

Coolamon Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

*“Big enough to serve,
small enough to care”*



Coolamon Shire Council

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

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for 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 19 September 2013. 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 2013

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

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

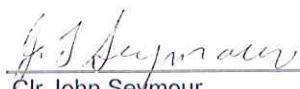
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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

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

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


Signed in accordance with a resolution of Council made on 19 September 2013.



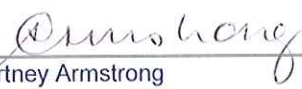
Clr John Seymour
MAYOR



Clr Bruce Hutcheon
COUNCILLOR



Terrey Kiss
GENERAL MANAGER



Courtney Armstrong
RESPONSIBLE ACCOUNTING OFFICER

Coolamon Shire Council

Income Statement

for the financial year ended 30 June 2013

Budget ⁽¹⁾				Actual	Actual
2013	\$ '000		Notes	2013	2012
Income from Continuing Operations					
Revenue:					
2,749	Rates & Annual Charges		3a	2,794	2,621
972	User Charges & Fees		3b	1,060	1,045
504	Interest & Investment Revenue		3c	502	640
467	Other Revenues		3d	425	448
4,602	Grants & Contributions provided for Operating Purposes		3e,f	7,769	7,589
258	Grants & Contributions provided for Capital Purposes		3e,f	324	486
Other Income:					
27	Net gains from the disposal of assets		5	18	229
5	Net Share of interests in Joint Ventures & Associated Entities using the equity method		19	4	21
9,584	Total Income from Continuing Operations			12,896	13,079
Expenses from Continuing Operations					
4,681	Employee Benefits & On-Costs		4a	4,902	4,827
58	Borrowing Costs		4b	58	54
2,005	Materials & Contracts		4c	3,237	3,033
2,981	Depreciation & Amortisation		4d	2,424	2,744
	Impairment		4d	-	-
1,332	Other Expenses		4e	1,395	1,271
	Interest & Investment Losses		3c	-	-
	Net Losses from the Disposal of Assets		5	-	-
	Net Share of interests in Joint Ventures & Associated Entities using the equity method		19	-	-
11,057	Total Expenses from Continuing Operations			12,016	11,929
(1,473)	Operating Result from Continuing Operations			880	1,150
Discontinued Operations					
	Net Profit/(Loss) from Discontinued Operations		24	-	-
(1,473)	Net Operating Result for the Year			880	1,150
(1,473)	Net Operating Result attributable to Council			880	1,150
	Net Operating Result attributable to Non-controlling Interests			-	-
(1,731)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes			556	664

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

Coolamon Shire Council

Statement of Comprehensive Income

for the financial year ended 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		880	1,150
Other Comprehensive Income:			
<i>Amounts which will not be reclassified subsequently to the Operating Result</i>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	6,047	3,014
Adjustment to correct prior period errors			-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
Other Movements in reserves	20b (ii)		-
Other Movements			-
Total Items which will not be reclassified subsequently to the Operating Result		6,047	3,014
<i>Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met</i>			
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Other Movements in reserves (<i>rounding entries</i>)	20b (ii)	2	-
Other Movements			-
Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met		2	-
Total Other Comprehensive Income for the year		6,049	3,014
Total Comprehensive Income for the Year		6,929	4,164
Total Comprehensive Income attributable to Council		6,929	4,164
Total Comprehensive Income attributable to Non-controlling Interests			-

Coolamon Shire Council

Statement of Financial Position

as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	919	4,014
Investments	6b	10,700	7,700
Receivables	7	645	649
Inventories	8	150	68
Other	8	-	-
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		12,414	12,431
Non-Current Assets			
Investments	6b	-	-
Receivables	7	18	17
Inventories	8	282	282
Infrastructure, Property, Plant & Equipment	9	147,210	140,059
Investments accounted for using the equity method	19	116	112
Other	8	-	-
Total Non-Current Assets		147,626	140,470
TOTAL ASSETS		160,040	152,901
LIABILITIES			
Current Liabilities			
Payables	10	4,810	4,489
Borrowings	10	-	-
Provisions	10	1,698	1,863
Total Current Liabilities		6,508	6,352
Non-Current Liabilities			
Payables	10	13	11
Borrowings	10	-	-
Provisions	10	947	895
Investments accounted for using the equity method	19	-	-
Total Non-Current Liabilities		960	906
TOTAL LIABILITIES		7,468	7,258
Net Assets		152,572	145,643
EQUITY			
Retained Earnings	20	75,603	74,722
Revaluation Reserves	20	76,969	70,921
Council Equity Interest		152,572	145,643
Non-controlling Interests		-	-
Total Equity		152,572	145,643

Coolamon Shire Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		74,722	70,921	145,643	-	145,643
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		74,722	70,921	145,643	-	145,643
c. Net Operating Result for the Year		880		880	-	880
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsv	20b (ii)		6,047	6,047		6,047
- Revaluations: Other Reserves	20b (ii)		-	-		-
- Transfers to Income Statement	20b (ii)		-	-		-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)		-	-		-
- Other Movements (rounding entries)	20b (ii)	1	1	2		2
Other Comprehensive Income		1	6,048	6,049	-	6,049
Total Comprehensive Income (c&d)		881	6,048	6,929	-	6,929
e. Distributions to/(Contributions from) Non-controlling Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		75,603	76,969	152,572	-	152,572

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		73,572	67,907	141,479	-	141,479
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		73,572	67,907	141,479	-	141,479
c. Net Operating Result for the Year		1,150	-	1,150	-	1,150
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsv	20b (ii)	-	3,014	3,014	-	3,014
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	3,014	3,014	-	3,014
Total Comprehensive Income (c&d)		1,150	3,014	4,164	-	4,164
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		74,722	70,921	145,643	-	145,643

Coolamon Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
Cash Flows from Operating Activities				
Receipts:				
2,739	Rates & Annual Charges		2,771	2,659
972	User Charges & Fees		1,309	1,039
504	Investment & Interest Revenue Received		527	594
6,327	Grants & Contributions		7,921	8,300
320	Bonds, Deposits & Retention amounts received		740	97
467	Other		427	897
Payments:				
(4,776)	Employee Benefits & On-Costs		(5,079)	(4,710)
(2,005)	Materials & Contracts		(3,034)	(3,072)
-	Borrowing Costs		-	-
(150)	Bonds, Deposits & Retention amounts refunded		(445)	-
(1,323)	Other		(1,375)	(1,604)
	Net Cash from Boundary Adjustments		-	-
3,076	Net Cash provided (or used in) Operating Activities	11b	3,762	4,200
Cash Flows from Investing Activities				
Receipts:				
	Sale of Investment Securities		7,700	700
	Sale of Real Estate Assets		-	50
71	Sale of Infrastructure, Property, Plant & Equipment		286	558
6	Deferred Debtors Receipts		10	-
Payments:				
	Purchase of Investment Securities		(10,700)	(700)
(3,501)	Purchase of Infrastructure, Property, Plant & Equipment		(4,141)	(4,184)
	Purchase of Real Estate Assets		-	-
(2)	Deferred Debtors & Advances Made		(12)	(3)
(3,426)	Net Cash provided (or used in) Investing Activities		(6,857)	(3,579)

Coolamon Shire Council

Statement of Cash Flows (continued)
for the financial year ended 30 June 2013

Budget			Actual	Actual
\$ '000	\$ '000	Notes	2013	2012
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
Nil				
-			-	-
Net Cash Flow provided (used in) Financing Activities				
(350)			(3,095)	621
747	plus: Cash & Cash Equivalents - beginning of year	11a	4,014	3,393
397	Cash & Cash Equivalents - end of the year	11a	919	4,014
Additional Information:				
	plus: Investments on hand - end of year	6b	10,700	7,700
Total Cash, Cash Equivalents & Investments			11,619	11,714

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 2013

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n/a - not applicable

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

(iii) New and amended standards adopted by Council

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

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

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

(v) Basis of Accounting

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

- (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

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

(vi) Changes in Accounting Policies

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

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(vii) Critical Accounting Estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Critical judgements in applying the entity's accounting policies

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

Coolamon Shire Council

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

Note 1. Summary of Significant Accounting Policies

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

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

(c) Principles of Consolidation

These financial statements incorporate **(i)** the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30 June 2013) and **(ii)** all the related operating results (for the financial year ended the 30th June 2013).

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

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

(i) The Consolidated Fund

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

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

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

- General Purpose Operations including:
 - Allawah Lodge Aged Persons Hostel,
 - Allawah Village,
 - Coolamon Early Childhood Centre
- Sewerage Service
- Domestic Waste Management Service

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

- Advance Ardlethan Committee
- Ardlethan Showground Committee
- Beckom Hall & Community Committee
- Coolamon Showground Management Committee
- Advance Ganmain Committee
- Ganmain Retirement Units Fund Committee
- Advance Marrar Committee
- Matong Park Committee

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

- 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:

Total income from continuing operations	\$40,000
Total expenditure from continuing operations	\$50,000
Total net assets held (ie Equity)	\$90,000

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 Ventures

Jointly Controlled Assets & Operations

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

Jointly Controlled Entities

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

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

(iv) Associated Entities

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

Such entities are usually termed Associates.

(v) County Councils

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

- **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.

The governing body of each County Council is responsible for managing its own affairs.

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

(vi) Additional Information

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(d) Leases

Council did not during the year or at year's end have any leases.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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.

(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.

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(h) Receivables

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

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

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

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

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

Costs are assigned to individual items of inventory on the basis of weighted average costs.

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

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

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

Acquisition of assets

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

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

- **Sewerage Networks** (External Valuation)
- **Operational Land** (External Valuation)

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

- **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)

Initial Recognition

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

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

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

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

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow

to Council and the cost of the item can be measured reliably.

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

Asset Revaluations (including Indexation)

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

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

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.

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Capitalisation Thresholds

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

Land

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

Plant & Equipment

Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000

Buildings & Land Improvements

Park Furniture & Equipment	> \$2,000
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Building

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

Other Structures

> \$2,000

Sewer Assets

Reticulation extensions	> \$5,000
Other	> \$5,000

Stormwater Assets

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

Transport Assets

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

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	48 to 100 years
- Unsealed roads	65 to 100 years
- Bridge : Concrete	103 years
- Road Pavements	60 years
- Kerb, Gutter & Paths	40 years

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

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

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 to 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.

It should be noted that Council had no investment properties for the 2011/12 or 2012/13 financial years.

Coolamon Shire Council

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

Note 1. Summary of Significant Accounting Policies

(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.

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.

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

Coolamon Shire council did not hold any non-current assets "held for sale" or nor were there any discontinued operations during the 2012/2013 financial year.

(s) Impairment of assets

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

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

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

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

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

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

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

(t) Payables

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

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

(u) Borrowings

Council had no Borrowings at year's end or during the 2012/2013 financial year

(v) Borrowing costs

Borrowing costs are expensed

(w) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(x) Employee benefits

(i) Short Term Obligations

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

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

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

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

Wages & salaries and annual leave all classified as Current Liabilities.

(ii) Other Long Term Obligations

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

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

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

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

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 5 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 5 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.

Coolamon Shire Council

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

Note 1. Summary of Significant Accounting Policies

The last valuation of the Scheme was performed by Mr Martin Stephenson BSc, FIA, FIAA 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 2013 the prior period deficit still exists.

Effective from 1 July 2013, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2013 was \$48,029.

The annual amount of additional contributions payable until the deficit is extinguished is \$23,305

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$ 108,352 as at 30 June 2013.

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

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

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

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/13.

(y) Self insurance

Council does not self insure.

(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) and state based Payroll Tax.

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

(ab) New accounting standards and UIG interpretations

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

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory

Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

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

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

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

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

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

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

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

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

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

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

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

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

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

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September

2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

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

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

The amendments will have to be implemented retrospectively.

