)</b>
Adjust for non cash items:			
Depreciation & Amortisation		4,893	4,940
Net Losses/(Gains) on Disposal of Assets		(99)	(45)
Share of Net (Profits) or Losses of Associates/Joint Ventures		13	4
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		(635)	(361)
Decrease/(Increase) in Inventories		(112)	7
Decrease/(Increase) in Other Assets		(28)	137
Increase/(Decrease) in Payables		(5)	45
Increase/(Decrease) in accrued Interest Payable		2	-
Increase/(Decrease) in other accrued Expenses Payable		(35)	76
Increase/(Decrease) in Other Liabilities		151	3
Increase/(Decrease) in Employee Leave Entitlements		26	91
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>7,834</b>	<b>3,305</b>

## (c) Non-Cash Investing & Financing Activities

Nil

## (d) Financing Arrangements

### (i) Unrestricted access was available at balance date to the following lines of credit:

Bank Overdraft Facilities <sup>(1)</sup>	250	250
Credit Cards / Purchase Cards	25	25
<b>Total Financing Arrangements</b>	<b>275</b>	<b>275</b>

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.  
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

### (ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Revenue only.

## Coonamble Shire Council

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

#### Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Capital Commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, Plant &amp; Equipment</b>			
Buildings		270	362
Other Structures		-	158
Land Acquisition		-	85
<b>Total Commitments</b>		<b>270</b>	<b>605</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		270	605
<b>Total Payable</b>		<b>270</b>	<b>605</b>
<b>Sources for Funding of Capital Commitments:</b>			
Internally Restricted Reserves		63	152
Unexpended Loans		207	289
<b>Total Sources of Funding</b>		<b>270</b>	<b>605</b>

#### (b) Finance Lease Commitments

Nil

#### (c) Operating Lease Commitments (Non Cancellable)

##### a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:

Within the next year	38	35
Later than one year and not later than 5 years	21	40
<b>Total Non Cancellable Operating Lease Commitments</b>	<b>59</b>	<b>75</b>

##### b. Non Cancellable Operating Leases include the following assets:

Office Rentals, Accounting Software Package Lease

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

##### Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

#### (d) Investment Property Commitments

Nil

## Coonamble Shire Council

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

## Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue <sup>(1)</sup>				
(excl. Capital Grants & Contributions) - Operating Expenses	899	4.95%	-11.59%	-2.23%
Total continuing operating revenue <sup>(1)</sup>	18,160			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue <sup>(1)</sup>				
(excl. ALL Grants & Contributions)	12,478	59.88%	71.37%	62.31%
Total continuing operating revenue <sup>(1)</sup>	20,838			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions <sup>(2)</sup>	13,514	5.30x	4.31	5.43
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>	2,549			
4. Debt Service Cover Ratio				
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation	5,806	92.16x	304.00	98.16
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	63			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	399	6.51%	8.10%	7.39%
Rates, Annual and Extra Charges Collectible	6,133			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	19,149	16.61	14.73	14.77
Payments from cash flow of operating and financing activities	1,153	mths		

## Notes

<sup>(1)</sup> Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures & associates.

<sup>(2)</sup> Refer Notes 6-8 inclusive.

Also excludes any real estate & land for resale not expected to be sold in the next 12 months

<sup>(3)</sup> Refer to Note 10(a).

<sup>(4)</sup> Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).



## Coonamble Shire Council

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

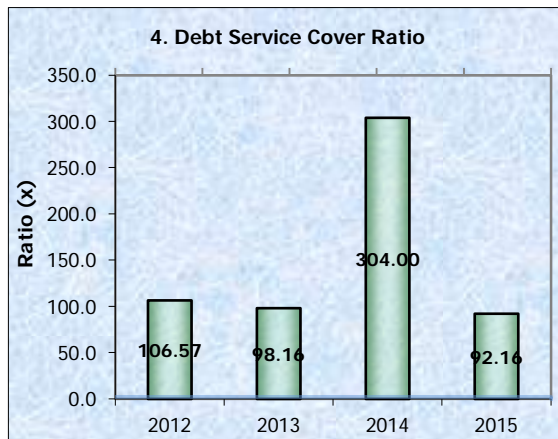
#### Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

<div><div>1. Operating Performance Ratio</div><div><table><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2012</td><td>2.21%</td></tr><tr><td>2013</td><td>-2.23%</td></tr><tr><td>2014</td><td>-11.59%</td></tr><tr><td>2015</td><td>4.95%</td></tr></tbody></table></div><div><div>Benchmark: <span style="color: blue;">—</span> Minimum <math>\geq 0.00\%</math></div><div>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</div></div></div> <div><div>Purpose of Operating Performance Ratio</div><div>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</div></div> <div><div>2014/15 Ratio</div><div>4.95%</div></div>	Year	Ratio %	2012	2.21%	2013	-2.23%	2014	-11.59%	2015	4.95%
Year	Ratio %									
2012	2.21%									
2013	-2.23%									
2014	-11.59%									
2015	4.95%									
<div><div>2. Own Source Operating Revenue Ratio</div><div><table><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2012</td><td>56.69%</td></tr><tr><td>2013</td><td>62.31%</td></tr><tr><td>2014</td><td>71.37%</td></tr><tr><td>2015</td><td>59.88%</td></tr></tbody></table></div><div><div>Benchmark: <span style="color: blue;">—</span> Minimum <math>\geq 60.00\%</math></div><div>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</div></div></div> <div><div>Purpose of Own Source Operating Revenue Ratio</div><div>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants &amp; contributions.</div></div> <div><div>2014/15 Ratio</div><div>59.88%</div></div>	Year	Ratio %	2012	56.69%	2013	62.31%	2014	71.37%	2015	59.88%
Year	Ratio %									
2012	56.69%									
2013	62.31%									
2014	71.37%									
2015	59.88%									
<div><div>3. Unrestricted Current Ratio</div><div><table><thead><tr><th>Year</th><th>Ratio (x)</th></tr></thead><tbody><tr><td>2012</td><td>7.12</td></tr><tr><td>2013</td><td>5.43</td></tr><tr><td>2014</td><td>4.31</td></tr><tr><td>2015</td><td>5.30</td></tr></tbody></table></div><div><div>Benchmark: <span style="color: blue;">—</span> Minimum <math>\geq 1.50</math></div><div>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</div></div></div> <div><div>Purpose of Unrestricted Current Ratio</div><div>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</div></div> <div><div>2014/15 Ratio</div><div>5.30x</div></div>	Year	Ratio (x)	2012	7.12	2013	5.43	2014	4.31	2015	5.30
Year	Ratio (x)									
2012	7.12									
2013	5.43									
2014	4.31									
2015	5.30									

## Coonamble Shire Council

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

## Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

**Purpose of Debt Service Cover Ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

**2014/15 Ratio 92.16x**

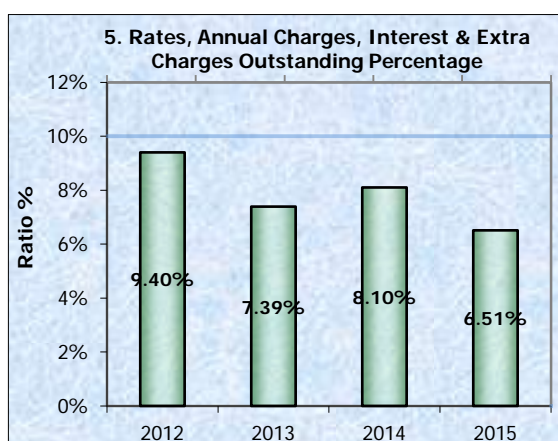
Benchmark: — Minimum  $\geq 2.00$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23



Ratio is within Benchmark

Ratio is outside Benchmark

**Purpose of Rates & Annual Charges Outstanding Ratio**

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

**2014/15 Ratio 6.51%**

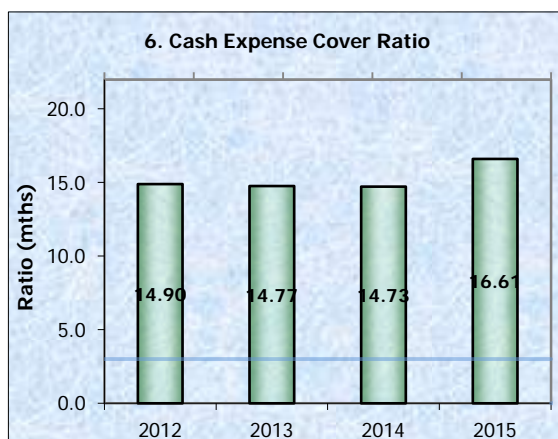
Benchmark: — Maximum  $< 10.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23



Ratio is within Benchmark

Ratio is outside Benchmark

**Purpose of Cash Expense Cover Ratio**

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

**2014/15 Ratio 16.61 mths**

Benchmark: — Minimum  $\geq 3.00$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23



Ratio is within Benchmark

Ratio is outside Benchmark

## Coonamble Shire Council

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

## Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2015	Sewer 2015	General <sup>5</sup> 2015
<b>Local Government Industry Indicators - by Fund</b>			
<b>1. Operating Performance Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>			
<u>(excl. Capital Grants &amp; Contributions) - Operating Expenses</u>	<b>-17.44%</b>	<b>13.32%</b>	<b>5.96%</b>
Total continuing operating revenue <sup>(1)</sup>			
(excl. Capital Grants & Contributions)	prior period: -10.62%	6.08%	-12.66%
<b>2. Own Source Operating Revenue Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>	<b>98.96%</b>	<b>98.71%</b>	<b>55.95%</b>
<u>(excl. ALL Grants &amp; Contributions)</u>			
Total continuing operating revenue <sup>(1)</sup>	prior period: 84.36%	98.66%	68.78%
<b>3. Unrestricted Current Ratio</b>			
Current Assets less all External Restrictions <sup>(2)</sup>	<b>43.41x</b>	<b>145.37x</b>	<b>5.30x</b>
<u>Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup></u>			
	prior period: 40.13	143.18	4.31
<b>4. Debt Service Cover Ratio</b>			
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation	<b>0.00</b>	<b>51.00x</b>	<b>95.00x</b>
<u>Principal Repayments (from the Statement of Cash Flows)</u>			
+ Borrowing Costs (from the Income Statement)	prior period: 0.00	50.09	-97454.55
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>			
<u>Rates, Annual and Extra Charges Outstanding</u>	<b>73.31%</b>	<b>14.60%</b>	<b>1.23%</b>
Rates, Annual and Extra Charges Collectible			
	prior period: 77.53%	15.27%	2.99%
<b>6. Cash Expense Cover Ratio</b>			
Current Year's Cash and Cash Equivalents			
<u>+ All Term Deposits</u>	<b>0.00</b>	<b>0.00</b>	<b>10.06</b>
Payments from cash flow of operating and financing activities	prior period: 0.00	0.00	8.81

## Notes

(1) - (4) Refer to Notes at Note 13a(i) above.

