

# Coolamon Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

---

*"Big enough to serve,  
small enough to care"*



# Coolamon Shire Council

## General Purpose Financial Statements

for the financial year ended 30 June 2015

Contents	Page
<b>1. Statement by Councillors &amp; Management</b>	2
<b>2. Primary Financial Statements:</b>	
- Income Statement	3
- Statement of Comprehensive Income	4
- Statement of Financial Position	5
- Statement of Changes in Equity	6
- Statement of Cash Flows	7
<b>3. Notes to the Financial Statements</b>	9
<b>4. Independent Auditor's Reports:</b>	
- On the Financial Statements (Sect 417 [2])	
- On the Conduct of the Audit (Sect 417 [3])	

---

### Overview

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

(ii) Coolamon 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 23 October 2015. Council has the power to amend and reissue these financial statements.

---

## Coolamon Shire Council

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

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

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


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

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

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

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

Signed in accordance with a resolution of Council made on 15 October 2015.

  
\_\_\_\_\_  
John Seymour  
MAYOR

  
\_\_\_\_\_  
Bruce Hutcheon  
COUNCILLOR

  
\_\_\_\_\_  
Anthony Donoghue  
GENERAL MANAGER

  
\_\_\_\_\_  
Samantha Jennings  
RESPONSIBLE ACCOUNTING OFFICER

## Coolamon Shire Council

## Income Statement

for the financial year ended 30 June 2015

Budget <sup>1</sup> 2015	\$ '000	Notes	Actual 2015	Actual 2014
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
2,989	Rates & Annual Charges	3a	3,140	2,910
2,454	User Charges & Fees	3b	2,591	2,562
486	Interest & Investment Revenue	3c	457	454
447	Other Revenues	3d	674	595
5,006	Grants & Contributions provided for Operating Purposes	3e,f	5,463	4,710 <sup>2</sup>
583	Grants & Contributions provided for Capital Purposes	3e,f	861	404
<b>Other Income:</b>				
86	Net gains from the disposal of assets	5	17	39
5	Net Share of interests in Joint Ventures & Associates using the equity method	19	15	8
<b>12,056</b>	<b>Total Income from Continuing Operations</b>		<b>13,218</b>	<b>11,682</b>
<b>Expenses from Continuing Operations</b>				
5,083	Employee Benefits & On-Costs	4a	4,443	4,479
66	Borrowing Costs	4b	67	62
1,595	Materials & Contracts	4c	2,557	2,944
2,759	Depreciation & Amortisation	4d	2,675	2,663
	Impairment	4d	-	-
1,375	Other Expenses	4e	1,431	1,478
	Interest & Investment Losses	3c	-	-
	Net Losses from the Disposal of Assets	5	-	-
	Net Share of interests in Joint Ventures & Associates using the equity method	19	-	-
<b>10,878</b>	<b>Total Expenses from Continuing Operations</b>		<b>11,173</b>	<b>11,626</b>
<b>1,178</b>	<b>Operating Result from Continuing Operations</b>		<b>2,045</b>	<b>56</b>
<b>Discontinued Operations</b>				
	Net Profit/(Loss) from Discontinued Operations	24	-	-
<b>1,178</b>	<b>Net Operating Result for the Year</b>		<b>2,045</b>	<b>56</b>
1,178	Net Operating Result attributable to Council		2,045	56
	Net Operating Result attributable to Non-controlling Interests		-	-
<b>595</b>	<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>1,184</b>	<b>(348)</b>

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

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

## Coolamon Shire Council

Statement of Comprehensive Income  
for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
<b>Net Operating Result for the year</b> (as per Income statement)		<b>2,045</b>	<b>56</b>
<b>Other Comprehensive Income:</b>			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	13,211	-
Adjustment to correct prior period errors			-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
Other Movements			-
<b>Total Items which will not be reclassified subsequently to the Operating Result</b>		<b>13,211</b>	<b>-</b>
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
<b>Total Other Comprehensive Income for the year</b>		<b>13,211</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>15,256</b>	<b>56</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>15,256</b>	<b>56</b>
<b>Total Comprehensive Income attributable to Non-controlling Interests</b>			<b>-</b>

## Coolamon Shire Council

## Statement of Financial Position

as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014	Actual 2013
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	6a	-	444	919
Investments	6b	13,700	10,700	10,700
Receivables	7	1,195	625	645
Inventories	8	450	133	150
<b>Total Current Assets</b>		<b>15,345</b>	<b>11,902</b>	<b>12,414</b>
<b>Non-Current Assets</b>				
Investments	6b	-	-	
Receivables	7	10	11	18
Inventories	8	2	282	282
Infrastructure, Property, Plant & Equipment	9	161,787	147,520	146,743
Investments accounted for using the equity method	19	139	124	116
<b>Total Non-Current Assets</b>		<b>161,938</b>	<b>147,937</b>	<b>147,159</b>
<b>TOTAL ASSETS</b>		<b>177,283</b>	<b>159,839</b>	<b>159,573</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	10	6,647	5,012	4,809
Borrowings	10	466	1	1
Provisions	10	1,674	1,648	1,698
Liabilities associated with assets classified as 'held for sale'	22	-	-	
<b>Total Current Liabilities</b>		<b>8,787</b>	<b>6,661</b>	<b>6,508</b>
<b>Non-Current Liabilities</b>				
Payables	10	1	2	5
Borrowings	10	6	7	8
Provisions	10	1,070	1,006	947
<b>Total Non-Current Liabilities</b>		<b>1,077</b>	<b>1,015</b>	<b>960</b>
<b>TOTAL LIABILITIES</b>		<b>9,864</b>	<b>7,676</b>	<b>7,468</b>
<b>Net Assets</b>		<b>167,419</b>	<b>152,163</b>	<b>152,105</b>
<b>EQUITY</b>				
Retained Earnings	20	77,532	75,487	75,428
Revaluation Reserves	20	89,887	76,676	76,677
<b>Council Equity Interest</b>		<b>167,419</b>	<b>152,163</b>	<b>152,105</b>
<b>Non-controlling Equity Interests</b>		<b>-</b>	<b>-</b>	
<b>Total Equity</b>		<b>167,419</b>	<b>152,163</b>	<b>152,105</b>

## Coolamon Shire Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2015</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		75,952	76,676	<b>152,628</b>	-	<b>152,628</b>
a. Correction of Prior Period Errors	20 (c)	(465)	-	<b>(465)</b>	-	<b>(465)</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/14)</b>		<b>75,487</b>	<b>76,676</b>	<b>152,163</b>	-	<b>152,163</b>
<b>c. Net Operating Result for the Year</b>		<b>2,045</b>	-	<b>2,045</b>	-	<b>2,045</b>
d. Other Comprehensive Income		-	-	-	-	-
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	13,211	<b>13,211</b>	-	<b>13,211</b>
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20a	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>13,211</b>	<b>13,211</b>	<b>-</b>	<b>13,211</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>2,045</b>	<b>13,211</b>	<b>15,256</b>	<b>-</b>	<b>15,256</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>77,532</b>	<b>89,887</b>	<b>167,419</b>	<b>-</b>	<b>167,419</b>
<b>2014</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		75,603	76,969	<b>152,572</b>	-	<b>152,572</b>
a. Correction of Prior Period Errors	20 (c)	(172)	(293)	<b>(465)</b>	-	<b>(465)</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/13)</b>		<b>75,431</b>	<b>76,676</b>	<b>152,107</b>	-	<b>152,107</b>
<b>c. Net Operating Result for the Year</b>		<b>56</b>	-	<b>56</b>	-	<b>56</b>
d. Other Comprehensive Income		-	-	-	-	-
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	-	-	-	-
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20a	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>56</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>56</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>75,487</b>	<b>76,676</b>	<b>152,163</b>	<b>-</b>	<b>152,163</b>

## Coolamon Shire Council

## Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
2,978	Rates & Annual Charges		3,120	2,863
2,454	User Charges & Fees		2,592	1,170
486	Investment & Interest Revenue Received		435	425
5,258	Grants & Contributions		5,852	6,664
	Bonds, Deposits & Retention amounts received		1,574	332
448	Other		625	552
<b>Payments:</b>				
(5,156)	Employee Benefits & On-Costs		(4,499)	(4,528)
(1,424)	Materials & Contracts		(2,412)	(2,731)
-	Borrowing Costs		(1)	-
(138)	Bonds, Deposits & Retention amounts refunded		-	-
(1,364)	Other		(1,431)	(1,834)
<b>3,542</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>5,855</b>	<b>2,913</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
500	Sale of Investment Securities		11,000	10,700
122	Sale of Infrastructure, Property, Plant & Equipment		185	238
3	Deferred Debtors Receipts		-	11
<b>Payments:</b>				
	Purchase of Investment Securities		(14,000)	(10,700)
(3,349)	Purchase of Infrastructure, Property, Plant & Equipment		(3,899)	(3,637)
(1,025)	Purchase of Real Estate Assets		(44)	-
	Deferred Debtors & Advances Made		(5)	-
(1)	Other Investing Activity Payments		-	-
<b>(3,750)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(6,763)</b>	<b>(3,388)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
Nil				
<b>Payments:</b>				
-	Repayment of Borrowings & Advances		(2)	-
-	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>(2)</b>	<b>-</b>
<b>(208)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>(910)</b>	<b>(475)</b>
279	plus: Cash & Cash Equivalents - beginning of year	11a	444	919
<b>71</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>(466)</b>	<b>444</b>
Additional Information:				
	plus: Investments on hand - end of year	6b	13,700	10,700
	<b>Total Cash, Cash Equivalents &amp; Investments</b>		<b>13,234</b>	<b>11,144</b>

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations



## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9-25
2(a)	Council Functions / Activities - Financial Information	26
2(b)	Council Functions / Activities - Component Descriptions	27
3	Income from Continuing Operations	28-33
4	Expenses from Continuing Operations	34-37
5	Gains or Losses from the Disposal of Assets	38
6(a)	Cash & Cash Equivalent Assets	39
6(b)	Investments	40
6(c)	Restricted Cash, Cash Equivalents & Investments - Details	41-42
7	Receivables	43
8	Inventories and Other Assets	44-45
9(a)	Infrastructure, Property, Plant & Equipment	46
9(b)	Externally Restricted Infrastructure, Property, Plant and Equipment	47
9(c)	Infrastructure, Property, Plant and Equipment - Current Year Impairments	48
10(a)	Payables, Borrowings and Provisions	49
10(b)	Description of (and movements in) Provisions	50
11	Statement of Cash Flows - Additional Information	51-52
12	Commitments for Expenditure	53
13	Statement of Performance Measures:	
	13a (i) Local Government Industry Indicators (Consolidated)	54
	13a (ii) Local Government Industry Graphs (Consolidated)	55-56
	13b Local Government Industry Indicators (by Fund)	57
14	Investment Properties	58
15	Financial Risk Management	59-62
16	Material Budget Variations	63-64
17	Statement of Developer Contributions	65-66
18	Contingencies and Other Liabilities/Assets not recognised	67-68
19	Interests in Other Entities	69-72
20	Equity - Retained Earnings and Revaluation Reserves	73-75
21	Financial Result & Financial Position by Fund	76-77
22	"Held for Sale" Non Current Assets & Disposal Groups	78
23	Events occurring after the Reporting Date	79
24	Discontinued Operations	80
25	Intangible Assets	81
26	Reinstatement, Rehabilitation and Restoration Liabilities	82
27	Fair Value Measurement	83-86
<b>Additional Council Disclosures</b>		
28	Operating Segments	87-88
29	Council Information and Contact Details	89

n/a - not applicable

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

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

##### (a) Basis of preparation

###### (i) Background

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

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

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

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

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

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

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

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

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

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) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

(ii) the write down of any Asset on the basis of Impairment (if warranted) and

(iii) certain classes of non current assets (eg. Infrastructure, Property, Plant & Equipment and Investment Property) that are accounted for at fair valuation.

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

#### (vi) Changes in Accounting Policies

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

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

#### (vii) Critical Accounting Estimates

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

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

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

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

Council makes estimates and assumptions concerning the future.

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

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

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

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

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

(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 it and specific criteria have been met for each of the Council's activities as described below.

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

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

Revenue is measured on major income categories as follows:

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

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

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

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.

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

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

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

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

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

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

#### User Charges, Fees and Other Income

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

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

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

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

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

#### Interest and Rents

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

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

#### Other Income

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

#### (c) Principles of Consolidation

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

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

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

#### (i) The Consolidated Fund

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

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

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

- General Purpose Operations including:
  - Allawah Lodge Aged Persons Hostel,
  - Allawah Village,
  - Coolamon Early Childhood Centre
- Sewerage Service
- Domestic Waste Management Service
- Council's shared entitlement of the Riverina Regional Library

Due to their immaterial value and nature, the following Committees, Entities & Operations have been excluded from consolidation:

- Advance Ardlethan Committee
- Beckom Hall & Community Committee
- Coolamon Showground Management Committee
- Advance Ganmain Committee
- Advance Marrar Committee
- Rannock Community Centre Committee

The (i) total income and expenditure from continuing operations and (ii) the net assets held by these excluded Committees & Operations is as follows:

<b>Total income from continuing operations</b>	\$40,000
<b>Total expenditure from continuing operations</b>	\$50,000
<b>Total net assets held (ie Equity)</b>	\$70,000

**Note:**

Where actual figures are not known, best estimates have been applied.

#### (ii) The Trust Fund

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

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

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

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

#### (iii) Joint Arrangements

##### Joint Ventures

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

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

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

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

#### (iv) Associates

Council has no interest in any Associates.

#### (v) County Councils

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

- **Goldenfields Water County Council**

Goldenfields Water County Council was proclaimed under the Local Government Act on 27 April 1997, and from 1 July 1997 became responsible for water supply functions within the Local Government areas of Bland, Coolamon, Cootamundra, Harden, Junee, Temora, Young and part of Narrandera.

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

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

##### (vi) Unconsolidated Structured Entities

Council has no interest in any Unconsolidated Structured Entities.

##### (d) Leases

Council did not have any Finance or Operating Leases during the year or at year's end.

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

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

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

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

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

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

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

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

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

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

Financial 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.

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.

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.

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

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

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

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

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

##### Financial Assets – Reclassification

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

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

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

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

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

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

##### (i) Initial Recognition

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

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

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

##### (ii) Subsequent Measurement

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

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

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

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

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

##### Impairment

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

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

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg. loans and receivables), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

#### (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.

#### (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.



## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### 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 Office of Local Government.

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

- **Sewerage Networks** (External Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths** (Internal Valuation)
- **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)

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

##### Initial Recognition

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

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

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

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

##### Subsequent costs

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

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

##### Asset Revaluations (including Indexation)

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

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.

- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Sewerage network assets are not indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water - Rates Reference Manual.

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

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

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

##### Capitalisation Thresholds

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

<b>Land</b>	
- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (purchases after 30/6/08)	100% Capitalised

<b>Plant &amp; Equipment</b>	
Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000

<b>Buildings &amp; Land Improvements</b>	
Park Furniture & Equipment	> \$2,000

Building	
- construction/extensions	100% Capitalised
- renovations	> \$10,000

Other Structures	> \$2,000
------------------	-----------

<b>Sewer Assets</b>	
Reticulation extensions	> \$5,000
Other	> \$5,000

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

##### Stormwater Assets

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

##### Transport Assets

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

##### Other Infrastructure Assets

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

Other Infrastructure	> \$10,000
----------------------	------------

##### Sewer Assets

- Dams and reservoirs	80 to 100 years
- Reticulation pipes : PVC	62 to 70 years
- Reticulation pipes : Other	40 to 44 years
- Pumps and telemetry	25 to 50 years

##### Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	60 years

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

#### 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	4 years
- Vehicles	5 to 10 years
- Heavy Plant/Road Making equip.	5 to 10 years
- Other plant and equipment	5 to 10 years

##### Other Equipment

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

##### Buildings

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

##### Stormwater Drainage

- Drains	80 to 100 years
- Culverts	50 to 80 years

##### Transportation Assets

- Sealed Roads : Surface	20 to 25 years
- Sealed Roads : Structure	60 to 80 years
- Unsealed roads	15 years
- Bridge : Concrete	80 years
- Kerb, Gutter & Paths	80 years

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 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.

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

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

Council has not classified any assets as Intangible.

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

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

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

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

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

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

Under section 119 of the Rural Fires Act 1997, *“all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed”*.

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

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

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

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

Council held no investment property during the year or at year's end.

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

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

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

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

Costs are estimated on the basis of a closure plan.

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

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.

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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**

Council did not hold any non-current assets "Held for Sale" or undertake any operations that were discontinued during the year or at year's end.

#### **(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.

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

##### **(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, / except to the extent that they are incurred during the construction of qualifying assets.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

##### **(w) Provisions**

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

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

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in

settlement is determined by considering the class of obligations as a whole.

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

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

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

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

##### **(x) Employee benefits**

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

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

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

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

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

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

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

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

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

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

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

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

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

##### (iii) Retirement benefit obligations

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

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

##### Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

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

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

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

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

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

The last valuation of the Scheme was performed by Mr Martin Stephenson on 20 February 2013 and covers the period ended 30 June 2013

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

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2015 was \$41,537.91

The amount of additional contributions included in the total employer contribution advised above is \$21,363.12

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

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

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

#### Defined Contribution Plans

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

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

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

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

#### (y) Self insurance

Council does not self insure.

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

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

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

#### Exceptions

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

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

#### (aa) Taxes

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

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

#### Goods & Services Tax (GST)

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

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

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

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

Operating cash flows within the Cash Flow Statement are on a net basis, ie. they are exclusive 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.

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



## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 1. Summary of Significant Accounting Policies

### (ab) New accounting standards and interpretations

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

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

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

Apart from the AASB disclosures below, there are no other standards that are "not yet effective" which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

#### Applicable to Local Government:

#### **AASB 9 - Financial Instruments** (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

#### **AASB 15 - Revenue from contracts with customers and associated amending standards**

AASB 15 will introduce a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

#### **AASB 124 - Related Party Disclosures**

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

#### **AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

---

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

***AASB 2014 - 3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]***

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

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

None

**(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.

## Coolamon Shire Council

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

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

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

##### **GOVERNANCE**

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

##### **ADMINISTRATION**

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

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

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

##### **HEALTH**

Inspection, 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, child care, youth services, other family and children, aged and disabled, other community services, education.

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

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

##### **SEWERAGE SERVICES**

##### **RECREATION & CULTURE**

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

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

Building control, quarries & pits, other.

##### **TRANSPORT & COMMUNICATION**

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, parking areas, bus shelters and services, other.

##### **ECONOMIC AFFAIRS**

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

## Coolamon Shire Council

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

## Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		548	514
Farmland		1,515	1,485
Business		92	67
<b>Total Ordinary Rates</b>		<b>2,155</b>	<b>2,066</b>
<b>Special Rates</b>			
Nil			
<b>Total Special Rates</b>		<b>-</b>	<b>-</b>
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		407	382
Stormwater Management Services		44	-
Sewerage Services		427	383
Waste Management Services (non-domestic)		12	-
Tip Access		95	79
<b>Total Annual Charges</b>		<b>985</b>	<b>844</b>
<b><u>TOTAL RATES &amp; ANNUAL CHARGES</u></b>		<b><u>3,140</u></b>	<b><u>2,910</u></b>

Council has used 2013 year valuations provided by the NSW Valuer General in calculating its rates.

