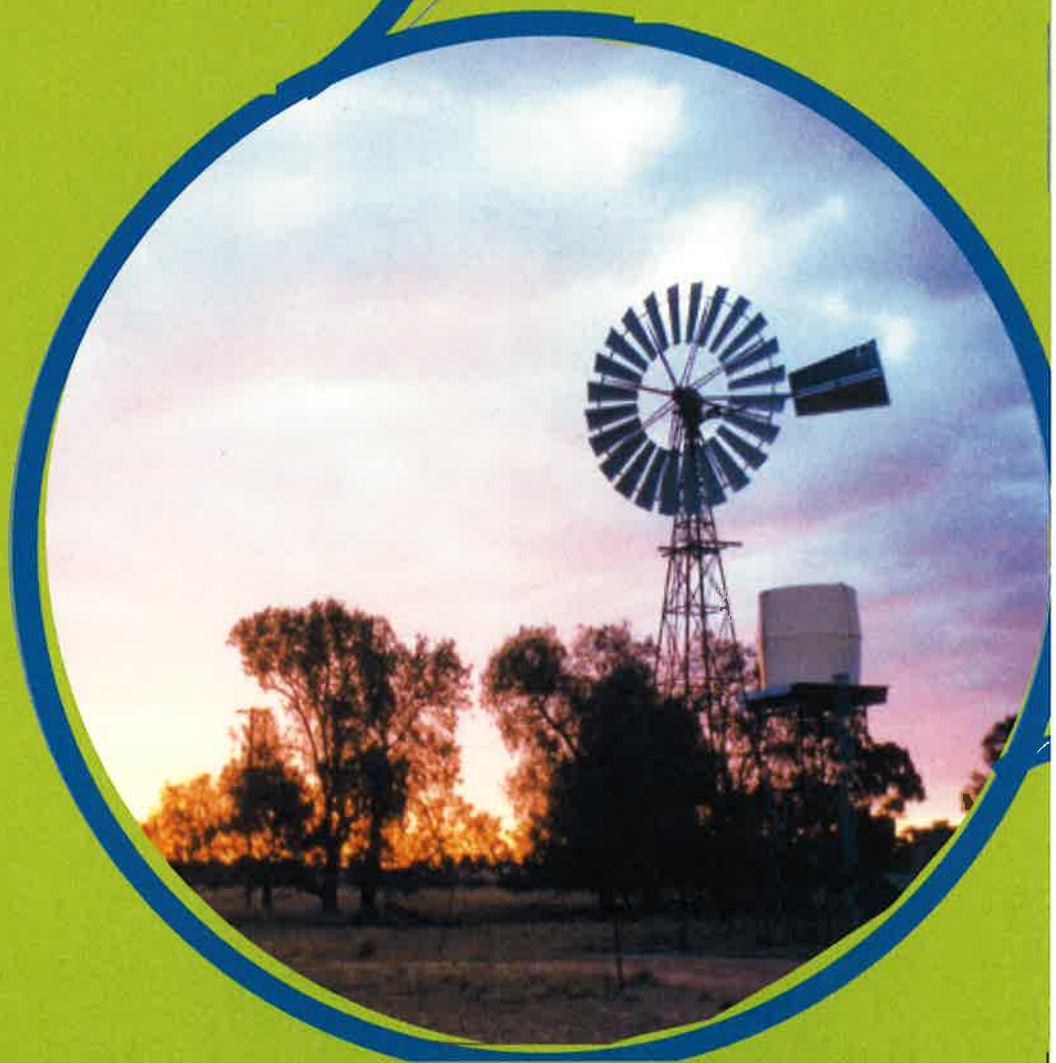


COONAMBLE SHIRE
COUNCIL

Financial Statements

for the year ended 30 June 2013



Coonamble Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

“Coonamble on the Castlereagh”



Coonamble Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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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 31 October 2013. Council has the power to amend and reissue these financial statements.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Understanding Council's Financial Statements

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 2013.

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 NSW Division 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.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred. Currently the statement is prepared utilising the practice 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.

In the 2012/13 Financial Year council recognised \$1,636,468 of the Financial Assistance Grant for 2013/14 that was received in advance. The expenditure of this grant will be taken to account in the 2013/14 Financial Year and will not match the period in which the income was received.

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 Division of Local Government.

Coonamble Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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 14 August 2013.



Tom Cullen
MAYOR



Michael Webb
COUNCILLOR



Rick Warren
GENERAL MANAGER



Bruce Quarmby
RESPONSIBLE ACCOUNTING OFFICER

Coonamble Shire Council

Income Statement

for the financial year ended 30 June 2013

Budget ⁽¹⁾				Actual	Actual
2013	\$ '000		Notes	2013	2012
Income from Continuing Operations					
Revenue:					
5,258	Rates & Annual Charges		3a	5,212	4,988
4,572	User Charges & Fees		3b	5,597	4,577
938	Interest & Investment Revenue		3c	795	942
509	Other Revenues		3d	525	756
4,637	Grants & Contributions provided for Operating Purposes		3e,f	5,436	7,835
2,885	Grants & Contributions provided for Capital Purposes		3e,f	1,900	771
Other Income:					
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method		19	3	6
18,799	Total Income from Continuing Operations			19,468	19,875
Expenses from Continuing Operations					
6,794	Employee Benefits & On-Costs		4a	6,976	6,694
7	Borrowing Costs		4b	6	7
4,604	Materials & Contracts		4c	4,131	5,846
5,173	Depreciation & Amortisation		4d	4,606	4,046
-	Impairment		4d	-	-
2,000	Other Expenses		4e	2,237	2,082
-	Net Losses from the Disposal of Assets		5	55	228
18,578	Total Expenses from Continuing Operations			18,011	18,903
221	Operating Result from Continuing Operations			1,457	972
Discontinued Operations					
-	Net Profit/(Loss) from Discontinued Operations		24	-	-
221	Net Operating Result for the Year			1,457	972
221	Net Operating Result attributable to Council			1,457	972
-	Net Operating Result attributable to Non-controlling Interests			-	-
(2,664)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes			(443)	201

(1) Original Budget as approved by Council - refer Note 16

Coonamble Shire Council

Statement of Comprehensive Income
for the financial year ended 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		1,457	972
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	5,754	2,122
Total Items which will not be reclassified subsequently to the Operating Result		5,754	2,122
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		5,754	2,122
Total Comprehensive Income for the Year		7,211	3,094
Total Comprehensive Income attributable to Council		7,211	3,094
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Coonamble Shire Council

Statement of Financial Position

as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012	Actual 2011
ASSETS				
Current Assets				
Cash & Cash Equivalents	6a	18,260	19,031	15,528
Investments	6b	-	-	-
Receivables	7	1,539	2,868	3,171
Inventories	8	1,245	1,095	1,230
Other	8	161	9	11
Non-current assets classified as 'held for sale'	22	-	-	-
Total Current Assets		21,205	23,003	19,940
Non-Current Assets				
Investments	6b	-	-	-
Receivables	7	263	321	249
Inventories	8	-	-	-
Infrastructure, Property, Plant & Equipment	9	196,235	186,711	186,201
Investments accounted for using the equity method	19	70	67	61
Investment Property	14	-	-	-
Intangible Assets	25	-	-	-
Total Non-Current Assets		196,568	187,099	186,511
TOTAL ASSETS		217,773	210,102	206,451
LIABILITIES				
Current Liabilities				
Payables	10	1,634	1,027	766
Borrowings	10	7	37	35
Provisions	10	1,793	1,883	1,619
Total Current Liabilities		3,434	2,947	2,420
Non-Current Liabilities				
Payables	10	-	-	-
Borrowings	10	38	45	82
Provisions	10	88	108	41
Total Non-Current Liabilities		126	153	123
TOTAL LIABILITIES		3,560	3,100	2,543
Net Assets		214,213	207,002	203,908
EQUITY				
Retained Earnings	20	159,845	158,388	157,416
Revaluation Reserves	20	54,368	48,614	46,492
Council Equity Interest		214,213	207,002	203,908
Non-controlling Interest		-	-	-
Total Equity		214,213	207,002	203,908

Coonamble Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2013

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		158,388	48,614	207,002	-	207,002
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		158,388	48,614	207,002	-	207,002
c. Net Operating Result for the Year		1,457	-	1,457	-	1,457
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	5,754	5,754	-	5,754
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	5,754	5,754	-	5,754
Total Comprehensive Income (c&d)		1,457	5,754	7,211	-	7,211
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		159,845	54,368	214,213	-	214,213
2012						
Opening Balance (as per Last Year's Audited Accounts)		148,479	46,492	194,971	-	194,971
a. Correction of Prior Period Errors	20 (c)	8,937	-	8,937	-	8,937
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		157,416	46,492	203,908	-	203,908
c. Net Operating Result for the Year		972	-	972	-	972
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	2,122	2,122	-	2,122
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	2,122	2,122	-	2,122
Total Comprehensive Income (c&d)		972	2,122	3,094	-	3,094
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		158,388	48,614	207,002	-	207,002

This Statement should be read in conjunction with the accompanying Notes.