(5) General Fund refers to all of Council's activities except for its Water &amp; Sewer activities which are listed separately.

## Coonamble Shire Council

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

#### Note 14. Investment Properties

\$ '000

Council has not classified any Land or Buildings as "Investment Properties"

#### Note 15. Financial Risk Management

##### Risk Management

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

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

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

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

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2015	2014	2015	2014
<b>Financial Assets</b>				
Cash and Cash Equivalents	17,149	17,344	17,149	17,344
Investments				
- "Held to Maturity"	2,000	-	2,000	-
Receivables	2,828	2,213	2,828	2,213
<b>Total Financial Assets</b>	<b>21,977</b>	<b>19,557</b>	<b>21,977</b>	<b>19,557</b>
<b>Financial Liabilities</b>				
Payables	1,999	1,616	1,999	1,616
Loans / Advances	278	327	278	327
<b>Total Financial Liabilities</b>	<b>2,277</b>	<b>1,943</b>	<b>2,277</b>	<b>1,943</b>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at fair value through profit & loss"** or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities

## Coonamble Shire Council

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

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

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

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price Risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest Rate Risk** - the risk that movements in interest rates could affect returns and income.
- **Credit Risk** - the risk that the investment counterparty) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
<b>2015</b>				
Possible impact of a 1% movement in Interest Rates	164	164	164	164
<b>2014</b>				
Possible impact of a 1% movement in Interest Rates	156	156	156	156

## Coonamble Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management (continued)

\$ '000

## (b) Receivables

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

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

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

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

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

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

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

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	100%	78%	0%	88%
Overdue	0%	22%	100%	12%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## (ii) Ageing of Receivables - value

Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
Current	Current	466	2,028	-	1,697
< 1 year overdue	0 - 30 days overdue	-	24	534	-
1 - 2 years overdue	30 - 60 days overdue	-	48	-	52
2 - 5 years overdue	60 - 90 days overdue	-	96	-	-
> 5 years overdue	> 90 days overdue	-	412	-	176
		<b>466</b>	<b>2,608</b>	<b>534</b>	<b>1,925</b>

## (iii) Movement in Provision for Impairment of Receivables

	2015	2014
Balance at the beginning of the year	246	246
+ new provisions recognised during the year	140	-
- amounts already provided for & written off this year	(140)	-
<b>Balance at the end of the year</b>	<b>246</b>	<b>246</b>

## Coonamble Shire Council

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

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (c) Payables & Borrowings

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

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

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required.

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2015									
Trade/Other Payables	204	1,795	-	-	-	-	-	1,999	1,999
Loans & Advances	-	57	57	57	52	47	8	278	278
Total Financial Liabilities	204	1,852	57	57	52	47	8	2,277	2,277
2014									
Trade/Other Payables	68	1,548	-	-	-	-	-	1,616	1,616
Loans & Advances	-	57	57	57	57	52	47	327	327
Total Financial Liabilities	68	1,605	57	57	57	52	47	1,943	1,943

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities & interest rate structures.

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

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	1,999	0.0%	1,616	0.0%
Loans & Advances - Fixed Interest Rate	278	7.8%	327	5.4%
	<u>2,277</u>		<u>1,943</u>	



## Coonamble Shire Council

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

#### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 09 July 2014.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

**Note that for Variations\* of Budget to Actual :**

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

**F** = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----	
<b>REVENUES</b>				
Rates & Annual Charges	5,641	5,616	(25)	(0%) <b>U</b>
User Charges & Fees	5,141	5,634	493	10% <b>F</b>
Interest & Investment Revenue	756	586	(170)	(22%) <b>U</b>
Combination of ongoing poorer than anticipated returns on Investment with delay in receiving grant funds for work undertaken by Council				
Other Revenues	222	642	420	189% <b>F</b>
Council does not include income from contributions from Rural Fire Service Levy received from other Council's as part of the budget preparation as these contributions are forwarded onto State Government.				
Operating Grants & Contributions	5,622	5,682	60	1% <b>F</b>
Capital Grants & Contributions	2,836	2,678	(158)	(6%) <b>U</b>
Net Gains from Disposal of Assets	-	99	99	0% <b>F</b>
Council does include the net gain or loss from the Disposal of asset in the budget preparation process due to the uncertainty of market forces				

## Coonamble Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----	
<b>EXPENSES</b>				
<b>Employee Benefits &amp; On-Costs</b>	<b>6,516</b>	<b>6,655</b>	<b>(139)</b>	<b>(2%) U</b>
<b>Borrowing Costs</b>	<b>13</b>	<b>14</b>	<b>(1)</b>	<b>(8%) U</b>
<b>Materials &amp; Contracts</b>	<b>7,130</b>	<b>3,687</b>	<b>3,443</b>	<b>48% F</b>
Council was unsuccessful in its application for a LIRS Loan, The original adopted budget included \$3,000,000 worth of works to be funded by this loan.				
<b>Depreciation &amp; Amortisation</b>	<b>4,225</b>	<b>4,893</b>	<b>(668)</b>	<b>(16%) U</b>
Due to the timing and preparation of the 2014/15 Budget being carried out prior to the 2013/14 Financial Statements being completed to allow for the inclusion of the most up to date information.				
<b>Other Expenses</b>	<b>1,127</b>	<b>2,012</b>	<b>(885)</b>	<b>(79%) U</b>
Council does not include the expense from forwarding on contributions received from other Councils for the Rural Fire Service Levy as part of Council Budgeting process. Coupled with a more detailed analysis of expenditure previously classed as materials and contracts in the budgeting process.				
<b>Joint Ventures &amp; Associates - Net Losses</b>	<b>-</b>	<b>13</b>	<b>(13)</b>	<b>0% U</b>
Council does not include net Gains or Losses from Joint Ventures activities in its original estimates				

## Note 17. Statement of Developer Contributions

Council currently has no S94 Developer Contribution Plans or S94 Funds on hand from prior years.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

### LIABILITIES NOT RECOGNISED:

#### 1. Guarantees

##### (i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from it's Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

##### (ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Councils contributions to the pool and the result of insurance claims within each of the Fund Years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

##### (iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the Company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

##### (iv) Other Guarantees

Council has provided no other Guarantees other than those listed above.

## Coonamble Shire Council

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

#### Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

##### LIABILITIES NOT RECOGNISED (continued):

##### 2. Other Liabilities

##### (i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

##### (ii) Potential Land Acquisitions due to Planning

Council has classified a number of privately owned land parcels as Local Open Space or Bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (& subsequent land asset) from such potential acquisitions has not been possible.

##### ASSETS NOT RECOGNISED:

##### (i) Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

##### (ii) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but unpaid Infringement Notices.

Due to the limited information available on the status, value and duration of outstanding Notices, Council is unable to determine the value of outstanding income.

# Coonamble Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 19. Interests in Other Entities

\$ '000

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

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

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of Councils (i) interest and (ii) control and the type (form) of entity/operation, as follows;

#### Controlled Entities (Subsidiaries)

**Note 19(a)**

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

#### Joint Ventures & Associates

**Note 19(b)**

Joint Ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

#### Joint Operations

**Note 19(c)**

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

#### Unconsolidated Structured Entities

**Note 19(d)**

Unconsolidated Structured Entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a Subsidiary, Joint Arrangement or Associate. Attributes of Structured Entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

#### Subsidiaries, Joint Arrangements and Associates not recognised

**Note 19(e)**

#### Accounting Recognition:

- (i) Subsidiaries disclosed under Note 19(a) and Joint Operations disclosed at Note 19(c) are accounted for on a "line by line" consolidation basis within the Income Statement and Statement of Financial Position.
- (ii) Joint Ventures and Associates as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Joint Ventures	(13)	(4)	53	66
<b>Total</b>	<b>(13)</b>	<b>(4)</b>	<b>53</b>	<b>66</b>

## Coonamble Shire Council

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

#### Note 19. Interests in Other Entities (continued)

\$ '000

##### (a) Controlled Entities (Subsidiaries) - being entities & operations controlled by Council

Council has no interest in any Controlled Entities (Subsidiaries).

##### (b) Joint Ventures and Associates

Council has incorporated the following Joint Ventures and Associates into it's consolidated Financial Statements.

##### (a) Net Carrying Amounts - Council's Share

Name of Entity	Nature of Relationship	Measurement Method	2015	2014
Northern Western Library Service	Joint Venture		53	66
<b>Total Carrying Amounts - Material Joint Ventures and Associates</b>			<b>53</b>	<b>66</b>

##### (b) Details

Name of Entity	Principal Activity	Place of Business
Northern Western Library Service	Provision of Library Services	

##### (c) Relevant Interests & Fair Values

Name of Entity	Quoted Fair Value		Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2015	2014	2015	2014	2015	2014	2015	2014
Northern Western Library Service			25%	25%	25%	25%	25%	25%

##### (d) Summarised Financial Information for Joint Ventures & Associates

	Northern Western Library Service	
	2015	2014
<b>Statement of Financial Position</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	4	26
<b>Total Current Assets</b>	<b>4</b>	<b>26</b>
<b>Non-Current Assets</b>	<b>210</b>	<b>240</b>
<b>Net Assets</b>	<b>214</b>	<b>266</b>
<b>Reconciliation of the Carrying Amount</b>		
<b>Opening Net Assets (1 July)</b>	266	266
Profit/(Loss) for the period	(52)	-
<b>Closing Net Assets</b>	<b>214</b>	<b>266</b>
<b>Council's share of Net Assets (%)</b>	<b>25.0%</b>	<b>25.0%</b>
<b>Council's share of Net Assets (\$)</b>	<b>53</b>	<b>67</b>

## Coonamble Shire Council

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

#### Note 19. Interests in Other Entities (continued)

\$ '000

##### (b) Joint Ventures and Associates (continued)

##### (d) Summarised Financial Information for Joint Ventures & Associates (continued)

	Northern Western Library Service	
	2015	2014
<b>Statement of Comprehensive Income</b>		
Income	197	196
Other Expenses	(249)	(211)
<b>Profit/(Loss) for Period</b>	<b>(52)</b>	<b>(15)</b>
<b>Total Comprehensive Income</b>	<b>(52)</b>	<b>(15)</b>
<b>Council's share of Income (%)</b>	<b>25.0%</b>	<b>25.0%</b>
<b>Council's share of Profit/(Loss) (\$)</b>	<b>(13)</b>	<b>(4)</b>
<b>Council's share of Comprehensive Income (\$)</b>	<b>(13)</b>	<b>(4)</b>

##### (c) Joint Operations

Council has no interest in any Joint Operations.