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

Not applicable to Local Government per se;

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

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

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

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity

Coolamon Shire Council

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

Note 1. Summary of Significant Accounting Policies

transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

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

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

(ac) Rounding of amounts

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

(ad) Comparative Figures

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

(ae) Disclaimer

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
Governance		-	-	643	594	616	(643)	(594)	(616)	-	-	-	-
Administration	79	135	353	-	-	-	79	135	353		-	10,149	9,518
Public Order & Safety	123	61	62	375	284	274	(252)	(223)	(212)		-	540	349
Health	18	20	20	179	176	181	(161)	(156)	(161)		-	1,015	862
Environment	498	544	525	605	657	631	(107)	(113)	(106)		71	2,393	2,368
Community Services & Education	875	1,014	922	1,055	1,103	1,048	(180)	(89)	(126)	438	366	1,528	690
Housing & Community Amenities	213	275	250	579	554	562	(366)	(279)	(312)	25	-	4,508	4,246
Sewerage Services	446	475	533	472	542	416	(26)	(67)	117	55	13	14,619	14,709
Recreation & Culture	37	55	96	886	996	930	(849)	(941)	(834)	40	58	10,834	8,365
Mining, Manufacturing & Construction	28	26	39	270	285	265	(242)	(259)	(226)		-	307	326
Transport & Communication	1,891	3,013	2,352	4,292	4,960	5,128	(2,401)	(1,947)	(2,776)	789	718	99,223	98,213
Economic Affairs	1,576	2,009	1,832	1,701	1,865	1,878	(125)	144	(46)	997	806	14,808	13,143
Total Functions & Activities	5,784	7,627	6,984	11,057	12,016	11,929	(5,273)	(4,389)	(4,945)	2,344	2,032	159,924	152,789
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	5	4	21		-	-	5	4	21		-	116	112
General Purpose Income ¹	3,795	5,265	6,074				3,795	5,265	6,074	2,866	3,635		-
Operating Result from Continuing Operations	9,584	12,896	13,079	11,057	12,016	11,929	(1,473)	880	1,150	5,210	5,667	160,040	152,901

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER & SAFETY

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

HEALTH

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

ENVIRONMENT

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

COMMUNITY SERVICES & EDUCATION

Administration, 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, other community amenities.

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, RMS works, 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 2013

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		496	471
Farmland		1,431	1,366
Mining		-	-
Business		65	71
Total Ordinary Rates		1,992	1,908
Special Rates			
Nil			
Total Special Rates		-	-
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		346	299
Sewerage Services		367	326
Tip Access		89	88
Total Annual Charges		802	713
TOTAL RATES & ANNUAL CHARGES		2,794	2,621

Council has used 2009 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 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Sewerage Services		5	3
Ardlethan Effluent		4	4
Total User Charges		9	7
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Regulation		25	38
Private Works - Section 67		45	61
Section 149 Certificates (EPA Act)		11	11
Section 603 Certificates		8	9
Town Planning		11	14
Total Fees & Charges - Statutory/Regulatory		100	133
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Aged Care		553	538
Caravan Park		31	23
Cemeteries		70	71
Child Care		200	171
Community Aged Care Packages		24	19
MSO & Community Transport		66	76
Waste Disposal Tipping Fees		2	3
Other		5	4
Total Fees & Charges - Other		951	905
TOTAL USER CHARGES & FEES		1,060	1,045

Coolamon Shire Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		19	21
- Interest earned on Investments (interest & coupon payment income)		472	616
- Interest on Deferred Debtors		-	-
- Interest & Dividend Income (Other)		11	3
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>502</u>	<u>640</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		12	21
General Council Cash & Investments		395	510
Restricted Investments/Funds - External:			
Sewerage Fund Operations		65	75
Domestic Waste Management operations		30	34
Restricted Investments/Funds - Internal:			
Internally Restricted Assets			-
Total Interest & Investment Revenue Recognised		<u>502</u>	<u>640</u>
(d) Other Revenues			
Rental Income - Other Council Properties		305	301
Legal Fees Recovery - Rates & Charges (Extra Charges)		18	22
Commissions & Agency Fees		1	1
Insurance Incentives		30	23
Recycling Income (non domestic)		1	23
Trainee Subsidy		-	3
Zone Rural Fire Service Administration		20	20
VitalCall Agency		12	9
Other		38	46
<u>TOTAL OTHER REVENUE</u>		<u>425</u>	<u>448</u>

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance	2,834	3,602	-	-
Pensioners' Rates Subsidies - General Component	32	33	-	-
Total General Purpose	2,866	3,635	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Sewerage	13	13	-	-
- Domestic Waste Management	25	25	-	-
Aged & Disabled (CACP)	111	106	-	-
Allawah Lodge	877	804	-	-
Ardlethan Preschool	66	65	-	-
Coolamon Shire MSO & Community Transport	260	188	-	-
Heritage & Cultural	-	10	-	-
Library	25	25	-	-
Noxious Weeds	42	46	-	-
RLCIP	-	-	6	-
Transport (Roads to Recovery)	789	599	-	-
Transport (Other Roads & Bridges Funding)	-	119	-	-
Other (Garth Jones Collection)	-	20	-	-
Other (Natural Disaster Funding)	114	-	-	-
Other	16	12	-	-
Total Specific Purpose	2,338	2,032	6	-
Total Grants	5,204	5,667	6	-
Grant Revenue is attributable to:				
- Commonwealth Funding	4,743	5,111	-	-
- State Funding	461	556	-	-
- Other Funding	-	-	6	-
	5,204	5,667	6	-

Coolamon Shire Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	7	2
Other Developer Contributions	-	-	-	11
Total Developer Contributions	17	-	7	13
Other Contributions:				
Bushfire Services	75	78	-	-
Allawah Complex	148	102	106	119
Aged Care	-	10	-	-
Child Care	264	268	-	-
Cycleways/Footpaths	-	-	57	64
Road Safety Officer	-	93	-	-
RMS Contributions (Regional Roads, Block Grant)	1,977	1,279	125	153
Sewerage (excl. Section 64 contributions)	-	-	23	4
Other (DSLO Employment)	-	46	-	-
Other (USP - Effluent Reuse Project)	-	-	-	110
Other (Godde Collection)	-	14	-	-
Other (eHousing)	30	-	-	-
Other	71	32	-	23
Total Other Contributions	2,565	1,922	311	473
Total Contributions	2,565	1,922	318	486
TOTAL GRANTS & CONTRIBUTIONS	7,769	7,589	324	486

Coolamon Shire Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2013	Actual 2012
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	139	381
add: Grants & contributions recognised in the current period but not yet spent:	271	124
less: Grants & contributions recognised in a previous reporting period now spent:	(139)	(366)
Net Increase (Decrease) in Restricted Assets during the Period	132	(242)
Unexpended and held as Restricted Assets	<u><u>271</u></u>	<u><u>139</u></u>
Comprising:		
- Specific Purpose Unexpended Grants	271	139
- Developer Contributions	-	-
- Other Contributions	-	-
	<u><u>271</u></u>	<u><u>139</u></u>

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,585	3,447
Travelling		49	59
Employee Leave Entitlements (ELE)		730	977
Superannuation		366	366
Workers' Compensation Insurance		371	119
Fringe Benefit Tax (FBT)		17	15
Payroll Tax		14	49
Training Costs (other than Salaries & Wages)		67	73
Other		29	23
Total Employee Costs		5,228	5,128
less: Capitalised Costs		(326)	(301)
TOTAL EMPLOYEE COSTS EXPENSED		4,902	4,827
Number of "Equivalent Full Time" Employees at year end		70	70
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		70	70
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Nil			
Total Interest Bearing Liability Costs		-	-
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		-	-
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)		-	-
- Remediation Liabilities	26	58	54
Total Other Borrowing Costs		58	54
TOTAL BORROWING COSTS EXPENSED		58	54

Coolamon Shire Council

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

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		1,643	1,374
Contractor & Consultancy Costs		1,535	1,608
Auditors Remuneration ⁽¹⁾		17	17
Legal Expenses:			
- Legal Expenses: Planning & Development		-	-
- Legal Expenses: Debt Recovery		21	23
- Legal Expenses: Other		21	11
Total Materials & Contracts		3,237	3,033
less: Capitalised Costs		-	-
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>3,237</u>	<u>3,033</u>

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		17	17
- Audit & review of financial statements: Other Consolidated Entity Auditors		-	-
- Audit of regulatory returns		-	-
- Due diligence services		-	-
- Other audit & assurance services (provide details)		-	-
Remuneration for audit and other assurance services		17	17
Total Auditor Remuneration		17	17

Coolamon Shire Council

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

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
Plant and Equipment		-	-	444	412
Office Equipment		-	-	15	3
Land Improvements (depreciable)		-	-	15	18
Buildings - Non Specialised		-	-	115	10
Buildings - Specialised		-	-	55	155
Other Structures		-	-	153	143
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	1,563	1,988
- Stormwater Drainage		-	-	40	32
- Sewerage Network		-	-	147	94
Asset Reinstatement Costs	9 & 26	-	-	19	19
Intangible Assets	25	-	-	-	-
Total Depreciation & Impairment Costs		-	-	2,566	2,874
less: Capitalised Costs		-	-	(142)	(130)
less: Impairments (to)/from ARR [Equity]	9a	-	-	-	-
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>		<u>-</u>	<u>-</u>	<u>2,424</u>	<u>2,744</u>

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		19	28
Bad & Doubtful Debts		20	12
Bank Charges		17	18
Computer / Office Equipment Maintenance		95	77
Contributions/Levies to Other Levels of Government		-	-
- Emergency Services Levy		12	12
- NSW Fire Brigade Levy		15	15
- NSW Rural Fire Service Levy		133	139
- Regional Library		96	91
Councillor Expenses - Mayoral Fee		11	12
Councillor Expenses - Councillors' Fees		75	67
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		4	7
Donations, Contributions & Assistance to other organisations (Section 356)		16	21
Election Expenses		30	-
Electricity & Heating		224	148
Insurance		271	272
Postage		20	16
Printing & Stationery		18	30
Street Lighting		63	47
Subscriptions & Publications		48	51
Telephone & Communications		49	53
Valuation Fees		34	20
Water Charges		125	101
Other		-	34
Total Other Expenses		1,395	1,271
less: Capitalised Costs		-	-
<u>TOTAL OTHER EXPENSES</u>		<u>1,395</u>	<u>1,271</u>

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2013	Actual 2012
Property (excl. Investment Property)			
Proceeds from Disposal - Property		9	-
less: Carrying Amount of Property Assets Sold / Written Off		(29)	-
Net Gain/(Loss) on Disposal		(20)	-
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		277	558
less: Carrying Amount of P&E Assets Sold / Written Off		(239)	(348)
Net Gain/(Loss) on Disposal		38	210
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		-	50
less: Carrying Amount of Real Estate Assets Sold / Written Off		-	(31)
Net Gain/(Loss) on Disposal		-	19
Investment Properties			
Proceeds from Disposal - Investment Properties		-	-
less: Carrying Amount of Investment Properties Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		7,700	700
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(7,700)	(700)
Net Gain/(Loss) on Disposal		-	-
Non Current Assets Classified as "Held for Sale"			
Proceeds from Disposal - Non Current Assets "Held for Sale"		-	-
less: Carrying Amount of 'Held for Sale' Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		18	229
* Financial Assets disposals / redemptions include:			
- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"		-	-
- Net Gain/(Loss) from Financial Instruments designated "Held for Trading"		-	-
- Net Gain/(Loss) from Financial Instruments designated "Available for Sale"		-	-
- Net Gain/(Loss) from Financial Instruments designated "Held to Maturity"		-	-
- Net Gain/(Loss) from Financial Instruments designated "Loans and Receivables"		-	-
Net Gain/(Loss) on Disposal of Financial Instruments		-	-

Coolamon Shire Council

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

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

\$ '000	Notes	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		919	-	3,014	-
Cash-Equivalent Assets ¹					
- Short Term Deposits		-	-	1,000	-
Total Cash & Cash Equivalents		919	-	4,014	-
Investments (Note 6b)					
- Long Term Deposits		10,700	-	7,700	-
Total Investments		10,700	-	7,700	-
<u>TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS</u>		<u>11,619</u>	<u>-</u>	<u>11,714</u>	<u>-</u>

¹ 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"		919	-	4,014	-
---	--	------------	----------	--------------	----------