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(b) User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Ardlethan Effluent		6	5
<b>Total User Charges</b>		<b>6</b>	<b>5</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Building Regulation		23	27
Inspection Services		14	17
Private Works - Section 67		48	59
Regulatory/ Statutory Fees		3	3
Section 149 Certificates (EPA Act)		10	10
Section 603 Certificates		8	9
Town Planning		33	12
Other		-	-
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>139</b>	<b>137</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges)</b> (per s.608)			
Aged Care		1,481	1,444
Allawah Community Care inc. Community Transport		263	297
Caravan Park		36	29
Cemeteries		95	80
Child Care		484	440
Home Care Packages		55	108
Waste Disposal Tipping Fees		17	11
Other		15	11
<b>Total Fees &amp; Charges - Other</b>		<b>2,446</b>	<b>2,420</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>2,591</b>	<b>2,562</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		20	17
- Interest earned on Investments (interest & coupon payment income)		436	430
- Interest on Deferred Debtors		1	7
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b><u>457</u></b>	<b><u>454</u></b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates & Annual Charges (General Fund)		20	17
General Council Cash & Investments		383	385
<b>Restricted Investments/Funds - External:</b>			
Sewerage Fund Operations		51	49
Domestic Waste Management operations		3	3
<b>Restricted Investments/Funds - Internal:</b>			
Internally Restricted Assets			-
<b>Total Interest &amp; Investment Revenue Recognised</b>		<b><u>457</u></b>	<b><u>454</u></b>
<b>(d) Other Revenues</b>			
Rental Income - Other Council Properties		330	323
Legal Fees Recovery - Rates & Charges (Extra Charges)		11	9
Commissions & Agency Fees		6	8
Diesel Rebate		39	36
Insurance Claim Recoveries		-	12
Insurance Incentives		35	38
VitalCall Agency		11	14
Zone Rural Fire Service Administration		29	20
Allawah Complex		148	93
Other		65	42
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>674</u></b>	<b><u>595</u></b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance	3,192	1,582	-	-
Pensioners' Rates Subsidies - General Component	31	30	-	-
<b>Total General Purpose</b>	<b>3,223</b>	<b>1,612</b>	<b>-</b>	<b>-</b>
<sup>1</sup> The Financial Assistance Grant for the comparative 13/14 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 13/14 year by up to 50% as had occurred in previous years.				
<b>Specific Purpose</b>				
Pensioners' Rates Subsidies:				
- Sewerage	13	13	-	-
- Domestic Waste Management	43	26	-	-
Ardlethan Preschool	85	66	-	-
Heritage & Cultural	7	9	-	-
Library	41	25	-	-
Noxious Weeds	50	47	-	-
Recreation & Culture	-	-	13	-
Street Lighting	16	16	-	-
Transport (Roads to Recovery)	599	612	-	-
Transport (Other Roads & Bridges Funding)	23	-	448	-
Caravan Park	-	-	73	-
Links to Learning	65	-	-	-
Other	4	2	-	-
<b>Total Specific Purpose</b>	<b>946</b>	<b>816</b>	<b>534</b>	<b>-</b>
<b>Total Grants</b>	<b>4,169</b>	<b>2,428</b>	<b>534</b>	<b>-</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	3,791	2,194	-	-
- State Funding	378	234	534	-
- Other Funding	-	-	-	-
	<b>4,169</b>	<b>2,428</b>	<b>534</b>	<b>-</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
<b>(f) Contributions</b>				
<b>Developer Contributions:</b>				
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the LGA):</b>				
S 94 - Contributions towards amenities/services	-	-	17	2
S 64 - Sewerage Service Contributions	-	-	58	-
<b>Total Developer Contributions</b>	<b>17</b>	<b>-</b>	<b>75</b>	<b>2</b>
<b>Other Contributions:</b>				
Allawah Complex	-	105	-	-
Bushfire Services	50	52	-	-
Child Care	36	26	-	-
Cycleways/Footpaths	-	25	34	-
Flood Mitigation Study	43	57	-	-
Recreation & Culture	8	-	-	86
RMS Contributions (Regional Roads, Block Grant)	1,116	1,975	218	316
Other	41	42	-	-
<b>Total Other Contributions</b>	<b>1,294</b>	<b>2,282</b>	<b>252</b>	<b>402</b>
<b>Total Contributions</b>	<b>1,294</b>	<b>2,282</b>	<b>327</b>	<b>404</b>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>5,463</b>	<b>4,710</b>	<b>861</b>	<b>404</b>



## Coolamon Shire Council

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

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

\$ '000	Actual 2015	Actual 2014
<b>(g) Restrictions relating to Grants and Contributions</b>		
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	275	271
<b>add:</b> Grants & contributions recognised in the current period but not yet spent:	409	218
<b>less:</b> Grants & contributions recognised in a previous reporting period now spent:	(430)	(214)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>(21)</b>	<b>4</b>
<b>Unexpended and held as Restricted Assets</b>	<b>254</b>	<b>275</b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	254	275
- Developer Contributions	-	-
- Other Contributions	-	-
	<b>254</b>	<b>275</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		3,597	3,684
Travelling		59	52
Employee Leave Entitlements (ELE)		805	658
Superannuation		411	387
Workers' Compensation Insurance		39	18
Fringe Benefit Tax (FBT)		43	56
Payroll Tax		14	10
Training Costs (other than Salaries & Wages)		67	59
Other		2	5
<b>Total Employee Costs</b>		<b>5,037</b>	<b>4,929</b>
less: Capitalised Costs		(594)	(450)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>4,443</b>	<b>4,479</b>
Number of "Equivalent Full Time" Employees at year end		68	63
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		68	66
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		1	-
<b>Total Interest Bearing Liability Costs</b>		<b>1</b>	<b>-</b>
less: Capitalised Costs		-	-
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>1</b>	<b>-</b>
<b>(ii) Other Borrowing Costs</b>			
Discount adjustments relating to movements in Provisions (other than ELE)		-	-
- Remediation Liabilities	26	66	62
<b>Total Other Borrowing Costs</b>		<b>66</b>	<b>62</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>67</b>	<b>62</b>

## Coolamon Shire Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		2,507	2,898
Auditors Remuneration <sup>(1)</sup>		20	17
Legal Expenses:			
- Legal Expenses: Debt Recovery		14	8
- Legal Expenses: Other		16	21
<b>Total Materials &amp; Contracts</b>		<b>2,557</b>	<b>2,944</b>
less: Capitalised Costs		-	-
<b><u>TOTAL MATERIALS &amp; CONTRACTS</u></b>		<b><u>2,557</u></b>	<b><u>2,944</u></b>

**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		20	17
<b>Remuneration for audit and other assurance services</b>		<b>20</b>	<b>17</b>
<b>Total Auditor Remuneration</b>		<b>20</b>	<b>17</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014
Plant and Equipment		-	-	444	444
Office Equipment		-	-	70	18
Land Improvements (depreciable)		-	-	19	16
Buildings - Non Specialised		-	-	193	199
Buildings - Specialised		-	-	197	197
Other Structures		-	-	133	156
Infrastructure:					
- Roads		-	-	1,614	1,588
- Stormwater Drainage		-	-	32	32
- Sewerage Network		-	-	147	147
- Swimming Pools		-	-	29	-
Asset Reinstatement Costs	9 & 26	-	-	19	19
<b>Total Depreciation &amp; Impairment Costs</b>		-	-	<b>2,897</b>	<b>2,816</b>
less: Capitalised Costs		-	-	(222)	(153)
<b><u>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</u></b>		<b>-</b>	<b>-</b>	<b><u>2,675</u></b>	<b><u>2,663</u></b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		32	30
Bad & Doubtful Debts		24	18
Bank Charges		20	19
Computer / Office Equipment Maintenance		135	126
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		6	9
- NSW Fire Brigade Levy		15	15
- NSW Rural Fire Service Levy		152	149
- Regional Library		105	100
Councillor Expenses - Mayoral Fee		12	12
Councillor Expenses - Councillors' Fees		77	72
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		10	10
Donations, Contributions & Assistance to other organisations (Section 356)		8	7
- REROC		14	13
Electricity & Heating		160	243
Insurance		244	268
Postage		15	17
Printing & Stationery		36	35
Street Lighting		64	64
Subscriptions & Publications		76	68
Telephone & Communications		44	50
Valuation Fees		24	23
Water Charges		158	130
Other		-	-
<b>Total Other Expenses</b>		<b>1,431</b>	<b>1,478</b>
less: Capitalised Costs		-	-
<b><u>TOTAL OTHER EXPENSES</u></b>		<b><u>1,431</u></b>	<b><u>1,478</u></b>

## Coolamon Shire Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		47	-
less: Carrying Amount of Property Assets Sold / Written Off		(78)	(42)
<b>Net Gain/(Loss) on Disposal</b>		<b>(31)</b>	<b>(42)</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		138	238
less: Carrying Amount of P&E Assets Sold / Written Off		(90)	(157)
<b>Net Gain/(Loss) on Disposal</b>		<b>48</b>	<b>81</b>
<b>Financial Assets*</b>			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		11,000	10,700
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(11,000)	(10,700)
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>-</b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>		<b><u>17</u></b>	<b><u>39</u></b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		-	-	444	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>-</b>	<b>-</b>	<b>444</b>	<b>-</b>
<b>Investments (Note 6b)</b>					
Nil					
- Managed Funds		-	-	-	-
- Long Term Deposits		13,700	-	10,700	-
<b>Total Investments</b>		<b>13,700</b>	<b>-</b>	<b>10,700</b>	<b>-</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>13,700</b>	<b>-</b>	<b>11,144</b>	<b>-</b>

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

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

**Cash & Cash Equivalents**

a. "At Fair Value through the Profit & Loss"		-	-	444	-
--	--	---	---	-----	---

**Investments**

a. "At Fair Value through the Profit & Loss"					
b. "Held to Maturity"	6(b-ii)	13,700	-	10,700	-
c. "Loans & Receivables"	6(b-iii)			-	-
d. "Available for Sale"	6(b-iv)			-	-
<b>Investments</b>		<b>13,700</b>	<b>-</b>	<b>10,700</b>	<b>-</b>

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

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 6b. Investments (continued)

\$ '000	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
<b>Note 6(b-i)</b>				
<b>Reconciliation of Investments classified as "At Fair Value through the Profit &amp; Loss"</b>				
Nil				
<b>Note 6(b-ii)</b>				
<b>Reconciliation of Investments classified as "Held to Maturity"</b>				
Balance at the Beginning of the Year	10,700	-	10,700	-
Adjustment on adoption of AASB 132/139				-
Amortisation of Premiums & Discounts	-			-
Additions	14,000	-	10,700	-
Impairment (loss)/prior loss reversal (via P&L)				-
Disposals (sales & redemptions)	(11,000)		(10,700)	-
Transfers between Current/Non Current			-	-
Transfers from/(to) "At Fair Value"			-	-
Transfers from/(to) "Available for Sale"			-	-
<b>Balance at End of Year</b>	<b>13,700</b>	<b>-</b>	<b>10,700</b>	<b>-</b>
<b>Comprising:</b>				
- Other Long Term Financial Assets	13,700	-	10,700	-
<b>Total</b>	<b>13,700</b>	<b>-</b>	<b>10,700</b>	<b>-</b>

**Note 6(b-iii)****Reconciliation of Investments classified as "Loans & Receivables"**

Nil

**Note 6(b-iv)****Reconciliation of Investments classified as "Available for Sale"**

Nil



## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	2015	2015	2014	2014
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
<b>Total Cash, Cash Equivalents and Investments</b>	<b>13,700</b>	<b>-</b>	<b>11,144</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	8,519	-	6,887	-
Internal Restrictions (refer below)	4,690	-	4,230	-
Unrestricted	491	-	27	-
	<b>13,700</b>	<b>-</b>	<b>11,144</b>	<b>-</b>

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

## Details of Restrictions

**External Restrictions - Included in Liabilities**

Allawah Lodge Bonds	1,477	1,861	(587)	2,751
Allawah Village Bonds	2,949	1,100	(853)	3,196
<b>External Restrictions - Included in Liabilities</b>	<b>4,426</b>	<b>2,961</b>	<b>(1,440)</b>	<b>5,947</b>

**External Restrictions - Other**

Developer Contributions - General (D)	-	17	(17)	-
Specific Purpose Unexpended Grants (F)	275	-	(21)	254
Sewerage Services (G)	1,479	106	-	1,585
Domestic Waste Management (G)	707	26	-	733
Other	-	-	-	-
<b>External Restrictions - Other</b>	<b>2,461</b>	<b>149</b>	<b>(38)</b>	<b>2,572</b>
<b>Total External Restrictions</b>	<b>6,887</b>	<b>3,110</b>	<b>(1,478)</b>	<b>8,519</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Plant & Vehicle Replacement	1,315		(193)	1,122
Infrastructure Replacement	-			-
Asset Management/Replacement	1,590	603		2,193
Employees Leave Entitlement	1,163		(155)	1,008
Carry Over Works	-	225		225
Deposits, Retentions & Bonds	-			-
Ardlethan Preschool	-			-
Community Housing Program	30		(30)	-
Financial Assistance Grant (Pmt received in advance)	-			-
Rehabilitation of Gravel Pits	117	10		127
Swimming Pools	15			15
Other	-			-
<b>Total Internal Restrictions</b>	<b>4,230</b>	<b>838</b>	<b>(378)</b>	<b>4,690</b>
<b>TOTAL RESTRICTIONS</b>	<b>11,117</b>	<b>3,948</b>	<b>(1,856)</b>	<b>13,209</b>

- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- B** Advances by Roads and Maritime Services for (RMS) works on the State's classified roads.
- C** Self Insurance liability resulting from reported claims or incurred claims not yet reported.
- D** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- 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.

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		284	-	247	-
Interest & Extra Charges		77	-	40	-
Private Works		27	-	26	-
Accrued Revenues					
- Interest on Investments		133	-	141	-
Allawah Lodge Accommodation Bonds		208	-	150	-
Cemetery		12	-	12	-
Coolamon Shire MSO & Community Tran:		6	-	7	-
Deferred Debtors		9	10	3	11
Government Grants & Subsidies		497	-	25	-
Rents		20	-	20	-
Sewerage Connections		12	-	13	-
Other Debtors		17	-	24	-
<b>Total</b>		<b>1,302</b>	<b>10</b>	<b>708</b>	<b>11</b>
<b>less: Provision for Impairment</b>					
Rates & Annual Charges		(77)	-	(60)	-
Interest & Extra Charges		(30)	-	(23)	-
<b>Total Provision for Impairment - Receivables</b>		<b>(107)</b>	<b>-</b>	<b>(83)</b>	<b>-</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>1,195</u></b>	<b><u>10</u></b>	<b><u>625</u></b>	<b><u>11</u></b>
<b>Externally Restricted Receivables</b>					
<b>Sewerage Services</b>					
- Specific Purpose Grants		-	-	-	-
- Rates & Availability Charges		41	-	34	-
- Other		12	-	13	-
<b>Domestic Waste Management</b>		<b>33</b>		<b>33</b>	
<b>Stormwater Management</b>					
<b>Total External Restrictions</b>		<b>86</b>	<b>-</b>	<b>80</b>	<b>-</b>
<b>Internally Restricted Receivables</b>					
Nil					
<b>Unrestricted Receivables</b>		<b>1,109</b>	<b>10</b>	<b>545</b>	<b>11</b>
<b>TOTAL NET RECEIVABLES</b>		<b>1,195</b>	<b>10</b>	<b>625</b>	<b>11</b>

**Notes on Debtors above:**

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

## Coolamon Shire Council

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

## Note 8. Inventories &amp; Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Real Estate for resale (refer below)		324	2	-	282
Stores & Materials		126	-	133	-
<b>Total Inventories</b>		<b>450</b>	<b>2</b>	<b>133</b>	<b>282</b>
<b>Other Assets</b>					
Other		-	-	-	-
<b>Total Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVENTORIES / OTHER ASSETS</b>		<b>450</b>	<b>2</b>	<b>133</b>	<b>282</b>
<b>Externally Restricted Assets</b>					
There are no restrictions applicable to the above assets.					
<b>Total Externally Restricted Assets</b>		-	-	-	-
<b>Total Internally Restricted Assets</b>		-	-	-	-
<b>Total Unrestricted Assets</b>		450	2	133	282
<b>TOTAL INVENTORIES &amp; OTHER ASSETS</b>		<b>450</b>	<b>2</b>	<b>133</b>	<b>282</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	2015		2014	
	Current	Non Current	Current	Non Current
<b>(i) Other Disclosures</b>				
<b>(a) Details for Real Estate Development</b>				
Residential	324	2	-	282
<b>Total Real Estate for Resale</b>	<b>324</b>	<b>2</b>	<b>-</b>	<b>282</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition Costs	280	2	-	282
Development Costs	44	-	-	-
Borrowing Costs	-	-	-	-
Other Holding Costs	-	-	-	-
Other Properties - Book Value	-	-	-	-
<b>Total Costs</b>	<b>324</b>	<b>2</b>	<b>-</b>	<b>282</b>
less: Provision for Under Recovery	-	-	-	-
<b>Total Real Estate for Resale</b>	<b>324</b>	<b>2</b>	<b>-</b>	<b>282</b>
<b>Movements:</b>				
Real Estate assets at beginning of the year	-	282	-	282
- Purchases and other costs	44	(280)	-	-
- Transfers in from (out to) Note 9	-	-	-	-
- WDV of Sales (exp)	-	-	-	-
- Transfer between Current/Non Current	280	-	-	-
- Other	-	-	-	-
<b>Total Real Estate for Resale</b>	<b>324</b>	<b>2</b>	<b>-</b>	<b>282</b>
<b>(b) Current Assets not anticipated to be settled within the next 12 months</b>				
The following Inventories & Other Assets, even though classified as current are not expected to be recovered in the next 12 months;				
			2015	2014
Real Estate for Resale			324	-
			<b>324</b>	<b>-</b>
<b>(c) Inventories recognised as an expense for the year included:</b>				
- Real Estate for Resale			-	-
- Stores & Materials			318	347
- Trading Stock			-	-
<b>(d) Inventory Write Downs</b>				
There were no amounts recognised as an expense relating to the write down of Inventory balances held during the year.				