##### (d) Unconsolidated Structured Entities

Council has no Unconsolidated Structured Entities

##### (e) Subsidiaries, Joint Arrangements & Associates not recognised

All Subsidiaries, Joint Arrangements and Associates have been recognised in this Financial Report.



## Coonamble Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
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## (a) Retained Earnings

**Movements in Retained Earnings were as follows:**

Balance at beginning of Year (from previous years audited accounts)		158,253	159,845
a. Net Operating Result for the Year		3,663	(1,592)
<b>Balance at End of the Reporting Period</b>		<b>161,668</b>	<b>158,005</b>

## (b) Reserves

**(i) Reserves are represented by:**

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		125,356	55,088
<b>Total</b>		<b>125,356</b>	<b>55,088</b>

**(ii) Reconciliation of movements in Reserves:****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- Opening Balance		55,088	54,368
- Revaluations for the year	9(a)	70,268	720
<b>- Balance at End of Year</b>		<b>125,356</b>	<b>55,088</b>

**TOTAL VALUE OF RESERVES**

<b>125,356</b>	<b>55,088</b>
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**(iii) Nature & Purpose of Reserves****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

## Coonamble Shire Council

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

#### Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Correction of Error/s relating to a Previous Reporting Period</b>			
<b>Correction of errors disclosed in this year's financial statements:</b>			
The carrying value of Real Estate Assets held for resale represented in Note 8 was overstated when compared to the pricing structure as set by prior Council resolution on the 13/07/2011			
		(248)	
<b>In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.</b>			
<b>These amounted to the following Equity Adjustments:</b>			
- Adjustments to Opening Equity - 1/7/13 (relating to adjustments for the 30/6/13 reporting year end and prior periods)		(248)	-
- Adjustments to Closing Equity - 30/6/14 (relating to adjustments for the 30/6/14 year end)		-	-
<b>Total Prior Period Adjustments - Prior Period Errors</b>		<b>(248)</b>	<b>-</b>

#### (d) Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

# Coonamble Shire Council

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

### Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
<b>Continuing Operations</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	333	581	4,702
User Charges & Fees	622	126	4,886
Interest & Investment Revenue	77	111	398
Other Revenues	12	27	603
Grants & Contributions provided for Operating Purposes	11	11	5,660
Grants & Contributions provided for Capital Purposes	-	-	2,678
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	99
<b>Total Income from Continuing Operations</b>	<b>1,055</b>	<b>856</b>	<b>19,026</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	175	146	6,334
Borrowing Costs	-	2	12
Materials & Contracts	575	103	3,009
Depreciation & Amortisation	489	491	3,913
Other Expenses	-	-	2,012
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	13
<b>Total Expenses from Continuing Operations</b>	<b>1,239</b>	<b>742</b>	<b>15,293</b>
<b>Operating Result from Continuing Operations</b>	<b>(184)</b>	<b>114</b>	<b>3,733</b>
<b>Discontinued Operations</b>			
Net Profit/(Loss) from Discontinued Operations	-	-	-
<b>Net Operating Result for the Year</b>	<b>(184)</b>	<b>114</b>	<b>3,733</b>
<b>Net Operating Result attributable to each Council Fund</b>	<b>(184)</b>	<b>114</b>	<b>3,733</b>
<b>Net Operating Result attributable to Non-controlling Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(184)</b>	<b>114</b>	<b>1,055</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal charges & recoveries made between the Funds.

## Coonamble Shire Council

Notes to the Financial Statements  
as at 30 June 2015

## Note 21. Financial Result &amp; Financial Position by Fund (continued)

Statement of Financial Position by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current Assets</b>			
Cash & Cash Equivalents	2,529	5,027	9,593
Investments	-	-	2,000
Receivables	119	61	2,275
Inventories	-	-	954
Other	-	-	52
Non-current assets classified as 'held for sale'	-	-	-
<b>Total Current Assets</b>	<b>2,648</b>	<b>5,088</b>	<b>14,874</b>
<b>Non-Current Assets</b>			
Investments	-	-	-
Receivables	131	51	191
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	13,594	12,404	242,413
Investments Accounted for using the equity method	-	-	53
Investment Property	-	-	-
Intangible Assets	-	-	-
<b>Total Non-Current Assets</b>	<b>13,725</b>	<b>12,455</b>	<b>242,657</b>
<b>TOTAL ASSETS</b>	<b>16,373</b>	<b>17,543</b>	<b>257,531</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	61	26	2,060
Borrowings	-	9	40
Provisions	-	-	1,914
<b>Total Current Liabilities</b>	<b>61</b>	<b>35</b>	<b>4,014</b>
<b>Non-Current Liabilities</b>			
Payables	-	-	-
Borrowings	-	23	206
Provisions	-	-	84
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>23</b>	<b>290</b>
<b>TOTAL LIABILITIES</b>	<b>61</b>	<b>58</b>	<b>4,304</b>
<b>Net Assets</b>	<b>16,312</b>	<b>17,485</b>	<b>253,227</b>
<b>EQUITY</b>			
Retained Earnings	13,728	12,365	135,575
Revaluation Reserves	2,584	5,120	117,652
<b>Total Equity</b>	<b>16,312</b>	<b>17,485</b>	<b>253,227</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal receivables &amp; payables between the Funds.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 22. "Held for Sale" Non Current Assets & Disposal Groups

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\$ '000

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Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

#### Note 23. Events occurring after the Reporting Date

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Events that occur between the end of the reporting period (ending 30 June 2015) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 29/10/15.

Events that occur after the Reporting Period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the Reporting Period**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

##### **(ii) Events that provide evidence of conditions that arose after the Reporting Period**

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2015 and which are only indicative of conditions that arose after 30 June 2015.

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

#### Note 24. Discontinued Operations

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Council has not classified any of its Operations as "Discontinued".

#### Note 25. Intangible Assets

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Intangible Assets represent identifiable non-monetary asset without physical substance.

Council is unaware of any control over Intangible Assets that warrant recognition in the Financial Statements, including either internally generated and developed assets or purchased assets.

#### Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

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Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

## Coonamble Shire Council

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

#### Note 27. Fair Value Measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, Property, Plant and Equipment

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

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

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

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

2015

#### Recurring Fair Value Measurements

##### Infrastructure, Property, Plant & Equipment

	<b>Fair Value Measurement Hierarchy</b>			<b>Total</b>
	<b>Level 1</b> Quoted prices in active mkts	<b>Level 2</b> Significant observable inputs	<b>Level 3</b> Significant unobservable inputs	
Buildings Non Specialised	-	-	2,335	2,335
Buildings Specialised	-	-	14,678	14,678
Other Structures	-	-	11,813	11,813
Roads	-	-	187,764	187,764
Bridges	-	-	12,966	12,966
Footpaths	-	-	1,581	1,581
Stormwater Drainage	-	-	1,569	1,569
Water Supply network	-	-	13,593	13,593
Sewerage network	-	-	12,404	12,404
Plant & Equipment	-	-	6,079	6,079
Operational land	-	-	2,097	2,097
Community land	-	-	1,532	1,532
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>-</b>	<b>-</b>	<b>268,411</b>	<b>268,411</b>

## Coonamble Shire Council

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

## Note 27. Fair Value Measurement (continued)

\$ '000

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

		Fair Value Measurement Hierarchy			
2014		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
	of latest	prices in	observable	unobservable	
Recurring Fair Value Measurements	Valuation	active mkts	inputs	inputs	
Infrastructure, Property, Plant & Equipment					
Buildings Non Specialised	30/06/13	-	-	2,454	2,454
Buildings Specialised	30/06/13	-	-	14,715	14,715
Other Structures	30/06/13	-	-	5,489	5,489
Roads	30/06/11	-	-	120,458	120,458
Bridges	30/06/11	-	-	11,464	11,464
Footpaths	30/06/11	-	-	1,288	1,288
Stormwater Drainage	30/06/12	-	-	1,359	1,359
Water Supply network	30/06/12	-	-	13,488	13,488
Sewerage network	30/06/12	-	-	12,548	12,548
Swimming Pools	30/06/13	-	-	3,166	3,166
Other Open Space/Recreation	30/06/13	-	-	425	425
Plant & Equipment	30/06/14	-	-	6,598	6,598
Operational land	30/06/13	-	-	2,132	2,132
Community land	30/06/13	-	-	1,003	1,003
Total Infrastructure, Property, Plant & Equipment		-	-	196,587	196,587

## (2) Transfers between Level 1 &amp; Level 2 Fair Value Hierarchies

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

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 27. Fair Value Measurement (continued)

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\$ '000

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

##### Infrastructure, Property, Plant & Equipment

##### Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

There has been no change to the valuation process during the reporting period.

##### Operational & Community Land

Operational & Community Land are based on either the Land Value provided by the Valuer-General or an where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. Operational Land is based on the Valuer value as these are representative of the actual market values in the Coonamble Shire LGA. As these rates were not considered to be observable market evidence they have been classified a level 3.

There has been no change to the valuation process during the reporting period.

##### Buildings - Non-Specialised & Specialised

Non-Specialised & Specialised Buildings are valued internally using the Rawlinson's Construction Guide in June 2013 using the cost approach. The approach estimated the replacement cost for each building by componentising the building into significant parts. While all buildings were physically inspected and the unit rates based on square metres from Rawlinson's Construction Guide no market based evidence (Level 2) could not be established. As such these assets were classified as having been valued as Level 3 valuation inputs.

While the costs were current and the impact of depreciation negligible, the building has been classified as Level 3 as they are immaterial in relation to the overall value of the asset type.

There has been no change to the valuation process during the reporting period.



## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 27. Fair Value Measurement (continued)

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\$ '000

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

##### Infrastructure, Property, Plant & Equipment (continued)

###### Other Structures

Other Structures comprise of Aerodrome runway, lighting, irrigation systems and fencing etc. The cost approach has been utilised whereby replacement cost was estimated for each asset by taking into account a range of factors. No market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using Level 3 valuation inputs.

There has been no change to the valuation process during the reporting period

###### Roads

Roads comprise road carriageway, roadside shoulders & kerb & gutter. The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken by an external valuer, Jeff Roorda and Associates. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Council opted to engage an external valuer for the purpose of revaluing these assets class for the year.

###### Bridges

Bridges were valued externally by Jeff Roorda and Associates with input from Councils engineering department. While all bridges were physically inspected and unit rates based on square metres were used there was no reliable market evidence (Level 2) as other inputs (such as estimates of residual value and pattern of consumption) require extensive professional judgement that impacts significantly on the final determination of fair value.