Investments

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	10,700		7,700	-
- "Designated at Fair Value on Initial Recognition"	6(b-i)			-	-
b. "Held to Maturity"	6(b-ii)	-	-	-	-
c. "Loans & Receivables"	6(b-iii)			-	-
d. "Available for Sale"	6(b-iv)			-	-
Investments		10,700	-	7,700	-

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6b. Investments (continued)

\$ '000	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	7,700	-	7,000	-
Adjustment on adoption of AASB 132/139			-	-
Revaluations (through the Income Statement)	-		-	-
Additions	10,700	-	700	-
Disposals (sales & redemptions)	(7,700)		-	-
Transfers between Current/Non Current			-	-
Transfers from/(to) "Held to Maturity"			-	-
Transfers from/(to) "Loans/Receivables"			-	-
Transfers from/(to) "Available for Sale"			-	-
Balance at End of Year	10,700	-	7,700	-
Comprising:				
- Other Long Term Financial Assets	10,700	-	7,700	-
Total	10,700	-	7,700	-
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	-	-	500	200
Disposals (sales & redemptions)			(500)	(200)
Balance at End of Year	-	-	-	-
Note 6(b-iii)				
Reconciliation of Investments classified as "Loans & Receivables"				
Nil				
Balance at End of Year	-	-	-	-
Note 6(b-iv)				
Reconciliation of Investments classified as "Available for Sale"				
Nil				
Balance at End of Year	-	-	-	-

Coolamon Shire Council

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

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

\$ '000	2013	2013	2012	2012
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	11,619	-	11,714	-
attributable to:				
External Restrictions (refer below)	6,516	-	6,050	-
Internal Restrictions (refer below)	5,083	-	5,641	-
Unrestricted	20	-	23	-
	11,619	-	11,714	-

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

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	-			-
Specific Purpose Unexpended Loans-Sewer (A)	-	-	-	-
RMS (formerly RTA) Advances (B)	-			-
Self Insurance Claims (C)	-			-
Allawah Lodge Bonds	880	557	(207)	1,230
Allawah Village Bonds	2,974	185	(237)	2,922
External Restrictions - Included in Liabilities	3,854	742	(444)	4,152

External Restrictions - Other

Developer Contributions - General (D)	-	7	(7)	-
Developer Contributions - Sewer Fund (D)	-	-	-	-
RMS (formerly RTA) Contributions (E)	-			-
Specific Purpose Unexpended Grants (F)	139	132	-	271
Specific Purpose Unexpended Grants-Sewer Fund (F)	-	-	-	-
Sewerage Services (G)	1,454	7	-	1,461
Domestic Waste Management (G)	603	29		632
External Restrictions - Other	2,196	175	(7)	2,364
Total External Restrictions	6,050	917	(451)	6,516

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	1,000			1,000
Asset Management/Replacement	1,469		(329)	1,140
Infrastructure Replacement	-			-
Employees Leave Entitlement	1,345		(110)	1,235
Carry Over Works	203	68	(203)	68
Ardlethan Preschool	15	-		15
Community Housing Program	30			30
Financial Assistance Grant (Pmt received in advance)	1,467	1,488	(1,467)	1,488
Rehabilitation of Gravel Pits	97	10		107
Swimming Pools	15		(15)	-
Total Internal Restrictions	5,641	1,566	(2,124)	5,083
TOTAL RESTRICTIONS	11,691	2,483	(2,575)	11,599

- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- B** Advances by Roads and Maritime Services (RMS) for 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 2013

Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		195	-	179	-
Interest & Extra Charges		36	-	29	-
User Charges & Fees		10	-	46	-
Private Works		4	-	11	-
Accrued Revenues					
- Interest on Investments		111	-	144	-
- Other Income Accruals		151	-	235	-
Government Grants & Subsidies		79	-	23	-
Coolamon Shire MSO & Community Transport		7	-	1	-
Deferred Debtors		7	18	6	17
Rents		7	-	9	-
Sewerage Connections		15	-	28	-
Other Debtors (Allawah Lodge Accommodation)		96	-	-	-
Total		718	18	711	17
less: Provision for Impairment					
Rates & Annual Charges		(55)	-	(48)	-
Interest & Extra Charges		(18)	-	(14)	-
Total Provision for Impairment - Receivables		(73)	-	(62)	-
<u>TOTAL NET RECEIVABLES</u>		<u>645</u>	<u>18</u>	<u>649</u>	<u>17</u>
Externally Restricted Receivables					
Sewerage Services					
- Rates & Availability Charges		14	-	13	-
- Other		21	-	31	-
Domestic Waste Management		37	-	30	-
Total External Restrictions		72	-	74	-
Internally Restricted Receivables					
Nil		-	-	-	-
Internally Restricted Receivables		-	-	-	-
Unrestricted Receivables		573	18	575	17
<u>TOTAL NET RECEIVABLES</u>		<u>645</u>	<u>18</u>	<u>649</u>	<u>17</u>

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 10.00% (2012 11.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Coolamon Shire Council

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

Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		-	282	-	282
Stores & Materials		150	-	68	-
Total Inventories		150	282	68	282
Other Assets					
Nil		-	-	-	-
Total Other Assets		-	-	-	-
TOTAL INVENTORIES / OTHER ASSETS		150	282	68	282

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Coolamon Shire Council

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

Note 8. Inventories & Other Assets (continued)

\$ '000	2013		2012	
	Current	Non Current	Current	Non Current
(i) Other Disclosures				
(a) Details for Real Estate Development				
Residential	-	282	-	282
Total Real Estate for Resale	-	282	-	282
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	-	282	-	175
Development Costs	-	-	-	107
Total Costs	-	282	-	282
less: Provision for Under Recovery	-	-	-	-
Total Real Estate for Resale	-	282	-	282
Movements:				
Real Estate assets at beginning of the year	-	282	31	282
- WDV of Sales (exp) 5	-	-	(31)	-
Total Real Estate for Resale	-	282	-	282

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

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

	2013	2012
Real Estate for Resale	-	-
Other	-	-
	-	-

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

- Real Estate for Resale	-	-
- Stores & Materials	322	227
- Trading Stock	-	-

(d) Inventory Write Downs

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 2013

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2012					Asset Movements during the Reporting Period						as at 30/6/2013				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciatio n Expense	WIP Transfers	Adjustment s & Transfers	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairm't										Dep'n	Impairm't	
Capital Work in Progress	324	-	-	-	324	153			(324)			153	-	-	-	153
Plant & Equipment	-	4,498	2,419	-	2,079	639	(239)	(444)	10			-	4,604	2,558	-	2,046
Office Equipment	-	216	207	-	9	73		(15)				-	289	221	-	68
Land:																
- Operational Land	-	2,671	-	-	2,671		(15)				99	-	2,755	-	-	2,755
- Community Land	-	1,597	-	-	1,597							-	1,596	-	-	1,596
Land Improvements - depreciable	-	597	126	-	471			(15)				-	597	141	-	456
Buildings - Non Specialised	-	1,071	31	-	1,040	224	(13)	(115)	250	9,971	2,444	-	19,936	6,135	-	13,801
Buildings - Specialised	-	23,349	7,829	-	15,520	55		(55)		(9,903)	3,504	-	16,891	7,771	-	9,120
Other Structures	-	11,813	6,245	-	5,568	210	(1)	(153)	64	(68)		-	12,003	6,383	-	5,620
Infrastructure:																
- Roads, Bridges, Footpaths	-	80,480	32,925	-	47,555	2,577		(1,563)				-	83,057	34,487	-	48,570
- Bulk Earthworks (non-depreciable)	-	50,454	-	-	50,454							-	50,454	-	-	50,454
- Stormwater Drainage	-	3,176	1,497	-	1,679			(40)				-	3,176	1,537	-	1,639
- Sewerage Network	-	13,484	2,719	-	10,765	7		(147)				-	13,491	2,866	-	10,625
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)																
- Quarry Asset	-	480	153	-	327			(19)				-	480	173	-	307
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	324	193,886	54,151	-	140,059	3,938	(268)	(2,566)	-	-	6,047	153	209,329	62,272	-	147,210

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$2,293,000) and New Assets (\$843,000).

Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Coolamon Shire Council

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

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

\$ '000

\$ '000 Class of Asset	Actual 2013				Actual 2012			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Sewerage Services								
WIP				-	64	-	-	64
Land								
- Operational Land		587		587	-	578	-	578
Other Structures		3,671	1,760	1,911	-	3,501	1,697	1,804
Infrastructure		13,491	2,866	10,625	-	13,484	2,719	10,765
Total Sewerage Services	-	17,749	4,626	13,123	64	17,563	4,416	13,211
Domestic Waste Management								
Buildings		105	42	63	-	46	19	27
Other Assets		196	170	26	-	196	167	29
Total DWM	-	301	212	89	-	242	186	56
TOTAL RESTRICTED I,PP&E	-	18,050	4,838	13,212	64	17,805	4,602	13,267

Coolamon Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
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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 2013

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		132	13	41	11
Payments Received In Advance		-	-	23	-
Accrued Expenses:					
- Salaries & Wages		76	-	67	-
- Other Expenditure Accruals		356	-	504	-
Security Bonds, Deposits & Retentions		4,246	-	3,854	-
Total Payables		4,810	13	4,489	11
Borrowings					
Nil					
Total Borrowings		-	-	-	-
Provisions					
Employee Benefits;					
Annual Leave		445	-	512	-
Long Service Leave		1,232	65	1,337	70
Sub Total - Aggregate Employee Benefits		1,677	65	1,849	70
Asset Remediation/Restoration (Future Works)	26	-	882	-	825
Rostered Days Off/TIL		21	-	14	-
Total Provisions		1,698	947	1,863	895
Total Payables, Borrowings & Provisions		6,508	960	6,352	906
(i) Liabilities relating to Restricted Assets					
		2013		2012	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Sewer		10	-	30	-
Other		4,245	-	3,854	-
Liabilities relating to externally restricted assets		4,255	-	3,884	-
Internally Restricted Assets					
Nil					
Liabilities relating to internally restricted assets		-	-	-	-
Total Liabilities relating to restricted assets		4,255	-	3,884	-
Total Liabilities relating to Unrestricted Assets		2,253	960	2,468	906
TOTAL PAYABLES, BORROWINGS & PROVISIONS		6,508	960	6,352	906

¹ Loans are secured over the General Rating Income of Council

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

Coolamon Shire Council

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

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

\$ '000	Actual 2013	Actual 2012
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	1,154	1,275
Payables - Security Bonds, Deposits & Retentions	4,154	3,704
	5,308	4,979

Note 10b. Description of and movements in Provisions

Class of Provision	2012		2013			Closing Balance as at 30/6/13
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	512	324	(391)			445
Sick Leave	-	161	(161)			-
Long Service Leave	1,407	116	(226)			1,297
Asset Remediation	825	57				882
Other	14	7				21
TOTAL	2,758	665	(778)	-	-	2,645

- 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.
- d. Other Provisions represent Employee Entitlements to Rostered Days Off and Time In Lieu

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	919	4,014
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		919	4,014
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		880	1,150
Adjust for non cash items:			
Depreciation & Amortisation		2,424	2,744
Net Losses/(Gains) on Disposal of Assets		(18)	(229)
Non Cash Capital Grants and Contributions		-	(11)
Unwinding of Discount Rates on Reinstatement Provisions		58	54
Share of Net (Profits) or Losses of Associates/Joint Ventures		(4)	(21)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		89	638
Increase/(Decrease) in Provision for Doubtful Debts		11	10
Decrease/(Increase) in Inventories		(82)	(30)
Decrease/(Increase) in Other Assets		-	-
Increase/(Decrease) in Payables		72	(9)
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		207	(317)
Increase/(Decrease) in Other Liabilities		294	120
Increase/(Decrease) in Employee Leave Entitlements		(170)	101
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		3,762	4,200

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
(c) Non-Cash Investing & Financing Activities			
Other Dedications			11
Total Non-Cash Investing & Financing Activities		-	11
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾			-
Credit Cards / Purchase Cards		20	20
Total Financing Arrangements		20	20
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities			-
- Credit Cards / Purchase Cards		4	2
Total Financing Arrangements Utilised		4	2

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

(ii) Secured Loan Liabilities

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

(e) 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 2013

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings			143
Plant & Equipment		275	83
Investment Property			
- Land			-
- Buildings			-
- Other			-
Total Commitments		275	226
These expenditures are payable as follows:			
Within the next year		275	226
Later than one year and not later than 5 years			-
Later than 5 years			-
Total Payable		275	226
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		85	-
Internally Restricted Reserves		190	226
Total Sources of Funding		275	226

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

Nil

(d) Investment Property Commitments

Nil

(e) Investment in Associates / Joint Ventures - Commitments

For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

Coolamon Shire Council

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

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

\$ '000	Amounts 2013	Indicator 2013	Prior Periods	
			2012	2011
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>5,826</u>	5.30 : 1	5.29	5.18
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>1,099</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>-</u>	0.00%	0.00%	0.00%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	<u>7,669</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>2,794</u>	21.67%	20.04%	20.42%
Income from Continuing Operations	<u>12,896</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>158</u>	5.31%	5.12%	6.79%
Rates, Annual & Extra Charges Collectible	<u>2,977</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>2,293</u>	119.43%	102.81%	77.30%
Depreciation, Amortisation & Impairment	<u>1,920</u>			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

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

⁽²⁾ Refer to Note 10(a).