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Coonamble Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
Cash Flows from Operating Activities				
Receipts:				
5,237	Rates & Annual Charges		5,292	4,835
3,439	User Charges & Fees		6,754	5,805
927	Investment & Interest Revenue Received		844	952
7,552	Grants & Contributions		8,363	8,494
-	Bonds, Deposits & Retention amounts received		111	119
5,028	Other		1,146	1,126
Payments:				
(5,690)	Employee Benefits & On-Costs		(7,104)	(6,381)
(9,615)	Materials & Contracts		(5,478)	(6,929)
(110)	Borrowing Costs		(6)	(8)
-	Bonds, Deposits & Retention amounts refunded		(130)	(48)
(980)	Other		(2,083)	(1,923)
5,788	Net Cash provided (or used in) Operating Activities	11b	7,709	6,042
Cash Flows from Investing Activities				
Receipts:				
131	Sale of Infrastructure, Property, Plant & Equipment		483	579
276	Deferred Debtors Receipts		-	-
Payments:				
(8,957)	Purchase of Infrastructure, Property, Plant & Equipment		(8,926)	(3,041)
-	Purchase of Real Estate Assets		-	(42)
(8,550)	Net Cash provided (or used in) Investing Activities		(8,443)	(2,504)
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
(37)	Repayment of Borrowings & Advances		(37)	(35)
(37)	Net Cash Flow provided (used in) Financing Activities		(37)	(35)
(2,798)	Net Increase/(Decrease) in Cash & Cash Equivalents		(771)	3,503
14,549	plus: Cash & Cash Equivalents - beginning of year	11a	19,031	15,528
11,750	Cash & Cash Equivalents - end of the year	11a	18,260	19,031
Additional Information:				
	plus: Investments on hand - end of year	6b	-	-
	Total Cash, Cash Equivalents & Investments		18,260	19,031

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 2013

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n/a - not applicable

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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 Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulation, 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

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(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 2013.

Refer further to paragraph (ab) relating to a summary of the effects of Standards with future operative dates.

(v) Basis of Accounting

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

- (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties 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 Infrastructure, property, plant & equipment 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.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

There have also been no changes in accounting policies when compared with previous financial statements.

(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 the entity 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 investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Critical judgements in applying the entity'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.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(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 the entity 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 2013

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

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

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(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 2013) and (ii) all the related operating results (for the financial year ended the 30th June 2013).

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

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.

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

- General Purpose Operations
- Water Supply
- Sewerage Service

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(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 Ventures

Jointly Controlled Assets & Operations

The proportionate interests in the assets, liabilities and expenses of a Joint Venture Activity have been incorporated throughout the financial statements under the appropriate headings.

Jointly Controlled Entities

Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the balance sheet.

(iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the equity method of accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed 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 each County Council is responsible for managing its own affairs.

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

(vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(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.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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 assets at fair value through profit or loss include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

(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.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

(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.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 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.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

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 Division 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**
(Internal Valuation)

Coonamble Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (Internal 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)

Initial Recognition

On initial recognition, an assets 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;

Land	
- council land	100% Capitalised
- open space	100% Capitalised
- land under roads	100% Capitalised

Plant & Equipment	
Office Furniture	> \$5,000
Office Equipment	> \$5,000
Other Plant & Equipment	> \$5,000

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Buildings & Land Improvements			
Park Furniture & Equipment		> \$5,000	
Building			
- construction/extensions	100% Capitalised		
- renovations		> \$10,000	
Other Structures		> \$5,000	
Water & Sewer Assets			
Reticulation extensions		> \$5,000	
Other		> \$5,000	
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	
Stormwater Drainage			
- Drains			80 to 100 years
- Culverts			50 to 80 years
Transportation Assets			
- Sealed Roads : Surface			20 year
- Sealed Roads : Structure			50 years
- Unsealed roads			20 years
- Bridge : Concrete			100 years
- Bridge : Other			50 years
- Road Pavements			60 years
- Kerb, Gutter & Paths			40 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

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

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each balance sheet 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 2013

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 incorporate the assets, their values and depreciation charges within 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.

Investment property is carried at fair value, representing an in-house valuation based on a discounted cash flow analysis

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

(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.

Coonamble Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

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.

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

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

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

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

The results of discontinued operations are presented separately on the face of the income statement.

(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.

(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;

Coonamble Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

- 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 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.

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.

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 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

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 Mr Martin Stevenson BSc, FIA, FIAA on 20/02/2013 and covers the period ended 30/06/2013

However the position is monitored annually and the Actuary has estimated that as at 30 June 2013 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 2013 was \$247,342.

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

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$ 541,967 as at 30 June 2013.

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 30/6/13.

(y) Self insurance

Council does not self insure.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(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 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 UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2013.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting

Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

Applicable to Local Government but not relevant to Council at this stage;

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in Note 1 (s) (iii) and so these changes will not have an impact on its reported results.

Not applicable to Local Government per se;

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

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

(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 2013

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 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Governance	-	-	-	194	165	120	(194)	(165)	(120)	805	1,479	11,333	12,991
Administration	463	330	395	2,655	3,639	3,560	(2,192)	(3,309)	(3,165)	-	41	4,778	3,559
Public Order & Safety	12	46	344	321	565	579	(309)	(519)	(235)	-	-	767	800
Health	7	2	7	227	250	254	(220)	(248)	(247)	-	-	77	87
Environment	898	493	620	897	833	857	1	(340)	(237)	59	189	-	-
Community Services & Education	93	117	53	93	237	140	-	(120)	(87)	113	50	1,055	1,087
Housing & Community Amenities	256	190	132	256	315	166	-	(125)	(34)	-	-	4,694	4,518
Water Supplies	792	2,884	707	660	693	662	132	2,191	45	14	68	15,395	13,153
Sewerage Services	900	838	748	1,278	790	809	(378)	48	(61)	14	12	16,515	16,441
Recreation & Culture	74	179	100	1,322	1,758	1,272	(1,248)	(1,579)	(1,172)	164	44	9,970	10,608
Agriculture	32	7	163	12	10	150	20	(3)	13	-	-	-	-
Mining, Manufacturing & Construction	1,489	1,970	788	1,419	746	345	70	1,224	443	-	-	5,093	3,371
Transport & Communication	5,804	4,467	7,054	8,501	7,224	9,221	(2,697)	(2,757)	(2,167)	1,797	929	146,137	141,506
Economic Affairs	267	269	359	743	786	768	(476)	(517)	(409)	28	55	1,889	1,914
Total Functions & Activities	11,087	11,792	11,470	18,578	18,011	18,903	(7,491)	(6,219)	(7,433)	2,994	2,867	217,703	210,035
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	3	6	-	-	-	-	3	6	-	-	70	67
General Purpose Income ¹	7,712	7,673	8,399	-	-	-	7,712	7,673	8,399	3,143	3,988	-	-
Operating Result from Continuing Operations	18,799	19,468	19,875	18,578	18,011	18,903	221	1,457	972	6,137	6,855	217,773	210,102

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 2013

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, other community amenities.

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.

FUEL & ENERGY - Gas Supplies

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, RTA 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 2013

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		437	459
Farmland		3,496	3,320
Business		123	123
Total Ordinary Rates		4,056	3,902
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		436	418
Water Supply Services		197	188
Sewerage Services		523	480
Total Annual Charges		1,156	1,086
TOTAL RATES & ANNUAL CHARGES		5,212	4,988

Council has used 2009 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 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		497	215
Sewerage Services		102	126
Total User Charges		599	341
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Regulatory/ Statutory Fees		110	92
Total Fees & Charges - Statutory/Regulatory		110	92
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Aerodrome		11	11
Caravan Park		9	6
Cemeteries		54	54
Lease Rentals		16	15
Library & Art Gallery		3	3
Private Works		125	153
Quarry Revenues		1,970	763
Recreational Grounds Fees		18	18
RMS (formerly RTA) Charges (State Roads not controlled by Council)		2,458	2,922
Saleyards		100	89
Sundry Sales		24	26
Swimming Centres		42	31
Water Connection Fees		6	-
Other		52	53
Total Fees & Charges - Other		4,888	4,144
TOTAL USER CHARGES & FEES		5,597	4,577

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		63	70
- Interest earned on Investments (interest & coupon payment income)		732	872
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>795</u>	<u>942</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		55	70
General Council Cash & Investments		419	509
Restricted Investments/Funds - External:			
Water Fund Operations		197	232
Sewerage Fund Operations		124	131
<u>Total Interest & Investment Revenue Recognised</u>		<u>795</u>	<u>942</u>
(d) Other Revenues			
Farming Income		8	163
Commissions & Agency Fees		87	79
Energy Rebate		55	72
Insurance Rebate		57	98
Recycling Income (non domestic)		16	12
Reimbursement - Bushfire		278	320
Sales - General		19	12
Other		5	-
<u>TOTAL OTHER REVENUE</u>		<u>525</u>	<u>756</u>