Council opted to engage an external valuer for the purpose of revaluing these assets class for the year.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 27. Fair Value Measurement (continued)

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\$ '000

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

##### Infrastructure, Property, Plant & Equipment (continued)

###### Footpaths

Footpaths were valued externally by Jeff Roorda and Associates as at the 30th June, 2014 with input from Council staff relating to costings. Footpaths are inspected annually and condition assessed.

Council opted to engage an external valuer for the purpose of revaluing these assets class for the year.

###### Drainage Infrastructure

Assets within this class comprise pits and pipes.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

Council opted to engage an external valuer for the purpose of revaluing these assets class for the year.

###### Water Supply Network

Assets within this class comprise reservoirs, pumping stations and, water pipelines.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

There has been no change to the valuation process during the reporting period.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 27. Fair Value Measurement (continued)

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\$ '000

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

##### Infrastructure, Property, Plant & Equipment (continued)

##### Sewerage Network

Assets within this class comprise treatment works, pumping stations and, sewerage mains.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

There has been no change to the valuation process during the reporting period.

##### Swimming Pools

Assets within this class comprise Council's outdoor swimming pool. The swimming pool was valued in-house by experienced staff in Council's Health & Development Department using the cost approach. The approach estimated the replacement cost for each pool by componentising its significant parts.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

There has been no change to the valuation process during the reporting period.

##### Other Open Space/Recreational Assets

Assets within this class comprise synthetic & turf surfaces, lighting, playground equipment etc. All assets in Other Structures were valued in-house by experienced engineering staff.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

There has been no change to the valuation process during the reporting period.

## Coonamble Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 27. Fair Value Measurement (continued)

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\$ '000

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##### (4). Fair value measurements using significant unobservable inputs (Level 3)

The following tables present the changes in Level 3 Fair Value Asset Classes.

	I,PP & E
Adoption of AASB 13	196,587
<b>Closing Balance - 30/6/14</b>	<b>196,587</b>
Purchases (GBV)	6,594
Disposals (WDV)	(145)
Depreciation & Impairment	(4,893)
FV Gains - Other Comprehensive Income	70,268
<b>Closing Balance - 30/6/15</b>	<b>268,411</b>

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

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

## Coonamble Shire Council

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

#### Note 28. Council Information & Contact Details

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**Principal Place of Business:**

80 Castlereagh Street  
Coonamble NSW 2829

**Contact Details****Mailing Address:**

PO Box 249  
Coonamble NSW 2829

**Opening Hours:**

8:30am to 5:00pm Monday to Friday

**Telephone:** 02 6827 1911

**Facsimile:** 02 6822 1626

**Internet:** <http://www.coonambleshire.nsw.gov.au>

**Email:** [council@coonambleshire.nsw.gov.au](mailto:council@coonambleshire.nsw.gov.au)

**Officers****GENERAL MANAGER**

Rick Warren

**Elected Members****MAYOR**

Michael Webb

**RESPONSIBLE ACCOUNTING OFFICER**

Bruce Quarmby

**Other Information**

**ABN:** 19 499 848 443

**COONAMBLE SHIRE COUNCIL**  
**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REPORT**

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**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying general purpose financial statements of Coonamble Shire Council, which comprises the Statement of Financial Position as at 30 June 2015, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

***Responsibility of Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Accordingly, no opinion is expressed on these matters.

**Assurance Partners**

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Practising as Hill Rogers Spencer  
Steer Assurance Partners

ABN 56 435 338 966

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

### ***Independence***

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

### ***Auditor's Opinion***

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial statements:
  - (i) have been presented in accordance with the requirements of this Division;
  - (ii) are consistent with the Council's accounting records;
  - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
  - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

### **HILL ROGERS SPENCER STEER**



**GARY MOTTAU**  
Partner

Dated at Sydney this 29th day of October 2015

29 October 2015

The Mayor  
Coonamble Shire Council  
PO Box 249  
**COONAMBLE NSW 2829**

Mayor,

### **Audit Report - Year Ended 30 June 2015**

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2015 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

## **I. RESULTS FOR THE YEAR**

### ***I.1 Operating Result***

The operating result for the year was a surplus of \$3.663 million as compared with a deficit of \$1.592 million in the previous year.

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Practising as Hill Rogers Spencer  
Steer Assurance Partners

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The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2015 \$'000	% of Total	2014 \$'000	% of Total	Increase (Decrease) \$'000
<b>Revenues before capital items</b>					
Rates & annual charges	5,616	31%	5,461	33%	155
User charges, fees & other revenues	6,375	35%	5,842	35%	533
Grants & contributions provided for operating purposes	5,682	31%	4,508	27%	1,174
Interest & investment revenue	586	3%	651	4%	(65)
	<b>18,259</b>	<b>100%</b>	<b>16,462</b>	<b>100%</b>	<b>1,797</b>
<b>Expenses</b>					
Employee benefits & costs	6,655	39%	6,756	37%	(101)
Materials, contracts & other expenses	5,712	33%	6,625	36%	(913)
Depreciation, amortisation & impairment	4,893	28%	4,940	27%	(47)
Borrowing costs	14	0%	3	0%	11
	<b>17,274</b>	<b>100%</b>	<b>18,324</b>	<b>100%</b>	<b>(1,050)</b>
<b>Surplus (Deficit) before capital items</b>	<b>985</b>		<b>(1,862)</b>		<b>2,847</b>
Grants & contributions provided for capital purposes	2,678		270		2,408
<b>Net Surplus (Deficit) for the year</b>	<b>3,663</b>		<b>(1,592)</b>		<b>5,255</b>
<b>Performance Measures</b>	<b>2015</b>		<b>2014</b>		
Operating Performance	4.95%		-11.59%		
Own Source Operating Revenue	59.88%		71.37%		

The above table shows an overall increase of \$5.255 million from the previous year and is mainly attributable to the timing of the payment of the Financial Assistance Grant, which ceased being paid in advance during the prior year (\$1.771 million), reduced expenditure on materials and consumables (\$1.358 million) and capital grants for environmental protection (\$2.552 million).

**Operating Performance** measures the ability to contain operating expenditure within operating revenue excluding capital amounts. For 2015, this indicator was 4.95% and exceeded the benchmark of 0%.

**Own Source Operating Revenue** measures the degree of reliance on external funding sources such as grants and contributions. For 2015, this indicator was 59.88% and was below the benchmark of 60%.

## 1.2 Funding Result

As the operating result only accounts for operating income and expenditure, in reviewing the overall financial performance of Council, it is useful to consider the total source of revenues and how they were applied during the year which is illustrated in the table below.

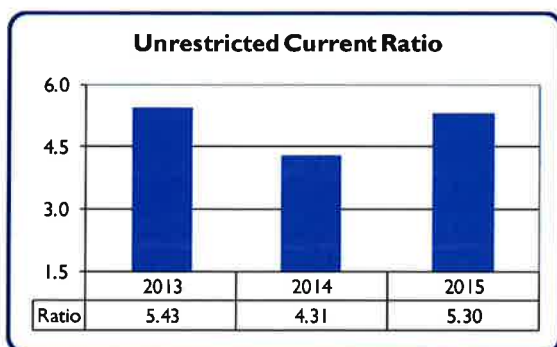
	2015	2014
<b>Funds were provided by:-</b>	\$'000	\$'000
<b>Operating Result (as above)</b>	<b>3,663</b>	<b>(1,592)</b>
<b>Add back non funding items:-</b>		
- Depreciation, amortisation & impairment	4,893	4,940
- Book value of non-current assets sold	145	883
- (Surplus)/Deficit in joint ventures	13	4
	<b>8,714</b>	<b>4,235</b>
New loan borrowings	0	289
Transfers from internal reserves (net)	0	2,139
Repayments from deferred debtors	20	0
Net Changes in current/non-current assets & liabilities	399	0
	<b>9,133</b>	<b>6,663</b>
<b>Funds were applied to:-</b>		
Purchase and construction of assets	(6,594)	(5,455)
Principal repaid on loans	(49)	(7)
Transfers to externally restricted assets (net)	(26)	(685)
Transfers to internal reserves (net)	(1,324)	0
Advances to deferred debtors	0	(50)
Net Changes in current/non current assets & liabilities	0	(148)
	<b>(7,993)</b>	<b>(6,345)</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>1,140</b>	<b>318</b>

## 2. FINANCIAL POSITION

### 2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$10.965 million representing a factor of 5.30 to 1.



## 2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$2.470 million as detailed below;

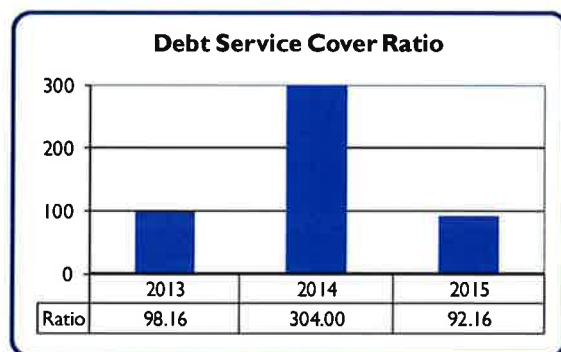
	2015	2014	Change
	\$'000	\$'000	\$'000
<b>Net Current Assets (Working Capital) as per Accounts</b>	<b>18,500</b>	<b>16,176</b>	<b>2,324</b>
<b>Add:</b> Payables & provisions not expected to be realised in the next 12 months included above	<b>878</b>	<b>586</b>	<b>292</b>
<b>Adjusted Net Current Assets</b>	<b>19,378</b>	<b>16,762</b>	<b>2,616</b>
<b>Add:</b> Budgeted & expected to pay in the next 12 months			
- Borrowings	49	45	4
- Employees leave entitlements	701	946	(245)
- Deposits & retention moneys	172	57	115
<b>Less:</b> Externally restricted assets	<b>(8,413)</b>	<b>(8,387)</b>	<b>(26)</b>
<b>Less:</b> Internally restricted assets	<b>(9,417)</b>	<b>(8,093)</b>	<b>(1,324)</b>
<b>Available Working Capital as at 30 June</b>	<b>2,470</b>	<b>1,330</b>	<b>1,140</b>

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside to fund future works and services and liabilities, Council's Available Working Capital at year end was satisfactory.

## 2.3 Debt

After repaying principal and interest of \$63,000, total debt as at 30 June 2015 stood at \$278,000 (2014 - \$328,000).

The debt service cover ratio measures the availability of operating cash to service debt repayments. For 2015, the ratio indicated that operating results before capital, interest and depreciation covered payments required to service debt by a factor of 92 to 1.