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

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

Coolamon Shire Council

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

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

<p>1. Unrestricted Current Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio : 1</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>5.96</td> </tr> <tr> <td>2011</td> <td>5.18</td> </tr> <tr> <td>2012</td> <td>5.29</td> </tr> <tr> <td>2013</td> <td>5.30</td> </tr> </tbody> </table>	Year	Ratio : 1	2010	5.96	2011	5.18	2012	5.29	2013	5.30	<p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 5.30 : 1</p> <p>Council continues to hold adequate liquidity to meet its short term obligations.</p>
Year	Ratio : 1											
2010	5.96											
2011	5.18											
2012	5.29											
2013	5.30											
<p>2. Debt Service Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>0.00%</td> </tr> <tr> <td>2011</td> <td>0.00%</td> </tr> <tr> <td>2012</td> <td>0.00%</td> </tr> <tr> <td>2013</td> <td>0.00%</td> </tr> </tbody> </table>	Year	Ratio %	2010	0.00%	2011	0.00%	2012	0.00%	2013	0.00%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 0.00%</p> <p>Council's practice of internally financing capital works and equipment purchases remains in force. It is not Council's intention to take up any external borrowings in the 2013/14 financial year.</p>
Year	Ratio %											
2010	0.00%											
2011	0.00%											
2012	0.00%											
2013	0.00%											
<p>3. Rates & Annual Charges Coverage Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>21.32%</td> </tr> <tr> <td>2011</td> <td>20.42%</td> </tr> <tr> <td>2012</td> <td>20.04%</td> </tr> <tr> <td>2013</td> <td>21.67%</td> </tr> </tbody> </table>	Year	Ratio %	2010	21.32%	2011	20.42%	2012	20.04%	2013	21.67%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 21.67%</p> <p>This ratio has remained static despite additional grant and contribution income received during the year.</p>
Year	Ratio %											
2010	21.32%											
2011	20.42%											
2012	20.04%											
2013	21.67%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>8.17%</td> </tr> <tr> <td>2011</td> <td>6.79%</td> </tr> <tr> <td>2012</td> <td>5.12%</td> </tr> <tr> <td>2013</td> <td>5.31%</td> </tr> </tbody> </table>	Year	Ratio %	2010	8.17%	2011	6.79%	2012	5.12%	2013	5.31%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 5.31%</p> <p>Council continues to focus on the recovery of outstanding rates and charges. An internal review of Council's debt recovery policy and procedures will be undertaken in the 2013/14 year to ensure that Council's efforts remain effective.</p>
Year	Ratio %											
2010	8.17%											
2011	6.79%											
2012	5.12%											
2013	5.31%											
<p>5. Building & Infrastructure Renewals Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>182.59%</td> </tr> <tr> <td>2011</td> <td>77.30%</td> </tr> <tr> <td>2012</td> <td>102.81%</td> </tr> <tr> <td>2013</td> <td>119.43%</td> </tr> </tbody> </table>	Year	Ratio %	2010	182.59%	2011	77.30%	2012	102.81%	2013	119.43%	<p>Purpose of Asset Renewals Ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 119.43%</p> <p>Council's asset renewals remain in excess of the depreciation charged for the year for Buildings and Infrastructure.</p>
Year	Ratio %											
2010	182.59%											
2011	77.30%											
2012	102.81%											
2013	119.43%											

Coolamon Shire Council

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

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

\$ '000	Water 2013	Sewer 2013	General ¹ 2013
Local Government Industry Indicators - by Fund			
1. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽¹⁾	n/a	136.00 :	5.30 : 1
Current Liabilities less Specific Purpose Liabilities ^(2,3)		1	
prior period:	n/a	49.93 : 1	5.29 : 1
2. Debt Service Ratio			
Debt Service Cost	n/a	0.00%	0.00%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	n/a	0.00%	0.00%
prior period:	n/a	0.00%	0.00%
3. Rates & Annual Charges Coverage Ratio			
Rates & Annual Charges	n/a	78.38%	19.35%
Income from Continuing Operations	n/a	62.92%	18.12%
prior period:	n/a	62.92%	18.12%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
Rates, Annual & Extra Charges Outstanding	n/a	3.50%	5.59%
Rates, Annual & Extra Charges Collectible	n/a	4.26%	5.90%
prior period:	n/a	4.26%	5.90%
5. Building & Infrastructure Renewals Ratio			
Asset Renewals (Building & Infrastructure assets)	n/a	0.00%	129.33%
Depreciation, Amortisation & Impairment	n/a	0.00%	107.23%
prior period:	n/a	0.00%	107.23%

Notes

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

Coolamon Shire Council

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

Note 14. Investment Properties

\$ '000	Notes	Actual 2013	Actual 2012
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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 2013

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	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	919	4,014	1,919	4,014
Investments				
- "Held for Trading"	10,700	7,700	9,700	7,700
- "Designated At Fair Value on Initial Recognition"	-	-	-	-
- "Held to Maturity"	-	-	-	-
- "Loans & Receivables"	-	-	-	-
- "Available for Sale"	-	-	-	-
Receivables	663	666	663	666
Other Financial Assets	-	-	-	-
Total Financial Assets	12,282	12,380	12,282	12,380
Financial Liabilities				
Bank Overdraft	-	-	-	-
Payables	4,823	4,477	4,823	4,477
Loans / Advances	-	-	-	-
Lease Liabilities	-	-	-	-
Other Financial Liabilities	-	-	-	-
Total Financial Liabilities	4,823	4,477	4,823	4,477

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.

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(a) Fair Value Measurements

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

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Arriving at fair values for financial assets & liabilities can be broken up into 3 distinct measurement hierarchies:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

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

The following table presents the financial assets and financial liabilities that have been measured & recognised at fair values:

2013	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Held for Trading"	9,700			9,700
- "Designated At Fair Value on Initial Recognition"				-
- "Available for Sale"				-
- Other - Receivables	663			663
Total Financial Assets	10,363	-	-	10,363
Financial Liabilities				
- Other - Payables	4,823			4,823
Total Financial Liabilities	4,823	-	-	4,823
2012	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Held for Trading"	7,700	-	-	7,700
- "Designated At Fair Value on Initial Recognition"	-	-	-	-
- "Available for Sale"	-	-	-	-
- Other - Receivables	666	-	-	666
Total Financial Assets	8,366	-	-	8,366
Financial Liabilities				
- Other - Payables	4,477	-	-	4,477
Total Financial Liabilities	4,477	-	-	4,477

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(b) 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 its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether 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.

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

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

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

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

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

2013	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
Possible impact of a 10% movement in Market Values				
Possible impact of a 1% movement in Interest Rates	116	116	116	116
2012				
Possible impact of a 10% movement in Market Values				
Possible impact of a 1% movement in Interest Rates	117	117	117	117

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(c) 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 and carries out credit checks on most non-rate debtors.

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

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

	2013	2013	2012	2012
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	354	-	468
Past due by up to 30 days		31	72	6
Past due between 31 and 180 days	97	106	24	19
Past due between 181 and 365 days	31	7	23	4
Past due by more than 1 year	67	43	60	52
	<u>195</u>	<u>541</u>	<u>179</u>	<u>549</u>

(ii) Movement in Provision for Impairment of Receivables

	2013	2012
Balance at the beginning of the year	62	52
+ new provisions recognised during the year	15	11
- amounts provided for but recovered during the year	(4)	(1)
Balance at the end of the year	<u>73</u>	<u>62</u>

Coolamon Shire Council

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

Note 15. Financial Risk Management (continued)

\$ '000

(d) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity		payable in:					Total Cash Outflows	Actual Carrying Values
	≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs			
2013									
Bank Overdraft	-	-	-	-	-	-	-	-	-
Trade/Other Payables	4,246	4,823	-	-	-	-	9,069	4,823	
Loans & Advances	-	-	-	-	-	-	-	-	
Lease Liabilities	-	-	-	-	-	-	-	-	
Total Financial Liabilities	4,246	4,823	-	-	-	-	9,069	4,823	
2012									
Bank Overdraft	-	-	-	-	-	-	-	-	-
Trade/Other Payables	3,854	4,477	-	-	-	-	8,331	4,477	
Loans & Advances	-	-	-	-	-	-	-	-	
Lease Liabilities	-	-	-	-	-	-	-	-	
Total Financial Liabilities	3,854	4,477	-	-	-	-	8,331	4,477	

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

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

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-	-	-	-
Trade/Other Payables	4,823	0.0%	4,477	0.0%
Loans & Advances - Fixed Interest Rate	-	-	-	-
Loans & Advances - Variable Interest Rate	-	-	-	-
Lease Liabilities	-	-	-	-
	<u>4,823</u>		<u>4,477</u>	

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 21 June 2012.

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

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

Note that for Variations* of Budget to Actual :

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

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

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	2,749	2,794	45	2%	F
User Charges & Fees	972	1,060	88	9%	F
Interest & Investment Revenue	504	502	(2)	(0%)	U
Other Revenues	467	425	(42)	(9%)	U
Operating Grants & Contributions	4,602	7,769	3,167	69%	F
Receipt of one half of the 2013/14 Financial Assistance Grant in June contributed \$1,461,000 towards this variance. Other funding that exceeded Council's budget included \$167,000 Allawah Lodge Subsidy, \$69,000 towards Coolamon MSO, Transport and CACPs, \$105,000 RTR and \$998,000 from RMS towards Local and Regional Roads \$114,000 Natural Disaster Funding was received during the year that was not included in the original budget.					
Capital Grants & Contributions	258	324	66	26%	F
An additional \$20,000 was received from RMS towards Local and Regional Roads whilst \$23,000 in Sewerage Capital Contributions that were not included in Council's original budget have resulted in this favourable variance.					
Net Gains from Disposal of Assets	27	18	(9)	(33%)	U
Council decision to dispose of two properties that were no longer required to meet Council's functions contributed to this unsatisfactory variance.					
Share of Net Profits - Joint Ventures & Associates	5	4	(1)	(20%)	U
Riverina Regional Library incurred additional operational expenditure that resulted in this unfavourable variance.					

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	4,681	4,902	(221)	(5%)	U
Borrowing Costs	58	58	-	0%	F
Materials & Contracts	2,005	3,237	(1,232)	(61%)	U
Flood Recovery Works funded by the RMS on Council's road network, Natural Disaster Rectification, the introduction of Organics recycling have contributed to this unfavourable variance.					
Depreciation & Amortisation	2,981	2,424	557	19%	F
An review of the useful lives of Council's roads infrastructure assets has resulted in this favourable variance.					
Impairment Expenses	-	-	-	0%	F
Other Expenses	1,332	1,395	(63)	(5%)	U
Net Losses from Disposal of Assets	-	-	-	0%	F
Share of Net Losses - Joint Ventures & Associates	-	-	-	0%	F
Operating Result from Discontinued Operations	-	-	-	0%	F
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	3,076	3,762	686	22.3%	F
See variances detailed for revenue and expenses. The net affect is that Council achieved a favourable variance from operations following higher revenues being achieved which were in part offset by additional expenditure being incurred.					
Cash Flows from Investing Activities	(3,426)	(6,857)	(3,431)	100.1%	U
Council's original budget did not account for the purchase of investment securities as detailed in Council's Cash Flow Statement.					
Cash Flows from Financing Activities	-	-	-	0.0%	F
The departure and entry of residents at Allawah Lodge Aged Persons Hostel and Council's retirement village see incoming resident pay larger amounts than the amounts refunded by Council to residents that have departed.					