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance	3,115	3,963	-	-
Pensioners' Rates Subsidies - General Component	28	25	-	-
Total General Purpose	3,143	3,988	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	14	10	-	-
- Sewerage	14	12	-	-
- Domestic Waste Management	19	17	-	-
Water Supplies	-	30	1,900	28
Child Care	20	29	-	-
Community Care	93	21	-	-
Employment & Training Programs	-	30	-	-
Environmental Protection	13	172	-	-
Flood Restoration	-	1,628	-	-
Library	115	26	-	-
NSW Rural Fire Services	26	-	-	-
Recreation & Culture	21	18	-	-
Street Lighting	31	31	-	-
Tourist Area Promotion	29	55	-	-
Transport (Roads to Recovery)	699	-	-	743
Other	-	17	-	-
Total Specific Purpose	1,094	2,096	1,900	771
Total Grants	4,237	6,084	1,900	771
Grant Revenue is attributable to:				
- Commonwealth Funding	3,163	3,997	1,900	771
- State Funding	942	2,087	-	-
	4,237	6,084	1,900	771
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
Nil				
Other Contributions:				
RMS Contributions (Regional Roads, Block Grant)	1,199	1,751	-	-
Total Other Contributions	1,199	1,751	-	-
Total Contributions	1,199	1,751	-	-
TOTAL GRANTS & CONTRIBUTIONS	5,436	7,835	1,900	771

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2013	Actual 2012
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	272	349
add: Grants & contributions recognised in the current period but not yet spent:	373	58
less: Grants & contributions recognised in a previous reporting period now spent:	(200)	(135)
Net Increase (Decrease) in Restricted Assets during the Period	173	(77)
Unexpended and held as Restricted Assets	445	272
Comprising Specific Purpose Unexpended Grants	445	272
	445	272

Note 4. Expenses from Continuing Operations

(a) Employee Benefits & On-Costs

Salaries and Wages	5,297	4,962
Travelling	154	127
Employee Leave Entitlements (ELE)	648	832
Superannuation	637	566
Workers' Compensation Insurance	170	177
Fringe Benefit Tax (FBT)	14	22
Training Costs (other than Salaries & Wages)	87	106
Protective Clothing	-	34
Other	52	40
Total Employee Costs	7,058	6,866
less: Capitalised Costs	(83)	(172)
TOTAL EMPLOYEE COSTS EXPENSED	6,976	6,694

Number of "Equivalent Full Time" Employees at year end	106	102
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(b) Borrowing Costs**(i) Interest Bearing Liability Costs**

Interest on Loans	6	7
Total Interest Bearing Liability Costs Expensed	6	7

(ii) Other Borrowing Costs

Nil

TOTAL BORROWING COSTS EXPENSED	6	7
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Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		2,990	3,783
Contractor & Consultancy Costs			
- Roadmarking Services		161	196
- External Plant Hire		83	1,067
- Waste Management		238	181
- Planning		57	89
- Rangers		-	17
- Administration		129	92
- Building		21	23
- Other		396	363
Auditors Remuneration ⁽¹⁾		29	27
Legal Expenses:			
- Legal Expenses: Other		27	8
TOTAL MATERIALS & CONTRACTS		4,131	5,846

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	29	27
Remuneration for audit and other assurance services	29	27

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	1,019	849
Office Equipment		-	-	97	75
Buildings - Non Specialised		-	-	69	79
Buildings - Specialised		-	-	332	146
Other Structures		-	-	188	220
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	2,312	2,039
- Stormwater Drainage		-	-	20	20
- Water Supply Network		-	-	235	239
- Sewerage Network		-	-	334	379
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	4,606	4,046

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		30	28
Bad & Doubtful Debts		20	50
Bank Charges		10	10
Commission		22	22
Contributions/Levies to Other Levels of Government		528	506
Councillor Expenses - Mayoral Fee		16	15
Councillor Expenses - Councillors' Fees		61	70
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		7	3
Donations, Contributions & Assistance to other organisations (Section 356)		56	34
Election Expenses		26	-
Electricity & Heating		281	186
Farming Costs		5	52
Fuels and Oils		452	491
Insurance		269	252
Postage		15	15
Printing & Stationery		96	75
Royalties		82	34
Street Lighting		107	85
Subscriptions & Publications		61	50
Sundry		41	29
Telephone & Communications		52	55
Valuation Fees		-	20
<u>TOTAL OTHER EXPENSES</u>		<u>2,237</u>	<u>2,082</u>

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2013	Actual 2012
Property (excl. Investment Property)			
Proceeds from Disposal - Property		25	441
less: Carrying Amount of Property Assets Sold / Written Off		(8)	(695)
Net Gain/(Loss) on Disposal		17	(254)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		458	138
less: Carrying Amount of P&E Assets Sold / Written Off		(530)	(112)
Net Gain/(Loss) on Disposal		(72)	26
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(55)	(228)

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

\$ '000	Notes	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		2,260	-	1,781	-
Cash-Equivalent Assets ¹					
- Deposits at Call		2,500	-	2,250	-
- Short Term Deposits		13,500	-	15,000	-
Total Cash & Cash Equivalents		18,260	-	19,031	-
Investments (Note 6b)					
Nil					
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		18,260	-	19,031	-

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

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"

18,260	-	19,031	-
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Investments

Nil

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	2013	2013	2012	2012
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	18,260	-	19,031	-
attributable to:				
External Restrictions (refer below)	7,330	-	9,609	-
Internal Restrictions (refer below)	10,232	-	9,400	-
Unrestricted	698	-	22	-
	18,260	-	19,031	-

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

RMS (formerly RTA) Contributions (E)	39	98	-	137
Specific Purpose Unexpended Grants (F)	233	212	-	445
Water Supplies (G)	4,826	-	(2,569)	2,257
Sewerage Services (G)	4,243	-	(133)	4,110
Domestic Waste Management (G)	268	462	(349)	381
External Restrictions - Other	9,609	772	(3,051)	7,330
Total External Restrictions	9,609	772	(3,051)	7,330

E RMS Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.

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 2013

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

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	2,805	899	(1,247)	2,457
Employees Leave Entitlement	505	250	-	755
Carry Over Works	36	142	(24)	154
Deposits, Retentions & Bonds	91	-	(91)	-
Bore Baths Study	6	-	(6)	-
Caravan Park	10	130	-	140
Cemetery	20	-	-	20
Common	3	2	(5)	-
Depot Improvements	118	-	(54)	64
Development	300	269	(253)	316
Election Expenses	40	-	(26)	14
Farming	43	-	(4)	39
Financial Assistance Grant (in advance)	1,614	1,636	(1,614)	1,636
Indoor Arena Reserve	500	-	(172)	328
Industrial Land	93	-	(43)	50
Levee Reserve	1,000	500	(74)	1,426
Local Environmental Plan	70	-	-	70
Museum	6	-	-	6
Office Equipment	127	-	-	127
Premises Refurbishment	434	50	(343)	141
Quarry	406	112	-	518
Quarry Rehabilitation	70	10	-	80
Riverwalk	2	-	-	2
Road Reloaming	200	200	-	400
Road Reserve Sealed	200	200	-	400
Rural Fire Service	36	-	-	36
Saleyards	4	-	(4)	-
Showground	89	10	-	99
Single Invitation Contract	200	-	-	200
Street Lighting	10	5	-	15
Urban Streets	362	200	-	562
Aerodrome	-	50	-	50
Land Acquisition	-	85	-	85
Security Camera Reserve	-	7	-	7
Showground - Gulargambone	-	10	-	10
Stormwater Drainage	-	25	-	25
Total Internal Restrictions	9,400	4,792	(3,960)	10,232
TOTAL RESTRICTIONS	19,009	5,564	(7,011)	17,562

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		200	369	223	410
Interest & Extra Charges		14	44	16	49
User Charges & Fees		1,161	-	1,794	-
Accrued Revenues					
- Interest on Investments		84	-	126	-
Government Grants & Subsidies		2	-	709	-
Net GST Receivable		121	-	-	-
Other Debtors		53	-	89	-
Total		1,635	413	2,957	459
less: Provision for Impairment					
Rates & Annual Charges		(49)	(150)	(45)	(138)
User Charges & Fees		(47)	-	(44)	-
Total Provision for Impairment - Receivables		(96)	(150)	(89)	(138)
TOTAL NET RECEIVABLES		1,539	263	2,868	321
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		2	-	1	-
- Rates & Availability Charges		133	-	19	-
- Other		195	-	194	-
Sewerage Services					
- Specific Purpose Grants		-	-	1	-
- Rates & Availability Charges		17	-	12	-
- Other		104	-	103	-
Total External Restrictions		451	-	330	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		1,088	263	2,538	321
TOTAL NET RECEIVABLES		1,539	263	2,868	321

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 10.00% (2012 11.00%).
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 2013

Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		763	-	763	-
Stores & Materials		198	-	185	-
Trading Stock		284	-	147	-
Total Inventories		1,245	-	1,095	-
Other Assets					
Prepayments		161	-	9	-
Total Other Assets		161	-	9	-
TOTAL INVENTORIES / OTHER ASSETS		1,406	-	1,104	-
Externally Restricted Assets					
Water					
Stores & Materials		11	-	13	-
Total Water		11	-	13	-
Total Externally Restricted Assets		11	-	13	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		1,395	-	1,091	-
TOTAL INVENTORIES & OTHER ASSETS		1,406	-	1,104	-

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 8. Inventories & Other Assets (continued)

\$ '000	2013		2012	
	Current	Non Current	Current	Non Current
(i) Other Disclosures				
(a) Details for Real Estate Development				
Industrial/Commercial	763	-	763	-
Total Real Estate for Resale	763	-	763	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	763	-	763	-
Total Costs	763	-	763	-
Total Real Estate for Resale	763	-	763	-
Movements:				
Real Estate assets at beginning of the year	763	-	763	-
Total Real Estate for Resale	763	-	763	-

(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;

	2013	2012
Real Estate for Resale	697	697
	697	697

(c) Inventory Write Downs

There were no amounts recognised as an expense relating to the write down of Inventory balances held during the year.