## 2.4 Summary

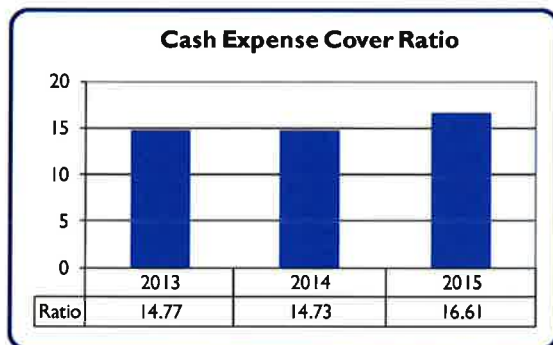
Council's overall financial position, when taking into account the above financial indicators was, in our opinion, satisfactory.

## 3. CASH ASSETS

### 3.1 Cash Expense Cover Ratio

This liquidity ratio indicates the number of months of expenditure requirements that can be met with available cash and term deposit balances without the need for additional cash inflow.

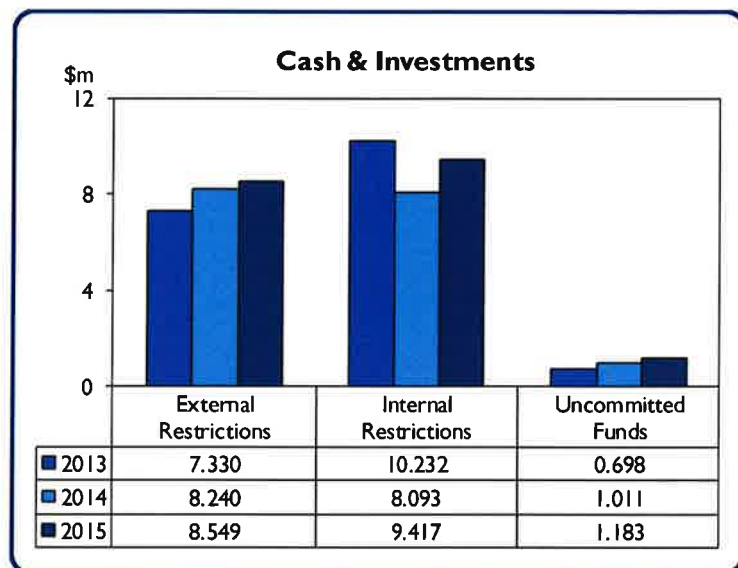
For 2015, this ratio stood at 16.61 months compared to the benchmark of 3.



### 3.2 Cash & Investment Securities

Cash and investments amounted \$19.149 million at 30 June 2015 as compared with \$17.344 million in 2014 and \$18.260 million in 2013.

The chart alongside summarises the purposes for which cash and investments securities were held.



**Externally restricted cash and investments** are restricted in their use by externally imposed requirements and consisted of unexpended loans, advances and grants (\$461,000), domestic waste management charges (\$532,000) and water and sewerage funds (\$7.556 million).

**Internally restricted cash and investments** have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "**Reserves**". These Reserves totalled \$9.417 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$1.183 million, which is available to provide liquidity for day to day operations.

### 3.3 Cash Flows

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash decreased by \$195,000 to \$17.149 million at the close of the year.

In addition to operating activities which contributed net cash of \$7.834 million were the proceeds from the sale of assets (\$290,000) and receipt of deferred debts (\$20,000). Cash outflows other than operating activities were used to purchase investments (\$2 million), repay borrowings (\$49,000) and to purchase and construct assets (\$6.290 million).

## 4. RECEIVABLES

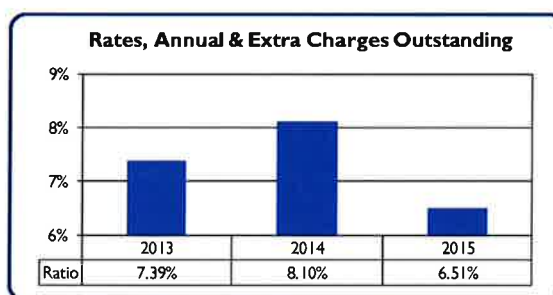
### 4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$5.616 million and represented 26.82% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$5.957 million of which \$5.622 million (94.38%) was collected.

### 4.2 Rates, Annual & Extra Charges

Arrears of rates, annual and extra charges stood at \$399,000 at the end of the year and represented 6.51% of those receivables.



### 4.3 Other Receivables

Receivables (other than rates & annual charges) totalled \$2.544 million and included user charges and fees outstanding (\$1.954 million). Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$115,000

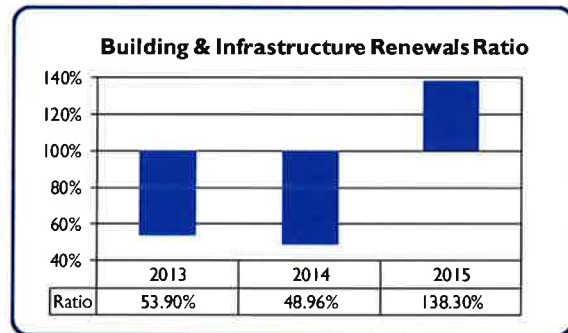
## 5. EMPLOYEES LEAVE ENTITLEMENTS

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.998 million. Internally restricted cash and investments of \$1.005 million was held representing 50.3% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

## 6. BUILDING AND INFRASTRUCTURE RENEWALS

The Building and Infrastructure Renewals ratio measures the rate at which these assets are renewed against the rate at which they are depreciating.

Special Schedule No. 7 discloses that asset renewals for 2015 represented 138% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



## 7. REVALUATION OF ASSETS

Council's infrastructure, property, plant and equipment are required to be carried at fair value with revaluations of each asset class to be performed at least every five years.

During the year, buildings and infrastructure assets were revalued. This resulted in a net increase of \$70.268 million that was credited directly to Equity. Notes 1(j) and 9 of the financial statements provide further details.

## 8. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 7 July 2015. This included our suggestions on possible ways to strengthen and/or improve procedures and management's response and proposed actions.

## 9. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,

**HILL ROGERS SPENCER STEER**

**GARY MOTTAU**

Partner

# Coonamble Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

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***“Coonamble on the Castlereagh”***



# Coonamble Shire Council

## Special Purpose Financial Statements

for the financial year ended 30 June 2015

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### Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

- (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-



## Coonamble Shire Council

### Special Purpose Financial Statements for the financial year ended 30 June 2015

### Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

**The attached Special Purpose Financial Statements have been prepared in accordance with:**

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

**To the best of our knowledge and belief, these Financial Statements:**

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

**We are not aware of any matter that would render these Statements false or misleading in any way.**

**Signed in accordance with a resolution of Council made on 08 July 2015.**



Michael Webb  
MAYOR



Rick Warren  
GENERAL MANAGER



John Walker  
COUNCILLOR



Bruce Quarmby  
RESPONSIBLE ACCOUNTING OFFICER

## Coonamble Shire Council

## Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>Income from continuing operations</b>		
Access charges	333	308
User charges	622	522
Fees	-	-
Interest	77	157
Grants and contributions provided for non capital purposes	11	14
Profit from the sale of assets	-	-
Other income	12	16
<b>Total income from continuing operations</b>	<b>1,055</b>	<b>1,017</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	175	170
Borrowing costs	-	-
Materials and contracts	575	453
Depreciation and impairment	489	502
Water purchase charges	-	-
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
<b>Total expenses from continuing operations</b>	<b>1,239</b>	<b>1,125</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(184)</b>	<b>(108)</b>
Grants and contributions provided for capital purposes	-	172
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>(184)</b>	<b>64</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>(184)</b>	<b>64</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(184)</b>	<b>64</b>
plus Opening Retained Profits	13,912	13,848
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
<b>Closing Retained Profits</b>	<b>13,728</b>	<b>13,912</b>
<b>Return on Capital %</b>	<b>-1.4%</b>	<b>-0.8%</b>
<b>Subsidy from Council</b>	<b>595</b>	<b>626</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(184)	64
less: Capital grants and contributions (excluding developer contributions)	-	(172)
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>-</b>	<b>-</b>

## Coonamble Shire Council

## Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>Income from continuing operations</b>		
Access charges	581	550
User charges	126	120
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	111	101
Grants and contributions provided for non capital purposes	11	11
Profit from the sale of assets	-	-
Other income	27	41
<b>Total income from continuing operations</b>	<b>856</b>	<b>823</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	146	157
Borrowing costs	2	3
Materials and contracts	103	163
Depreciation and impairment	491	450
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
<b>Total expenses from continuing operations</b>	<b>742</b>	<b>773</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>114</b>	<b>50</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>114</b>	<b>50</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>114</b>	<b>50</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(34)	(15)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>80</b>	<b>35</b>
plus Opening Retained Profits	12,251	12,201
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	34	15
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
<b>Closing Retained Profits</b>	<b>12,365</b>	<b>12,251</b>
<b>Return on Capital %</b>	<b>0.9%</b>	<b>0.4%</b>
<b>Subsidy from Council</b>	<b>259</b>	<b>401</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	80	35
less: Capital grants and contributions (excluding developer contributions)	-	-
<b>Surplus for dividend calculation purposes</b>	<b>80</b>	<b>35</b>
<b>Potential Dividend calculated from surplus</b>	<b>40</b>	<b>18</b>

## Coonamble Shire Council

## Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2015

Quarry

Category 2

\$ '000	Category 2	
	Actual 2015	Actual 2014
<b>Income from continuing operations</b>		
Access charges	-	-
User charges	1,382	1,345
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	-	-
<b>Total income from continuing operations</b>	<b>1,382</b>	<b>1,345</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	342	337
Borrowing costs	-	-
Materials and contracts	1,014	1,168
Depreciation and impairment	101	104
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
<b>Total expenses from continuing operations</b>	<b>1,457</b>	<b>1,609</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(75)</b>	<b>(264)</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>(75)</b>	<b>(264)</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>(75)</b>	<b>(264)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(75)</b>	<b>(264)</b>
plus Opening Retained Profits	3,651	3,915
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
<b>Closing Retained Profits</b>	<b>3,576</b>	<b>3,651</b>
<b>Return on Capital %</b>	<b>-3.1%</b>	<b>-10.8%</b>
<b>Subsidy from Council</b>	<b>147</b>	<b>351</b>

## Coonamble Shire Council

Statement of Financial Position - Council's Water Supply Business Activity  
as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,529	2,433
Investments	-	-
Receivables	119	247
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>2,648</b>	<b>2,680</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	131	-
Inventories	-	-
Infrastructure, property, plant and equipment	13,594	13,488
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>13,725</b>	<b>13,488</b>
<b>TOTAL ASSETS</b>	<b>16,373</b>	<b>16,168</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	61	68
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Current Liabilities</b>	<b>61</b>	<b>68</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>61</b>	<b>68</b>
<b>NET ASSETS</b>	<b>16,312</b>	<b>16,100</b>
<b>EQUITY</b>		
Retained earnings	13,728	13,912
Revaluation reserves	2,584	2,188
Council equity interest	16,312	16,100
Non-controlling equity interest	-	-
<b>TOTAL EQUITY</b>	<b>16,312</b>	<b>16,100</b>