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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	
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	7	-	-	-	(7)	-	164	(222)	(58)	222
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
S94 Contributions - under a Plan	-	7	-	-	-	(7)	-	164	(222)	(58)	222
S94A Levies - under a Plan	-	-	-	-	-	-	-				-
Total S94 Revenue Under Plans	-	7	-	-	-	(7)	-				222
S94 not under Plans	-	-	-	-	-	-	-	-	-	-	-
S93F Planning Agreements	-										
S64 Contributions	-										
Total Contributions	-	7	-	-	-	(7)	-	164	(222)	(58)	222

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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	
Drainage	-						-			-	
Roads	-	7				(7)	-	164	(222)	(58)	222
Traffic Facilities	-						-			-	
Parking	-						-			-	
Open Space	-						-			-	
Community Facilities	-						-			-	
Other	-						-			-	
Total	-	7	-	-	-	(7)	-	164	(222)	(58)	222

Coolamon Shire Council

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

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Coolamon Shire Council

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

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) 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 Council's 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.

Council's 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 \$222,000 - 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 2013

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

\$ '000

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

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

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

Subsidiaries**Note 19(a)**

Operational Arrangements where Councils Control (but not necessarily Interest) exceeds 50%

Associated Entities & Joint Venture Entities**Note 19(b) (i)&(ii)**

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

Joint Venture Operations**Note 19(c)**

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants. Under JV Operations, Council Jointly Controls the operations with the Other Parties involved.

Subsidiaries, Associated Entities and Joint Ventures Not Recognised**Note 19(d)****Accounting Recognition:**

(i) **Subsidiaries disclosed under Note 19(a), and Joint Venture Operations disclosed at Note 19(c), are accounted for on a Line by Line Consolidation basis within the Income Statement and Statement of Financial Position.**

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

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Associated Entities	-	-	-	-
Joint Venture Entities	4	21	116	112
Total	4	21	116	112

Coolamon Shire Council

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

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

\$ '000

(a) Subsidiaries (ie. Entities & Operations controlled by Council)

Council has no interest in any Subsidiaries.

(b) Associated Entities & Joint Venture Entities

(i) ASSOCIATED ENTITIES

Council has no interest in any Associated Entities.

(ii) JOINT VENTURE ENTITIES

(a) Carrying Amounts

Name of Entity	Principal Activity	2013	2012
Riverina Regional Library	Provision of Library Services	116	112
Total Carrying Amounts - Joint Venture Entities		116	112

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2013	2012	2013	2012	2013	2012
Riverina Regional Library	4%	4%	4%	4%	4%	4%

(c) Movement in Carrying Amounts

	Riverina Regional Library	
	2013	2012
Opening Balance	112	91
Share in Operating Result	4	21
Council's Equity Share in the Joint Venture Entity	116	112

Coolamon Shire Council

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

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

\$ '000

(b) Associated Entities & Joint Venture Entities (continued)

(d) Share of Joint Ventures Assets & Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
2013					
Riverina Regional Library	59	75	18		116
Totals	59	75	18	-	116
2012					
Riverina Regional Library	66	63	17	-	112
Totals	66	63	17	-	112

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

	2013			2012		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Riverina Regional Library	77	73	4	87	66	21
Totals	77	73	4	87	66	21

(f) Share of Joint Venture Entities Expenditure Commitments

	2013	2012
Capital Commitments	-	-
Other Expenditure Commitments	-	-
Lease Commitments	-	-

(g) Contingent Liabilities of Joint Venture Entities

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

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

(c) Joint Venture Operations

Council has no interest in any Joint Venture Operations.

(d) Subsidiaries, Associated Entities & Joint Venture Operations Not Recognised

All Subsidiaries, Associated Entities & Joint Ventures have been recognised in this Financial Report as required.

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		74,722	73,572
a. Correction of Prior Period Errors	20 (c)	-	-
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		1	-
d. Net Operating Result for the Year		880	1,150
e. Distributions to/(Contributions from) Non-controlling Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes (rounding amounts)		1	-
Balance at End of the Reporting Period		75,604	74,722

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

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		76,969	70,921
- "Available for Sale" Financial Investments Revaluation Reserve		-	-
Total		76,969	70,921

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		70,921	67,907
- Revaluations for the year	9(a)	6,047	3,014
- Impairment of revalued assets (incl. impairment reversals)	9(a),(c)	-	-
- Transfer to Retained Earnings for Asset disposals		-	-
- Correction of Prior Period Errors	20(c)	-	-
- Other movements (rounding amounts)		1	-
- Balance at End of Year		76,969	70,921
TOTAL VALUE OF RESERVES		76,969	70,921

(iii) Nature & Purpose of Reserves**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

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

Coolamon Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
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(c) Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

(d) Voluntary Changes in Accounting Policies

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

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2013	Actual 2013
	Sewer	General¹
Continuing Operations		
Income from Continuing Operations		
Rates & Annual Charges	397	2,397
User Charges & Fees	5	1,055
Interest & Investment Revenue	65	437
Other Revenues	3	422
Grants & Contributions provided for Operating Purposes	13	7,756
Grants & Contributions provided for Capital Purposes	23	301
Other Income		
Net Gains from Disposal of Assets	-	18
Share of interests in Joint Ventures & Associates using the Equity Method		4
Total Income from Continuing Operations	506	12,390
Expenses from Continuing Operations		
Employee Benefits & on-costs	132	4,770
Borrowing Costs	-	58
Materials & Contracts	148	3,089
Depreciation & Amortisation	209	2,215
Impairment		-
Other Expenses	97	1,298
Interest & Investment Losses		-
Net Losses from the Disposal of Assets	-	-
Share of interests in Joint Ventures & Associates using the Equity Method		-
Total Expenses from Continuing Operations	586	11,430
Operating Result from Continuing Operations	(80)	960
Discontinued Operations		
Net Profit/(Loss) from Discontinued Operations	-	-
Net Operating Result for the Year	(80)	960
Net Operating Result attributable to each Council Fund	(80)	960
Net Operating Result attributable to Non-controlling Interests	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(103)	659

¹ General Fund refers to all Council's activities other than 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 2013

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

Statement of Financial Position by Fund \$ '000	Actual 2013	Actual 2013
ASSETS	Sewer	General¹
Current Assets		
Cash & Cash Equivalents	1,461	(542)
Investments	-	10,700
Receivables	35	610
Inventories	-	150
Total Current Assets	1,496	10,918
Non-Current Assets		
Investments	-	-
Receivables	-	18
Inventories	-	282
Infrastructure, Property, Plant & Equipment	13,123	134,087
Investments Accounted for using the equity method	-	116
Total Non-Current Assets	13,123	134,503
TOTAL ASSETS	14,619	145,421
LIABILITIES		
Current Liabilities		
Payables	11	4,799
Provisions	-	1,698
Total Current Liabilities	11	6,497
Non-Current Liabilities		
Payables	-	13
Provisions	-	947
Total Non-Current Liabilities	-	960
TOTAL LIABILITIES	11	7,457
Net Assets	14,608	137,964
EQUITY		
Retained Earnings	6,096	69,507
Revaluation Reserves	8,512	68,457
Council Equity Interest	14,608	137,964
Non-controlling Interests	-	-
Total Equity	14,608	137,964

¹ General Fund refers to all Council's activities other than Sewer.

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

Coolamon Shire Council

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

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

\$ '000

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

Coolamon Shire Council

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

Note 23. Events occurring after the Reporting Period

\$ '000

Events that occur between the end of the reporting period (ending 30 June 2013) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 19/09/13.

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

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

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2013.

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

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2013 and which are only indicative of conditions that arose after 30 June 2013.

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

Coolamon Shire Council

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

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 2013

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 2013

Note 26. Reinstatement, Rehabilitation & 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	
		2013	2012
Various Gravel Pit Sites across the Shire	2029	882	825
Balance at End of the Reporting Period	10(a)	<u>882</u>	<u>825</u>

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	825	771
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)	58	54
Expenditure incurred attributable to Provisions		-
Other (rounding entry)	(1)	-
Total - Reinstatement, rehabilitation and restoration provision	<u>882</u>	<u>825</u>

Coolamon Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 27. Operating Segments

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 2013	Actual 2012	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Revenue						
Government Subsidies	877	804	4,327	4,863	5,204	5,667
Resident Charges	553	538		-	553	538
Capital Gains		-	18	229	18	229
Bond Retentions	56	60		-	56	60
Interest Income	97	106	405	534	502	640
Donations	91	42		-	91	42
Contributions (Capital & Operating)		-	2,785	2,293	2,785	2,293
Other	13	13	3,783	3,734	3,796	3,747
Total Revenue	1,687	1,563	11,318	11,653	13,005	13,216
Expenses						
Care Employee Expenses	975	1,046		-	975	1,046
Other Employee Expenses		-	3,927	3,781	3,927	3,781
Management Fees	99	128		-	99	128
Interest Expense		-		54	-	54
Depreciation & Amortisation	48	47	2,376	2,697	2,424	2,744
Insurances	14	16	257	256	271	272
Electricity & Heating	54	32	170	116	224	148
Telephone	2	2	47	51	49	53
Water	12	10	113	91	125	101
Rates	10	9		-	10	9
Audit Fees		-	17	17	17	17
Other	280	296	3,724	3,417	4,004	3,713
Total Expenses	1,494	1,586	10,631	10,480	12,125	12,066
Segment Result (pre Tax)	193	(23)	687	1,173	880	1,150

Coolamon Shire Council

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

Note 27. Operating Segments (continued)

\$ '000	Residential Aged Care		Other		Consolidated	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Assets						
Current Assets	1,749	1,077	10,665	11,397	12,414	12,474
Non-Current Assets	4,597	3,947	143,831	137,325	148,428	141,272
Total Assets	6,346	5,024	154,496	148,722	160,842	153,746
Liabilities						
Current Liabilities	1,517	1,059	4,991	5,336	6,508	6,395
Non-Current Liabilities	5	5	1,757	1,703	1,762	1,708
Total Liabilities	1,522	1,064	6,748	7,039	8,270	8,103
Net Assets	4,824	3,960	147,748	141,683	152,572	145,643

Component of Segment**Liabilities included above:**

Accommodation Bond Liabilities	1,324	880	-	-	1,324	880
Interest Bearing Liabilities	-	-	-	-	-	-

Business Segments:

Residential Aged Care - Allaway Lodge Aged Persons Hostel provides residential aged care services
Other - provides other Local Government Services

Geographical Segments:

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 2013

Note 28. 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

Email: council@coolamon.nsw.gov.au

Officers**GENERAL MANAGER**

Terrey Kiss

RESPONSIBLE ACCOUNTING OFFICER

Courtney Armstrong

PUBLIC OFFICER

Terrey Kiss

AUDITORS

Auswild & Co
4 Dugan Street
Deakin ACT 2600

Elected Members**MAYOR**

Clr John Seymour

COUNCILLORS

Clr Bruce Hutcheon
Clr Grant Beard
Clr David McCann
Clr Kathy Maslin
Clr Dennis Brill
Clr Alan White
Clr Bec Huxtable

Other Information

ABN: 32 573 173 265



Auswild & Co

CHARTERED ACCOUNTANTS

ABN: 29 725 771 792

Independent auditor's report to the Councillors of the Coolamon Shire Council and the Chief Executive Officer of the Division 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 30th June, 2013, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

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 or the Statement of TCorp performance measures disclosed in Note 13. 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
19th September, 2013

COOLAMON SHIRE COUNCIL

REPORT ON THE CONDUCT
OF THE AUDIT

2013



Auswild & Co

CHARTERED ACCOUNTANTS

ABN: 29 725 771 792

19th September, 2013

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 30th June 2013 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 2013 financial year are:

- Sewer Fund Operations
- Allawah Complex

Council is required to adopt the policies and principles enunciated in the National Competition Policy which inter alia requires Council to apply taxation equivalent principles to each business similar to those that would apply if they were operating in the commercial sector.