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2012						Asset Movements during the Reporting Period						as at 30/6/2013				
	At		Accumulated		Carrying		Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At		Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value	Cost							Fair Value	Dep'n	Impairment	Value	
Plant & Equipment	-	12,480	6,933	-	5,547	1,731	(530)	(1,019)	-	-	-	-	-	-	7,091	-	5,729
Office Equipment	-	849	502	-	347	43	-	(97)	-	-	-	-	-	-	599	-	293
Land:																	
- Operational Land	-	2,380	-	-	2,380	-	(8)	-	-	(217)	-	-	-	-	-	-	2,155
- Community Land	-	1,218	-	-	1,218	-	-	-	-	-	208	-	-	-	-	-	1,426
Buildings - Non Specialised	-	3,176	2,119	-	1,057	363	-	(69)	24	-	1,163	-	-	2,461	-	2,538	
Buildings - Specialised	-	16,361	2,967	-	13,394	72	-	(332)	(445)	-	2,234	-	-	13,871	-	14,923	
Other Structures	-	8,905	3,074	-	5,831	428	-	(188)	421	-	1,739	-	-	5,262	-	8,231	
Infrastructure:																	
- Roads, Bridges, Footpaths	-	177,124	41,686	-	135,438	727	-	(2,312)	-	-	-	-	-	43,998	-	133,853	
- Stormwater Drainage	-	1,981	582	-	1,399	-	-	(20)	-	-	-	-	-	603	-	1,379	
- Water Supply Network	-	14,000	5,900	-	8,100	4,932	-	(235)	-	-	320	-	-	6,288	-	13,117	
- Sewerage Network	-	25,000	13,000	-	12,000	618	-	(334)	-	-	307	-	-	13,667	-	12,591	
TOTAL INFRASTRUCTURE	-	263,474	76,763	-	186,711	8,914	(538)	(4,606)	-	(217)	5,971	-	-	93,840	-	196,235	
PROPERTY, PLANT & EQUIP.	-	263,474	76,763	-	186,711	8,914	(538)	(4,606)	-	(217)	5,971	-	-	93,840	-	196,235	

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$1,881) and New Assets (\$5,259). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

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

\$ '000	Actual 2013				Actual 2012			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Infrastructure	-	19,405	6,288	13,117	-	14,000	5,900	8,100
Total Water Supply	-	19,405	6,288	13,117	-	14,000	5,900	8,100
Sewerage Services								
Infrastructure	-	26,258	13,667	12,591	-	25,000	13,000	12,000
Total Sewerage Services	-	26,258	13,667	12,591	-	25,000	13,000	12,000
Domestic Waste Management								
Other Structures	-	171	27	144	-	171	34	137
Total DWM	-	171	27	144	-	171	34	137
TOTAL RESTRICTED I,PP&E	-	45,834	19,982	25,852	-	39,171	18,934	20,237

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 2013

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		693	-	374	-
Goods & Services - capital expenditure		188	-	200	-
Payments Received In Advance		126	-	113	-
Accrued Expenses:					
- Borrowings		1	-	1	-
- Other Expenditure Accruals		554	-	248	-
Security Bonds, Deposits & Retentions		72	-	91	-
Total Payables		1,634	-	1,027	-
Borrowings					
Loans - Secured ¹		7	38	37	45
Total Borrowings		7	38	37	45
Provisions					
Employee Benefits;					
Annual Leave		749	-	690	-
Long Service Leave		1,044	88	1,193	108
Total Provisions		1,793	88	1,883	108
Total Payables, Borrowings & Provisions		3,434	126	2,947	153
(i) Liabilities relating to Restricted Assets					
		2013		2012	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		46	-	51	-
Sewer		44	39	12	45
Liabilities relating to externally restricted assets		90	39	63	45
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		90	39	63	45
Total Liabilities relating to Unrestricted Assets		3,344	87	2,884	108
TOTAL PAYABLES, BORROWINGS & PROVISIONS		3,434	126	2,947	153

¹ Loans are secured over the General Rating 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 2013

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

\$ '000	Actual 2013	Actual 2012
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(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	992	1,135
Payables - Security Bonds, Deposits & Retentions	12	15
	1,004	1,150

Note 10b. Description of and movements in Provisions

Class of Provision	2012		2013			Closing Balance as at 30/6/13
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	690	323	(377)	113	-	749
Long Service Leave	1,301	(87)	(167)	85	-	1,132
TOTAL	1,991	236	(544)	198	-	1,881

- 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 2013

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	18,260	19,031
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		18,260	19,031
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		1,457	972
Adjust for non cash items:			
Depreciation & Amortisation		4,606	4,046
Net Losses/(Gains) on Disposal of Assets		55	228
Share of Net (Profits) or Losses of Associates/Joint Ventures		(3)	(6)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		1,368	181
Increase/(Decrease) in Provision for Doubtful Debts		19	50
Decrease/(Increase) in Inventories		(150)	177
Decrease/(Increase) in Other Assets		(152)	2
Increase/(Decrease) in Payables		319	(247)
Increase/(Decrease) in accrued Interest Payable		-	(1)
Increase/(Decrease) in other accrued Expenses Payable		306	248
Increase/(Decrease) in Other Liabilities		(6)	61
Increase/(Decrease) in Employee Leave Entitlements		(110)	331
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		7,709	6,042
(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 ⁽¹⁾		250	250
Credit Cards / Purchase Cards		20	20
Total Financing Arrangements		270	270

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 Rate Revenue only.

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
(a) Capital Commitments (exclusive of GST)			
Property, Plant & Equipment			
Plant & Equipment		345	816
Rehabilitation of Sewer Mains		-	556
Other Structures		100	-
Total Commitments		445	1,372
These expenditures are payable as follows:			
Within the next year		445	1,372
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
Total Payable		445	1,372
Sources for Funding of Capital Commitments:			
Unexpended Grants		30	-
Externally Restricted Reserves		-	556
Internally Restricted Reserves		415	816
Total Sources of Funding		445	1,372

(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	28	28
Later than one year and not later than 5 years	38	66
Later than 5 years	-	-
Total Non Cancellable Operating Lease Commitments	66	94

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 2013

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

\$ '000	Amounts	Indicator	Prior Periods	
	2013	2013	2012	2011
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>12,716</u>	5.43 : 1	7.09	6.80
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>2,340</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>43</u>	0.28%	0.28%	0.30%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	<u>15,275</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>5,212</u>	26.77%	25.10%	25.04%
Income from Continuing Operations	<u>19,468</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>428</u>	7.39%	9.40%	8.00%
Rates, Annual & Extra Charges Collectible	<u>5,790</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>1,881</u>	53.90%	56.65%	53.93%
Depreciation, Amortisation & Impairment	<u>3,490</u>			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

⁽⁴⁾ 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 and infrastructure assets only.

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

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

\$ '000	Water 2013	Sewer 2013	General ¹ 2013
Local Government Industry Indicators - by Fund			
1. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽¹⁾	56.48 : 1	95.61 : 1	5.43 : 1
Current Liabilities less Specific Purpose Liabilities ^(2,3)			
prior period:	99.08 : 1	363.25 : 1	7.08 : 1
2. Debt Service Ratio			
Debt Service Cost	0.00%	0.00%	0.32%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)			
prior period:	0.00%	1.34%	0.23%
3. Rates & Annual Charges Coverage Ratio			
Rates & Annual Charges	6.95%	68.50%	28.31%
Income from Continuing Operations			
prior period:	25.74%	64.04%	23.49%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
Rates, Annual & Extra Charges Outstanding	66.23%	3.26%	5.49%
Rates, Annual & Extra Charges Collectible			
prior period:	10.22%	2.51%	10.05%
5. Building & Infrastructure Renewals Ratio			
Asset Renewals (Building & Infrastructure assets)	30.21%	166.77%	45.85%
Depreciation, Amortisation & Impairment			
prior period:	0.00%	0.00%	71.98%

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

Coonamble Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	18,260	19,031	18,260	19,031
Receivables	1,802	3,189	1,802	3,189
Total Financial Assets	20,062	22,220	20,062	22,220
Financial Liabilities				
Payables	1,508	914	1,508	914
Loans / Advances	45	82	45	82
Total Financial Liabilities	1,553	996	1,553	996

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.