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

## Note 9a. Infrastructure, Property, Plant &amp; Equipment

\$ '000	as at 30/6/2014				Asset Movements during the Reporting Period					as at 30/6/2015			
	At	At	Accumulated	Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Revaluation Increments to Equity (ARR)	At	At	Accumulated	Carrying
	Cost	Fair Value	Dep'n	Value						Cost	Fair Value	Dep'n	Value
Capital Work in Progress	-	-	-	-	44					44	-	-	44
Plant & Equipment	-	4,742	2,659	2,083	374	(90)	(444)			-	4,819	2,896	1,923
Office Equipment	-	533	239	294	57		(70)			-	590	309	281
<b>Land:</b>													
- Operational Land	-	2,652	-	2,652	43	(10)				-	2,685	-	2,685
- Community Land	-	1,596	-	1,596						-	1,596	-	1,596
Land Improvements - non depreciable	-	-	-	-						-	-	-	-
Land Improvements - depreciable	-	640	157	483			(19)			-	640	176	464
Buildings - Non Specialised	-	19,441	6,152	13,289	266	(31)	(193)			-	19,654	6,323	13,331
Buildings - Specialised	-	16,897	7,934	8,963	39		(197)			-	16,936	8,131	8,805
Other Structures	-	12,249	6,508	5,741	393	(37)	(133)	(1,127)		-	8,773	3,936	4,837
<b>Infrastructure:</b>													
- Roads	-	85,667	36,076	49,591	2,886		(1,614)		5,896	-	65,673	8,914	56,759
- Bridges	-	-	-	-			-		1,871	-	2,601	730	1,871
- Footpaths	-	-	-	-			-		1,958	-	2,179	221	1,958
- Bulk Earthworks (non-depreciable)	-	50,454	-	50,454			-		2,042	-	52,496	-	52,496
- Stormwater Drainage	-	3,176	1,569	1,607			(32)		1,444	-	3,532	513	3,019
- Water Supply Network	-	-	-	-			-		-	-	-	-	-
- Sewerage Network	-	13,492	3,013	10,479	19		(147)		-	-	13,511	3,160	10,351
- Swimming Pools	-	-	-	-			(29)	1,127	-	-	3,788	2,690	1,098
<b>Other Assets:</b>													
<b>Reinstatement, Rehabilitation &amp; Restoration Assets</b> (refer Note 26):													
- Quarry Assets	-	480	192	288			(19)			-	480	211	269
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	-	<b>212,019</b>	<b>64,499</b>	<b>147,520</b>	<b>4,121</b>	<b>(168)</b>	<b>(2,897)</b>	<b>-</b>	<b>13,211</b>	<b>44</b>	<b>199,953</b>	<b>38,210</b>	<b>161,787</b>

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$2,941,000) and New Assets (\$269,000). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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

## Coolamon Shire Council

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

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

\$ '000 Class of Asset	Actual 2015				Actual 2014			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Sewerage Services</b>								
Land								
- Operational Land		587		<b>587</b>	-	587	-	<b>587</b>
Other Structures		3,818	1,886	<b>1,932</b>	-	3,727	1,822	<b>1,905</b>
Infrastructure		13,512	3,160	<b>10,352</b>	-	13,492	3,013	<b>10,479</b>
<b>Total Sewerage Services</b>	<b>-</b>	<b>17,917</b>	<b>5,046</b>	<b>12,871</b>	<b>-</b>	<b>17,806</b>	<b>4,835</b>	<b>12,971</b>
<b>Domestic Waste Management</b>								
Buildings		105	45	<b>60</b>	-	105	44	<b>61</b>
Other Assets		196	175	<b>21</b>	-	196	172	<b>24</b>
<b>Total DWM</b>	<b>-</b>	<b>301</b>	<b>220</b>	<b>81</b>	<b>-</b>	<b>301</b>	<b>216</b>	<b>85</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	<b>-</b>	<b>18,218</b>	<b>5,266</b>	<b>12,952</b>	<b>-</b>	<b>18,107</b>	<b>5,051</b>	<b>13,056</b>

## Coolamon Shire Council

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

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

<b>\$ '000</b>	<b>Notes</b>	<b>Actual 2015</b>	<b>Actual 2014</b>
----------------	--------------	------------------------	------------------------

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



## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
Goods & Services - operating expenditure		470	1	331	2
Goods & Services - capital expenditure		-	-	-	-
Payments Received In Advance		25	-	23	-
Accrued Expenses:					
- Salaries & Wages		-	-	80	-
Security Bonds, Deposits & Retentions		6,152	-	4,578	-
<b>Total Payables</b>		<b>6,647</b>	<b>1</b>	<b>5,012</b>	<b>2</b>
<b>Borrowings</b>					
Bank Overdraft		466	-	-	-
Loans - Unsecured		-	6	1	7
<b>Total Borrowings</b>		<b>466</b>	<b>6</b>	<b>1</b>	<b>7</b>
<b>Provisions</b>					
<b>Employee Benefits;</b>					
Annual Leave		519	-	462	-
Long Service Leave		1,143	60	1,172	62
Other Leave (RDO/TIL)		12	-	14	-
Sub Total - Aggregate Employee Benefits		1,674	60	1,648	62
Asset Remediation/Restoration (Future Works)	26	-	1,010	-	944
<b>Total Provisions</b>		<b>1,674</b>	<b>1,070</b>	<b>1,648</b>	<b>1,006</b>
<b>Total Payables, Borrowings &amp; Provisions</b>		<b>8,787</b>	<b>1,077</b>	<b>6,661</b>	<b>1,015</b>
<b>(i) Liabilities relating to Restricted Assets</b>					
		2015		2014	
		Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>					
Bonds - Allawah Lodge & Village		5,947	-	4,426	-
Liabilities relating to externally restricted assets		5,947	-	4,426	-
<b>Internally Restricted Assets</b>					
Nil		-	-	-	-
Liabilities relating to internally restricted assets		-	-	-	-
<b>Total Liabilities relating to restricted assets</b>		<b>5,947</b>	<b>-</b>	<b>4,426</b>	<b>-</b>
<b>Total Liabilities relating to Unrestricted Assets</b>		<b>2,840</b>	<b>1,077</b>	<b>2,235</b>	<b>1,015</b>
<b>TOTAL PAYABLES, BORROWINGS &amp; PROVISIONS</b>		<b>8,787</b>	<b>1,077</b>	<b>6,661</b>	<b>1,015</b>

<sup>1</sup> 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.

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Actual 2015	Actual 2014
<b>(ii) Current Liabilities not anticipated to be settled within the next 12 months</b>		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	858	1,100
Payables - Security Bonds, Deposits & Retentions	5,809	4,298
	<b>6,667</b>	<b>5,398</b>

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

Class of Provision	2014		2015			Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	462	351	(294)			519
Sick Leave	-	146	(146)			-
Long Service Leave	1,234	183	(214)			1,203
Other Leave (enter deta	14	130	(132)			12
Asset Remediation	944	66				1,010
<b>TOTAL</b>	<b>2,654</b>	<b>876</b>	<b>(786)</b>	-	-	<b>2,744</b>

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.
- c. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	-	444
Less Bank Overdraft	10	(466)	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>(466)</b>	<b>444</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>2,045</b>	<b>56</b>
Adjust for non cash items:			
Depreciation & Amortisation		2,675	2,663
Net Losses/(Gains) on Disposal of Assets		(17)	(39)
Unwinding of Discount Rates on Reinstatement Provisions		66	62
Share of Net (Profits) or Losses of Associates/Joint Ventures		(15)	(8)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(588)	6
Increase/(Decrease) in Provision for Doubtful Debts		24	10
Decrease/(Increase) in Inventories		7	17
Decrease/(Increase) in Other Assets		-	-
Increase/(Decrease) in Payables		138	196
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		(80)	(352)
Increase/(Decrease) in Other Liabilities		1,576	355
Increase/(Decrease) in Employee Leave Entitlements		24	(53)
Increase/(Decrease) in Other Provisions		-	-
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>5,855</b>	<b>2,913</b>

## Coolamon Shire Council

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

## Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Nil			
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Credit Cards / Purchase Cards		20	20
<b>Total Financing Arrangements</b>		<b>20</b>	<b>20</b>
<b>Amounts utilised as at Balance Date:</b>			
- Credit Cards / Purchase Cards		-	2
<b>Total Financing Arrangements Utilised</b>		<b>-</b>	<b>2</b>

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

**(ii) Secured Loan Liabilities**

Nil

**(e) Bank Guarantees**

Nil

**(f) Net Cash Flows Attributable to Discontinued Operations**

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Capital Commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, Plant &amp; Equipment</b>			
Plant & Equipment		229	-
<b>Investment Property</b>			
- Other			-
<b>Total Commitments</b>		<b>229</b>	<b>-</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		229	-
Later than one year and not later than 5 years			-
Later than 5 years			-
<b>Total Payable</b>		<b>229</b>	<b>-</b>
<b>Sources for Funding of Capital Commitments:</b>			
Unrestricted General Funds		64	-
Internally Restricted Reserves		165	-
<b>Total Sources of Funding</b>		<b>229</b>	<b>-</b>

**(b) Finance Lease Commitments**

Nil

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

Nil

**(d) Investment Property Commitments**

Nil

**(e) Investment in Joint Operations - Commitments**

For Capital Commitments and Other Commitments relating to Investments in Joint Operations, refer to Note 19 (c)

## Coolamon Shire Council

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

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods	
			2014	2013
<b>Local Government Industry Indicators - Consolidated</b>				
<b>1. Operating Performance Ratio</b>				
Total continuing operating revenue <sup>(1)</sup>				
<u>(excl. Capital Grants &amp; Contributions) - Operating Expenses</u>	<u>1,152</u>	<b>9.35%</b>	-3.52%	4.25%
Total continuing operating revenue <sup>(1)</sup> (excl. Capital Grants & Contributions)	<b>12,325</b>			
<b>2. Own Source Operating Revenue Ratio</b>				
Total continuing operating revenue <sup>(1)</sup>				
<u>(excl. ALL Grants &amp; Contributions)</u>	<u>6,862</u>	<b>52.04%</b>	56.05%	37.14%
Total continuing operating revenue <sup>(1)</sup>	<b>13,186</b>			
<b>3. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(2)</sup>	<u>6,416</u>	<b>3.24x</b>	4.35	5.30
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>	<u>1,982</u>			
<b>4. Debt Service Cover Ratio</b>				
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation	<u>3,894</u>	<b>56.43x</b>	37.58	52.00
Principal Repayments (from the Statement of Cash Flows)	<u>69</u>			
+ Borrowing Costs (from the Income Statement)				
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual and Extra Charges Outstanding	<u>254</u>	<b>7.53%</b>	6.59%	5.31%
Rates, Annual and Extra Charges Collectible	<u>3,375</u>			
<b>6. Cash Expense Cover Ratio</b>				
Current Year's Cash and Cash Equivalents				
+ All Term Deposits	<u>13,700</u>	<b>19.70 mths</b>	14.71	14.04
Payments from cash flow of operating and financing activities	<u>695</u>			

## Notes

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

(2) Refer Notes 6-8 inclusive.

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

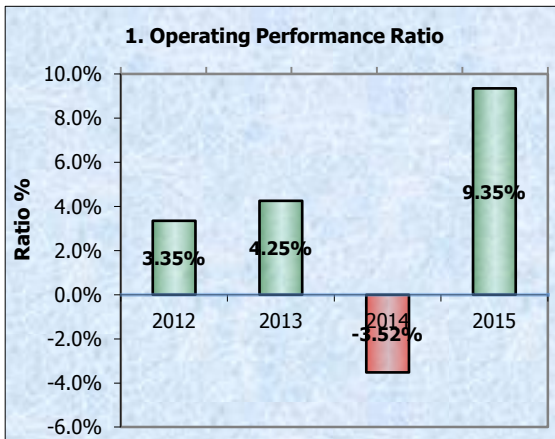
(3) Refer to Note 10(a).

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

# Coolamon Shire Council

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

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



**Purpose of Operating Performance Ratio**

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

**Commentary on 2014/15 Result**

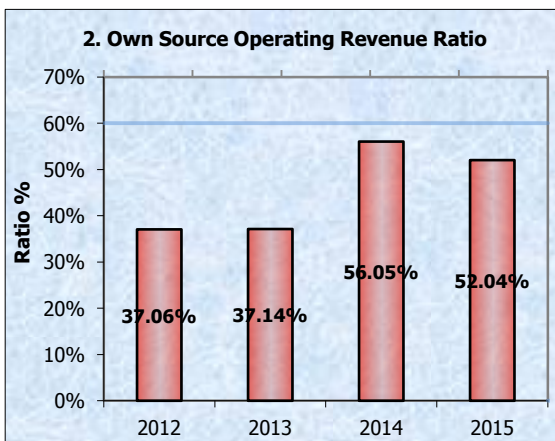
**2014/15 Ratio 9.35%**

This ratio has returned to a positive value following the distortion experience in the 2014 financial year as a result of the Federal Government's decision to claw back the pre-payments made in respect of the Financial Assistance Grant.

Benchmark: Minimum >=0.00%

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

Ratio is within Benchmark  
 Ratio is outside Benchmark



**Purpose of Own Source Operating Revenue Ratio**

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

**Commentary on 2014/15 Result**

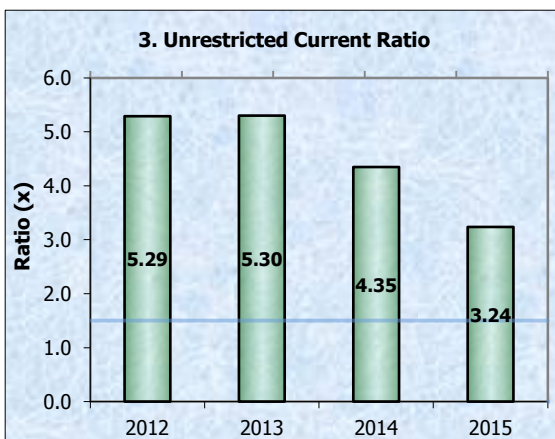
**2014/15 Ratio 52.04%**

Following a reassessment of income categorisation, Council's Own Source Operating Revenue has increased in the 2014 & 2015 financial years as compared to 2012 & 2013. As a rural Council, Coolamon Shire Council has limited avenues to raise additional own source revenue to increase this ratio to the benchmark of 60%

Benchmark: Minimum >=60.00%

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

Ratio is within Benchmark  
 Ratio is outside Benchmark



**Purpose of Unrestricted Current Ratio**

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

**Commentary on 2014/15 Result**

**2014/15 Ratio 3.24x**

Council continues to maintain a strong Unrestricted Current Ratio indicating its ability to satisfy its short term obligations.

Benchmark: Minimum >=1.50

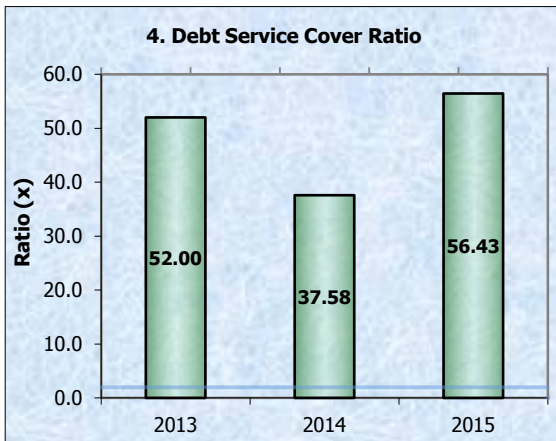
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark  
 Ratio is outside Benchmark

# Coolamon Shire Council

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

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



**Purpose of Debt Service Cover Ratio**

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

**Commentary on 2014/15 Result**

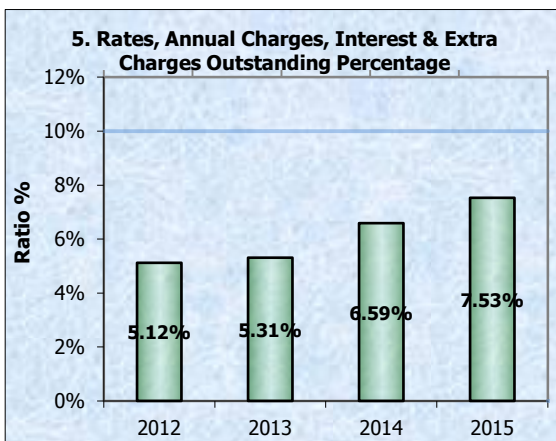
**2014/15 Ratio 56.43x**

Council continues to have a strong Debt Service Ratio

Benchmark: Minimum  $\geq 2.00$

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

Ratio is within Benchmark  
 Ratio is outside Benchmark



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

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

**Commentary on 2014/15 Result**

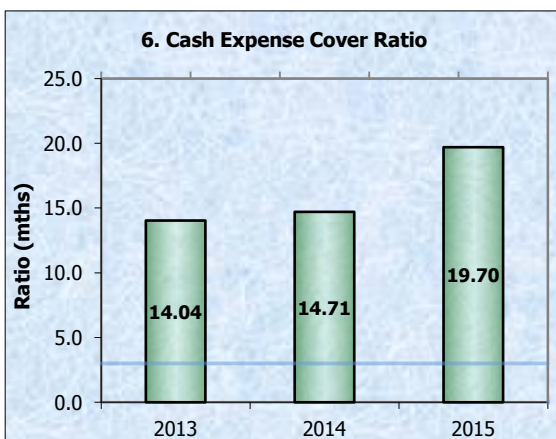
**2014/15 Ratio 7.53%**

Council continues to monitor outstanding rates and annual charges with procedures in place to pursue debt recovery

Benchmark: Maximum  $< 10.00\%$

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

Ratio is within Benchmark  
 Ratio is outside Benchmark



**Purpose of Cash Expense Cover Ratio**

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

**Commentary on 2014/15 Result**

**2014/15 Ratio 19.70 mths**

Council continues to hold adequate cash reserves to cover immediate expenses without having to rely on external financing arrangements.

Benchmark: Minimum  $\geq 3.00$

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

Ratio is within Benchmark  
 Ratio is outside Benchmark



## Coolamon Shire Council

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

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

\$ '000	Water 2015	Sewer 2015	General <sup>5</sup> 2015
<b>Local Government Industry Indicators - by Fund</b>			
<b>1. Operating Performance Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>			
<u>(excl. Capital Grants &amp; Contributions) - Operating Expenses</u>	<b>n/a</b>	<b>-9.11%</b>	<b>10.14%</b>
Total continuing operating revenue <sup>(1)</sup>			
(excl. Capital Grants & Contributions)	prior period: n/a	-22.75%	-2.64%
<b>2. Own Source Operating Revenue Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>			
<u>(excl. ALL Grants &amp; Contributions)</u>	<b>n/a</b>	<b>87.39%</b>	<b>50.46%</b>
Total continuing operating revenue <sup>(1)</sup>			
	prior period: n/a	97.34%	54.24%
<b>3. Unrestricted Current Ratio</b>			
Current Assets less all External Restrictions <sup>(2)</sup>			
<u>Current Liabilities less Specific Purpose Liabilities<sup>(3, 4)</sup></u>	<b>n/a</b>	<b>No Liabilities</b>	<b>3.24x</b>
	prior period: n/a	No Liabilities	4.35
<b>4. Debt Service Cover Ratio</b>			
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation			
<u>Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)</u>	<b>n/a</b>	<b>0.00</b>	<b>54.04x</b>
	prior period: n/a	0.00	35.98
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>			
<u>Rates, Annual and Extra Charges Outstanding</u>	<b>n/a</b>	<b>9.53%</b>	<b>7.23%</b>
Rates, Annual and Extra Charges Collectible			
	prior period: n/a	8.19%	6.35%
<b>6. Cash Expense Cover Ratio</b>			
Current Year's Cash and Cash Equivalents + All Term Deposits			
<u>Payments from cash flow of operating and financing activities</u> x12	<b>n/a</b>	<b>0.00</b>	<b>17.42 mths</b>
	prior period: n/a	0.00	12.75

## Notes

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

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

## Coolamon Shire Council

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

#### Note 14. Investment Properties

<b>\$ '000</b>	Notes	<b>Actual 2015</b>	<b>Actual 2014</b>
----------------	-------	------------------------	------------------------

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

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management

\$ '000

## Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2015	2014	2015	2014
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	444	-	444
Investments				
- "Held to Maturity"	13,700	10,700	13,700	10,700
Receivables	1,205	636	1,205	636
<b>Total Financial Assets</b>	<b>14,905</b>	<b>11,780</b>	<b>14,905</b>	<b>11,780</b>
<b>Financial Liabilities</b>				
Bank Overdraft	466	-	466	-
Payables	6,623	4,991	6,623	4,991
Loans / Advances	6	8	6	8
<b>Total Financial Liabilities</b>	<b>7,095</b>	<b>4,999</b>	<b>7,095</b>	<b>4,999</b>

Fair Value is determined as follows:

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

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

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management (continued)

\$ '000

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

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

Council's Finance area manages the Cash & Investments portfolio.