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

- certain taxes and other costs 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

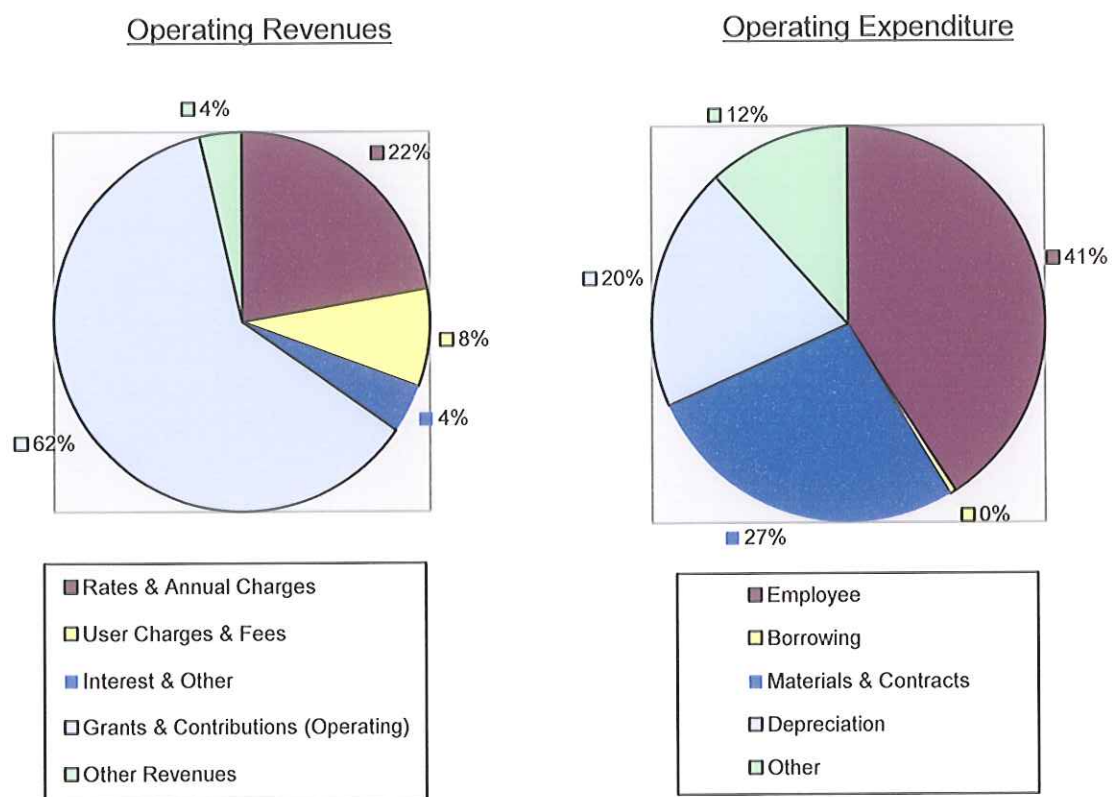
As part of our role as auditor of Council, Section 415 (3) of the *Local Government Act 1993* and the *Local Government (General) Regulation* requires us to consider and provide comment on the material items affecting the general purpose financial statements and other matters pertinent to the audit. The following section of this report provides an understanding of Council's financial position as at 30 June 2013, 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 \$556,000 for the year ended 30 June 2013 (2012 – surplus of \$664,000). Excluding capital grants and contributions, operating revenues (\$12.57 million) remained almost unchanged from those of the previous year (\$12.59 million) whilst during the same period operating expenses (\$12.02 million), including depreciation expenses of \$2.42 million also remained virtually unchanged.

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 amounting to \$324,000 (2012 - \$486,000).

In the twelve months period to 30 June 2013 Council's operating result from continuing operations' (**including** capital grants and contributions) was a surplus of \$880,000 compared with a surplus of \$1.15 million 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 \$213,000.

BUDGET COMPARISON

The net operating surplus for the year of \$880,000 was well above the original budget expectations which anticipated a deficit of \$1.47 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

- The Federal Government continued to make advance payments of the Financial Assistance Grant. Council was also the recipient of additional grants for Allawah Lodge, MSO & Community Transport, Local & Regional Roads and Natural Disaster Funding.
- Depreciation expenses reduced following a review of the useful lives of Council's roads infrastructure assets.

Unfavourable Variances

- Increased materials and contract costs resulting from flood recovery works., natural disaster rectification and the introduction of organics recycling.



DETAILED AUDIT OBSERVATIONS

OPERATING INCOME

Rates and Annual Charges

Revenue from rates and annual charges (excluding Council owned properties) amounted to \$2.79 million (2012 - \$2.62 million).

In setting the **ordinary rates** for the year, Council resolved to adopt the maximum increase available of 3.6%. This action, together with an increase in the number of assessments has resulted in revenues from ordinary rates increasing from \$1.91 million in 2011/2012 to \$1.99 million in the current year.

Council's ordinary rating base increased by 20 assessments during the twelve months period and at year's end 2,827 assessments was subject to ordinary rates.

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

- Sewerage connected charges increased \$40 to \$350
- Sewerage unconnected charges increased \$5 to \$150
- Pedestal charges increased \$5 to \$95
- Ardlethan Effluent charges for connected properties remained unchanged at \$150
- Domestic Waste Management collection charges increased \$5 to \$165
- Domestic Recycling charges increased \$5 to \$80

Such movements have resulted in revenues as follows:

<u>Annual Charges</u>	2013	2012
	\$	\$
Sewerage	367,000	326,000
Domestic Waste	346,000	299,000
Tip Access	89,000	88,000

Rebates of \$128,300 were provided to eligible pensioners and a subsidy of \$70,000 was received from the Division of Local Government towards the cost of these rebates.

Interest and extra charges on overdue rates and annual charges for the year were \$19,000 (2012 - \$21,000) and outstanding rates were subject to interest at the rate of 10.00% pa (2012 – 11.00%).



User Charges and Fees

Council derived \$109,000 from **Statutory/Regulatory User Charges & Fees** (2012 - \$140,000) and a further \$951,000 from **Other Fees & Charges** (2012 - \$905,000) imposed during the twelve months period ended 30 June 2013.

Revenues received from user charges and fees included:-

	2013	2012
	\$	\$
Child Care	200,000	171,000
Allawah Lodge	553,000	538,000
Caravan Park	31,000	23,000
Private Works	45,000	61,000
Cemeteries	70,000	71,000
MSO and Community Transport	66,000	76,000

Interest

Interest and investment revenues decreased in the twelve months period, principally in response to reduced interest rates available.

Interest and investments revenues were earned as follows:

	2013	2012
	\$	\$
Overdue Rates & Charges	19,000	21,000
Allawah Lodge & Village investments	183,000	221,000
Sewerage Fund	65,000	75,000
Domestic Waste Management	30,000	34,000
General Investments	205,000	289,000
	<u>\$ 502,000</u>	<u>\$ 640,000</u>

Excluding interest attributed to the Allawah Complex investments (\$183,000) investment income represented approximately 16.00% 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 including Aged Persons Units (\$305,000).

Grants, Subsidies and Contributions

Operating Grants and Contributions

Operating grants and contributions amounting to \$7.77 million were received in-2012/2013 compared with \$7.59 million received in the previous year.

Council's untied Financial Assistance Grant decreased 21.16% from \$3.64 million in 2011/2012 to \$2.87 million this year. This significant decrease is attributed to the Australian Government decision to pay an advance payment in 2011/2012. The financial assistance grants received in the current year are in line with historical instalments and expectations. We do note that Coolamon Shire Council has now received two instalments of the financial assistance grants in advance. These advance payments to Coolamon Shire amount to \$1.49 million and have been internally restricted by Council.

We again emphasise that Council's future operating results may be adversely impacted should the Australian Government act to realign the FAG grants to the years to which they relate.

Other major operating grants and contributions were received for Coolamon Shire MSO & Community Transport (\$260,000), Aged & Disabled CACP (\$111,000), Allawah Lodge (\$877,000), Ardlethan Preschool (\$66,000), Child Care (\$264,000), Regional Roads (\$1.98 million) and Roads to Recovery funding (\$789,000).

Capital Grants and Contributions

Capital grants and contributions received in 2011/2012 amounted to \$324,000 (2012 - \$486,000) and comprised of funding for Allawah Complex (\$106,000), RMS contributions for regional and local roads (\$125,000) and minor contributions for several infrastructure programs.

In accordance with the Code of Accounting Practice all grant and contribution monies received in 2012/2013 (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 \$271,000. At year end Council held specific purpose unexpended grants and contributions amounting to \$271,000 (2012 - \$139,000) and such funds have been identified as an externally restricted asset.



OPERATING EXPENSES

Expenses from continuing operations (\$12.02 million) were much in line with those of the previous year (\$11.93 million) however they were significantly higher than budget expectations (\$11.06 million).

Impacting significantly on operating expenses for the year were:

Employee Costs

Employee costs (\$4.90 million) increased only marginally (1.6%) with small increases in the wages and salaries being largely offset through reduced employee leave entitlements.

Depreciation

Depreciation expenses decreased approx. \$320,000 from \$2.74 million in 2011/2012 to \$2.42 million in 2012/2013. This is largely attributable to a decrease in roads, bridges and footpaths infrastructure depreciation of \$425,000 following the reassessment of these assets useful lives.

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 significantly 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 \$18,000 being brought to account (2012 – profit \$229,000).

ASSETS

Cash & Investments

At balance date Council controlled cash and investments totalling \$11.62 million (2012 - \$11.71 million).

Council utilises its investments to cover both externally and internally imposed requirements and comprises Allawah Complex investments (\$4.15 million), employee entitlements (\$1.24 million), unexpended grants and contributions (\$271,000), financial assistance grants in advance (\$1.49 million), sewerage (\$1.46 million), domestic waste management (\$632,000) and monies for future capital works.

Externally restricted investments (including sewerage fund) amounted to \$6.52 million whilst Council has "earmarked" a further \$5.08 million towards the funding of its future long-term objectives.



Council's cash and investments were held as follows:

	2013 \$	2012 \$
General Fund	5,103,000	5,664,000
Sewerage Fund	1,461,000	1,454,000
Externally Restricted Funds	5,055,000	4,596,000
	<u>11,619,000</u>	<u>11,714,000</u>

and comprised:

	2013 \$	2012 \$
Cash on Hand and at Bank	919,000	3,014,000
Short Term Deposits		1,000,000
Long Term Deposits	10,700,000	7,700,000
	<u>11,619,000</u>	<u>11,714,000</u>

Debtors

Rates and Annual Charges

At balance date net outstanding rates, annual charges and associated interest amounted to \$158,000 (2012 - \$146,000) which represented 5.31% of total receivable (2012 – 5.12%).

Council's outstanding arrears percentage remains at a satisfactory level and importantly it appears as though Council is not materially exposed to the arrears of any one ratepayer.

All outstanding arrears have been subject to interest of 10.00% pa and Council has maintained a provision for doubtful debts amounting to \$73,000.

Real Estate

In the twelve months period to 30 June 2013 there were no movements in Council's real estate holdings.

At year end Council held largely undeveloped land with a book value of \$282,000.



Property, Plant & Equipment excluding Real Estate

During the reporting period Council expended \$3.94 million (2012 - \$4.18 million) on the acquisition of assets. The principal items being:-

	2013	2012
	\$	\$
Plant & Equipment	639,000	865,000
Buildings	278,000	441,000
Roads, Bridges & Footpaths	2,577,000	2,191,000
Other Structures	210,000	228,000

The expenditure associated with buildings and infrastructure has given Council a assets renewals ratio 119.43%. This ratio assesses the rate at which assets are being renewed against the rate at which they are depreciating.