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

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

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

Council manages these risks (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
2013				
Possible impact of a 1% movement in Interest Rates	158	158	158	158
2012				
Possible impact of a 1% movement in Interest Rates	172	172	172	172

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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:

	2013	2013	2012	2012
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	569	1,142	633	2,269
Past due between 31 and 180 days	-	105	-	192
Past due between 181 and 365 days	-	120	-	210
Past due by more than 1 year	-	112	-	112
	569	1,479	633	2,783
(ii) Movement in Provision for Impairment of Receivables			2013	2012
Balance at the beginning of the year			227	177
+ new provisions recognised during the year			19	50
Balance at the end of the year			246	227

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

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 Liquidity 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		
2013									
Trade/Other Payables	72	7	8	8	9	9	5	117	1,508
Loans & Advances	-	-	-	-	-	-	-	-	45
Total Financial Liabilities	72	7	8	8	9	9	5	117	1,553
2012									
Trade/Other Payables	91	959	-	-	-	-	-	1,050	914
Loans & Advances	-	37	7	8	16	9	5	82	82
Total Financial Liabilities	91	996	7	8	16	9	5	1,132	996

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:

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	1,508	0.0%	914	0.0%
Loans & Advances - Fixed Interest Rate	45	7.3%	82	7.3%
	<u>1,553</u>		<u>996</u>	

Coonamble Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 13 June 2013.

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	2013 Budget	2013 Actual	2013 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	5,258	5,212	(46)	(1%)	U
User Charges & Fees	4,572	5,597	1,025	22%	F
Increased in unbudgeted revenue due to additional revenue being generated through Council's Quarry operations and Council's user pays charges for Water.					
Interest & Investment Revenue	938	795	(143)	(15%)	U
Continued adverse Market pressures resulted in a lower than anticipated result.					
Other Revenues	509	525	16	3%	F
Operating Grants & Contributions	4,637	5,436	799	17%	F
Council was unscussefull in obtaing Budgeted Grant Funds in particular the Repair Program Grant.					
Capital Grants & Contributions	2,885	1,900	(985)	(34%)	U
Share of Net Profits - Joint Ventures & Associates	-	3	3	0%	F

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	6,794	6,976	(182)	(3%)	U
Borrowing Costs	7	6	1	7%	F
Materials & Contracts	4,604	4,131	473	10%	F
Council was un-successful in obtaining several grant funded works included in its original budget.					
Depreciation & Amortisation	5,173	4,606	567	11%	F
Council re-valued several of its major asset classes through the year and this process affected the level of Depreciation expense incurred through the year.					
Other Expenses	2,000	2,237	(237)	(12%)	U
Increase in operational costs such, as Electricity charges exceeded the planned budgeted increase.					
Net Losses from Disposal of Assets	-	55	(55)	0%	U

Budget Variations relating to Council's Cash Flow Statement include:

Cash Flows from Operating Activities	5,788	7,709	1,920	33.2%	F
Major Capital Works / Replacement of existing infrastructure was delayed through the 2012-13 Financial Year.					
Cash Flows from Investing Activities	(8,550)	(8,443)	107	(1.2%)	F
Cash Flows from Financing Activities	(37)	(37)	0	(0.1%)	F

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 2013

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 its 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 Council's 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 2013

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

Restrictions imposed by Council

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 2013

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '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;

Joint Venture Entities

Note 19(a)

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself.

Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

Accounting Recognition:

(i) **Subsidiaries disclosed under Note 19(a), and Joint Venture 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) **Associated Entities and Joint Venture Entities 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 2013	Actual 2012	Actual 2013	Actual 2012
Associated Entities	-	-	-	-
Joint Venture Entities	3	6	70	67
Total	3	6	70	67

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

(a) Joint Venture Entities

(a) Carrying Amounts

Name of Entity	Principal Activity	2013	2012
Northern Western Library Service	Provision of Library Services	70	67
Total Carrying Amounts - Joint Venture Entities		70	67

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2013	2012	2013	2012	2013	2012
Northern Western Library Service	25%	25%	25%	25%	25%	25%

(c) Movement in Carrying Amounts

	Northern Western Library Service	
	2013	2012
Opening Balance	67	61
Share in Operating Result	3	6
Council's Equity Share in the Joint Venture Entity	70	67

(d) Share of Joint Ventures Assets & Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
2013					
Northern Western Library Service	19	51	-	-	70
Totals	19	51	-	-	70
2012					
Northern Western Library Service	13	54	-	-	67
Totals	13	54	-	-	67

(e) Share of Joint Ventures Revenues, Expenses & Results

	2013			2012		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Northern Western Library Service	60	57	3	55	49	6
Totals	60	57	3	55	49	6

(f) Contingent Liabilities of Joint Venture Entities

	2013	2012
Share of Contingent Liabilities incurred jointly with other Participants	25	25%
Share of Contingent Liabilities for which Council is severally liable	25	25%

No material losses are anticipated in respect of any of the above contingent liabilities

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		158,388	148,479
a. Correction of Prior Period Errors	20 (c)	-	8,937
b. Net Operating Result for the Year		1,457	972
Balance at End of the Reporting Period		159,845	158,388

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

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		54,368	48,614
Total		54,368	48,614

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		48,614	46,492
- Revaluations for the year	9(a)	5,754	2,122
- Balance at End of Year		54,368	48,614
TOTAL VALUE OF RESERVES		54,368	48,614

(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.

(c) Correction of Error/s relating to a Previous Reporting Period**Correction of errors disclosed in this year's financial statements:**

As part of Council's transition to measuring all its I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values.

As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual.

This reassessment has resulted in a material difference as to where some assets actually sit in relation to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.

(continued on the next page...)

Coonamble Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
---------	-------	----------------	----------------

(c) Correction of Error/s relating to a Previous Reporting Period (continued)

Council does not have sufficient and reliable information that will allow the restatement of information prior to 30/6/12 (the closing date for the comparative figures in this report).

As a result, Council has adjusted the accumulated depreciation for the following asset classes as at 30/6/12 to reflect the correct value of accumulated depreciation;

Specialised Buildings (increase) to accumulated depreciation
 Non Specialised Buildings decrease to accumulated depreciation
 Other Structures (increase) to accumulated depreciation

Correction of errors as disclosed in last year's financial statements:

Council revalued the following asset classes for the 11/12 Year End:

- Water Asset Class
- Sewerage Asset Class

This reassessment resulted in a material difference as to where some assets actually sat in with respect to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.

Council did not have sufficient and reliable information that would allow the restatement of information prior to 30/6/11 (the closing date for the comparative figures in last year's report).

As a result, Council adjusted the accumulated depreciation for the Asset Classes below as at 30/6/11 to reflect the correct value of accumulated depreciation;

- Water Asset Class (increase)/decrease to accumulated depreciation	3,058
- Sewerage Asset Class (increase)/decrease to accumulated depreciation	5,879

This adjustment resulted in a net increase / (decrease) in Council's Accumulated Surplus as at 30/6/11.

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

- Adjustments to Closing Equity - 30/6/12 (relating to adjustments for the 30/6/12 year end)	-	8,937
Total Prior Period Adjustments - Prior Period Errors	-	8,937

(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 2013

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
<u>Continuing Operations</u>	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	197	522	4,493
User Charges & Fees	503	102	4,992
Interest & Investment Revenue	197	124	474
Other Revenues	23	-	502
Grants & Contributions provided for Operating Purposes	14	14	5,408
Grants & Contributions provided for Capital Purposes	1,900	-	-
Other Income			
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	3
Total Income from Continuing Operations	2,834	762	15,872
Expenses from Continuing Operations			
Employee Benefits & on-costs	117	133	6,726
Borrowing Costs	-	3	3
Materials & Contracts	246	266	3,619
Depreciation & Amortisation	235	334	4,037
Other Expenses	-	-	2,237
Net Losses from the Disposal of Assets	-	-	55
Total Expenses from Continuing Operations	598	736	16,677
Operating Result from Continuing Operations	2,236	26	(805)
<u>Discontinued Operations</u>			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	2,236	26	(805)
Net Operating Result attributable to each Council Fund	2,236	26	(805)
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	336	26	(805)

¹ 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 2013

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

Statement of Financial Position by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
	Water	Sewer	General ¹
ASSETS			
Current Assets			
Cash & Cash Equivalents	2,246	4,006	12,008
Investments	-	-	-
Receivables	330	120	1,089
Inventories	11	-	1,234
Other	-	-	161
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	2,587	4,126	14,492
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	263
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	13,117	12,591	170,527
Investments Accounted for using the equity method	-	-	70
Investment Property	-	-	-
Intangible Assets	-	-	-
Total Non-Current Assets	13,117	12,591	170,860
TOTAL ASSETS	15,704	16,717	185,352
LIABILITIES			
Current Liabilities			
Payables	46	37	1,551
Borrowings	-	7	-
Provisions	-	-	1,793
Total Current Liabilities	46	44	3,344
Non-Current Liabilities			
Payables	-	-	-
Borrowings	-	38	-
Provisions	-	-	88
Total Non-Current Liabilities	-	38	88
TOTAL LIABILITIES	46	82	3,432
Net Assets	15,658	16,635	181,920
EQUITY			
Retained Earnings	13,837	12,097	133,911
Revaluation Reserves	1,821	4,538	48,009
Total Equity	15,658	16,635	181,920

¹ 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 & payables between the Funds.

Coonamble Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000

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

Note 23. Events occurring after the Reporting Period

Events that occur between the end of the reporting period (ending 30 June 2013) 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 31/10/13.

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 2013.

(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 2013 and which are only indicative of conditions that arose after 30 June 2013.