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

The risks associated with the investments held are:

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
<b>2015</b>				
Possible impact of a 1% movement in Interest Rates	131	131	(131)	(131)
<b>2014</b>				
Possible impact of a 1% movement in Interest Rates	128	128	(128)	(128)

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management (continued)

\$ '000

## (b) Receivables

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

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

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

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.

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

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

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
<b>(i) Ageing of Receivables - %</b>				
Current (not yet overdue)	0%	64%	0%	50%
Overdue	100%	36%	100%	50%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>(ii) Ageing of Receivables - value</b>				
<b>Rates &amp; Annual Charges</b>	<b>Rates &amp; Annual Charges</b>	<b>Other Receivables</b>	<b>Rates &amp; Annual Charges</b>	<b>Other Receivables</b>
Current	-	659	-	234
< 1 year overdue	182	178	164	38
1 - 2 years overdue	57	8	83	-
2 - 5 years overdue	45	22	-	-
> 5 years overdue	-	161	-	200
	<b>284</b>	<b>1,028</b>	<b>247</b>	<b>472</b>
<b>(iii) Movement in Provision for Impairment of Receivables</b>			2015	2014
Balance at the beginning of the year			83	73
+ new provisions recognised during the year			24	18
- amounts provided for but recovered during the year			-	(8)
<b>Balance at the end of the year</b>			<b>107</b>	<b>83</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management (continued)

\$ '000

## (c) Payables &amp; Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
<b>2015</b>									
Bank Overdraft	466							466	466
Trade/Other Payables	6,069	137	117	92	65	48	95	6,623	6,623
Loans & Advances		1	1	1	1	2		6	6
Lease Liabilities								-	-
<b>Total Financial Liabilities</b>	<b>6,535</b>	<b>138</b>	<b>118</b>	<b>93</b>	<b>66</b>	<b>50</b>	<b>95</b>	<b>7,095</b>	<b>7,095</b>
<b>2014</b>									
Bank Overdraft	-	-	-	-	-	-	-	-	-
Trade/Other Payables	4,578	413	-	-	-	-	-	4,991	4,991
Loans & Advances	-	2	1	1	1	1	2	8	8
Lease Liabilities	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>4,578</b>	<b>415</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4,999</b>	<b>4,999</b>

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

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

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	466	16.2%	-	
Trade/Other Payables	6,623		4,991	
Loans & Advances - Fixed Interest Rate	6	7.5%	8	7.5%
Loans & Advances - Variable Interest Rate				
Lease Liabilities	-		-	
	<b>7,095</b>		<b>4,999</b>	

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 19 June 2014.

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

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

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

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

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

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----		
<b>REVENUES</b>					
Rates & Annual Charges	2,989	3,140	151	5%	<b>F</b>
User Charges & Fees	2,454	2,591	137	6%	<b>F</b>
Interest & Investment Revenue	486	457	(29)	(6%)	<b>U</b>
Other Revenues	447	674	227	51%	<b>F</b>
This favourable variance can be attributed to additional Lease Rental Incomes of \$26,000 being received, \$11,000 in legal fees being recouped, \$35,000 of Insurance Incentives being received, \$39,000 received in respect of the Fuel Tax Credits					
Operating Grants & Contributions	5,006	5,463	457	9%	<b>F</b>
Capital Grants & Contributions	583	861	278	48%	<b>F</b>
The following income items were not included in Council's original budget - \$17,000 Section 94 Contributions, \$58,000 Sewerage Contributions, \$448,000 Fixing Country Roads, \$70,000 Coolamon Caravan Park PRMP Funding and \$13,000 for Cancer Council funding for shade provision at the Coolamon Swimming Pool					
Net Gains from Disposal of Assets	86	17	(69)	(80%)	<b>U</b>
Following the construction adjacent to the Coolamon Golf Course, the existing assets were removed to allow for the capital improvements to the Caravan Park. This resulted in Council writing off those assets.					
Joint Ventures & Associates - Net Profits	5	15	10	200%	<b>F</b>
Council's original budget understated the share of the Riverina Regional Library Joint Venture operating result.					

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----		
<b>EXPENSES</b>					
<b>Employee Benefits &amp; On-Costs</b>	<b>5,083</b>	<b>4,443</b>	<b>640</b>	13%	<b>F</b>
Council's original budget overstated salaries and wages by in excess of \$400,000. In addition to this, Council understated the amount of capital wages by \$194,000					
<b>Borrowing Costs</b>	<b>66</b>	<b>67</b>	<b>(1)</b>	(2%)	<b>U</b>
<b>Materials &amp; Contracts</b>	<b>1,595</b>	<b>2,557</b>	<b>(962)</b>	(60%)	<b>U</b>
Unbudgeted expenditures including the Ganmain Organics and Flood Plain Study, as well as additional expenditures relating to the maintenance of the Low Income Houses, Cemeteries, Rural Roads, Sewer Mains, Sporting Grounds and Allawah Lodge as well as Council's contribution to RRL contribution exceeding Council's original budget have contributed to this over expenditure					
<b>Depreciation &amp; Amortisation</b>	<b>2,759</b>	<b>2,675</b>	<b>84</b>	3%	<b>F</b>
<b>Other Expenses</b>	<b>1,375</b>	<b>1,431</b>	<b>(56)</b>	(4%)	<b>U</b>
<b>Budget Variations relating to Council's Cash Flow Statement include:</b>					
<b>Cash Flows from Operating Activities</b>	<b>3,542</b>	<b>5,855</b>	<b>2,313</b>	65.3%	<b>F</b>
Council's original budget does not account for the changeover in residents at Allawah Lodge & Allawah Retirement Village, rather it accounts for the retentions from existing residents, The 14/15 year saw an additional \$1.5 million dollars deposited with Council in Accommodation Payments and Loan Licences for new residents. Additional unbudgeted grant funds received during the year also contributed to this variance					
<b>Cash Flows from Investing Activities</b>	<b>(3,750)</b>	<b>(6,763)</b>	<b>(3,013)</b>	80.3%	<b>U</b>
Council's original budget did not allow for the additional depositing of funds by Council in investment securities.					
<b>Cash Flows from Financing Activities</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>	0.0%	<b>U</b>



## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

#### SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	-	17	-	-	-	(17)	-	145	(202)	(57)	(202)
<b>S94 Contributions - under a Plan</b>	-	<b>17</b>	-	-	-	<b>(17)</b>	-	<b>145</b>	<b>(202)</b>	<b>(57)</b>	<b>(202)</b>
S94A Levies - under a Plan	-	-	-	-	-	-	-				-
<b>Total S94 Revenue Under Plans</b>	-	<b>17</b>	-	-	-	<b>(17)</b>	-				<b>(202)</b>
S94 not under Plans	-	-	-	-	-	-	-	-	-	-	-
S93F Planning Agreements	-						-				
S64 Contributions	-						-				
<b>Total Contributions</b>	-	<b>17</b>	-	-	-	<b>(17)</b>	-	<b>145</b>	<b>(202)</b>	<b>(57)</b>	<b>(202)</b>

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	-	17				(17)	-	145	(202)	(57)	(202)
<b>Total</b>	-	<b>17</b>	-	-	-	<b>(17)</b>	-	<b>145</b>	<b>(202)</b>	<b>(57)</b>	<b>(202)</b>

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

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

### LIABILITIES NOT RECOGNISED:

#### 1. Guarantees

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

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

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

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

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from 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 Councils contributions to the pool and the result of insurance claims within each of the Fund Years.

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

##### (iii) StateCover Limited

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

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

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

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

##### (iv) Other Guarantees

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

## Coolamon Shire Council

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

## Note 18. Contingencies &amp; 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) S94 Plans**

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

**ASSETS NOT RECOGNISED:****(i) Land Under Roads**

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

**(ii) Infringement Notices/Fines**

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

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

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

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

**(iii) S94 Expenditure in Advance**

The Contributions Plan for Roads is currently in deficit by \$202,000 - representing expenditure in advance of Contributions.

Future Contributions will offset this expenditure and replenish Council's General Fund net current assets balance.

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 19. Interests in Other Entities

\$ '000

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

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

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

##### Controlled Entities (Subsidiaries)

*Note 19(a)*

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

##### Joint Ventures & Associates

*Note 19(b)*

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

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

##### Joint Operations

*Note 19(c)*

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

##### Unconsolidated Structured Entities

*Note 19(d)*

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

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

*Note 19(e)*

#### Accounting Recognition:

(i) Subsidiaries disclosed under Note 19(a) and Joint Operations disclosed at Note 19(c) are accounted for on a "line by line" consolidation basis within the Income Statement and Statement of Financial Position.

(ii) Joint Ventures and Associates as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Joint Ventures	15	8	139	124
Associates	-	-	-	-
<b>Total</b>	<b>15</b>	<b>8</b>	<b>139</b>	<b>124</b>

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

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

---

**\$ '000**

---

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

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

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

## (b) Joint Ventures and Associates

Council has incorporated the following Joint Ventures and Associates into its consolidated Financial Statements.

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

Name of Entity	Nature of Relationship	Measurement Method	2015	2014
Riverina Regional Library	Joint Venture		139	124
<b>Total Carrying Amounts - Material Joint Ventures and Associates</b>			<b>139</b>	<b>124</b>

## (b) Details

Name of Entity	Principal Activity	Place of Business
Riverina Regional Library	Provision of Library Services	Riverina

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

Name of Entity	Quoted Fair Value		Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2015	2014	2015	2014	2015	2014	2015	2014
Riverina Regional Library			4%	4%	4%	4%	4%	4%

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

			Riverina Regional Library	
			2015	2014
<b>Statement of Financial Position</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents			1,390	1,088
Other Current Assets			79	67
<b>Total Current Assets</b>		-	<b>1,469</b>	<b>1,155</b>
<b>Non-Current Assets</b>			<b>2,908</b>	<b>2,705</b>
<b>Current Liabilities</b>				
Financial Liabilities (excl. Accounts Payable)				
Other Current Liabilities			707	601
<b>Total Current Liabilities</b>		-	<b>707</b>	<b>601</b>
<b>Non-Current Liabilities</b>			<b>3</b>	<b>1</b>
<b>Net Assets</b>		-	<b>3,667</b>	<b>3,258</b>
<b>Reconciliation of the Carrying Amount</b>				
<b>Opening Net Assets (1 July)</b>		-	3,258	3,040
Profit/(Loss) for the period			409	218
<b>Closing Net Assets</b>		-	<b>3,667</b>	<b>3,258</b>
<b>Council's share of Net Assets (%)</b>			<b>3.8%</b>	<b>3.8%</b>
<b>Council's share of Net Assets (\$)</b>		-	<b>139</b>	<b>124</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

			<b>Riverina Regional Library</b>	
			2015	2014
<b>Statement of Comprehensive Income</b>				
Income			2,887	2,190
Interest Income			23	33
Depreciation & Amortisation			(628)	(564)
Interest Expense			(10)	(10)
Other Expenses			(1,863)	(1,431)
<b>Profit/(Loss) from Continuing Operations</b>	-	-	<b>409</b>	<b>218</b>
Profit/(Loss) from Discontinued Operations				
<b>Profit/(Loss) for Period</b>	-	-	<b>409</b>	<b>218</b>
Other Comprehensive Income				
<b>Total Comprehensive Income</b>	-	-	<b>409</b>	<b>218</b>
<b>Council's share of Income (%)</b>			<b>3.8%</b>	<b>3.8%</b>
<b>Council's share of Profit/(Loss) (\$)</b>	-	-	<b>15</b>	<b>8</b>
<b>Council's share of Comprehensive Income (\$)</b>	-	-	<b>15</b>	<b>8</b>
<b>Dividends received by Council</b>			-	-

## (c) Joint Operations

Council has no interest in any Joint Operations.

## (d) Unconsolidated Structured Entities

Council has no Unconsolidated Structured Entities

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

None.



## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		75,952	75,603
a. Correction of Prior Period Errors	20 (c)	(465)	(172)
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		2,045	56
e. Distributions to/(Contributions from) Non-controlling Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes ( <a href="#">disclosure required</a> )		-	-
<b>Balance at End of the Reporting Period</b>		<b><u>77,532</u></b>	<b><u>75,487</u></b>
<b>(b) Reserves</b>			
<b>(i) Reserves are represented by:</b>			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		89,887	76,676
- "Available for Sale" Financial Investments Revaluation Reserve		-	-
- Other Reserves (Specify)		-	-
<b>Total</b>		<b><u>89,887</u></b>	<b><u>76,676</u></b>
<b>(ii) Reconciliation of movements in Reserves:</b>			
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>			
- Opening Balance		76,676	76,969
- Revaluations for the year	9(a)	13,211	-
- (Impairment of revalued assets) / Impairment reversals	9(a),(c)	-	-
- Transfer to Retained Earnings for Asset disposals		-	-
- Correction of Prior Period Errors	20(c)	-	(293)
- Other movements ( <a href="#">disclose here...</a> )		-	-
<b>- Balance at End of Year</b>		<b><u>89,887</u></b>	<b><u>76,676</u></b>
<b>TOTAL VALUE OF RESERVES</b>		<b><u>89,887</u></b>	<b><u>76,676</u></b>
<b>(iii) Nature &amp; Purpose of Reserves</b>			
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>			
- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.			

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Correction of Error/s relating to a Previous Reporting Period</b>			
<b>Correction of errors disclosed in this year's financial statements:</b>			
Council had previously accounted for a 100% share in four properties.			-
Investigations into the proposed sale of the properties identified that			-
Council's share was only 28.59%. Subsequently adjustments were			-
made to the fair value and accumulated depreciation for operational land			-
and non-specialised buildings as well as depreciation expense			-
<b>In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.</b>			
<b>These amounted to the following Equity Adjustments:</b>			
- Adjustments to Opening Equity - 1/7/13		(470)	-
(relating to adjustments for the 30/6/13 reporting year end and prior periods)			
This comprises of the following adjustments:-			
Land at cost \$34,000, Land Revalued \$69,000,			
Buildings at cost \$200,000, Buildings Revalued \$344,000,			
Accumulated Depn on Buildings at Cost \$40,000			
and Accumulated Depn on Buildings Revalued \$137,000			
- Adjustments to Closing Equity - 30/6/14		5	-
(relating to adjustments for the 30/6/14 year end)			
This relates solely to the Depreciation expense for the buildings.			
<b>Total Prior Period Adjustments - Prior Period Errors</b>		<b>(465)</b>	<b>-</b>

## Coolamon Shire Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
---------	-------	----------------	----------------

## (d) Voluntary Changes in Accounting Policies

Following an assessment of Council's income, a number of incomes previously identified as grants and contributions have been reclassified due to the mechanisms under which they are received. This has resulted in an increase in user charges and fees and reduction in operating grants and contributions for both the 2015 and 2014 year. This has not resulted in any changes to equity in either year.

-  
-  
-  
-  
-

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

Income Statement by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
	Water	Sewer	General <sup>1</sup>
<b>Continuing Operations</b>			
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	-	427	2,713
User Charges & Fees	-	6	2,585
Interest & Investment Revenue	-	51	406
Other Revenues	-	8	666
Grants & Contributions provided for Operating Purposes	-	13	5,450
Grants & Contributions provided for Capital Purposes	-	58	803
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	17
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	15
<b>Total Income from Continuing Operations</b>	<b>-</b>	<b>563</b>	<b>12,655</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	-	129	4,314
Borrowing Costs	-	-	67
Materials & Contracts	-	110	2,447
Depreciation & Amortisation	-	211	2,464
Other Expenses	-	101	1,330
<b>Total Expenses from Continuing Operations</b>	<b>-</b>	<b>551</b>	<b>10,622</b>
<b>Operating Result from Continuing Operations</b>	<b>-</b>	<b>12</b>	<b>2,033</b>
<b>Discontinued Operations</b>			
Net Profit/(Loss) from Discontinued Operations	-	-	-
<b>Net Operating Result for the Year</b>	<b>-</b>	<b>12</b>	<b>2,033</b>
<b>Net Operating Result attributable to each Council Fund</b>	<b>-</b>	<b>12</b>	<b>2,033</b>
<b>Net Operating Result attributable to Non-controlling Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>-</b>	<b>(46)</b>	<b>1,230</b>

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

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

## Coolamon Shire Council

## Notes to the Financial Statements

as at 30 June 2015

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

\$ '000

Statement of Financial Position by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
	Water	Sewer	General <sup>1</sup>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	-	1,585	(1,585)
Investments	-	-	13,700
Receivables	-	53	1,142
Inventories	-	-	450
<b>Total Current Assets</b>	<b>-</b>	<b>1,638</b>	<b>13,707</b>
<b>Non-Current Assets</b>			
Receivables	-	-	10
Inventories	-	-	2
Infrastructure, Property, Plant & Equipment	-	12,871	148,916
Investments Accounted for using the equity method	-	-	139
<b>Total Non-Current Assets</b>	<b>-</b>	<b>12,871</b>	<b>149,067</b>
<b>TOTAL ASSETS</b>	<b>-</b>	<b>14,509</b>	<b>162,774</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	-	-	6,647
Borrowings	-	-	466
Provisions	-	-	1,674
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>8,787</b>
<b>Non-Current Liabilities</b>			
Payables	-	-	1
Borrowings	-	-	6
Provisions	-	-	1,070
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,077</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>9,864</b>
<b>Net Assets</b>	<b>-</b>	<b>14,509</b>	<b>152,910</b>
<b>EQUITY</b>			
Retained Earnings	-	5,997	71,535
Revaluation Reserves	-	8,512	81,375
<b>Council Equity Interest</b>	<b>-</b>	<b>14,509</b>	<b>152,910</b>
<b>Non-controlling Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>-</b>	<b>14,509</b>	<b>152,910</b>

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

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

## Coolamon Shire Council

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

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

---

**\$ '000**

---

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

## Coolamon Shire Council

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

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

---

\$ '000

---

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

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

Accordingly, the "authorised for issue" date is 23/10/15.

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

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

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

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

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

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

## Coolamon Shire Council

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

#### Note 24. Discontinued Operations

---

**\$ '000**

---

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



## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 25. Intangible Assets

---

**\$ '000**

---

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.

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2015	2014
Various Gravel Pit Sites across the Shire	2029	1,010	944
<b>Balance at End of the Reporting Period</b>	10(a)	<b>1,010</b>	<b>944</b>

Under AASB 116 - Property, Plant & Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

**Reconciliation of movement in Provision for year:**

Balance at beginning of year	944	882
Amounts capitalised to new or existing assets:		
Effect of a change in discount rates used in PV calculations		-
Effect of a change in other calculation estimates used		-
Amortisation of discount (expensed to borrowing costs)	66	62
Expenditure incurred attributable to Provisions		-
<b>Total - Reinstatement, rehabilitation and restoration provision</b>	<b>1,010</b>	<b>944</b>

## Coolamon Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 27. Fair Value Measurement

\$ '000

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

- Infrastructure, Property, Plant and Equipment
- Investment Property
- Financial Assets & Liabilities

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

The objective of using a valuation technique is to estimate the price at which an orderly transaction to sell or to transfer the liability would take place between market participants at the measurement date under current market conditions. Three widely used valuation techniques are the market approach, the cost approach and the income approach. Coolamon Shire Council use valuation techniques consistent with one or more of those approaches to measure fair value.

**'Cost Approach'** – A valuation technique that reflects the amount what would be required to replace the service capacity of an asset (current replacement cost)

**Income Approach**: Valuation technique that converts future amounts (cash flows inflows/outflows) to signal current (i.e. discounted) amount. The fair value measurement is determined on the basis if the value indicated by current market expectations about these future amounts.