Additionally, we report that Council sold assets with a book value of \$268,000. The sale of these assets has resulted in a profit of \$18,000 being brought to account (2012 – profit \$210,000).

Further we report that in accordance with the requirements of the Code of Accounting Practice, Council's buildings and operating land assets were subject to a full revaluation which is required to be conducted every five years. These valuations were conducted by an independent external firm which has resulted in the following asset adjustments:

Operational Land	increased \$99,000 to \$2.76 million
Buildings – Non Specialised	increased \$2.44 million to \$13.80 million
Buildings – Specialised	increased \$3.50 million to \$9.12 million

The combined action of asset movements and revaluations has resulted in the written down value of property, plant and equipment increasing from \$140.06 million in 2012 to \$147.21 million as at 30 June 2013.

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



LIABILITIES

Provisions

At 30 June 2013 the Provision for Employee Accrued Entitlements totalled \$1,763,000. The components of the liability are:-

	2013	2012
	\$	\$
Annual Leave	445,000	512,000
Long Service Leave	1,297,000	1,407,000
Other	21,000	14,000

The average leave entitlement per employee as at 30 June 2013 was \$25,200 (2012 - \$27,600). At year end Council had set aside funds amounting to \$1,235,000 or 70.00% of the employees leave entitlement liability and such funds have been identified as an internally restricted asset.

Council's provision for Tip remediation/restoration was increased by \$58,000 and at year end amounted to \$882,000.

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:-

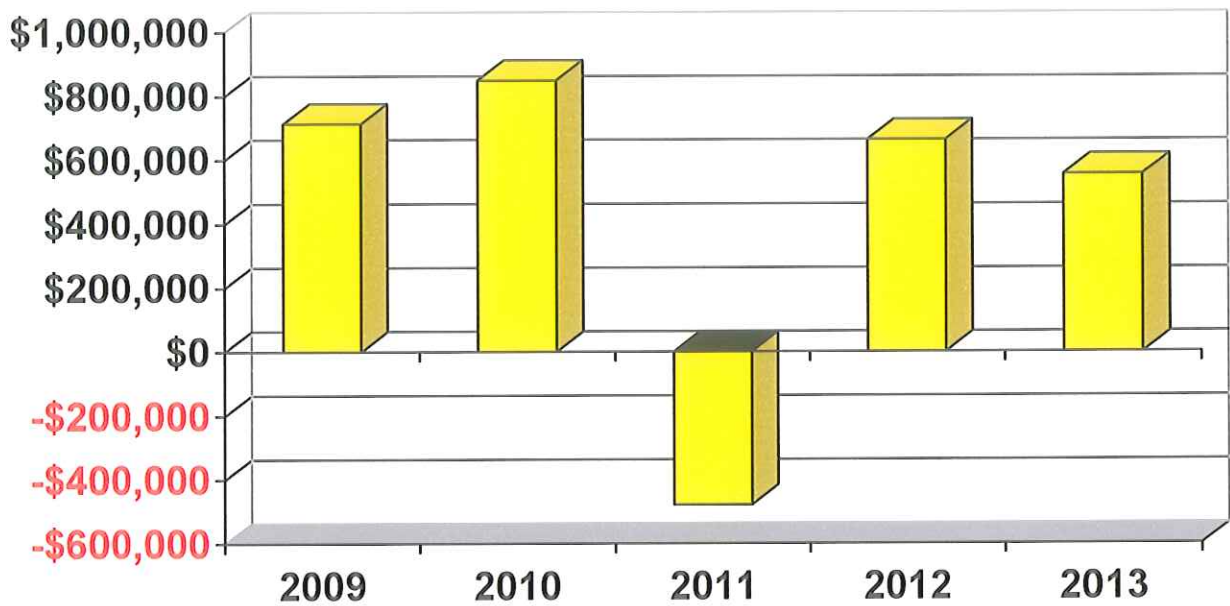
- Operating result before capital amounts (surplus \$556,000)
- Net decrease in cash and investments held (\$95,000)
- Internal and unrestricted investments (\$5,103,000) and Sewerage investments (\$1,461,000)
- Performance ratios



Operating Result

Council reported an operating surplus before capital amounts of \$556,000 for the twelve months period to 30 June 2013. This result has been reported after allowing for depreciation expenses of \$2,424,000 and although it was significantly higher than the original budget expectations (deficit - \$1.73 million) it was marginally below the result of the previous year (surplus - \$664,000).

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)	
	2013	2012
	\$	\$
General Fund	446,000	628,000
Sewerage Fund	(103,000)	(9,000)
Allawah Complex	213,000	45,000
	<u>556,000</u>	<u>664,000</u>



We note the following items that impacted significantly on the operating result this year:

Financial Assistance Grants (decreased \$769,000)

Council's untied Financial Assistance Grant decreased 21.16% from \$3.64 million in 2011/2012 to \$2.87 million this year. This significant decrease is attributed to the Australian Government decision to pay an advance instalment in 2011/2012. The financial assistance grants received in the current year are in line with historical instalments and expectations. We do note that Coolamon Shire Council has now received two instalments of the financial assistance grants in advance. These advance payments to Coolamon Shire amount to \$1.49 million and have been internally restricted by Council.

Depreciation (decreased \$320,000)

Council conducted a detailed review of the useful lives of its road assets in the current year and has determined that some major adjustments were necessary. Generally, Council considered that the useful lives pertaining to roads needed to be lengthened which has resulted in reduced annual depreciation expenses.

We also note the movements in the following income and expenditure items.

<u>Income</u>	2013 \$	2012 \$	Variance \$
Interest Received	502,000	640,000	(138,000)
Roads to Recovery Grants	789,000	599,000	190,000
Natural Disaster Funding	114,000	Nil	114,000
RMS Contributions	1,977,000	1,279,000	698,000
Profit/(Loss) on disposals	18,000	229,000	(211,000)
<u>Expenses</u>			
Employee Leave Entitlements	730,000	977,000	(247,000)
Heating & Electricity	224,000	148,000	76,000

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

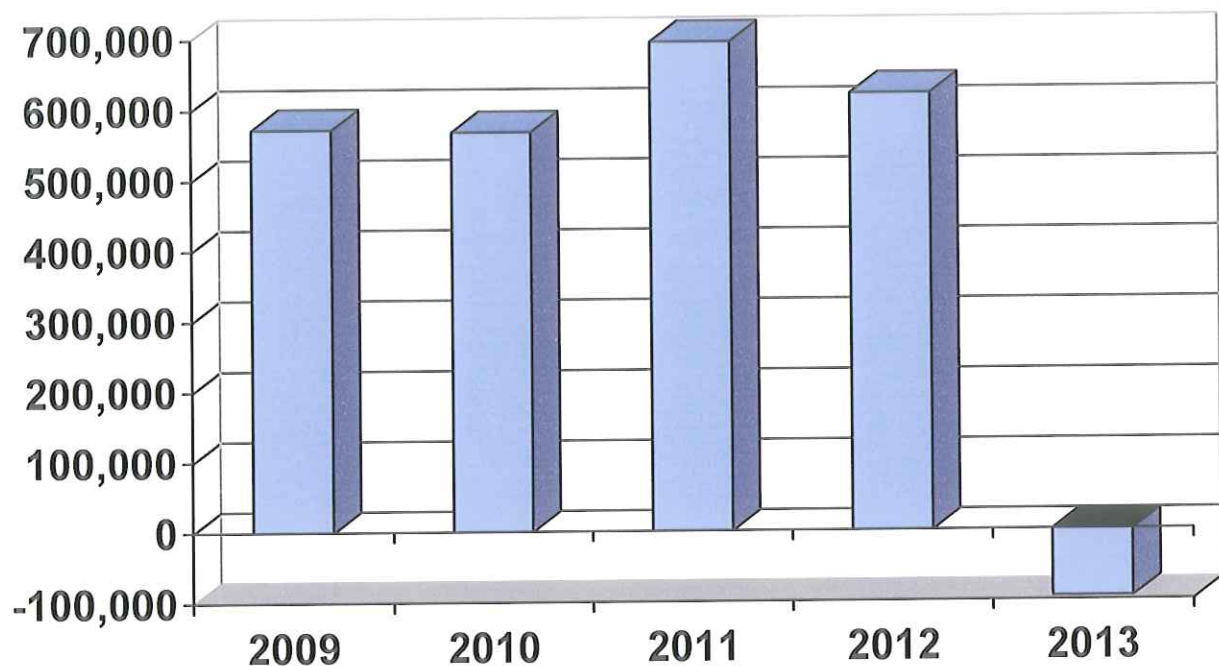


Cash Flow

Council achieved a cash surplus of \$3.76 million (2012 - \$4.10 million) from its operating activities which was principally utilised to purchase assets (net \$3.86 million).

These actions together with the proceeds from the sale of property, plant and equipment have resulted in Council achieving a cash flow deficit (including investments) of \$95,000 for the year.

Cash Flow Surplus/Deficit



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

<u>Activity</u>	Surplus/(Deficit)	
	2013 \$	2012 \$
<u>Externally Restricted</u>		
Sewerage Fund	7,000	217,000
Other External Restrictions	459,000	(15,000)
<u>Internally Restricted & Unrestricted</u>		
General Fund	(561,000)	419,000
	(\$ 95,000)	\$ 621,000



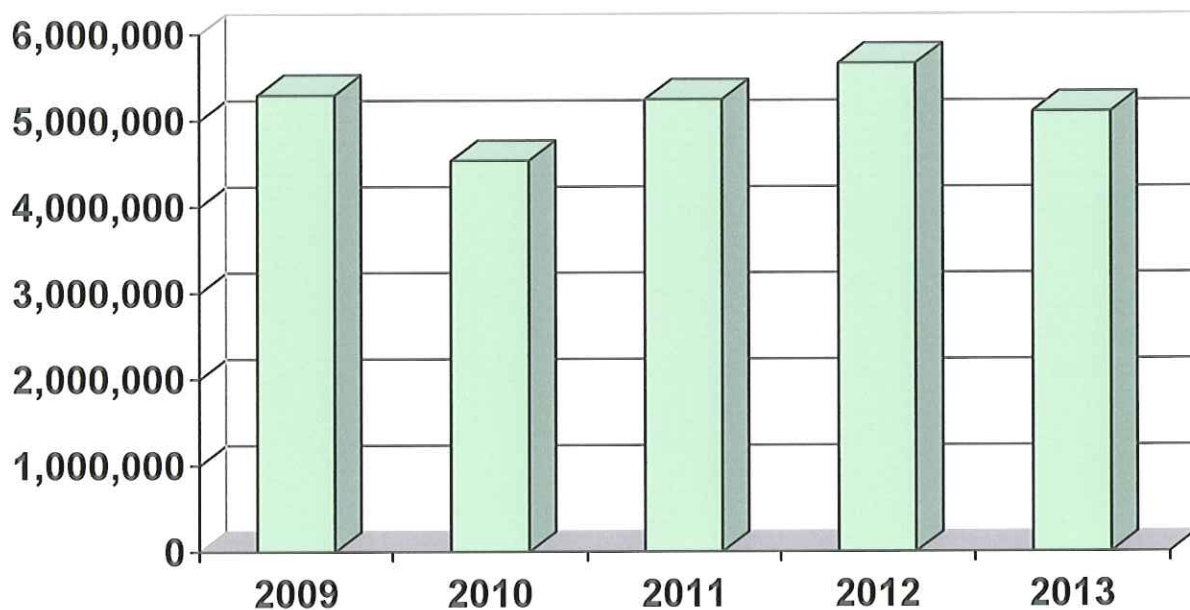
For comparative purposes, we note the following factors that have impacted on the cash flow deficit in 2012/2013.

- An advance instalment of the financial assistance grant was received in 2011/2012.
- Sales of plant & equipment were considerably higher in 2011/2012.

Reserves (Internally and Unrestricted Assets)

As noted above, Council's internal and unrestricted funds have decreased by \$561,000 during the twelve months period and at year end Council held internally and unrestricted investments amounting to \$5.10 million. In addition to these funds we report that the sewerage fund held cash and investments amounting to \$1.46 million.