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

Note 24. Discontinued Operations

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

Note 25. Intangible Assets

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

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 2013

Note 27. Council Information & Contact Details

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: coonamble@coonambleshire.nsw.gov.au

Officers

GENERAL MANAGER

Rick Warren

RESPONSIBLE ACCOUNTING OFFICER

Bruce Quarmby

PUBLIC OFFICER

Bruce Quarmby

AUDITORS

Hill Rogers Spencer Steer
Level 5, 1 Chiffley Square
Sydney NSW 2000

Elected Members

MAYOR

Tom Cullen

COUNCILLORS

Tim Horan
Michael Webb
Allan Karanouh
Donald Schieb
Tom Cullen
Jack Canham
Barbara O'Brien

Other Information

ABN: 19 499 848 443

Hill Rogers
Spencer Steer

COONAMBLE SHIRE COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

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 2013, 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. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

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 31st day of October 2013

31 October 2013

The Mayor
Coonamble Shire Council
PO Box 249
COONAMBLE NSW 2829

Mayor,

Audit Report - Year Ended 30 June 2013

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2013 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 accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) 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

1.1 Operating Result

The operating result for the year was a surplus of \$1.457 million as compared with \$972,000 in the previous year.

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Steer Assurance Partners

ABN 56 435 338 966

Hill Rogers
Spencer Steer

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

	2013 \$'000	% of Total	2012 \$'000	% of Total	Increase (Decrease) \$'000
Revenues before capital items					
Rates & annual charges	5,212	30%	4,988	26%	224
User charges, fees & other revenues	6,125	35%	5,339	28%	786
Grants & contributions provided for operating purposes	5,436	31%	7,835	41%	(2,399)
Interest & investment revenue	795	5%	942	5%	(147)
	17,568	100%	19,104	100%	(1,536)
Expenses					
Employee benefits & costs	6,976	39%	6,694	35%	282
Materials, contracts & other expenses	6,423	36%	8,156	43%	(1,733)
Depreciation, amortisation & impairment	4,606	26%	4,046	21%	560
Borrowing costs	6	0%	7	0%	(1)
	18,011	100%	18,903	100%	(892)
Surplus/(Deficit) before capital items	(443)		201		(644)
Grants & contributions provided for capital purposes	1,900		771		1,129
Net Surplus/(Deficit) for the year	1,457		972		485

The above table shows an overall increase from the previous year of \$485,000 and is mainly attributable to the receipt of additional capital grants for water supplies.

1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.

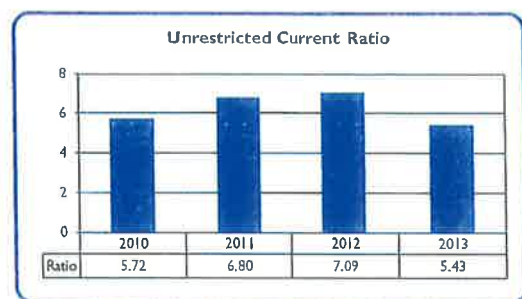
	2013 \$'000	2012 \$'000
<i>Funds were provided by:-</i>		
Operating Result (as above)	1,457	972
Add back non funding items:-		
- Depreciation, amortisation & impairment	4,606	4,046
- Book value of non current assets sold	538	807
- (Surplus)/Deficit in joint ventures	(3)	(6)
Transfers from externally restricted assets (net)	2,187	0
Net Changes in current/non current assets & liabilities	0	288
	8,785	6,107
<i>Funds were applied to:-</i>		
Purchase and construction of assets	(8,914)	(3,241)
Principal repaid on loans	(37)	(35)
Transfers to externally restricted assets (net)	0	(1,382)
Transfers to internal reserves (net)	(832)	(2,126)
Net Changes in current/non current assets & liabilities	(5)	0
	(9,788)	(6,784)
Increase/(Decrease) in Available Working Capital	(1,003)	(677)

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 \$10.376 million representing a factor of 5.43 to 1.



2.2 Available Working Capital – (Working Funds)

A more meaningful financial indicator specific to local government is the level of **Available Working Capital**. Net Current Assets are adjusted by eliminating both external and internal reserves held for future purposes.

At the close of the year the Available Working Capital of Council stood at \$1.012 million as detailed below;

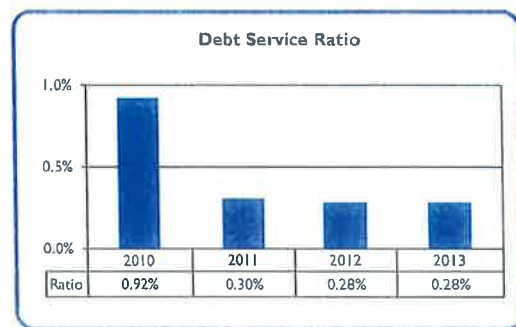
	2013	2012	Change
	\$'000	\$'000	\$'000
Net Current Assets (Working Capital) as per Accounts	17,771	20,056	(2,285)
Add: Payables, provisions & inventories not expected to be realised in the next 12 months included above	307	387	(80)
Adjusted Net Current Assets	18,078	20,443	(2,365)
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	7	37	(30)
- Employees leave entitlements	801	748	53
- Deposits & retention moneys	60	76	(16)
Less: Externally restricted assets	(7,702)	(9,889)	2,187
Less: Internally restricted assets	(10,232)	(9,400)	(832)
Available Working Capital as at 30 June	1,012	2,015	(1,003)

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 we are of the opinion that Available Working Capital as at 30 June 2013 was satisfactory.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (loan repayments) was 0.28%.

Total debt at 30 June 2013 amounted to \$45,000.



2.4 Summary

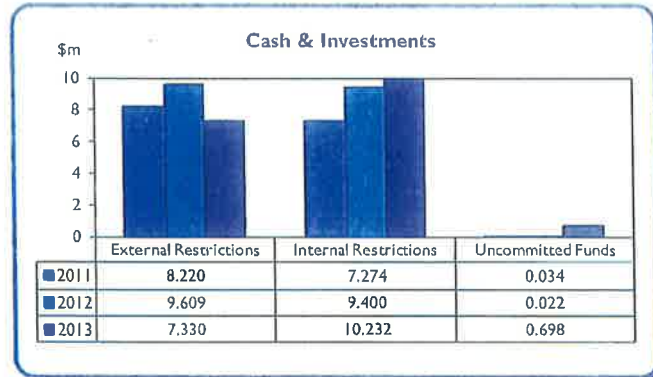
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$18.26 million as compared with \$19.031 million and \$15.528 million at the close of financial years 2012 and 2011 respectively.

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



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended grant funding (\$582,000), domestic waste management charges (\$381,000) and water and sewerage funds (\$6.367 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 \$10.232 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$698,000.

3.2 Cash Flows

The Statement of Cash Flows illustrates the flow of cash illustrating the flow of cash moving in and out of Council during the year and reveals that cash decreased by \$771,000 to \$18.26 million at the close of the year. In addition to operating activities which contributed net cash of \$7.709 million were the proceeds from the sale of assets (\$483,000). Cash outflows other than operating activities were used to repay loans (\$37,000) and to purchase and construct assets (\$8.926 million).

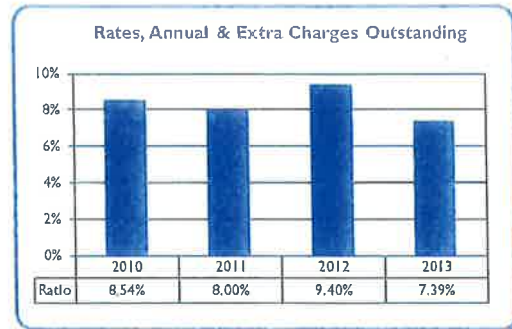
4. RECEIVABLES

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

Net rates and annual charges levied during the year totalled \$5.212 million and represented 26.77% of Council's total revenues. Including arrears, the total rates and annual charges collectible was \$5.662 million of which \$5.292 million (93.47%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$428,000 at the end of the year and represented 7.39% of those receivables.



4.3 Other Receivables

Receivables (other than rates, annual & extra charges) totalled \$1.421 million and mainly consisted of user charges. Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$47,000.

5. PAYABLES

5.1 Employees Leave Entitlements

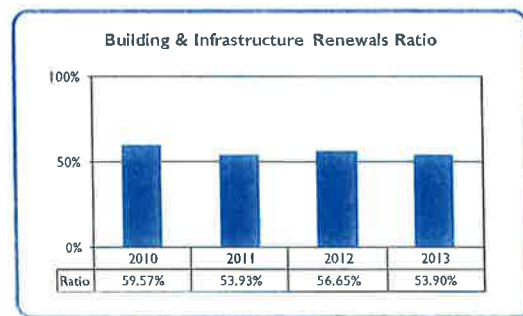
Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.881 million.

A cash reserve of \$755,000 was held at year end representing 40.14% of this liability and was, in our opinion, sufficient to enable Council 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.

The ratio indicates that asset renewals for 2013 represented 54% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



Hill Rogers
Spencer Steer

7. MANAGEMENT LETTER

A letter was issued to management on 30 April 2013 addressing the findings from our interim audit and included our suggestions on possible ways to strengthen and/or improve procedures.

8. 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 2013

“Coonamble on the Castlereagh”



Coonamble Shire Council

Special Purpose Financial Statements for the financial year ended 30 June 2013

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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 2013

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 14 August 2013.