**Market Approach**: A valuation technique that uses prices and other relevant information generated by the market transactions involving identical or comparable (similar) assets, liabilities or a group of assets and liabilities such as a business.

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

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

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

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

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

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 27. Fair Value Measurement (continued)

\$ '000

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

2015	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring Fair Value Measurements</b>					
<b>Financial Assets</b>					
Investments					
- "Held to Maturity"	30/06/15	13,700			13,700
Cash and Short Term Deposits	30/06/15	-			-
Receivables	30/06/15		1,205		1,205
<b>Total Financial Assets</b>		<b>13,700</b>	<b>1,205</b>	<b>-</b>	<b>14,905</b>
<b>Financial Liabilities</b>					
Payables	30/06/15		6,648		6,648
<b>Total Financial Liabilities</b>		<b>-</b>	<b>6,648</b>	<b>-</b>	<b>6,648</b>
<b>Investment Properties</b>					
<b>Total Investment Properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
Plant & Equipment	30/06/15			1,923	1,923
Office Furniture	30/06/15			281	281
Operational Land	30/06/15		2,685		2,685
Community Land	30/06/15			1,596	1,596
Land Improvements	30/06/15			464	464
Buildings - Non-specialised	30/06/15		13,331		13,331
Buildings - Specialised	30/06/15			8,805	8,805
Other Structures	30/06/15			4,837	4,837
Roads, Bridge & Footpaths	30/06/15			60,587	60,587
Bulk Earthworks	30/06/15			52,496	52,496
Stormwater Drainage	30/06/15			3,019	3,019
Sewerage Network	30/06/15			10,351	10,351
Swimming Pools	30/06/15			1,099	1,099
Other Assets	30/06/15			269	269
<b>Total Infrastructure, Property, Plant &amp; Equipme</b>		<b>-</b>	<b>16,016</b>	<b>145,727</b>	<b>161,743</b>
<b>Non-recurring Fair Value Measurements</b>					
<b>Discontinued Operations</b>					
<b>Total Discontinued Operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Current Assets classified as "Held for Sale"</b>					
<b>Total NCA's classified as "Held for Sale"</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 27. Fair Value Measurement (continued)

\$ '000

2014	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring Fair Value Measurements</b>					
<b>Financial Assets</b>					
Investments					
- "Held to Maturity"	30/06/14	10,700			10,700
Cash and Short Term Deposits	30/06/14	444			444
<b>Total Financial Assets</b>		<b>11,144</b>	<b>-</b>	<b>-</b>	<b>11,144</b>
<b>Financial Liabilities</b>					
Payables	30-6-14		5,013		5,013
<b>Total Financial Liabilities</b>		<b>-</b>	<b>5,013</b>	<b>-</b>	<b>5,013</b>
<b>Investment Properties</b>					
<b>Total Investment Properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
Plant & Equipment	30/06/14	-	-	2,083	2,083
Office Furniture	30/06/14	-	-	294	294
Operational Land	30/06/14	-	2,652	-	2,652
Community Land	30/06/14	-	-	1,596	1,596
Land Improvements	30/06/14	-	-	483	483
Buildings - Non-specialised	30/06/14	-	13,289	-	13,289
Buildings - Specialised	30/06/14	-	-	8,963	8,963
Other Structures	30/06/14	-	-	5,741	5,741
Roads, Bridge & Footpaths	30/06/14	-	-	49,591	49,591
Bulk Earthworks	30/06/14	-	-	50,454	50,454
Stormwater Drainage	30/06/14	-	-	1,607	1,607
Sewerage Network	30/06/14	-	-	10,479	10,479
Swimming Pools	30/06/14	-	-	-	-
Other Assets	30/06/14	-	-	288	288
<b>Total Infrastructure, Property, Plant &amp; Equipme</b>		<b>-</b>	<b>15,941</b>	<b>131,579</b>	<b>147,520</b>
<b>Non-recurring Fair Value Measurements</b>					
<b>Discontinued Operations</b>					
<b>Total Discontinued Operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Current Assets classified as "Held for Sale"</b>					
<b>Total NCA's classified as "Held for Sale"</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 27. Fair Value Measurement (continued)

\$ '000

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

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

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

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

	IPP&E	Total
<b>Opening Balance - 1/7/13</b>	130,654	130,654
Purchases (GBV)	3,740	3,740
Disposals (WDV)	(198)	(198)
Depreciation & Impairment	(2,617)	(2,617)
<b>Closing Balance - 30/6/14</b>	<b>131,579</b>	<b>131,579</b>
Purchases (GBV)	3,768	3,768
Disposals (WDV)	(127)	(127)
Depreciation & Impairment	(2,704)	(2,704)
FV income approach. Coolamon Shire Council	13,211	13,211
<b>Closing Balance - 30/6/15</b>	<b>145,727</b>	<b>145,727</b>
<sup>1</sup> FV Gains recognised in the Income Statement relating to assets still on hand at year end total:		
YE 13/14	-	-
YE 14/15	-	-

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 28. Operating Segments

\$ '000

As a not for profit entity the Coolamon Shire Council is not required to comply with the requirements of accounting standard AASB 114 "Segment Reporting". However a condition of the Australian Government's Conditional Adjustment Payment (CAP) requires approved providers to provide information by treating residential aged care services as a reportable segment.

**Accounting Policy**

Segment revenues and expenses are those directly attributable to the segment and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, property, plant and equipment (net of accumulated depreciation). While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee benefits, accrued expenses, other financial liabilities and borrowings.

\$ '000	Residential Aged Care		Other		Consolidated	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
<b>Revenue</b>						
User Charges - Gov't Subsidies	895	870			895	870
User Charges - Resident Charge:	587	574	-	-	587	574
User Charges - Other			1,109	1,118	1,109	1,118
Capital Gains		-	17	39	17	39
Interest Income	116	85	341	369	457	454
Grants/Contributions - Donations	1	18			1	18
Grants/Cont's - Other (Capital & Op)		-	6,323	5,096	6,323	5,096
Other Revenues - Bond Retentior	37	51			37	51
Other Revenues - Management F	-	-	99	99	99	99
Other Revenues - Other	14	15	3,778	3,447	3,792	3,462
<b>Total Revenue</b>	<b>1,650</b>	<b>1,613</b>	<b>11,667</b>	<b>10,168</b>	<b>13,317</b>	<b>11,781</b>
<b>Expenses</b>						
Care Employee Expenses	1,042	980			1,042	980
Other Employee Expenses		-	3,401	3,499	3,401	3,499
Borrowing Costs	-	-	67	62	67	62
Materials & Contracts - Audit	3	2	17	15	20	17
Materials & Contracts - Other	276	267	2,261	2,660	2,537	2,927
Depreciation & Amortisation	71	71	2,604	2,592	2,675	2,663
Other Expenses - Insurances	16	15	228	253	244	268
Other Expenses - Electricity & He	39	63	121	180	160	243
Other Expenses - Telephone	1	1	43	49	44	50
Other Expenses - Water	13	12	145	118	158	130
Other Expenses - Mgt Fees	99	99	-	-	99	99
Other Expenses - Other	11	2	814	785	825	787
<b>Total Expenses</b>	<b>1,571</b>	<b>1,512</b>	<b>9,701</b>	<b>10,213</b>	<b>11,272</b>	<b>11,725</b>
<b>Segment Result (pre Tax)</b>	<b>79</b>	<b>101</b>	<b>1,966</b>	<b>(45)</b>	<b>2,045</b>	<b>56</b>

## Coolamon Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 28. Operating Segments (continued)

\$ '000	Actual		Actual		Actual	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash & Cash Equivalents	3,418	1,982	(3,418)	(1,538)	-	444
Investments			13,700	10,700	13,700	10,700
Receivables	210	154	985	471	1,195	625
Inventories			450	133	450	133
<b>Total Current Assets</b>	<b>3,628</b>	<b>2,136</b>	<b>11,717</b>	<b>9,766</b>	<b>15,345</b>	<b>11,902</b>
<b>Non-current Assets</b>						
Receivables	849	849	10	11	859	860
Inventories			2	282	2	282
Infrastructure, PP&E using equity method	3,671	3,735	158,116	143,785	161,787	147,520
			139	124	139	124
<b>Total Non-Current Assets</b>	<b>4,520</b>	<b>4,584</b>	<b>158,267</b>	<b>144,202</b>	<b>162,787</b>	<b>148,786</b>
<b>TOTAL ASSETS</b>	<b>8,148</b>	<b>6,720</b>	<b>169,984</b>	<b>153,968</b>	<b>178,132</b>	<b>160,688</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	2,960	1,634	3,687	3,378	6,647	5,012
Borrowings	-	-	466	1	466	1
Provisions	179	157	1,495	1,491	1,674	1,648
<b>Total Current Liabilities</b>	<b>3,139</b>	<b>1,791</b>	<b>5,648</b>	<b>4,870</b>	<b>8,787</b>	<b>6,661</b>
<b>Non-Current Liabilities</b>						
Payables			1	2	1	2
Borrowings			855	856	855	856
Provisions	6	5	1,064	1,001	1,070	1,006
<b>Total Non-Current Liabilities</b>	<b>6</b>	<b>5</b>	<b>1,920</b>	<b>1,859</b>	<b>1,926</b>	<b>1,864</b>
<b>TOTAL LIABILITIES</b>	<b>3,145</b>	<b>1,796</b>	<b>7,568</b>	<b>6,729</b>	<b>10,713</b>	<b>8,525</b>
<b>Net Assets</b>	<b>5,003</b>	<b>4,924</b>	<b>162,416</b>	<b>147,239</b>	<b>167,419</b>	<b>152,163</b>
<b>Component of Segment</b>						
<b>Liabilities included above:</b>						
Accommodation Pmt Liabilities	2,957	1,628	-	-	2,957	1,628
Interest Bearing Liabilities		-	6	8	6	8
<b>Business Segments:</b>						
Residential Aged Care - Allawah Lodge Aged Persons Hostel provides residential aged care services						
Other - provides other Local Government Services						
<b>Geographical Segments:</b>						
Coolamon Shire Council operates in the Coolamon Shire Local Government Area in New South Wales						

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



## Coolamon Shire Council

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

#### Note 29. Council Information & Contact Details

---

**Principal Place of Business:**

55 Cowabbie Street  
Coolamon NSW 2701

**Contact Details**

**Mailing Address:**

PO Box 101  
Coolamon NSW 2701

**Opening Hours:**

General Business 8.30am to 5.00pm  
Cashier 8.30am to 4.00pm

**Telephone:** 02 6930 1800

**Facsimile:** 02 6927 3168

**Internet:** [www.coolamon.nsw.gov.au](http://www.coolamon.nsw.gov.au)

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

**Officers**

**GENERAL MANAGER**

Anthony Donoghue

**RESPONSIBLE ACCOUNTING OFFICER**

Samantha Jennings

**PUBLIC OFFICER**

Anthony Donoghue

**AUDITORS**

Auswild & Co  
4 Dugan Street  
DEAKIN ACT 2600

**Elected Members**

**MAYOR**

John Seymour

**COUNCILLORS**

Bruce Hutcheon  
David McCann  
Grant Beard  
Kerrilee Logan  
Rebecca Huxtable  
Dennis Brill  
Kathy Maslin  
Alan White

**Other Information**

**ABN:** 32 573 173 265



## **Independent auditor's report to the Councillors of the Coolamon Shire Council and the Chief Executive Officer of the Office of Local Government**

We have audited the accompanying general purpose financial report of the Coolamon Shire Council, which comprises the Statement by Councillors and Management, Statement of Financial Position as at 30<sup>th</sup> June, 2015, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

### **Councils' Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

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

Our audit responsibility does not extend to the original budget information included in the Income Statement, Statement of Cash Flows, Note 2(a) and 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. In addition, our audit did not include 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 general purpose financial report
  - (i) has been prepared in accordance with the requirements of this Division;
  - (ii) is consistent with the Council's accounting records;
  - (iii) presents fairly the Council's financial position, the results of its operations and its cash flows; and
  - (iv) is 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 report that have come to light during the course of the audit.

**AUSWILD & CO.**



G.J. BRADLEY  
Principal

Registered Auditor No: 1249

CANBERRA  
23<sup>rd</sup> October, 2015

**COOLAMON SHIRE COUNCIL**

**REPORT ON THE CONDUCT  
OF THE AUDIT**

**2015**



# Auswild & Co

CHARTERED ACCOUNTANTS

ABN: 29 725 771 792

23<sup>rd</sup> October, 2015

Councillor John Seymour  
Mayor  
Coolamon Shire Council  
P.O. Box 101  
**COOLAMON**, N.S.W. 2701

Dear Cr Seymour,

Having completed an audit examination of the books of account and associated records of the Coolamon Shire Council for the twelve months period ended 30<sup>th</sup> June 2015 we have pleasure in submitting our report on the conduct of the audit in accordance with Section 417 (3) of the Local Government Act 1993.

## BACKGROUND

Council is required to prepare two sets of financial statements for audit each year, these being:

### General Purpose Financial Statements

These financial statements present the actual financial position and performance of the Council. Council has prepared the general purpose financial statements in accordance with:

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

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

These financial statements have been prepared in much the same manner as those of the previous year.

---

### Special Purpose Financial Statements

These financial statements have been prepared in accordance with the requirements of the National Competition Policy which requires separate financial statements for each declared business activity. Council's declared business activities for the 2015 financial year are:

- Sewer Fund Operations
- Allawah Complex

The principle differences between the general purpose financial statements and the special purpose financial statements are that:

- certain taxes and other costs that would apply if these business activities were operating in the commercial sector have been imputed in the special purpose financial statements (ie income tax and land tax),
- the special purpose financial statements contain additional disclosures such as council subsidies, return on investments and dividends paid.

These financial statements have been prepared in much the same manner as those of the previous year.

### Auditor's Responsibility

As part of our role as auditor of Council, Section 415 (3) of the *Local Government Act 1993* and the *Local Government (General) Regulation* requires us to consider and provide comment on the material items affecting the general purpose financial statements and other matters pertinent to the audit. The following section of this report provides an understanding of Council's financial position as at 30 June 2015, its performance for the year then ended, its cash flows and other material financial matters.

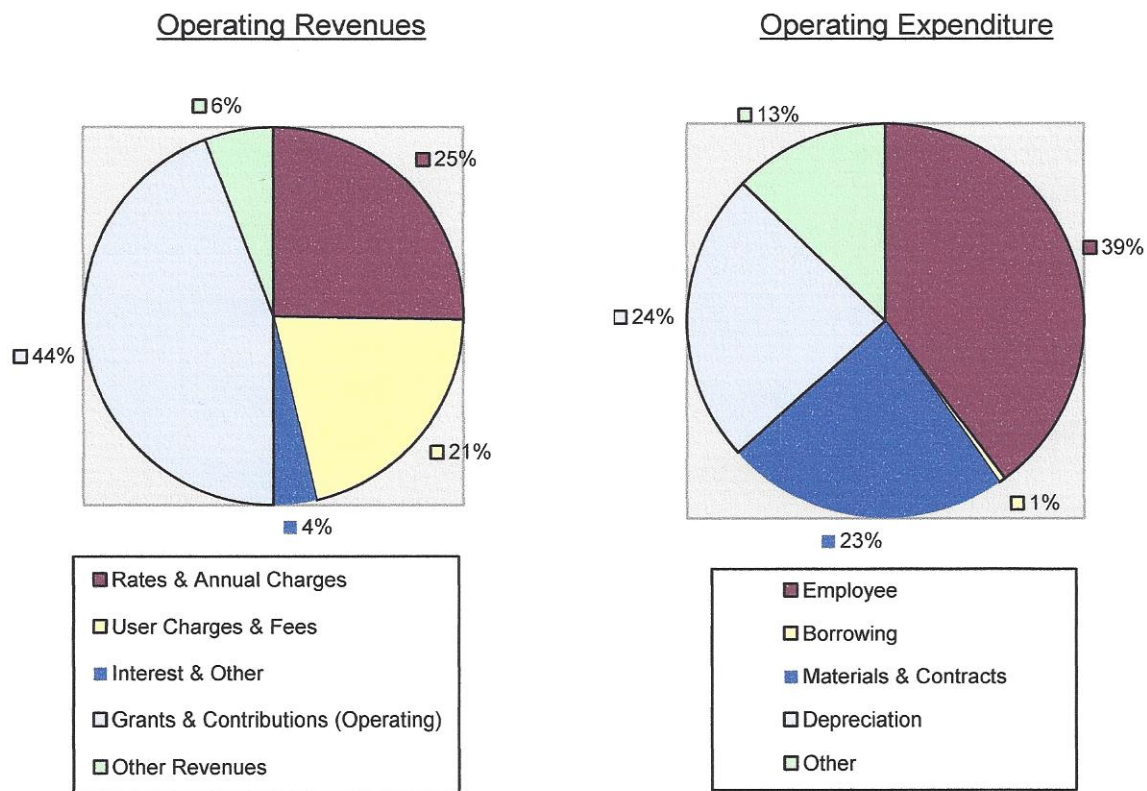


**FINANCIAL RESULTS**

Council reported an operating surplus before capital grants and contributions of \$1.18 million for the year ended 30 June 2015 (2014 – deficit of \$348,000).

Excluding capital grants & contributions, operating revenues (\$12.36 million) increased approx.9.6% on those of the previous year (\$11.28 million) whilst during the same period operating expenses (\$11.17 million) including depreciation expenses of \$2.68 million, decreased approx. 3.9%.

A breakdown of Council’s operating revenues and expenses from continuing operations for the year are as follows:



In addition to operating revenues, Council received capital grants and contributions totalling \$861,000 (2014 - \$404,000).

In the twelve months period to 30 June 2015 Council’s operating result from continuing operations’ (including capital grants and contributions) was a surplus of \$2.05 million compared with a surplus of \$56,000 in the previous year.

Further, we note that the Allawah Aged Persons Complex (which is deemed to be controlled by Council) was again consolidated in Council’s statements in accordance with the Code of Accounting Practice. The Allawah Complex improved Council’s operating result before capital grants and contributions by \$186,000.



---

## BUDGET COMPARISON

The net operating surplus for the year of \$2.05 million was well above the original budget expectations which anticipated a surplus of \$1.18 million.

Details of material variations between the original budget and actual results are detailed in Note 16 to the General Purpose Financial Reports. In essence, the variances can be attributed to:-

### Favourable Variances

- Additional capital grants and contributions were received including:
  - Sewerage contributions (\$58,000)
  - Fixing Country Roads grants (\$448,000)
  - Coolamon Caravan Park (\$70,000)
- Other Revenues were significantly greater than original budget expectations, in particular:
  - Lease rental income exceeded budget by \$26,000
  - Insurance incentives received exceeded budget by \$35,000
  - Fuel tax credits exceeded budget by \$39,000

### Unfavourable Variances

- Materials and Contracts expenditure exceed budget estimates principally due to both unbudgeted and additional expenditures including:
  - Ganmain Organics and Flood Plain Study
  - Maintenance of Low Income Houses, Cemeteries, Rural Roads, Sewer Mains etc.
  - Council contribution to RRL





---

## DETAILED AUDIT OBSERVATIONS

### OPERATING INCOME

#### Rates and Annual Charges

Revenues from rates and annual charges (excluding Council owned properties) amounted to \$3.14 million (2014 - \$2.91 million).

In setting the **ordinary rates** for the year, Council resolved to adopt the maximum increase available of 2.3%. This action has resulted in revenues from ordinary rates increasing from \$2.07 million in 2013/2014 to \$2.16 million in the current year.