## Coonamble Shire Council

## Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	5,027	4,537
Investments	-	-
Receivables	61	120
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>5,088</b>	<b>4,657</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	51	-
Inventories	-	-
Infrastructure, property, plant and equipment	12,404	12,548
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>12,455</b>	<b>12,548</b>
<b>TOTAL ASSETS</b>	<b>17,543</b>	<b>17,205</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	26	26
Interest bearing liabilities	9	7
Provisions	-	-
<b>Total Current Liabilities</b>	<b>35</b>	<b>33</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	23	31
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>23</b>	<b>31</b>
<b>TOTAL LIABILITIES</b>	<b>58</b>	<b>64</b>
<b>NET ASSETS</b>	<b>17,485</b>	<b>17,141</b>
<b>EQUITY</b>		
Retained earnings	12,365	12,251
Revaluation reserves	5,120	4,890
Council equity interest	17,485	17,141
Non-controlling equity interest	-	-
<b>TOTAL EQUITY</b>	<b>17,485</b>	<b>17,141</b>

## Coonamble Shire Council

## Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

Quarry

Category 2

\$ '000	Category 2	
	Actual 2015	Actual 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,732	1,892
Investments	-	-
Receivables	202	136
Inventories	345	273
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>2,279</b>	<b>2,301</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	2,388	2,436
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
<b>Total Non-Current Assets</b>	<b>2,388</b>	<b>2,436</b>
<b>TOTAL ASSETS</b>	<b>4,667</b>	<b>4,737</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	13	8
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Current Liabilities</b>	<b>13</b>	<b>8</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>13</b>	<b>8</b>
<b>NET ASSETS</b>	<b>4,654</b>	<b>4,729</b>
<b>EQUITY</b>		
Retained earnings	3,576	3,651
Revaluation reserves	1,078	1,078
Council equity interest	4,654	4,729
Non-controlling equity interest	-	-
<b>TOTAL EQUITY</b>	<b>4,654</b>	<b>4,729</b>

## Coonamble Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2015

#### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2	Water Supply Business Best Practice Management disclosure requirements	13
3	Sewerage Business Best Practice Management disclosure requirements	15



## Coonamble Shire Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

#### Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Office of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

#### Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

*Council does not operate any Category 1 business activities.*

##### Category 2

(where gross operating turnover is less than \$2 million)

##### a. Water Supply Service

*Comprising the whole of the water supply operations and net assets servicing Coonamble Shire.*

##### b. Sewerage Service

*Comprising the whole of the sewerage reticulation and treatment operations and net assets system servicing Coonamble Shire.*

##### c. Quarry Operations

*Extraction and production of road making materials.*

#### Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best Practice Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

## Coonamble Shire Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

#### Note 1. Significant Accounting Policies

##### (i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

##### Notional Rate Applied %

###### Corporate Income Tax Rate – 30%

Land Tax – The first **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a “Dividend for Taxation equivalent”, may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

##### Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the “Council” as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date.

##### Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the Business Activity.

##### Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face “true” commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

## Coonamble Shire Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

#### Note 1. Significant Accounting Policies

##### (ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

##### (iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

**Operating Result before Capital Income + Interest Expense**

**Written Down Value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.02% at 30/6/15.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

##### (iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2015 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

## Coonamble Shire Council

# Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

## Note 2. Water Supply Business

### Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

#### 1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	<input type="text" value="-"/>
(ii)	No of assessments multiplied by \$3/assessment	<input type="text" value="-"/>
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	<input type="text" value="-"/>
(iv)	Amounts actually paid for Tax Equivalents	<input type="text" value="-"/>

#### 2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	<input type="text" value="-"/>
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	<input type="text" value="-"/>
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	<input type="text" value="(56,800)"/>

2015 Surplus	<input type="text" value="(184,000)"/>	2014 Surplus	<input type="text" value="(108,000)"/>	2013 Surplus	<input type="text" value="235,200"/>
		2014 Dividend	<input type="text" value="-"/>	2013 Dividend	<input type="text" value="-"/>

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	<input type="text" value="n/a"/>
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	<input type="text" value="-"/>

#### 3. Required outcomes for 6 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	<input type="text"/>
(ii)	Full Cost Recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	<input type="text"/>
	- Complying charges [Item 2(b) in Table 1]	<input type="text"/>
	- DSP with Commercial Developer Charges [Item 2(e) in Table 1]	<input type="text"/>
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	<input type="text"/>
(iii)	Sound Water Conservation and Demand Management implemented	<input type="text"/>
(iv)	Sound Drought Management implemented	<input type="text"/>
(v)	Complete Performance Reporting Form (by 15 September each year)	<input type="text"/>
(vi)	a. Integrated Water Cycle Management Evaluation	<input type="text"/>
	b. Complete and implement Integrated Water Cycle Management Strategy	<input type="text"/>

## Coonamble Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 2. Water Supply Business  
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

## National Water Initiative (NWI) Financial Performance Indicators

<b>NWI F1</b>	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	987
<b>NWI F4</b>	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	65.06%
<b>NWI F9</b>	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	13,594
<b>NWI F11</b>	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	723
<b>NWI F14</b>	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	198
<b>NWI F17</b>	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	-1.66%
<b>NWI F26</b>	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

## Coonamble Shire Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

#### Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

##### 1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	-
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	-

##### 2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	39,900
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	-
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	133,000

2015 Surplus	79,800	2014 Surplus	35,000	2013 Surplus	18,200
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	-
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

##### 3. Required outcomes for 4 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	
	Complying charges	
	(a) Residential [Item 2(c) in Table 1]	
	(b) Non Residential [Item 2(c) in Table 1]	
	(c) Trade Waste [Item 2(d) in Table 1]	
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	
(iii)	Complete Performance Reporting Form (by 15 September each year)	
(iv)	a. Integrated Water Cycle Management Evaluation	
	b. Complete and implement Integrated Water Cycle Management Strategy	

## Coonamble Shire Council

# Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

## Note 3. Sewerage Business

### Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

#### National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	746
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	12,404
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	289
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	70
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	0.10%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

#### National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	1,733
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.27%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	268
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	-0.82%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%



## Coonamble Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 3. Sewerage Business  
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

National Water Initiative (NWI) Financial Performance Indicators  
Water & Sewer (combined)

<b>NWI F22</b>	Net Debt to Equity (Water & Sewerage)	%	-22.26%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]		
<b>NWI F23</b>	Interest Cover (Water & Sewerage)		-
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):		212
	Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c)		
	Net Interest:		176
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
<b>NWI F24</b>	Net Profit After Tax (Water & Sewerage)	\$'000	(70)
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
<b>NWI F25</b>	Community Service Obligations (Water & Sewerage)	\$'000	22
	Grants for Pensioner Rebates (w11b + s12b)		

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



**COONAMBLE SHIRE COUNCIL**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REPORT**

---

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying special purpose financial statements of Coonamble Shire Council, which comprises the Statement of Financial Position as at 30 June 2015, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

***Responsibility of Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Office of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and, accordingly, no opinion is expressed on these disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

***Independence***

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

***Auditor's Opinion***

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note I and the Local Government Code of Accounting Practice and Financial Reporting.

***Basis of Accounting***

Without modifying our opinion, we draw attention to Note I to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Office of Local Government. As a result, the financial statements may not be suitable for another purpose.

**HILL ROGERS SPENCER STEER**



**GARY MOTTAU**

Partner

Dated at Sydney this 29th day of October 2015

# Coonamble Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2015

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***“Coonamble on the Castlereagh”***



# Coonamble Shire Council

## Special Schedules

for the financial year ended 30 June 2015

## Contents

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<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 9).

### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the NSW Office of Water (NOW), and
  - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of the financial activities of specific services.

## Coonamble Shire Council

# Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>194</b>	-	-	<b>(194)</b>
<b>Administration</b>	<b>4,378</b>	<b>267</b>	-	<b>(4,111)</b>
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	484	362	-	<b>(122)</b>
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	98	25	-	<b>(73)</b>
Other	6	-	-	<b>(6)</b>
<b>Total Public Order &amp; Safety</b>	<b>588</b>	<b>387</b>	-	<b>(201)</b>
<b>Health</b>	<b>246</b>	<b>5</b>	-	<b>(241)</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	127	-	-	<b>(127)</b>
Other Environmental Protection	83	7	2,552	<b>2,476</b>
Solid Waste Management	397	473	-	<b>76</b>
Street Cleaning	212	-	-	<b>(212)</b>
Drainage	-	-	-	-
Stormwater Management	30	-	-	<b>(30)</b>
<b>Total Environment</b>	<b>849</b>	<b>480</b>	<b>2,552</b>	<b>2,183</b>
<b>Community Services and Education</b>				
Administration & Education	4	1	-	<b>(3)</b>
Social Protection (Welfare)	29	-	-	<b>(29)</b>
Aged Persons and Disabled	13	4	-	<b>(9)</b>
Children's Services	70	53	-	<b>(17)</b>
<b>Total Community Services &amp; Education</b>	<b>116</b>	<b>58</b>	-	<b>(58)</b>
<b>Housing and Community Amenities</b>				
Public Cemeteries	48	54	-	<b>6</b>
Public Conveniences	18	-	-	<b>(18)</b>
Street Lighting	85	35	-	<b>(50)</b>
Town Planning	4	41	-	<b>37</b>
Other Community Amenities	54	49	-	<b>(5)</b>
<b>Total Housing and Community Amenities</b>	<b>209</b>	<b>179</b>	-	<b>(30)</b>
<b>Water Supplies</b>	<b>1,179</b>	<b>963</b>	-	<b>(216)</b>
<b>Sewerage Services</b>	<b>692</b>	<b>856</b>	-	<b>164</b>