Tom Cullen
MAYOR



Michael Webb
COUNCILLOR



Rick Warren
GENERAL MANAGER



Bruce Quarmby
RESPONSIBLE ACCOUNTING OFFICER

Coonamble Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	197	182
User charges	497	214
Fees	6	-
Interest	197	232
Grants and contributions provided for non capital purposes	14	40
Other income	23	11
Total income from continuing operations	934	679
Expenses from continuing operations		
Employee benefits and on-costs	117	173
Materials and contracts	246	233
Depreciation and impairment	235	239
Other expenses	-	18
Total expenses from continuing operations	598	663
Surplus (deficit) from Continuing Operations before capital amounts	336	16
Grants and contributions provided for capital purposes	1,900	28
Surplus (deficit) from Continuing Operations after capital amounts	2,236	44
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	2,236	44
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(101)	(5)
SURPLUS (DEFICIT) AFTER TAX	2,135	39
plus Opening Retained Profits	11,601	8,499
plus/less: Prior Period Adjustments	-	3,058
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	101	5
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	13,837	11,601
Return on Capital %	2.6%	0.2%
Subsidy from Council	159	229
Calculation of dividend payable:		
Surplus (deficit) after tax	2,135	39
less: Capital grants and contributions (excluding developer contributions)	(1,900)	(28)
Surplus for dividend calculation purposes	235	11
Potential Dividend calculated from surplus	118	6

Coonamble Shire Council

Income Statement of Council's Sewerage Business Activity
for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	522	479
User charges	102	120
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	124	131
Grants and contributions provided for non capital purposes	14	10
Profit from the sale of assets	-	-
Other income	-	8
Total income from continuing operations	762	748
Expenses from continuing operations		
Employee benefits and on-costs	133	205
Borrowing costs	3	4
Materials and contracts	266	218
Depreciation and impairment	334	379
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	3
Total expenses from continuing operations	736	809
Surplus (deficit) from Continuing Operations before capital amounts	26	(61)
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	26	(61)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	26	(61)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(8)	-
SURPLUS (DEFICIT) AFTER TAX	18	(61)
plus Opening Retained Profits	12,071	6,253
plus/less: Prior Period Adjustments	-	5,879
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	8	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	12,097	12,071
Return on Capital %	0.2%	-0.5%
Subsidy from Council	446	421
Calculation of dividend payable:		
Surplus (deficit) after tax	18	(61)
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	18	-
Potential Dividend calculated from surplus	9	-

Coonamble Shire Council

Income Statement of Council's Other Business Activities
for the financial year ended 30 June 2013

	Quarry	
	Category 2	
\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	-	-
User charges	1,970	1,690
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	-	-
Total income from continuing operations	1,970	1,690
Expenses from continuing operations		
Employee benefits and on-costs	332	257
Borrowing costs	-	-
Materials and contracts	855	939
Depreciation and impairment	112	78
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
Total expenses from continuing operations	1,299	1,274
Surplus (deficit) from Continuing Operations before capital amounts	671	416
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	671	416
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	671	416
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(201)	(125)
SURPLUS (DEFICIT) AFTER TAX	470	291
plus Opening Retained Profits	3,244	2,828
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	201	125
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	3,915	3,244
Return on Capital %	30.6%	38.7%
Subsidy from Council	-	-

Coonamble Shire Council

Statement of Financial Position - Council's Water Supply Business Activity
as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	2,246	4,826
Investments	-	-
Receivables	330	214
Inventories	11	13
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	2,587	5,053
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	13,117	8,100
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	13,117	8,100
TOTAL ASSETS	15,704	13,153
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	46	51
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	46	51
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	46	51
NET ASSETS	15,658	13,102
EQUITY		
Retained earnings	13,837	11,601
Revaluation reserves	1,821	1,501
Council equity interest	15,658	13,102
Non-controlling interest	-	-
TOTAL EQUITY	15,658	13,102

Coonamble Shire Council

Statement of Financial Position - Council's Sewerage Business Activity
as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	4,006	4,243
Investments	-	-
Receivables	120	116
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	4,126	4,359
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	12,591	12,000
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	12,591	12,000
TOTAL ASSETS	16,717	16,359
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	37	5
Interest bearing liabilities	7	7
Provisions	-	-
Total Current Liabilities	44	12
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	38	45
Provisions	-	-
Total Non-Current Liabilities	38	45
TOTAL LIABILITIES	82	57
NET ASSETS	16,635	16,302
EQUITY		
Retained earnings	12,097	12,071
Revaluation reserves	4,538	4,231
Council equity interest	16,635	16,302
Non-controlling equity interest	-	-
TOTAL EQUITY	16,635	16,302

Coonamble Shire Council

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

\$ '000	Quarry	
	Category 2	
	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	2,455	2,053
Investments	-	-
Receivables	158	110
Inventories	284	132
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	2,897	2,295
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	2,196	1,076
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	2,196	1,076
TOTAL ASSETS	5,093	3,371
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	100	10
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	100	10
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	100	10
NET ASSETS	4,993	3,361
EQUITY		
Retained earnings	3,915	3,244
Revaluation reserves	1,078	117
Council equity interest	4,993	3,361
Non-controlling equity interest	-	-
TOTAL EQUITY	4,993	3,361

Coonamble Shire Council

Special Purpose Financial Statements for the financial year ended 30 June 2013

Contents of the Notes accompanying the Financial Statements

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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 2013

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division 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 Division 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 2013

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 **\$406,000** of combined land values attracts **0%**. From \$406,001 to \$2,482,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,482,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$689,000.

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 2013

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 3.77% at 30/6/13.

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 2013 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 2013

Note 2. Water Supply Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated)

2013

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="117,600"/>
(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 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	<input type="text" value="304,500"/>

2013 Surplus	235,200	2012 Surplus	11,200	2011 Surplus	58,100
		2012 Dividend	-	2011 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	<input type="text" value="-"/>
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	<input type="text"/>

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 2013

Note 2. Water Supply Business

Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	791
NWI F4	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)]	%	72.58%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	13,117
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	442
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	4,932
NWI F17	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)]	%	0.87%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	1,900

- 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 2013

Note 3. Sewerage Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

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="8,073"/>
(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="9,100"/>
(ii) No. of assessments x (\$30 less tax equivalent charges per assessment)	<input type="text" value="80,730"/>
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	<input type="text" value="(174,800)"/>

2013 Surplus	<input type="text" value="18,200"/>	2012 Surplus	<input type="text" value="(61,000)"/>	2011 Surplus	<input type="text" value="(132,000)"/>
		2012 Dividend	<input type="text" value="-"/>	2011 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 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)	<input type="text" value=""/>
(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]	<input type="text" value=""/>
Complying charges (a) Residential [Item 2(c) in Table 1]	<input type="text" value=""/>
(b) Non Residential [Item 2(c) in Table 1]	<input type="text" value=""/>
(c) Trade Waste [Item 2(d) in Table 1]	<input type="text" value=""/>
DSP with Commercial Developer Charges [Item 2(e) in Table 1]	<input type="text" value=""/>
Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	<input type="text" value=""/>
(iii) Complete Performance Reporting Form (by 15 September each year)	<input type="text" value=""/>
(iv) a. Integrated Water Cycle Management Evaluation	<input type="text" value=""/>
b. Complete and implement Integrated Water Cycle Management Strategy	<input type="text" value=""/>

Coonamble Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013

Note 3. Sewerage Business

Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

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	661
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	12,591
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	456
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	-
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)]	%	-1.03%
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	1,452
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.92%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	4,932
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)]	%	-0.06%
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 2013

Note 3. Sewerage Business

Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)

NWI F22	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]	%	-19.50%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): 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: Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		-
NWI F24	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	339
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	28

Notes: 1. References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.

2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

Hill Rogers
Spencer Steer

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 2013, 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 Division 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.

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 Division 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 31st day of October 2013

Coonamble Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

“Coonamble on the Castlereagh”



Coonamble Shire Council

Special Schedules

for the financial year ended 30 June 2013

Contents		Page
Special Schedules¹		
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- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	5
- Special Schedule No. 3	Water Supply - Income Statement	6
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¹ Special Purpose Schedules are not audited.