Council's ordinary rating base rose marginally during the twelve months period and at year's end 2,949 assessments were subject to ordinary rates.

Council further resolved that other major charges be varied as follows:

- Sewerage connected charges increased \$20 to \$380
- Sewerage unconnected charges increased \$25 to \$180
- Pedestal charges increased \$3 to \$101
- Ardlethan Effluent charges for connected properties increased \$25 to \$180
- Domestic Waste Management collection charges increased \$5 to \$175
- Domestic Recycling charges increased \$2 to \$84
- Tip Access Charges increased \$1 to \$47

Such increases have resulted in revenues as follows:

<b><u>Annual Charges</u></b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Sewerage	427,000	383,000	367,000
Domestic Waste	407,000	382,000	346,000
Tip Access	95,000	79,000	89,000

Rebates of \$124,775 were provided to eligible pensioners and a subsidy of \$87,000 was received from the Office of Local Government towards the cost of these rebates.

Interest on overdue rates and annual charges for the year was \$20,000 (2014 - \$17,000) and outstanding rates were subject to interest at the rate of 8.50% pa (2014 – 9.00%).



---

### User Charges and Fees

Council derived \$145,000 from **Statutory/Regulatory User Charges & Fees** (2014 - \$142,000) and a further \$2.45 million from **Other Fees & Charges** (2014 - \$2.42 million) imposed during the twelve months period ended 30 June 2015.

Significant revenues received from user charges and fees included:-

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Child Care	484,000	440,000
Allawah Lodge & Village	1,481,000	1,444,000
Caravan Park	36,000	29,000
Private Works	48,000	59,000
Cemeteries	95,000	80,000
Allawah Community Care Fees	263,000	297,000

### Interest

Interest and investment revenues increased marginally in the twelve months period and were earned as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Overdue Rates & Charges	20,000	17,000
Allawah Lodge & Village investments	188,000	146,000
Sewerage Fund	51,000	49,000
Domestic Waste Management	3,000	3,000
General Investments	195,000	239,000
	<u>\$ 457,000</u>	<u>\$ 454,000</u>

Excluding interest attributed to the Allawah Complex investments (\$188,000) investment income represented approximately 12.50% of ordinary rating income and therefore remains an important component of Council's budget.



## Other Revenues

Coolamon Shire has again received important revenues from a number of non core activities. Predominately, such income has been earned from the lease rentals of property (\$330,000) including Aged Persons Units.

## Grants, Subsidies and Contributions

### Operating Grants and Contributions

Operating grants and contributions amounting to \$5.46 million were received in 2014/2015 compared with \$4.71 million received in the previous year.

This significant increase in income principally relates to the Financial Assistance Grant which increased approx. \$1.61 million to \$3.19 million. As we have consistently reported over the past few years, Council had been receiving advance instalments of the untied Financial Assistance Grant (FAG) which were brought to account as Council income in the year of receipt. This practice ceased in 2013/2014 when grants were realigned to the years to which they relate and consequently Coolamon Shire Council received only two FAG instalments in 2013/2014 in lieu of the normal four instalments. The FAG income brought to account in 2014/2015 is now in line with expectations.

Other major operating grants and contributions were received for Ardlethan Preschool (\$85,000), Regional Roads (\$1.12 million) and Roads to Recovery funding (\$599,000).

### Capital Grants and Contributions

Capital grants and contributions received in 2014/2015 amounted to \$861,000 (2014 - \$404,000) and comprised of funding for Transport (\$448,000) and RMS contributions for regional and local roads (\$218,000).

In accordance with the Code of Accounting Practice all grant and contribution monies received in 2014/2015 (both expended and unexpended) have been brought to account as income. Grants and contributions recognised as revenues in the current reporting period but not yet expended in accordance with the conditions attaching thereto amounted to \$409,000. At year end Council held specific purpose unexpended grants and contributions amounting to \$254,000 (2014 - \$275,000) and such funds have been identified as an externally restricted asset.



---

## **OPERATING EXPENSES**

Expenses from continuing operations (\$11.17 million) were lower than those of the previous year (\$11.63 million) and marginally higher than the original budget expectations (\$10.88 million).

Impacting significantly on operating expenses for the year were:

### **Employee Costs**

Employee costs (\$4.44 million) remained much in line with those of the previous year with major movements occurring as follows:

- Capitalised costs increased by \$144,000
- Employee leave entitlements increased by \$147,000
- Salaries and wages were lower by \$87,000 due to reduced overtime

At year end Council's full time equivalent employees numbered 68 (2014 – 63).

### **Materials and Contracts**

Materials and contracts expenditure (\$2.58 million) was lower in the current year which can be attributed to reduced RMS and flood/storm damage works.

### **Depreciation**

Depreciation expenses remained fairly consistent in the current year and amounted to \$2.68 million (2014 \$2.66 million).

Whilst such expenses have a significant impact on Council's operating result we note that Coolamon Shire Council's depreciation expenses as a percentage of total expenses are generally lower in comparison with most rural Councils with which we are associated.

### **Net Losses/Gains from the Disposal of Assets**

The sale/disposal of Council assets in the current year has resulted in a profit of \$17,000 being brought to account (2014 – profit \$39,000).



## ASSETS

### Cash & Investments

At balance date Council controlled investments totalling \$13.70 million (2014 - \$11.14 million) and maintained an overdraft of \$466,000.

Council utilises its investments to cover both externally and internally imposed requirements and comprises Allawah Complex investments (\$5.95 million), employee entitlements (\$1.01 million), unexpended grants and contributions (\$254,000), sewerage (\$1.59 million), domestic waste management (\$733,000) and monies for future capital works.

Externally restricted investments (including sewerage fund) amounted to \$8.52 million whilst Council has "earmarked" a further \$4.69 million towards the funding of its future long-term objectives.

Council's cash and investments were held as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
General Fund Investments	5,181,000	4,257,000
General Fund Overdraft	( 466,000)	Nil
Sewerage Fund	1,585,000	1,479,000
Externally Restricted Funds	6,934,000	5,408,000
	<u>13,234,000</u>	<u>11,144,000</u>

and comprised:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank	Nil	444,000
Overdraft	(466,000)	Nil
Long Term Deposits	13,700,000	10,700,000
	<u>13,234,000</u>	<u>11,144,000</u>

### Debtors

#### Rates and Annual Charges

At balance date net outstanding rates, annual charges and associated interest amounted to \$254,000 (2014 - \$204,000) which represented 7.53% of total receivable (2014 – 6.59%).

Whilst it is pleasing to note that Council's rates outstanding percentage again compares favourably with the industry benchmark (< 10.0%) we nevertheless encourage Council to aim for a percentage of below 5.00%. We note that Council is not materially exposed to the arrears of any one ratepayer with the ten highest arrears collectively amounting to approx. \$86,500.



All outstanding arrears have been subject to interest of 8.50% pa and Council has maintained a provision for doubtful debts amounting to \$107,000.

### Real Estate

In the twelve months period to 30 June 2015 Council expended \$44,000 on its residential real estate development and at year end Council held largely undeveloped land with a book value of \$326,000.

### Property, Plant & Equipment excluding Real Estate

During the reporting period Council expended \$4.12 million (2014 - \$3.79 million) on the acquisition of assets. The principal items being:-

	2015	2014
	\$	\$
Plant & Equipment	374,000	637,000
Buildings	305,000	103,000
Roads, Bridges & Footpaths	2,886,000	2,609,000
Other Structures	393,000	287,000

Additionally, we report that Council sold assets with a book value of \$168,000. The sale of these assets has resulted in a profit of \$17,000 being brought to account (2014 – profit \$39,000).

Further, we report that in accordance with the requirements of the Code of Accounting Practice, Council's roads, bridges, footpaths and stormwater drainage assets were subject to a full revaluation which is required to be conducted at least once every five years. These valuations were principally conducted in-house.

These revaluations have resulted in Council's assets being adjusted as follows:

Roads, Bridges & Footpaths	increased \$9.73 million to \$60.59 million
Bulk Earthworks	increased \$2.04 million to \$52.50 million
Stormwater Drainage	increased \$1.44 million to \$3.02 million

The combined action of asset movements and revaluations has resulted in the written down value of property, plant and equipment increasing from \$147.52 million in 2013/2014 to \$161.79 million as at 30 June 2015.

Major acquisitions during the year were again funded from grants, contributions and cash & investments.



---

## LIABILITIES

### Provisions

At 30 June 2015 the Provision for Employee Accrued Entitlements totalled \$1,734,000. The components of the liability are:-

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Annual Leave	519,000	462,000
Long Service Leave	1,203,000	1,234,000
Other	12,000	14,000

The average leave entitlement per employee as at 30 June 2015 was \$25,500 (2014 - \$27,000). At year end Council had set aside funds amounting to \$1,008,000 or 58.00% of the employees leave entitlement liability and such funds have been identified as an internally restricted asset.

Council's provision for Gravel Pit remediation/restoration was increased by \$66,000 and at year end amounted to \$1,010,000.

### Loans and Debt Servicing

Once again, Council has been able to conduct its operations without the need for external loan borrowings and has therefore maintained its enviable debt free status.

## SUMMARY

In analysing Council's financial results for the year, particular attention must be given to the following:-

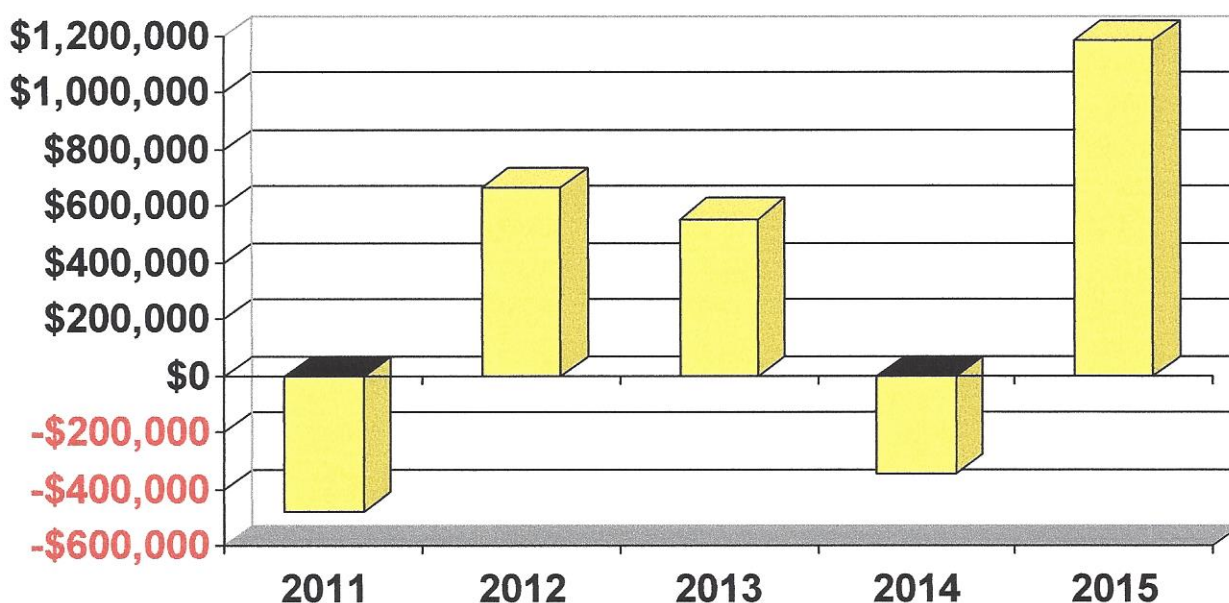
- Operating result before capital amounts (surplus \$1,184,000)
- Net increase in cash and investments held (\$2,090,000)
- Internal and unrestricted investments (\$5,181,000) and Sewerage investments (\$1,585,000)
- Performance ratios



**Operating Result**

Council reported an operating surplus before capital amounts of \$1,184,000 for the twelve months period to 30 June 2015. This surplus result has been reported after allowing for depreciation expenses of \$2,675,000 and was considerably better than both the original budget expectations (surplus - \$595,000) and the result of the previous year (deficit - \$348,000).

**Operating Surplus before Capital Amounts**



The contribution of the individual funds/activities to the consolidated operating result before capital grants and contributions was as follows:

	Surplus/(Deficit)	
	2015	2014
	\$	\$
General Fund	1,044,000	(358,000)
Sewerage Fund	(46,000)	(111,000)
Allawah Complex	186,000	121,000
<b>Surplus/(Deficit)</b>	<b>1,184,000</b>	<b>(348,000)</b>

As illustrated, the current year's operating result has reversed the declining trend of the past two years however we note and emphasise the operating result reported in 2013/2014 (deficit \$348,000) was adversely impacted by the timing adjustment relating to the payment of the financial assistance grant instalments. The Australian Government ceased the payment of advance instalments in 2013/2014 and Coolamon Shire Council's untied FAG was approx. \$1.25 million below that normally expected.





Although we welcome the fact that Council has returned to an operating surplus, it is our opinion that after adjustments for the financial assistance grants, the result is much in line with the previous year.

Income and expenditure items that have materially impacted on Council's operating result for the year included:

<b><u>Income</u></b>	<b>2015</b>	<b>2014</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates & Annual Charges	3,140,000	2,910,000	230,000
Financial Assistance Grant	3,192,000	1,582,000	1,610,000
Allawah Complex	1,481,000	1,444,000	37,000
Interest & Investment Revenue	457,000	454,000	3,000
Specific Purpose Operating Grants	946,000	816,000	130,000
RMS Contributions	1,116,000	1,975,000	(859,000)
<b><u>Expenses</u></b>			
Employee Costs	4,443,000	4,479,000	(36,000)
Raw Materials & Consumables	2,507,000	2,898,000	(391,000)
Depreciation	2,675,000	2,663,000	12,000

On balance we consider that Council has reported a sound operating result.

### Cash Flow

Council achieved a cash surplus of \$5.86 million (2014 - \$2.91 million) from its operating activities which was principally utilised to purchase assets (\$3.90 million).

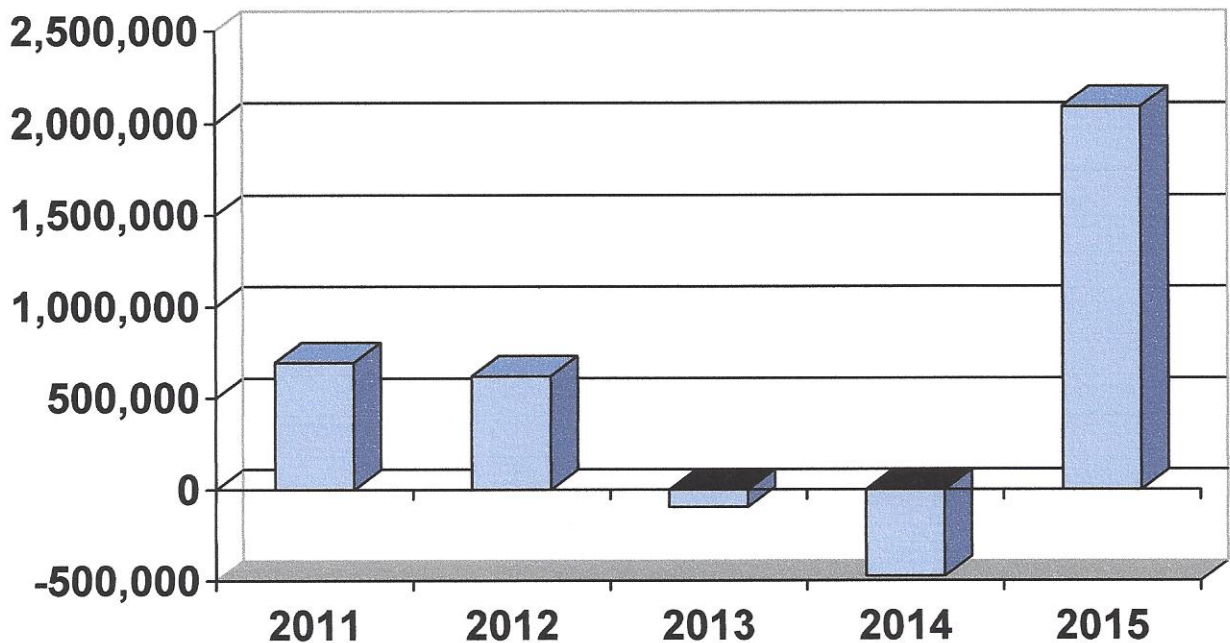
These actions together with the proceeds from the sale of property, plant and equipment have resulted in Council reporting a cash flow surplus (including investments) of \$2.09 million for the year.

Upon analysis the cash flow surplus/deficit can be identified as follows:

<b><u>Activity</u></b>	<b>Surplus/(Deficit)</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b><u>Externally Restricted</u></b>		
Sewerage Fund	106,000	18,000
Allawah Complex Bonds	1,521,000	274,000
Other External Restrictions	5,000	79,000
<b><u>Internally Restricted &amp; Unrestricted</u></b>		
General Fund	<u>458,000</u>	<u>(846,000)</u>
	<b>\$2,090,000</b>	<b>(\$475,000)</b>



Cash Flow Surplus/Deficit



For comparative purposes, we note the following factors that have impacted on the cash flow surplus in 2014/2015.

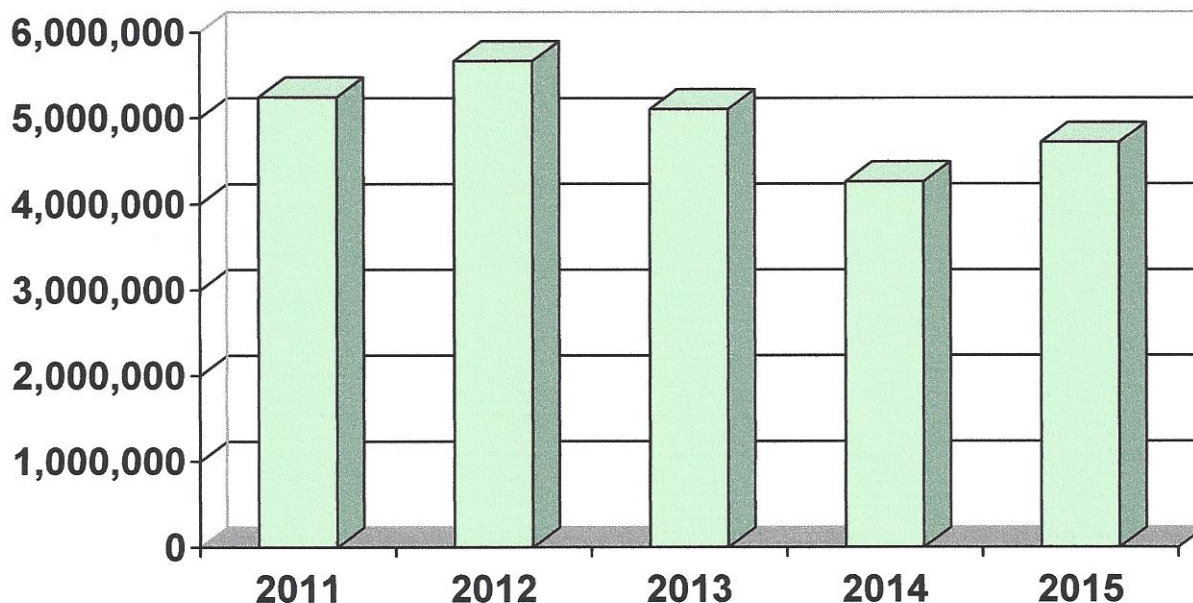
- The Financial Assistance Grants returned to four instalments in the current year.
- Capital expenditure amounted to \$3.90 million in the current year compared to \$3.64 million in 2013/2014.
- Security Bonds, Deposits & Retentions increased by \$1.52 million in the current year.