## Coonamble Shire Council

# Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Recreation and Culture</b>				
Public Libraries	277	57	-	(220)
Museums	21	7	-	(14)
Art Galleries	-	-	-	-
Community Centres and Halls	30	-	-	(30)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	27	-	-	(27)
Sporting Grounds and Venues	117	-	29	(88)
Swimming Pools	445	43	20	(382)
Parks & Gardens (Lakes)	223	1	-	(222)
Other Sport and Recreation	145	13	-	(132)
<b>Total Recreation and Culture</b>	<b>1,285</b>	<b>121</b>	<b>49</b>	<b>(1,115)</b>
<b>Fuel &amp; Energy</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Agriculture</b>	<b>2</b>	<b>12</b>	<b>-</b>	<b>10</b>
<b>Mining, Manufacturing and Construction</b>				
Building Control	3	24	-	21
Other Mining, Manufacturing & Construction	1,465	1,381	-	(84)
<b>Total Mining, Manufacturing and Const.</b>	<b>1,468</b>	<b>1,405</b>	<b>-</b>	<b>(63)</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	1,246	-	34	(1,212)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	619	651	-	32
Sealed Rural Roads (SRR) - Regional	978	1,336	43	401
Unsealed Rural Roads (URR) - Local	385	-	-	(385)
Unsealed Rural Roads (URR) - Regional	61	-	-	(61)
Bridges on UR - Local	1	-	-	(1)
Bridges on SRR - Local	95	-	-	(95)
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	79	-	-	(79)
Parking Areas	-	-	-	-
Footpaths	120	22	-	(98)
Aerodromes	96	21	-	(75)
Other Transport & Communication	1,701	2,857	-	1,156
<b>Total Transport and Communication</b>	<b>5,381</b>	<b>4,887</b>	<b>77</b>	<b>(417)</b>
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	5	4	-	(1)
Other Economic Affairs	669	396	-	(273)
<b>Total Economic Affairs</b>	<b>674</b>	<b>400</b>	<b>-</b>	<b>(274)</b>
<b>Totals – Functions</b>	<b>17,261</b>	<b>10,020</b>	<b>2,678</b>	<b>(4,563)</b>
<b>General Purpose Revenues <sup>(2)</sup></b>		<b>8,239</b>		<b>8,239</b>
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	<b>13</b>	<b>-</b>		<b>(13)</b>
<b>NET OPERATING RESULT <sup>(1)</sup></b>	<b>17,274</b>	<b>18,259</b>	<b>2,678</b>	<b>3,663</b>

(1) As reported in the Income Statement

(2) Includes: Rates &amp; Annual Charges (incl. Ex Gratia, excl. Water &amp; Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) &amp; Interest on overdue Rates &amp; Annual Charges

## Coonamble Shire Council

## Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2015

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
<b>Loans (by Source)</b>											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	37	252	289	-	41	-	-	11	41	207	248
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	8	30	38	-	8	-	-	3	8	22	30
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Loans</b>	<b>45</b>	<b>282</b>	<b>327</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>49</b>	<b>229</b>	<b>278</b>
<b>Total Debt</b>	<b>45</b>	<b>282</b>	<b>327</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>49</b>	<b>229</b>	<b>278</b>

Notes: Excludes (i) Internal Loans &amp; (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

## Coonamble Shire Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993]  
for the financial year ended 30 June 2015

\$'000

## Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General	1,600	281	269
<b>Totals</b>	<b>1,600</b>	<b>281</b>	<b>269</b>

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

## Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
General	Coonabmle Sewer Fund	05/02/09	30/06/09	7	30/06/16	6.00%	1,600	281	269
<b>Totals</b>							<b>1,600</b>	<b>281</b>	<b>269</b>



## Coonamble Shire Council

## Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>A Expenses and Income</b> <b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	-	-
b. Engineering and Supervision	-	-
<b>2. Operation and Maintenance expenses</b>		
<b>- Dams &amp; Weirs</b>		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
<b>- Mains</b>		
c. Operation expenses	-	-
d. Maintenance expenses	52	100
<b>- Reservoirs</b>		
e. Operation expenses	-	-
f. Maintenance expenses	36	83
<b>- Pumping Stations</b>		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	109	74
i. Maintenance expenses	51	107
<b>- Treatment</b>		
j. Operation expenses (excluding chemical costs)	56	-
k. Chemical costs	235	-
l. Maintenance expenses	88	-
<b>- Other</b>		
m. Operation expenses	96	111
n. Maintenance expenses	-	-
o. Purchase of water	-	-
<b>3. Depreciation expenses</b>		
a. System assets	489	502
b. Plant and equipment	-	-
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	28	148
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>1,240</b>	<b>1,125</b>

## Coonamble Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	334	308
b. Usage charges	622	522
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	-	-
<b>8. Extra charges</b>	8	8
<b>9. Interest income</b>	69	149
<b>10. Other income</b>	12	16
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	-	-
<b>11. Grants</b>		
a. Grants for acquisition of assets	-	172
b. Grants for pensioner rebates	11	14
c. Other grants	-	-
<b>12. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>13. Total income</b>	<b>1,056</b>	<b>1,189</b>
<b>14. Gain (or loss) on disposal of assets</b>	-	-
<b>15. Operating Result</b>	<b>(184)</b>	<b>64</b>
<b>15a. Operating Result (less grants for acquisition of assets)</b>	(184)	(108)

## Coonamble Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	441
c. Renewals	198	65
d. Plant and equipment	-	-
<b>17. Repayment of debt</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>18. Transfer to sinking fund</b>	-	-
<b>19. Totals</b>	<b>198</b>	<b>506</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	-	-
<b>21. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>22. Transfer from sinking fund</b>	-	-
<b>23. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>24. Number of assessments</b>		
a. Residential (occupied)	-	1,226
b. Residential (unoccupied, ie. vacant lot)	-	119
c. Non-residential (occupied)	-	195
d. Non-residential (unoccupied, ie. vacant lot)	-	91
<b>25. Number of ETs for which developer charges were received</b>	- ET	- ET
<b>26. Total amount of pensioner rebates (actual dollars)</b>	\$ -	\$ 14,044

## Coonamble Shire Council

## Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>27. Annual charges</b>			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?			
<input type="checkbox"/>			
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy <b>from</b> residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy <b>to</b> non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy <b>to</b> large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
<b>28. Developer charges</b>			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>29. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (27b + 27c + 27d + 28b)</b>			<input type="text" value="-"/>

\* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

## Coonamble Shire Council

## Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>30. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	2,529	-	2,529
<b>31. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	119	131	250
c. User Charges	-	-	-
d. Other	-	-	-
<b>32. Inventories</b>	-	-	-
<b>33. Property, plant and equipment</b>			
a. System assets	-	13,594	13,594
b. Plant and equipment	-	-	-
<b>34. Other assets</b>	-	-	-
<b>35. Total assets</b>	<b>2,648</b>	<b>13,725</b>	<b>16,373</b>
<b>LIABILITIES</b>			
<b>36. Bank overdraft</b>	-	-	-
<b>37. Creditors</b>	61	-	61
<b>38. Borrowings</b>			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>39. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>40. Total liabilities</b>	<b>61</b>	<b>-</b>	<b>61</b>
<b>41. NET ASSETS COMMITTED</b>	<b>2,587</b>	<b>13,725</b>	<b>16,312</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			13,728
<b>43. Asset revaluation reserve</b>			2,584
<b>44. TOTAL EQUITY</b>			<b>16,312</b>
<b>Note to system assets:</b>			
<b>45. Current replacement cost</b> of system assets			21,160
<b>46. Accumulated current cost</b> depreciation of system assets			(7,566)
<b>47. Written down current cost</b> of system assets			13,594

## Coonamble Shire Council

## Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>A Expenses and Income</b> <b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	-	-
b. Engineering and Supervision	-	-
<b>2. Operation and Maintenance expenses</b>		
<b>- Mains</b>		
a. Operation expenses	-	-
b. Maintenance expenses	43	77
<b>- Pumping Stations</b>		
c. Operation expenses (excluding energy costs)	25	31
d. Energy costs	37	3
e. Maintenance expenses	34	43
<b>- Treatment</b>		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	97	90
g. Chemical costs	-	-
h. Energy costs	17	17
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	36	53
<b>- Other</b>		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
<b>3. Depreciation expenses</b>		
a. System assets	444	449
b. Plant and equipment	-	-
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	3	3
b. Revaluation Decrements	-	-
c. Other expenses	6	7
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>742</b>	<b>773</b>

## Coonamble Shire Council

## Special Schedule No. 5 - Sewerage Service Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	581	550
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	126	120
<b>8. Trade Waste Charges</b>		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
<b>9. Extra charges</b>	1	-
<b>10. Interest income</b>	110	101
<b>11. Other income</b>	27	41
<b>11a. Aboriginal Communities Water &amp; Sewerage Program</b>	-	-
<b>12. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	11	11
c. Other grants	-	-
<b>13. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>14. Total income</b>	<b>856</b>	<b>823</b>
<b>15. Gain (or loss) on disposal of assets</b>	-	-
<b>16. Operating Result</b>	<b>114</b>	<b>50</b>
<b>16a. Operating Result (less grants for acquisition of assets)</b>	114	50

## Coonamble Shire Council

## Special Schedule No. 5 - Sewerage Service Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	70	54
d. Plant and equipment	-	-
<b>18. Repayment of debt</b>		
a. Loans	8	7
b. Advances	-	-
c. Finance leases	-	-
<b>19. Transfer to sinking fund</b>	-	-
<b>20. Totals</b>	<b>78</b>	<b>61</b>
<b>Non-operating funds employed</b>		
<b>21. Proceeds from disposal of assets</b>	-	-
<b>22. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>23. Transfer from sinking fund</b>	-	-
<b>24. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>25. Number of assessments</b>		
a. Residential (occupied)	-	1,105
b. Residential (unoccupied, ie. vacant lot)	-	49
c. Non-residential (occupied)	-	2
d. Non-residential (unoccupied, ie. vacant lot)	-	-
<b>26. Number of ETs for which developer charges were received</b>	- ET	- ET
<b>27. Total amount of pensioner rebates (actual dollars)</b>	\$ -	\$ 11,333



## Coonamble Shire Council

# Special Schedule No. 5 - Sewerage Service Cross Subsidies

for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>28. Annual charges</b>			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If Yes, go to 29a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?			
<input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
<b>29. Developer charges</b>			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>30. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (28b + 28c + 29b)</b>			<input type="text" value="-"/>

\* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

## Coonamble Shire Council

## Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>31. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	5,027	-	5,027
<b>32. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	53	32	85
c. User Charges	7	19	26
d. Other	1	-	1
<b>33. Inventories</b>	-	-	-
<b>34. Property, plant and equipment</b>			
a. System assets	-	12,404	12,404
b. Plant and equipment	-	-	-
<b>35. Other assets</b>	-	-	-
<b>36. Total Assets</b>	<b>5,088</b>	<b>12,455</b>	<b>17,543</b>
<b>LIABILITIES</b>			
<b>37. Bank overdraft</b>	-	-	-
<b>38. Creditors</b>	26	-	26
<b>39. Borrowings</b>			
a. Loans	9	23	32
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>40. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>41. Total Liabilities</b>	<b>35</b>	<b>23</b>	<b>58</b>
<b>42. NET ASSETS COMMITTED</b>	<b>5,053</b>	<b>12,432</b>	<b>17,485</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			12,365
<b>44. Asset revaluation reserve</b>			5,120
<b>45. TOTAL EQUITY</b>			<b>17,485</b>
<b>Note to system assets:</b>			
<b>46. Current replacement cost</b> of system assets			27,593
<b>47. Accumulated current cost</b> depreciation of system assets			(15,189)
<b>48. Written down current cost</b> of system assets			12,404