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,
 - the Department of Environment, Climate Change and Water, and
 - the Division of Local Government (DLG).
- (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 2013

\$'000				
Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Governance	165	-	-	(165)
Administration	3,639	330	-	(3,309)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	432	26	-	(406)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	120	20	-	(100)
Other	13	-	-	(13)
Total Public Order & Safety	565	46	-	(519)
Health	250	2	-	(248)
Environment				
Noxious Plants and Insect/Vermin Control	93	-	-	(93)
Other Environmental Protection	26	14	-	(12)
Solid Waste Management	361	479	-	118
Street Cleaning	329	-	-	(329)
Drainage	20	-	-	(20)
Stormwater Management	4	-	-	(4)
Total Environment	833	493	-	(340)
Community Services and Education				
Administration & Education	3	-	-	(3)
Social Protection (Welfare)	187	93	-	(94)
Aged Persons and Disabled	13	-	-	(13)
Children's Services	34	24	-	(10)
Total Community Services & Education	237	117	-	(120)
Housing and Community Amenities				
Public Cemeteries	65	55	-	(10)
Public Conveniences	27	-	-	(27)
Street Lighting	108	31	-	(77)
Town Planning	21	61	-	40
Other Community Amenities	94	43	-	(51)
Total Housing and Community Amenities	315	190	-	(125)
Water Supplies	693	984	1,900	2,191
Sewerage Services	790	838	-	48

Coonamble Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)
 for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Recreation and Culture				
Public Libraries	236	118	-	(118)
Museums	26	1	-	(25)
Art Galleries	-	-	-	-
Community Centres and Halls	63	-	-	(63)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	24	-	-	(24)
Sporting Grounds and Venues	480	18	-	(462)
Swimming Pools	530	42	-	(488)
Parks & Gardens (Lakes)	379	-	-	(379)
Other Sport and Recreation	20	-	-	(20)
Total Recreation and Culture	1,758	179	-	(1,579)
Fuel & Energy	-	-	-	-
Agriculture	10	7	-	(3)
Mining, Manufacturing and Construction				
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	746	1,970	-	1,224
Total Mining, Manufacturing and Const.	746	1,970	-	1,224
Transport and Communication				
Urban Roads (UR) - Local	441	-	-	(441)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	1,209	567	-	(642)
Sealed Rural Roads (SRR) - Regional	2,077	1,299	-	(778)
Unsealed Rural Roads (URR) - Local	710	-	-	(710)
Unsealed Rural Roads (URR) - Regional	64	-	-	(64)
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	92	-	-	(92)
Bridges on URR - Local	26	-	-	(26)
Bridges on Regional Roads	61	-	-	(61)
Parking Areas	3	-	-	(3)
Footpaths	235	-	-	(235)
Aerodromes	83	11	-	(72)
Other Transport & Communication	2,223	2,590	-	367
Total Transport and Communication	7,224	4,467	-	(2,757)
Economic Affairs				
Camping Areas & Caravan Parks	11	9	-	(2)
Other Economic Affairs	775	260	-	(515)
Total Economic Affairs	786	269	-	(517)
Totals – Functions	18,011	9,892	1,900	(6,219)
General Purpose Revenues⁽²⁾		7,673		7,673
Share of interests - joint ventures & associates using the equity method	-	3		3
NET OPERATING RESULT⁽¹⁾	18,011	17,568	1,900	1,457

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Coonamble Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)
for the financial year ended 30 June 2013

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		From Revenue	Sinking Funds			Current	Non Current
Loans (by Source)									
Commonwealth Government	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-
Financial Institutions	37	45	82	37	-	-	6	7	38
Other	-	-	-	-	-	-	-	-	-
Total Loans	37	45	82	37	-	-	6	7	38
Other Long Term Debt									
Ratepayers Advances	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-
Total Debt	37	45	82	37	-	-	6	7	38

Notes: Excludes (i) Internal Loans & (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 2013

\$'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 Water Sewer Domestic Waste Management Gas Other	1,600	281	524
Totals	1,600	281	524

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 Fund	Coonamble Sewer Fund	05/02/09	30/06/09	7	30/06/16	6.00%	1,600	281	524
Totals							1,600	281	524

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 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	61	61
b. Engineering and Supervision	43	60
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	-	-
d. Maintenance expenses	107	87
- Reservoirs		
e. Operation expenses	-	-
f. Maintenance expenses	37	28
- Pumping Stations		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	91	58
i. Maintenance expenses	68	49
- Treatment		
j. Operation expenses (excluding chemical costs)	-	-
k. Chemical costs	-	-
l. Maintenance expenses	-	-
- Other		
m. Operation expenses	23	29
n. Maintenance expenses	13	34
o. Purchase of water	-	-
3. Depreciation expenses		
a. System assets	235	239
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	16	18
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	-	-
5. Total expenses	693	663

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 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges		
a. Access (including rates)	205	189
b. Usage charges	543	260
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Extra charges	4	4
9. Interest income	193	228
10. Other income	26	11
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	1,900	28
b. Grants for pensioner rebates	14	10
c. Other grants	-	30
12. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
13. Total income	<u>2,884</u>	<u>760</u>
14. Gain (or loss) on disposal of assets	-	-
15. Operating Result	<u>2,191</u>	<u>97</u>
15a. Operating Result (less grants for acquisition of assets)	291	69

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 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	4,805	324
c. Renewals	127	37
d. Plant and equipment	-	-
17. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	4,932	361
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	-	-
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	1,291	1,294
b. Residential (unoccupied, ie. vacant lot)	125	148
c. Non-residential (occupied)	191	214
d. Non-residential (unoccupied, ie. vacant lot)	54	3
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount of pensioner rebates (actual dollars)	\$ 14,321	\$ 10,074

Coonamble Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2013

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?			
<p>NB. 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.</p>			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
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.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<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 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	2,257	-	2,257
31. Receivables			
a. Specific purpose grants	2	-	2
b. Rates and Availability Charges	133	-	133
c. User Charges	-	-	-
d. Other	195	-	195
32. Inventories	11	-	11
33. Property, plant and equipment			
a. System assets	-	13,117	13,117
b. Plant and equipment	-	-	-
34. Other assets	-	-	-
35. Total assets	2,598	13,117	15,715
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	46	-	46
38. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	46	-	46
41. NET ASSETS COMMITTED	2,552	13,117	15,669
EQUITY			
42. Accumulated surplus			13,848
43. Asset revaluation reserve			1,821
44. TOTAL EQUITY			15,669
Note to system assets:			
45. Current replacement cost of system assets			19,405
46. Accumulated current cost depreciation of system assets			(6,288)
47. Written down current cost of system assets			13,117

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 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	14	46
b. Engineering and Supervision	16	42
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	15	90
- Pumping Stations		
c. Operation expenses (excluding energy costs)	39	27
d. Energy costs	46	26
e. Maintenance expenses	70	49
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	76	74
g. Chemical costs	-	-
h. Energy costs	22	19
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	158	57
- Other		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	334	379
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	-	4
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	-	-
5. Total expenses	790	813

Coonamble Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges (including rates)	528	485
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	119	132
8. Trade Waste Charges		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	177	197
11. Other income	-	7
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	14	12
c. Other grants	-	-
13. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
14. Total income	838	833
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	48	20
16a. Operating Result (less grants for acquisition of assets)	48	20

Coonamble Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	-	58
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	-	6
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	-	64
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	1,103	1,095
b. Residential (unoccupied, ie. vacant lot)	54	146
c. Non-residential (occupied)	185	130
d. Non-residential (unoccupied, ie. vacant lot)	3	3
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 12,417	\$ 12,040

Coonamble Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies for the financial year ended 30 June 2013

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. 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"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<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.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text"/> -

* 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 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	4,110	-	4,110
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	17	-	17
c. User Charges	104	-	104
d. Other	-	-	-
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	12,591	12,591
b. Plant and equipment	-	-	-
35. Other assets	-	-	-
36. Total Assets	4,231	12,591	16,822
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	36	-	36
39. Borrowings			
a. Loans	8	39	47
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	44	39	83
42. NET ASSETS COMMITTED	4,187	12,552	16,739
EQUITY			
42. Accumulated surplus			12,201
44. Asset revaluation reserve			4,538
45. TOTAL EQUITY			16,739
Note to system assets:			
46. Current replacement cost of system assets			26,258
47. Accumulated current cost depreciation of system assets			(13,667)
48. Written down current cost of system assets			12,591

Coonamble Shire Council

Notes to Special Schedule No.'s 3 & 5 for the financial year ended 30 June 2013

Administration ⁽¹⁾

(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 ⁽¹⁾

(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 ⁽²⁾ (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 ⁽²⁾ (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:

⁽¹⁾ 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).

⁽²⁾ 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. 8 - Financial Projections

as at 30 June 2013

	Actual ⁽¹⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾	Forecast ⁽²⁾
	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	Forecast ⁽³⁾ 22/23
\$'000											
(i) OPERATING BUDGET											
Income from continuing operations	19,468	26,132	22,872	23,884	24,832	23,084	23,755	24,446	25,189	25,930	26,549
Expenses from continuing operations	18,011	21,677	22,475	23,015	23,546	24,125	24,679	25,270	25,878	26,526	27,152
Operating Result from Continuing Operations	1,457	4,455	397	869	1,286	(1,041)	(924)	(824)	(689)	(596)	(603)
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	5,259	6,086	3,708	2,084	2,392	-	-	-	-	-	-
Replacement/Refurbishment of Existing Assets	3,655	5,763	3,994	3,088	3,107	3,184	3,131	3,254	3,209	3,336	3,336
Total Capital Budget	8,914	11,849	7,702	5,172	5,499	3,184	3,131	3,254	3,209	3,336	3,336
Funded by:											
- Loans	-	1,539	-	-	-	-	-	-	-	-	-
- Asset sales	-	60	-	-	-	-	-	-	-	-	-
- Reserves	6,108	3,533	3,231	1,696	1,769	1,842	1,799	1,925	1,898	2,038	2,026
- Grants/Contributions	1,900	5,813	2,399	2,756	3,064	672	672	672	672	672	672
- Recurrent revenue	906	904	2,072	720	666	670	660	657	639	626	638
- Other	-	-	-	-	-	-	-	-	-	-	-
	8,914	11,849	7,702	5,172	5,499	3,184	3,131	3,254	3,209	3,336	3,336

Notes:

- (1) From 12/13 Income Statement.
- (2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.
- (3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.



COONAMBLE SHIRE COUNCIL

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