### Reserves (Internally and Unrestricted Assets)

As noted previously, Council's internal and unrestricted funds have increased by \$458,000 during the twelve months period and at year end Council held internally and unrestricted investments amounting to \$4.72 million (net of overdraft). In addition to these funds we report that the sewerage fund held cash and investments amounting to \$1.59 million.

#### Reserves (Internally and Unrestricted Assets)



As illustrated, Council's reserve funds have remained fairly static over the past five years and in our opinion increased funding should remain a priority. We again reiterate that the adequate funding of reserves is probably the greatest challenge facing local government.

Further, we note that Council has real estate holdings (\$326,000) comprising undeveloped residential land, which when sold may further improve Council's liquidity position.

### Performance Ratios

Council's relatively sound financial position has again been reflected in its performance ratios.

In particular, we note the unrestricted current ratio (which is a measurement of Council's ability to meet its financial obligations) of 3.24, the satisfactory rates and annual charges arrears percentage (7.53%) and Council's enviable debt free status.



In addition to the above, a number of matters of a minor nature were discussed with the appropriate staff who have actioned or undertaken to see that appropriate action is taken with respect to each.

Council's books of account and other records appear to have been maintained in a satisfactory and up-to-date manner and the requirements of the Local Government Act and Regulations well observed. In conclusion we wish to acknowledge the courteous assistance and co-operation extended to us by the General Manager and staff during the conduct of the audit, from whom we have obtained all the information and explanations which we required.

Yours faithfully,  
**AUSWILD & CO.**

per:



G.J. BRADLEY  
Principal  
Registered Company Auditor No 1249



# Coolamon Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

---

*"Big enough to serve,  
small enough to care"*



## Coolamon Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2015

Contents	Page
<b>1. Statement by Councillors &amp; Management</b>	2
<b>2. Special Purpose Financial Statements:</b>	
Income Statement - Sewerage Business Activity	3
Income Statement - Other Business Activities	4
Statement of Financial Position - Sewerage Business Activity	5
Statement of Financial Position - Other Business Activities	6
<b>3. Notes to the Special Purpose Financial Statements</b>	7-15
<b>4. Auditor's Report</b>	

---

#### 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).
-

## Coolamon Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2015

### Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

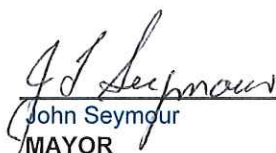
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".


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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

**Signed in accordance with a resolution of Council made on 15 October 2015.**

  
 \_\_\_\_\_  
 John Seymour  
 MAYOR

  
 \_\_\_\_\_  
 Bruce Hutcheon  
 COUNCILLOR

  
 \_\_\_\_\_  
 Anthony Donoghue  
 GENERAL MANAGER

  
 \_\_\_\_\_  
 Samantha Jennings  
 RESPONSIBLE ACCOUNTING OFFICER

## Coolamon Shire Council

## Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>Income from continuing operations</b>		
Access charges	427	413
User charges	6	5
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	51	49
Grants and contributions provided for non capital purposes	13	13
Profit from the sale of assets	-	-
Other income	8	8
<b>Total income from continuing operations</b>	<b>505</b>	<b>488</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	129	139
Borrowing costs	-	-
Materials and contracts	110	156
Depreciation and impairment	211	210
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	101	94
<b>Total expenses from continuing operations</b>	<b>551</b>	<b>599</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(46)</b>	<b>(111)</b>
Grants and contributions provided for capital purposes	58	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>12</b>	<b>(111)</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>12</b>	<b>(111)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>12</b>	<b>(111)</b>
plus Opening Retained Profits	5,985	6,096
plus/less: Prior Period Adjustments		-
plus/less: Other Adjustments ( <a href="#">details here...</a> )		-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid		-
- Surplus dividend paid		-
<b>Closing Retained Profits</b>	<b>5,997</b>	<b>5,985</b>
<b>Return on Capital %</b>	<b>-0.4%</b>	<b>-0.9%</b>
<b>Subsidy from Council</b>	<b>435</b>	<b>573</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	12	(111)
less: Capital grants and contributions (excluding developer contributions)	(58)	-
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>-</b>	<b>-</b>



## Coolamon Shire Council

Income Statement of Council's Other Business Activities  
for the financial year ended 30 June 2015

Allawah Complex

Category 2

\$ '000	Actual 2015	Actual 2014
<b>Income from continuing operations</b>		
Access charges	-	-
User charges	1,482	1,549
Fees	-	-
Interest	188	146
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	278	128
<b>Total income from continuing operations</b>	<b>1,948</b>	<b>1,823</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	1,061	993
Borrowing costs	-	-
Materials and contracts	325	283
Depreciation and impairment	138	139
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	238	287
<b>Total expenses from continuing operations</b>	<b>1,762</b>	<b>1,702</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>186</b>	<b>121</b>
Grants and contributions provided for capital purposes	-	92
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>186</b>	<b>213</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>186</b>	<b>213</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(56)	(36)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>130</b>	<b>177</b>
plus Opening Retained Profits	6,650	6,437
plus/less: Prior Period Adjustments		-
plus/less: Other Adjustments ( <a href="#">details here...</a> )		-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	56	36
add:		
- Subsidy Paid/Contribution To Operations		-
less:		
- TER dividend paid		-
- Dividend paid		-
<b>Closing Retained Profits</b>	<b>6,836</b>	<b>6,650</b>
Return on Capital %	2.0%	1.3%
Subsidy from Council	89	208

## Coolamon Shire Council

## Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,585	1,479
Investments	-	-
Receivables	53	47
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>1,638</b>	<b>1,526</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	12,871	12,971
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>12,871</b>	<b>12,971</b>
<b>TOTAL ASSETS</b>	<b>14,509</b>	<b>14,497</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>	<b>14,509</b>	<b>14,497</b>
<b>EQUITY</b>		
Retained earnings	5,997	5,985
Revaluation reserves	8,512	8,512
Council equity interest	14,509	14,497
Non-controlling equity interest	-	-
<b>TOTAL EQUITY</b>	<b>14,509</b>	<b>14,497</b>

## Coolamon Shire Council

## Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

Allawah Complex

Category 2

\$ '000	Actual 2015	Actual 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	6,828	4,981
Investments	-	-
Receivables	212	155
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>7,040</b>	<b>5,136</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	9,115	9,232
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
<b>Total Non-Current Assets</b>	<b>9,115</b>	<b>9,232</b>
<b>TOTAL ASSETS</b>	<b>16,155</b>	<b>14,368</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	6,161	4,583
Interest bearing liabilities	-	-
Provisions	174	157
<b>Total Current Liabilities</b>	<b>6,335</b>	<b>4,740</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	11	5
Other Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>11</b>	<b>5</b>
<b>TOTAL LIABILITIES</b>	<b>6,346</b>	<b>4,745</b>
<b>NET ASSETS</b>	<b>9,809</b>	<b>9,623</b>
<b>EQUITY</b>		
Retained earnings	6,836	6,650
Revaluation reserves	2,973	2,973
Council equity interest	9,809	9,623
Non-controlling equity interest	-	-
<b>TOTAL EQUITY</b>	<b>9,809</b>	<b>9,623</b>

## Coolamon Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2015

#### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8-10
2	Water Supply Business Best Practice Management disclosure requirements	11-12
3	Sewerage Business Best Practice Management disclosure requirements	13-15

## Coolamon Shire Council

### Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Office of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

#### Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

Nil

##### Category 2

(where gross operating turnover is less than \$2 million)

##### a. Coolamon Shire Sewerage Service

*Council's sewerage reticulation & treatment activities.*

##### b. Allawah Complex

*Provision of Hostel & Retirement Accommodation and associated services for the aged.*

#### 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 3 (Sewerage Best Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Note 3 are disclosed in whole dollars.

#### (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.

## Coolamon Shire Council

### Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Significant Accounting Policies

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%

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 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. No adjustments have been made for variations that have occurred during the year.

##### **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.

##### **(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.

## Coolamon Shire Council

### Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Significant Accounting Policies

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

#### (iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

**Operating Result before Capital Income + Interest Expense**

**Written Down Value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.02% at 30/6/15.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

#### (iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2015 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

# Coolamon Shire Council

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

### Note 2. Water Supply Business Best Practice Management disclosure requirements

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

2015

#### 1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	<input type="text" value="-"/>
(ii)	No of assessments multiplied by \$3/assessment	<input type="text" value="-"/>
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	<input type="text" value="-"/>
(iv)	Amounts actually paid for Tax Equivalents	<input type="text"/>

#### 2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	<input type="text" value="-"/>
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	<input type="text" value="-"/>
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	<input type="text" value="-"/>

2015 Surplus	-	2014 Surplus	-	2013 Surplus	
		2014 Dividend	-	2013 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"/>



## Coolamon Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 2. Water Supply Business  
Best Practice Management disclosure requirements (continued)

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

2015

## National Water Initiative (NWI) Financial Performance Indicators

<b>NWI F1</b>	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	-
<b>NWI F4</b>	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	n/a
<b>NWI F9</b>	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	-
<b>NWI F11</b>	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	-
<b>NWI F14</b>	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	-
<b>NWI F17</b>	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	n/a
<b>NWI F26</b>	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

## Coolamon Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 3. Sewerage Business  
Best Practice Management disclosure requirements

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

2015

**1. Calculation and Payment of Tax-Equivalents**

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	3,213
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	-

**2. Dividend from Surplus**

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	32,130
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	(237,009)

2015 Surplus	(46,000)	2014 Surplus	(111,000)	2013 Surplus	(80,009)
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

**3. Required outcomes for 4 Criteria**

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(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]	NO
	Complying charges	
	(a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	NO
	(c) Trade Waste [Item 2(d) in Table 1]	NO
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	NO
	b. Complete and implement Integrated Water Cycle Management Strategy	NO

## Coolamon Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 3. Sewerage Business  
Best Practice Management disclosure requirements (continued)

---

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2015


---

**National Water Initiative (NWI) Financial Performance Indicators**

<b>NWI F2</b>	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	515
<b>NWI F10</b>	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	12,871
<b>NWI F12</b>	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	276
<b>NWI F15</b>	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	111
<b>NWI F18</b>	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	0.22%
<b>NWI F27</b>	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

---

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

<b>NWI F3</b>	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	515
<b>NWI F8</b>	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	2.52%
<b>NWI F16</b>	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	111
<b>NWI F19</b>	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)]	%	0.22%
<b>NWI F20</b>	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
<b>NWI F21</b>	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

## Coolamon Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 3. Sewerage Business  
Best Practice Management disclosure requirements (continued)

---

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2015


---

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

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)]	%	-10.92%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest  Earnings before Interest & Tax (EBIT): <span style="border: 1px solid black; padding: 0 10px;">28</span> 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: <span style="border: 1px solid black; padding: 0 10px;">- 48</span> Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		> 100
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	12
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	13

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



## **Independent auditor's report to the Councillors of the Coolamon Shire Council and the Chief Executive Officer of the Office of Local Government**

We have audited the accompanying financial report, being a special purpose financial report, of the Coolamon Shire Council, which comprises the statement by councillors and management, statement of financial position as at 30<sup>th</sup> June, 2015 and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

### **Councils' Responsibility for the Financial Report**

The council is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial requirements of National Competition Policy reporting and are appropriate to meet the needs of the council. The council's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that it is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 report is free from material misstatement.

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

The financial report has been prepared for distribution to the council and the Office of Local Government for the purpose of fulfilling council's financial reporting requirements under National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the council or the Office of Local Government or for any purpose other than that for which it was prepared.

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 report presents fairly, in all material respects the financial position of Coolamon Shire Council as at 30 June, 2015 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

**AUSWILD & CO.**



G.J. BRADLEY

Principal

Registered Auditor No: 1249

CANBERRA  
23<sup>rd</sup> October, 2015

# Coolamon Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2015

---

*"Big enough to serve,  
small enough to care"*



# Coolamon Shire Council

## Special Schedules

for the financial year ended 30 June 2015

### Contents

Page

#### Special Schedules<sup>1</sup>

- Special Schedule No. 1	Net Cost of Services	2-3
- 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 Operations - incl. Income Statement	6-9
- Special Schedule No. 4	Water Supply - Statement of Financial Position	10
- Special Schedule No. 5	Sewerage Service Operations - incl. Income Statement	11-14
- Special Schedule No. 6	Sewerage Service - Statement of Financial Position	15
- Notes to Special Schedules No. 3 & 5		16
- Special Schedule No. 7	Report on Infrastructure Assets (as at 30 June 2015)	17-22
- Special Schedule No. 8	Financial Projections	23
- Special Schedule No. 9	Permissible Income Calculation	24-26

<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 9).

#### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the NSW Office of Water (NOW), and
  - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of the financial activities of specific services.



## Coolamon Shire Council

Special Schedule No. 1 - Net Cost of Services  
for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>728</b>	-	-	<b>(728)</b>
<b>Administration</b>	-	<b>155</b>	-	<b>155</b>
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	322	93	-	<b>(229)</b>
Animal Control	22	8	-	<b>(14)</b>
<b>Total Public Order &amp; Safety</b>	<b>344</b>	<b>101</b>	-	<b>(243)</b>
<b>Health</b>	<b>(3)</b>	<b>18</b>	-	<b>21</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	203	50	-	<b>(153)</b>
Other Environmental Protection	1	-	-	<b>(1)</b>
Solid Waste Management	494	578	-	<b>84</b>
Street Cleaning	24	-	-	<b>(24)</b>
Drainage	56	44	-	<b>(12)</b>
Stormwater Management	-	-	-	-
<b>Total Environment</b>	<b>778</b>	<b>672</b>	-	<b>(106)</b>
<b>Community Services and Education</b>				
Administration & Education	64	79	-	<b>15</b>
Aged Persons and Disabled	358	323	-	<b>(35)</b>
Children's Services	665	622	-	<b>(43)</b>
<b>Total Community Services &amp; Education</b>	<b>1,087</b>	<b>1,024</b>	-	<b>(63)</b>
<b>Housing and Community Amenities</b>				
Public Cemeteries	141	95	-	<b>(46)</b>
Public Conveniences	54	-	-	<b>(54)</b>
Street Lighting	103	16	-	<b>(87)</b>
Town Planning	127	43	-	<b>(84)</b>
Other Community Amenities	195	96	-	<b>(99)</b>
<b>Total Housing and Community Amenities</b>	<b>620</b>	<b>250</b>	-	<b>(370)</b>
<b>Sewerage Services</b>	<b>499</b>	<b>505</b>	<b>58</b>	<b>64</b>

## Coolamon Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)  
for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Recreation and Culture</b>				
Public Libraries	215	43	-	(172)
Museums	79	6	-	(73)
Community Centres and Halls	117	12	-	(105)
Other Cultural Services	21	7	-	(14)
Sporting Grounds and Venues	56	11	-	(45)
Swimming Pools	234	11	13	(210)
Parks & Gardens (Lakes)	422	-	-	(422)
<b>Total Recreation and Culture</b>	<b>1,144</b>	<b>90</b>	<b>13</b>	<b>(1,041)</b>
<b>Mining, Manufacturing and Construction</b>				
Building Control	179	38	-	(141)
Other Mining, Manufacturing & Construction	89	-	-	(89)
<b>Total Mining, Manufacturing and Const.</b>	<b>268</b>	<b>38</b>	<b>-</b>	<b>(230)</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	630	-	17	(613)
Sealed Rural Roads (SRR) - Local	933	617	175	(141)
Sealed Rural Roads (SRR) - Regional	977	1,094	491	608
Unsealed Rural Roads (URR) - Local	1,099	45	-	(1,054)
Bridges on SRR - Local	36	-	-	(36)
Bridges on Regional Roads	-	-	-	-
Footpaths	15	-	34	19
Other Transport & Communication	6	-	-	(6)
<b>Total Transport and Communication</b>	<b>3,696</b>	<b>1,756</b>	<b>717</b>	<b>(1,223)</b>
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	44	38	73	67
Other Economic Affairs	1,968	1,914	-	(54)
<b>Total Economic Affairs</b>	<b>2,012</b>	<b>1,952</b>	<b>73</b>	<b>13</b>
<b>Totals – Functions</b>	<b>11,173</b>	<b>6,561</b>	<b>861</b>	<b>(3,751)</b>
<b>General Purpose Revenues</b> <sup>(2)</sup>		<b>5,781</b>		<b>5,781</b>
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	<b>-</b>	<b>15</b>		<b>15</b>
<b>NET OPERATING RESULT</b> <sup>(1)</sup>	<b>11,173</b>	<b>12,357</b>	<b>861</b>	<b>2,045</b>

(1) As reported in the Income Statement

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

Coolamon Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2015

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
<b>Loans (by Source)</b>											
Other State Government	1	7	8		2			1	-	6	6
Public Subscription	-	-	-						-	-	-
Financial Institutions	-	-	-						-	-	-
Other	-	-	-						-	-	-
<b>Total Loans</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>6</b>
<b>Other Long Term Debt</b>											
Ratepayers Advances	-	-	-						-	-	-
Government Advances	-	-	-						-	-	-
Finance Leases	-	-	-						-	-	-
Deferred Payments	-	-	-						-	-	-
<b>Total Long Term Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Debt</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>6</b>

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).

# Coolamon Shire Council

## Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993] for the financial year ended 30 June 2015

\$'000

### Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General			
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
<b>Totals</b>	-	-	-

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

### Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
<b>Totals</b>							-	-	-

## Coolamon Shire Council

## Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>A Expenses and Income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	-	-
b. Engineering and Supervision	-	-
<b>2. Operation and Maintenance expenses</b>		
<b>- Dams &amp; Weirs</b>		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
<b>- Mains</b>		
c. Operation expenses	-	-
d. Maintenance expenses	-	-
<b>- Reservoirs</b>		
e. Operation expenses	-	-
f. Maintenance expenses	-	-
<b>- Pumping Stations</b>		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	-	-
i. Maintenance expenses	-	-
<b>- Treatment</b>		
j. Operation expenses (excluding chemical costs)	-	-
k. Chemical costs	-	-
l. Maintenance expenses	-	-
<b>- Other</b>		
m. Operation expenses	-	-
n. Maintenance expenses	-	-
o. Purchase of water	-	-
<b>3. Depreciation expenses</b>		
a. System assets	-	-
b. Plant and equipment	-	-
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	-	-
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)	-	-
<b>5. Total expenses</b>	<b>-</b>	<b>-</b>

## Coolamon Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	-	-
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	-	-
<b>8. Extra charges</b>	-	-
<b>9. Interest income</b>	-	-
<b>10. Other income</b>	-	-
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	-	-
<b>11. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	-	-
c. Other grants	-	-
<b>12. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>13. Total income</b>	<u>-</u>	<u>-</u>
<b>14. Gain (or loss) on disposal of assets</b>	-	-
<b>15. Operating Result</b>	<u>-</u>	<u>-</u>
<b>15a. Operating Result (less grants for acquisition of assets)</b>	-	-

## Coolamon Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	-	-
d. Plant and equipment	-	-
<b>17. Repayment of debt</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>18. Transfer to sinking fund</b>	-	-
<b>19. Totals</b>	<u>-</u>	<u>-</u>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	-	-
<b>21. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>22. Transfer from sinking fund</b>	-	-
<b>23. Totals</b>	<u>-</u>	<u>-</u>
<b>C Rates and charges</b>		
<b>24. Number of assessments</b>		
a. Residential (occupied)		-
b. Residential (unoccupied, ie. vacant lot)		-
c. Non-residential (occupied)		-
d. Non-residential (unoccupied, ie. vacant lot)		-
<b>25. Number of ETs for which developer charges were received</b>	ET	- ET
<b>26. Total amount of pensioner rebates (actual dollars)</b>	\$	-

## Coolamon Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies  
for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>27. Annual charges</b>			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?			
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy <b>from</b> residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy <b>to</b> non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy <b>to</b> large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
<b>28. Developer charges</b>			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>29. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (27b +27c + 27d + 28b)</b>			<input type="text" value="-"/>

\* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.