## Coonamble Shire Council

### Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2015

#### Administration <sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

#### Engineering and supervision <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

**Revaluation decrements** (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

**Impairment Losses** (item 4d & 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**Residential charges** <sup>(2)</sup> (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

**Non-residential charges** <sup>(2)</sup> (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

**Other income** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

**Other contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

#### Notes:

<sup>(1)</sup> Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

<sup>(2)</sup> To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

## Coonamble Shire Council

## Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings	Council Offices / Administration Centres	-	25	23	2,998	100%				
	Council Works Depot	10	40	31	970	100%				
	Council Public Halls	50	25	26	1,520			100%		
	Libraries	-	50	19	1,054	100%				
	Cultural Facilities	20	20	17	299		100%			
	Other Buildings	-	30	31	215		100%			
	Other	40	100	16	9,957		81%	19%		
	<b>sub total</b>	<b>120</b>	<b>290</b>	<b>163</b>	<b>17,013</b>	<b>29.5%</b>	<b>50.4%</b>	<b>20.1%</b>	<b>0.0%</b>	<b>0.0%</b>
Other Structures	Other Structures	100	100	113	11,813		100%			
	<b>sub total</b>	<b>100</b>	<b>100</b>	<b>113</b>	<b>11,813</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Roads	Sealed Roads Structure	1,535	504	1,477	105,934		100%			
	Unsealed Roads	204	140	698	78,836		100%			
	Bridges	-	25	26	12,966	100%				
	Footpaths	5	50	114	1,591		100%			
	Kerb and Gutter	25	30	40	5,126		100%			
	Other	-	-	-	(2,142)					100%
	<b>sub total</b>	<b>1,769</b>	<b>749</b>	<b>2,355</b>	<b>202,311</b>	<b>6.4%</b>	<b>94.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-1.1%</b>

## Coonamble Shire Council

## Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Water Supply Network	Mains	150	50	52	6,572			100%		
	Reservoirs	150	30	36	1,750			100%		
	Pumping Station/s	50	-	51	111		100%			
	Treatment	-	20	21	5,079	100%				
	Meters	-	10	12	81	100%				
	<b>sub total</b>	<b>350</b>	<b>110</b>	<b>172</b>	<b>13,593</b>	<b>38.0%</b>	<b>0.8%</b>	<b>61.2%</b>	<b>0.0%</b>	<b>0.0%</b>
Sewerage Network										
	Mains	200	100	43	5,408		100%			
	Pumping Station/s	50	30	34	549		100%			
	Treatment	150	40	36	6,447		100%			
	<b>sub total</b>	<b>400</b>	<b>170</b>	<b>113</b>	<b>12,404</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

## Coonamble Shire Council

## Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Stormwater Drainage	Inlet and Junction Pits	-	30	-	199		100%			
	Stormwater Converters	-	-	-	2		100%			
	Other	-	-	-	1,368		100%			
	<b>sub total</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>1,569</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>TOTAL - ALL ASSETS</b>	<b>2,739</b>	<b>1,449</b>	<b>2,916</b>	<b>258,703</b>	<b>8.9%</b>	<b>87.3%</b>	<b>4.5%</b>	<b>0.0%</b>	<b>-0.8%</b>

## Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".  
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.  
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard."
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.  
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). **Infrastructure Asset Condition Assessment "Key"**

1	<b>Excellent</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Average</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very Poor</b>	Urgent renewal/upgrading required

## Coonamble Shire Council

# Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures Renewals Ratio				
Asset Renewals				
(Building, Infrastructure & Other Structures) <sup>(1)</sup>	5,348	138.30%	46.88%	53.90%
Depreciation, Amortisation & Impairment	3,867			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	2,739			
Total value <sup>(2)</sup> of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	258,703	1.06%	1.73%	2.17%
3. Asset Maintenance Ratio				
Actual Asset Maintenance	2,916			
Required Asset Maintenance	1,449	2.01	1.37	0.94
4. Capital Expenditure Ratio				
Annual Capital Expenditure	6,449			
Annual Depreciation	4,893	1.32	0.93	1.82

**Notes**

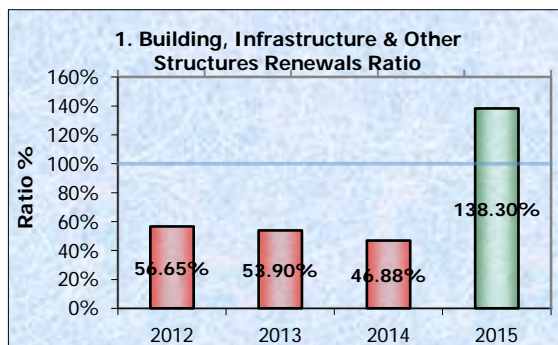
<sup>(1)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

<sup>(2)</sup> Written Down Value

## Coonamble Shire Council

# Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015



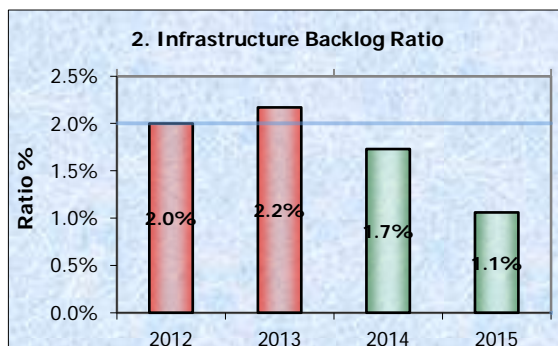
## Purpose of Asset Renewals Ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**2014/15 Ratio 138.30%**

Benchmark: — Minimum  $\geq 100.00\%$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark  
Ratio is outside Benchmark



## Purpose of Infrastructure Backlog Ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

**2014/15 Ratio 1.06%**

Benchmark: — Maximum  $< 0.02$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark  
Ratio is outside Benchmark



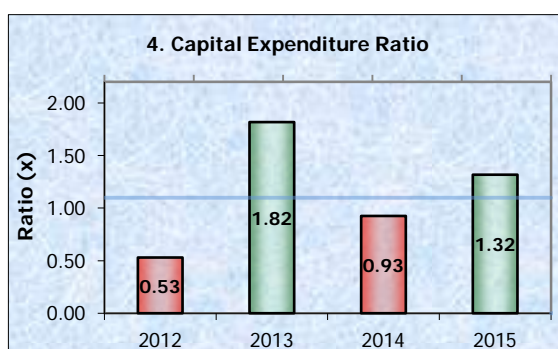
## Purpose of Asset Maintenance Ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

**2014/15 Ratio 2.01 x**

Benchmark: — Minimum  $> 1.00$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark  
Ratio is outside Benchmark



## Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

**2014/15 Ratio 1.32 x**

Benchmark: — Minimum  $> 1.10$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark  
Ratio is outside Benchmark



## Coonamble Shire Council

## Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015

\$ '000	Water 2015	Sewer 2015	General <sup>(1)</sup> 2015
<b>Infrastructure Asset Performance Indicators By Fund</b>			
<b>1. Building, Infrastructure &amp; Other Structures Renewals Ratio</b>			
Asset Renewals			
(Building, Infrastructure & Other Structures) <sup>(2)</sup>	<b>38.24%</b>	<b>15.77%</b>	<b>173.52%</b>
Depreciation, Amortisation & Impairment			
prior period:	81.67%	9.78%	49.39%
<b>2. Infrastructure Backlog Ratio</b>			
Estimated Cost to bring Assets to a Satisfactory Condition			
Total value <sup>(3)</sup> of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	<b>2.57%</b>	<b>3.22%</b>	<b>0.85%</b>
prior period:	2.78%	3.98%	1.46%
<b>3. Asset Maintenance Ratio</b>			
Actual Asset Maintenance			
Required Asset Maintenance	<b>1.56</b>	<b>0.66</b>	<b>2.25</b>
prior period:	0.91	0.80	1.53
<b>4. Capital Expenditure Ratio</b>			
Annual Capital Expenditure			
Annual Depreciation	<b>0.40</b>	<b>0.16</b>	<b>1.56</b>
prior period:	1.01	0.12	1.01

**Notes**

<sup>(1)</sup> General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

<sup>(2)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

<sup>(3)</sup> Written Down Value

## Coonamble Shire Council

## Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
<b>Notional General Income Calculation <sup>(1)</sup></b>			
Last Year Notional General Income Yield	a	4,278	4,375
Plus or minus Adjustments <sup>(2)</sup>	b	(1)	(11)
<b>Notional General Income</b>	c = (a + b)	<b>4,277</b>	<b>4,364</b>
<b>Permissible Income Calculation</b>			
Special variation percentage <sup>(3)</sup>	d	0.00%	0.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = d x (c-g)	-	-
or plus Rate peg amount	i = c x e	98	105
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
<b>sub-total</b>	k = (c+g+h+i+j)	<b>4,375</b>	<b>4,469</b>
plus (or minus) last year's Carry Forward Total	l	(7)	1
less Valuation Objections claimed in the previous year	m	-	(8)
<b>sub-total</b>	n = (l + m)	<b>(7)</b>	<b>(7)</b>
<b>Total Permissible income</b>	o = k + n	<b>4,368</b>	<b>4,462</b>
less Notional General Income Yield	p	4,375	4,507
<b>Catch-up or (excess) result</b>	q = o - p	<b>(7)</b>	<b>(45)</b>
plus Income lost due to valuation objections claimed <sup>(4)</sup>	r	8	3
less Unused catch-up <sup>(5)</sup>	s	-	-
<b>Carry forward to next year</b>	t = q + r - s	<b>1</b>	<b>(42)</b>

## Notes

- The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.

**COONAMBLE SHIRE COUNCIL**  
**SPECIAL SCHEDULE NO. 9**  
**INDEPENDENT AUDITORS' REPORT**

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**REPORT ON SPECIAL SCHEDULE NO. 9**

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Coonamble Shire Council for the year ending 30 June 2016.

***Responsibility of Council for Special Schedule No. 9***

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

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Steer Assurance Partners

ABN 56 435 338 966

Hill Rogers  
Spencer Steer

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 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.

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

### ***Independence***

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

### ***Audit Opinion***

In our opinion, Special Schedule No. 9 of Coonamble Shire Council for 2015/16 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

### ***Basis of Accounting***

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

## **HILL ROGERS SPENCER STEER**



**GARY MOTTAU**

Partner

Dated at Sydney this 29th day of October 2015



## COONAMBLE SHIRE COUNCIL

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