## Coolamon Shire Council

## Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>30. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	-	-	-
<b>31. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	-	-	-
c. User Charges	-	-	-
d. Other	-	-	-
<b>32. Inventories</b>	-	-	-
<b>33. Property, plant and equipment</b>			
a. System assets	-	-	-
b. Plant and equipment	-	-	-
<b>34. Other assets</b>	-	-	-
<b>35. Total assets</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
<b>36. Bank overdraft</b>	-	-	-
<b>37. Creditors</b>	-	-	-
<b>38. Borrowings</b>			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>39. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>40. Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>41. NET ASSETS COMMITTED</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			-
<b>43. Asset revaluation reserve</b>			-
<b>44. TOTAL EQUITY</b>			<u>-</u>
<b>Note to system assets:</b>			
<b>45. Current replacement cost</b> of system assets			
<b>46. Accumulated current cost</b> depreciation of system assets			-
<b>47. Written down current cost</b> of system assets			-

## Coolamon Shire Council

## Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>A Expenses and Income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	36	52
b. Engineering and Supervision	-	-
<b>2. Operation and Maintenance expenses</b>		
<b>- Mains</b>		
a. Operation expenses	-	-
b. Maintenance expenses	50	53
<b>- Pumping Stations</b>		
c. Operation expenses (excluding energy costs)	-	-
d. Energy costs	16	-
e. Maintenance expenses	34	40
<b>- Treatment</b>		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	113	120
g. Chemical costs	-	-
h. Energy costs	20	36
i. Effluent Management	7	17
j. Biosolids Management	-	-
k. Maintenance expenses	-	-
<b>- Other</b>		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
<b>3. Depreciation expenses</b>		
a. System assets	147	147
b. Plant and equipment	64	63
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	64	71
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>551</b>	<b>599</b>

## Coolamon Shire Council

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

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	433	418
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	-	-
<b>8. Trade Waste Charges</b>		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
<b>9. Extra charges</b>	3	2
<b>10. Interest income</b>	48	47
<b>11. Other income</b>	8	8
<b>11a. Aboriginal Communities Water &amp; Sewerage Program</b>	-	-
<b>12. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	13	13
c. Other grants	-	-
<b>13. Contributions</b>		
a. Developer charges	58	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>14. Total income</b>	<u>563</u>	<u>488</u>
<b>15. Gain (or loss) on disposal of assets</b>	-	-
<b>16. Operating Result</b>	<u>12</u>	<u>(111)</u>
<b>16a. Operating Result (less grants for acquisition of assets)</b>	12	(111)

## Coolamon Shire Council

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

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	43
b. New Assets for Growth	19	1
c. Renewals	92	-
d. Plant and equipment	-	13
<b>18. Repayment of debt</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>19. Transfer to sinking fund</b>	-	-
<b>20. Totals</b>	<b>111</b>	<b>57</b>
<b>Non-operating funds employed</b>		
<b>21. Proceeds from disposal of assets</b>	-	-
<b>22. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>23. Transfer from sinking fund</b>	-	-
<b>24. Totals</b>	-	-
<b>C Rates and charges</b>		
<b>25. Number of assessments</b>		
a. Residential (occupied)	873	832
b. Residential (unoccupied, ie. vacant lot)	100	106
c. Non-residential (occupied)	91	111
d. Non-residential (unoccupied, ie. vacant lot)	7	6
<b>26. Number of ETs for which developer charges were received</b>	ET	- ET
<b>27. Total amount of pensioner rebates (actual dollars)</b>	\$ 23,666	\$ 23,759

## Coolamon Shire Council

Special Schedule No. 5 - Sewerage Service Cross Subsidies  
for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>28. Annual charges</b>			
<b>a.</b> Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/>	<input type="checkbox"/> No	
If Yes, go to 29a. If No, please report if council has removed <b>land value</b> from access charges (ie rates)?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
<b>b.</b> Cross-subsidy <b>to</b> non-residential customers (page 45 of Guidelines)			<input type="text"/>
<b>c.</b> Cross-subsidy <b>to</b> trade waste discharges (page 46 of Guidelines)			<input type="text"/>
<b>29. Developer charges</b>			
<b>a.</b> Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
<b>b.</b> Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>30. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (28b + 28c + 29b)</b>			<input type="text"/> -

\* 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.

## Coolamon Shire Council

## Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>31. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	1,585	-	1,585
<b>32. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	41	-	41
c. User Charges	-	-	-
d. Other	12	-	12
<b>33. Inventories</b>	-	-	-
<b>34. Property, plant and equipment</b>			
a. System assets	-	12,871	12,871
b. Plant and equipment	-	-	-
<b>35. Other assets</b>	-	-	-
<b>36. Total Assets</b>	<u>1,638</u>	<u>12,871</u>	<u>14,509</u>
<b>LIABILITIES</b>			
<b>37. Bank overdraft</b>	-	-	-
<b>38. Creditors</b>	-	-	-
<b>39. Borrowings</b>			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>40. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>41. Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>42. NET ASSETS COMMITTED</b>	<u>1,638</u>	<u>12,871</u>	<u>14,509</u>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			5,997
<b>44. Asset revaluation reserve</b>			8,512
<b>45. TOTAL EQUITY</b>			<u>14,509</u>
<b>Note to system assets:</b>			
<b>46. Current replacement cost</b> of system assets			17,917
<b>47. Accumulated current cost</b> depreciation of system assets			(5,046)
<b>48. Written down current cost</b> of system assets			<u>12,871</u>

## Coolamon Shire Council

### Notes to Special Schedule No.'s 3 & 5 for the financial year ended 30 June 2015

#### Administration <sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

#### Engineering and supervision <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

**Revaluation decrements** (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

**Impairment Losses** (item 4d & 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**Residential charges** <sup>(2)</sup> (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

**Non-residential charges** <sup>(2)</sup> (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

**Other income** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

**Other contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

#### Notes:

<sup>(1)</sup> Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

<sup>(2)</sup> To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

# Coolamon Shire Council

## Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings	Council Offices / Administration Centres		32	39	1,770	0%	100%			0%
	Council Works Depot		68	35	143		100%			0%
	Medical Centres		5	2	885	100%				0%
	Child Care		24	12	1,246		100%			0%
	Housing		34	57	2,255	39%	58%	2%		0%
	Toilet Blocks		25	30	442	5%	96%			0%
	Libraries/Cultural Facility		13	25	2,059	100%				0%
	Council Public Halls		10	12	1,927		100%			0%
	Aged Care		70	57	2,508	100%				0%
	Retirement Village		25	17	4,802	100%				0%
	Other Buildings	150	18	26	4,099	69%	27%		4%	0%
	Other				-					
	<b>sub total</b>	<b>150</b>	<b>324</b>	<b>312</b>	<b>22,136</b>	<b>63.2%</b>	<b>35.9%</b>	<b>0.2%</b>	<b>0.7%</b>	<b>0.0%</b>
Other Structures	Other Structures	200	468	418	4,837	97%	3%			0%
	<b>sub total</b>	<b>200</b>	<b>468</b>	<b>418</b>	<b>4,837</b>	<b>97.4%</b>	<b>2.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>



Coolamon Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
<b>Roads</b>	Sealed Local Roads Surface		264	245	5,591	13%	84%	3%		0%
	Sealed Local Roads Structure				14,686	12%	85%	3%		0%
	Regional Roads Surface		350	173	4,467	20%	79%	1%		0%
	Regional Roads Structure				10,592	19%	80%	1%		0%
	Bridges	75			1,871		75%	25%		0%
	Unsealed Local Roads Structure		373	421	4,998	20%	79%	1%		0%
	Footpaths		5	9	1,958	61%	37%	1%	1%	0%
	Kerb and Gutter	42	5	-	7,904	20%	79%	1%		0%
	Sealed Urban Roads Surface	20	117	63	2,888	5%	93%	2%		0%
	Sealed Urban Roads Structure				5,470	4%	93%	3%		0%
	Unsealed Urban Roads Structure				163		100%			0%
	Other				-					
	<b>sub total</b>	<b>137</b>	<b>1,114</b>	<b>911</b>	<b>60,588</b>	<b>15.7%</b>	<b>81.6%</b>	<b>2.6%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Sewerage Network</b>	Sewerage Infrastructure	100	150	166	8,947	63%	33%	4%		0%
	Pumping Station/s		30	34	1,404	100%				0%
	Other				-					
	<b>sub total</b>	<b>100</b>	<b>180</b>	<b>200</b>	<b>10,351</b>	<b>68.0%</b>	<b>28.5%</b>	<b>3.5%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Stormwater Drainage</b>	Stormwater Infrastructure		20	13	3,019	32%	68%			0%
	Other				-					
	<b>sub total</b>	<b>-</b>	<b>20</b>	<b>13</b>	<b>3,019</b>	<b>32.0%</b>	<b>68.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

# Coolamon Shire Council

## Special Schedule No. 7 - Report on Infrastructure Assets (continued) as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Open Space/ Recreational Assets	Swimming Pools		48	40	1,098		100%			0%
	Other									
	Other									
	<b>sub total</b>	-	<b>48</b>	<b>40</b>	<b>1,098</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>TOTAL - ALL ASSETS</b>	<b>587</b>	<b>2,154</b>	<b>1,894</b>	<b>102,029</b>	<b>35.5%</b>	<b>62.4%</b>	<b>2.0%</b>	<b>0.2%</b>	<b>0.0%</b>

### Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".  
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.  
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.  
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). **Infrastructure Asset Condition Assessment "Key"**

1	<b>Very Good Condition</b>	Only normal maintenance required
2	<b>Minor Defects Only</b>	Minor maintenance required (5%)
3	<b>Maintenance Required to Return to Accepted Level of Service</b>	Significant maintenance required (10-20%)
4	<b>Requires Renewal</b>	Significant renewal/upgrade required( 20-40%)
5	<b>Asset Unservicable</b>	Over 50% of asset requires replacement

## Coolamon Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods	
			2014	2013
<b>Infrastructure Asset Performance Indicators Consolidated</b>				
<b>1. Building, Infrastructure &amp; Other Structures</b>				
<b>Renewals Ratio</b>				
Asset Renewals				
<u>(Building, Infrastructure &amp; Other Structures) <sup>(1)</sup></u>	<u>3,033</u>	<b>129.34%</b>	113.58%	119.43%
Depreciation, Amortisation & Impairment	2,345			
<b>2. Infrastructure Backlog Ratio</b>				
Estimated Cost to bring Assets to a Satisfactory Condition	<u>587</u>	<b>0.57%</b>	1.65%	1.88%
Total value <sup>(2)</sup> of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	<u>102,493</u>			
<b>3. Asset Maintenance Ratio</b>				
Actual Asset Maintenance	<u>1,894</u>	<b>0.88</b>	0.98	1.51
Required Asset Maintenance	2,154			
<b>4. Capital Expenditure Ratio</b>				
Annual Capital Expenditure	<u>3,953</u>	<b>1.48</b>	1.35	1.51
Annual Depreciation	2,675			

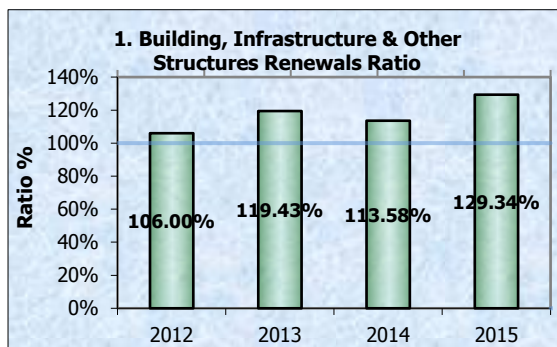
## Notes

<sup>(1)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

<sup>(2)</sup> Written Down Value

# Coolamon Shire Council

## Special Schedule No. 7 - Report on Infrastructure Assets (continued) for the financial year ended 30 June 2015



Benchmark: ——— Minimum  $\geq 100.00\%$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

**Purpose of Asset Renewals Ratio**

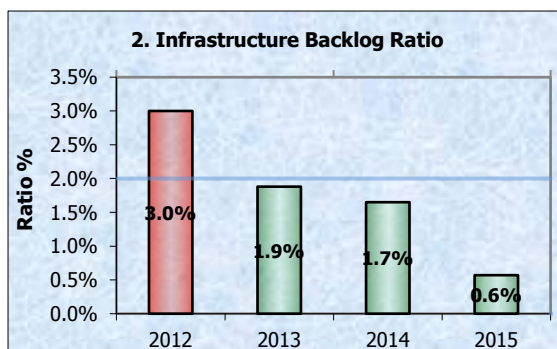
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Commentary on 2014/15 Result**

**2014/15 Ratio 129.34%**

Council continues to invest adequate funds on the renewal of its assets and hence the ongoing potential of these assets is maintained.

■ Ratio is within Benchmark  
■ Ratio is outside Benchmark



Benchmark: ——— Maximum  $< 0.02$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

**Purpose of Infrastructure Backlog Ratio**

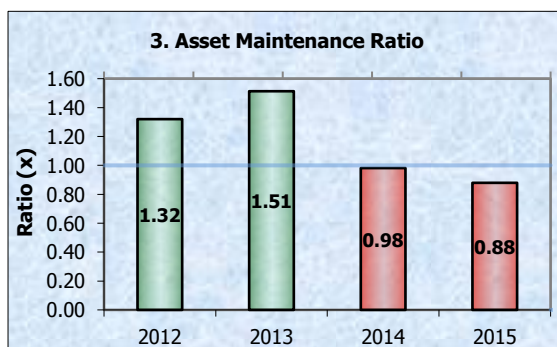
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

**Commentary on 2014/15 Result**

**2014/15 Ratio 0.57%**

Council has been working hard on reducing its backlog ensuring that its assets are to a standard required by the Coolamon Shire community

■ Ratio is within Benchmark  
■ Ratio is outside Benchmark



Benchmark: ——— Minimum  $> 1.00$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

**Purpose of Asset Maintenance Ratio**

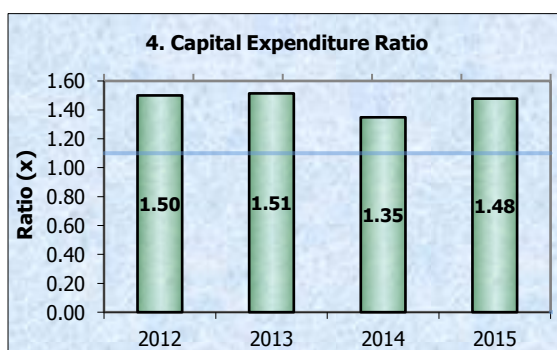
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

**Commentary on 2014/15 Result**

**2014/15 Ratio 0.88 x**

Council's Asset Maintenance as compared to budget has fallen below Council original budget but Council's expenditure on capital renewal indicates Council's ongoing investment in its assets.

■ Ratio is within Benchmark  
■ Ratio is outside Benchmark



Benchmark: ——— Minimum  $> 1.10$   
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

**Purpose of Capital Expenditure Ratio**

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

**Commentary on 2014/15 Result**

**2014/15 Ratio 1.48 x**

Council's Capital Expenditure Ratio indicates Council's commitment to servicable assets for its community.

■ Ratio is within Benchmark  
■ Ratio is outside Benchmark

## Coolamon Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
for the financial year ended 30 June 2015

\$ '000	Water 2015	Sewer 2015	General <sup>(1)</sup> 2015
<b>Infrastructure Asset Performance Indicators By Fund</b>			
<b>1. Building, Infrastructure &amp; Other Structures</b>			
<b>Renewals Ratio</b>			
Asset Renewals			
<u>(Building, Infrastructure &amp; Other Structures)<sup>(2)</sup></u>	<b>n/a</b>	<b>62.59%</b>	<b>133.80%</b>
Depreciation, Amortisation & Impairment			
prior period:	n/a	0.00%	121.27%
<b>2. Infrastructure Backlog Ratio</b>			
Estimated Cost to bring Assets to a Satisfactory Condition			
<u>Total value<sup>(3)</sup> of Infrastructure, Building, Other Structures &amp; Depreciable Land Improvement Assets</u>	<b>n/a</b>	<b>0.97%</b>	<b>0.53%</b>
prior period:	n/a	0.95%	1.74%
<b>3. Asset Maintenance Ratio</b>			
Actual Asset Maintenance			
<u>Required Asset Maintenance</u>	<b>n/a</b>	<b>1.11</b>	<b>0.86</b>
prior period:	n/a	2.04	0.94
<b>4. Capital Expenditure Ratio</b>			
Annual Capital Expenditure			
<u>Annual Depreciation</u>	<b>n/a</b>	<b>0.53</b>	<b>1.56</b>
prior period:	n/a	0.27	1.44

**Notes**

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

<sup>(2)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

<sup>(3)</sup> Written Down Value

## Coolamon Shire Council

### Special Schedule No. 8 - Financial Projections as at 30 June 2015

---

Special Schedule 8 data is now being collected in the Financial Data Return.

## Coolamon Shire Council

## Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
<b>Notional General Income Calculation <sup>(1)</sup></b>			
Last Year Notional General Income Yield	a	2,149	2,212
Plus or minus Adjustments <sup>(2)</sup>	b	-	(1)
<b>Notional General Income</b>	c = (a + b)	<u>2,149</u>	<u>2,211</u>
<b>Permissible Income Calculation</b>			
Special variation percentage <sup>(3)</sup>	d	0.00%	0.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = d x (c-g)	-	-
or plus Rate peg amount	i = c x e	49	53
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
<b>sub-total</b>	k = (c+g+h+i+j)	<u>2,198</u>	<u>2,264</u>
plus (or minus) last year's Carry Forward Total	l	5	(9)
less Valuation Objections claimed in the previous year	m	-	-
<b>sub-total</b>	n = (l + m)	<u>5</u>	<u>(9)</u>
<b>Total Permissible income</b>	o = k + n	<u>2,203</u>	<u>2,255</u>
less Notional General Income Yield	p	2,212	2,253
<b>Catch-up or (excess) result</b>	q = o - p	<u>(9)</u>	<u>2</u>
plus Income lost due to valuation objections claimed <sup>(4)</sup>	r	-	-
less Unused catch-up <sup>(5)</sup>	s	-	-
<b>Carry forward to next year</b>	t = q + r - s	<u>(9)</u>	<u>2</u>

**Notes**

- The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.

## Coolamon Shire Council

### Special Schedule No. 9 - Independent Auditors Report for the financial year ended 30 June 2016

---

#### **Report on Special Schedule No. 9**

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Coolamon Shire Council for the year ending 30 June 2016.

#### **Responsibility of Council for Special Schedule No. 9**

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

#### **Independence**

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



### **Audit Opinion**

In our opinion, Special Schedule No. 9 of Coolamon Shire Council for 2015/16 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

### **Basis of Accounting**

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

Auswild & Co



Graham Bradley

**Principal**

**Dated at Canberra this 23rd day of October, 2015**