Reserves (Internally and Unrestricted Assets)



The reduction in reserve funds was principally due to expenditure on carry over works (\$203,000), asset replacement (\$329,000) and employee leave entitlements (\$110,000).

As we have consistently reported, the adequate funding of reserves is probably the greatest challenge facing local government generally and although Coolamon Shire Council is reasonably well positioned further funding should remain a priority.

Further, we note that Council has real estate holdings (\$282,000) 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 5.30, the satisfactory rates and annual charges arrears percentage (5.31%) 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



Coolamon Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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



Coolamon Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.
 - (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.
 - (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).
 - (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Coolamon Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

Statement by Councillors and Management

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

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


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

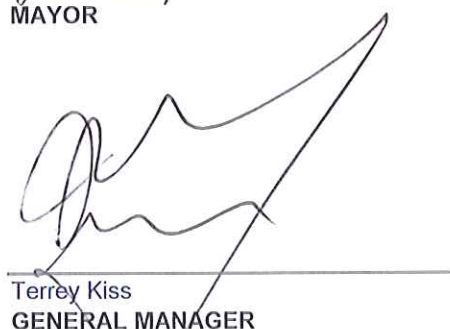
To the best of our knowledge and belief, these Financial Statements:


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

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

Signed in accordance with a resolution of Council made on 19 September 2013.


 Clr John Seymour
MAYOR


 Terrey Kiss
GENERAL MANAGER


 Clr Bruce Hutcheon
COUNCILLOR


 Courtney Armstrong
RESPONSIBLE ACCOUNTING OFFICER

Coolamon Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	-	-
User charges	-	-
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	-	-
Total income from continuing operations	-	-
Expenses from continuing operations		
Employee benefits and on-costs	-	-
Borrowing costs	-	-
Materials and contracts	-	-
Depreciation and impairment	-	-
Water purchase charges	-	-
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
Total expenses from continuing operations	-	-
Surplus (deficit) from Continuing Operations before capital amounts	-	-
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	-	-
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	-	-
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	-	-
plus Opening Retained Profits	-	-
plus/less: Prior Period Adjustments	-	-
plus/less: Other Adjustments (details here...)	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	-	-
Return on Capital %	n/a	n/a
Subsidy from Council	-	-
Calculation of dividend payable:		
Surplus (deficit) after tax	-	-
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Coolamon Shire Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	397	353
User charges	5	3
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	65	75
Grants and contributions provided for non capital purposes	13	13
Profit from the sale of assets	-	-
Other income	3	3
Total income from continuing operations	483	447
Expenses from continuing operations		
Employee benefits and on-costs	132	126
Borrowing costs	-	-
Materials and contracts	148	114
Depreciation and impairment	209	147
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	97	69
Total expenses from continuing operations	586	456
Surplus (deficit) from Continuing Operations before capital amounts	(103)	(9)
Grants and contributions provided for capital purposes	23	114
Surplus (deficit) from Continuing Operations after capital amounts	(80)	105
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(80)	105
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(80)	105
plus Opening Retained Profits	6,176	6,071
plus/less: Prior Period Adjustments	-	-
plus/less: Other Adjustments (details here...)	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	6,096	6,176
Return on Capital %	-0.8%	-0.1%
Subsidy from Council	598	409
Calculation of dividend payable:		
Surplus (deficit) after tax	(80)	105
less: Capital grants and contributions (excluding developer contributions)	-	(110)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Coolamon Shire Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

Allawah Complex

\$ '000	0	Category 2	
		Actual 2013	Actual 2012
Income from continuing operations			
Access charges		-	-
User charges		553	538
Fees		-	-
Interest		183	221
Grants and contributions provided for non capital purposes		1,024	906
Profit from the sale of assets		-	-
Other income		116	111
Total income from continuing operations		1,876	1,776
Expenses from continuing operations			
Employee benefits and on-costs		984	1,051
Borrowing costs		-	-
Materials and contracts		317	323
Depreciation and impairment		98	97
Loss on sale of assets		-	-
Calculated taxation equivalents		-	-
Debt guarantee fee (if applicable)		-	-
Other expenses		264	260
Total expenses from continuing operations		1,663	1,731
Surplus (deficit) from Continuing Operations before capital amounts		213	45
Grants and contributions provided for capital purposes		105	130
Surplus (deficit) from Continuing Operations after capital amounts		318	175
Surplus (deficit) from discontinued operations		-	-
Surplus (deficit) from ALL Operations before tax		318	175
less: Corporate Taxation Equivalent (30%) [based on result before capital]		(64)	(14)
SURPLUS (DEFICIT) AFTER TAX		254	162
plus Opening Retained Profits		6,119	5,944
plus/less: Prior Period Adjustments		-	-
plus/less: Other Adjustments (details here...)		-	-
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments		-	-
- Debt guarantee fees		-	-
- Corporate taxation equivalent		64	14
add:			
- Subsidy Paid/Contribution To Operations		-	-
less:			
- TER dividend paid		-	-
- Dividend paid		-	-
Closing Retained Profits		6,437	6,119
Return on Capital %		2.3%	0.5%
Subsidy from Council		140	204

Coolamon Shire Council

Statement of Financial Position - Council's Water Supply Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Investments	-	-
Receivables	-	-
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	-	-
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	-	-
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	-	-
TOTAL ASSETS	-	-
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	-	-
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	-	-
NET ASSETS	-	-
EQUITY		
Retained earnings	-	-
Revaluation reserves	-	-
Council equity interest	-	-
Non-controlling interest	-	-
TOTAL EQUITY	-	-

Coolamon Shire Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	1,461	1,454
Investments	-	-
Receivables	35	44
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	1,496	1,498
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	13,123	13,211
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	13,123	13,211
TOTAL ASSETS	14,619	14,709
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	11	30
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	11	30
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	11	30
NET ASSETS	14,608	14,679
EQUITY		
Retained earnings	6,096	6,176
Revaluation reserves	8,512	8,503
Council equity interest	14,608	14,679
Non-controlling equity interest	-	-
TOTAL EQUITY	14,608	14,679

Coolamon Shire Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2013

Allawah Complex

Category 2

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	4,638	4,266
Investments	-	-
Receivables	100	83
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	4,738	4,349
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	9,357	8,218
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	9,357	8,218
TOTAL ASSETS	14,095	12,567
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	4,303	4,056
Interest bearing liabilities	-	-
Provisions	141	166
Total Current Liabilities	4,444	4,222
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	236	236
Provisions	5	5
Other Liabilities	-	-
Total Non-Current Liabilities	241	241
TOTAL LIABILITIES	4,685	4,463
NET ASSETS	9,410	8,104
EQUITY		
Retained earnings	6,437	6,119
Revaluation reserves	2,973	1,985
Council equity interest	9,410	8,104
Non-controlling equity interest	-	-
TOTAL EQUITY	9,410	8,104

Coolamon Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10-12
2	Water Supply Business Best Practice Management disclosure requirements	13-14
3	Sewerage Business Best Practice Management disclosure requirements	15-17

Coolamon Shire Council

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

Note 1. Significant Accounting Policies

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

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

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

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

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

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

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

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

National Competition Policy

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

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

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

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

Declared Business Activities

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

Category 1

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

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

Coolamon Shire Council

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

Note 1. Significant Accounting Policies

statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

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

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

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. 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.

Coolamon Shire Council

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

Note 1. Significant Accounting Policies

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

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

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

(iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.77% at 30/6/13.

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

(iv) Dividends

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

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

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

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2013 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

Coolamon Shire Council

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

Note 2. Water Supply Business Best Practice Management disclosure requirements

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

2013

1. Calculation and Payment of Tax-Equivalents

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

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

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

2013 Surplus	<input type="text" value="-"/>	2012 Surplus	<input type="text" value="-"/>	2011 Surplus	<input type="text"/>
		2012 Dividend	<input type="text" value="-"/>	2011 Dividend	<input type="text"/>

(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 2013Note 2. Water Supply Business
Best Practice Management disclosure requirements (continued)

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

2013

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	-
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	n/a
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	-
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	-
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	-
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	n/a
NWI F26	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 2013Note 3. Sewerage Business
Best Practice Management disclosure requirements

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

2013

1. Calculation and Payment of Tax-Equivalents

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

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	3,159
(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)	31,590
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(137,009)

2013 Surplus	(80,009)	2012 Surplus	(5,000)	2011 Surplus	(52,000)
		2012 Dividend	-	2011 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]	NO
	(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]	NO
(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 2013

Note 3. Sewerage Business

Best Practice Management disclosure requirements (continued)

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

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	444
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	10,625
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	289
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	113
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	-0.41%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

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

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	444
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	2.93%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	113
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	-0.41%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Coolamon Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

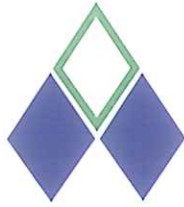
Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

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

NWI F22	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]	%	0.00%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c) Net Interest: Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		> 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	(80)
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 Division 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, balance sheet as at 30th June, 2013, 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 Division 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 Division 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, 2013 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
19th September, 2013

Coolamon Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

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



Coolamon Shire Council

Special Schedules

for the financial year ended 30 June 2013

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¹ Special Purpose Schedules are not audited.

Background

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

Coolamon Shire Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Governance	594	-	-	(594)
Administration	-	135	-	135
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	256	51	-	(205)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	28	10	-	(18)
Other	-	-	-	-
Total Public Order & Safety	284	61	-	(223)
Health	176	20	-	(156)
Environment				
Noxious Plants and Insect/Vermin Control	185	42	-	(143)
Other Environmental Protection	6	7	-	1
Solid Waste Management	397	495	-	98
Street Cleaning	29	-	-	(29)
Drainage	40	-	-	(40)
Stormwater Management	-	-	-	-
Total Environment	657	544	-	(113)
Community Services and Education				
Administration & Education	-	-	-	-
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	414	469	-	55
Children's Services	689	545	-	(144)
Total Community Services & Education	1,103	1,014	-	(89)
Housing and Community Amenities				
Public Cemeteries	111	70	-	(41)
Public Conveniences	33	-	-	(33)
Street Lighting	94	-	-	(94)
Town Planning	141	52	-	(89)
Other Community Amenities	175	153	-	(22)
Total Housing and Community Amenities	554	275	-	(279)
Water Supplies	-	-	-	-
Sewerage Services	542	452	23	(67)

Coolamon Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Recreation and Culture				
Public Libraries	200	27	-	(173)
Museums	9	-	-	(9)
Art Galleries	-	-	-	-
Community Centres and Halls	58	2	-	(56)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	61	18	6	(37)
Sporting Grounds and Venues	7	2	-	(5)
Swimming Pools	285	-	-	(285)
Parks & Gardens (Lakes)	365	-	-	(365)
Other Sport and Recreation	11	-	-	(11)
Total Recreation and Culture	996	49	6	(941)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	204	26	-	(178)
Other Mining, Manufacturing & Construction	81	-	-	(81)
Total Mining, Manufacturing and Const.	285	26	-	(259)
Transport and Communication				
Urban Roads (UR) - Local	871	-	65	(806)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	791	830	-	39
Sealed Rural Roads (SRR) - Regional	823	1,049	105	331
Unsealed Rural Roads (URR) - Local	2,383	934	20	(1,429)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	36	-	-	(36)
Parking Areas	-	-	-	-
Footpaths	9	-	-	(9)
Aerodromes	-	-	-	-
Other Transport & Communication	47	10	-	(37)
Total Transport and Communication	4,960	2,823	190	(1,947)
Economic Affairs				
Camping Areas & Caravan Parks	40	31	-	(9)
Other Economic Affairs	1,825	1,873	105	153
Total Economic Affairs	1,865	1,904	105	144
Totals – Functions	12,016	7,303	324	(4,389)
General Purpose Revenues⁽²⁾		5,265		5,265
Share of interests - joint ventures & associates using the equity method	-	4		4
NET OPERATING RESULT ⁽¹⁾	12,016	12,572	324	880

(1) As reported in the Income Statement

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

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2013

\$'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
Loans (by Source)											
Commonwealth Government	-	-	-							-	-
Treasury Corporation	-	-	-							-	-
Other State Government	-	-	-							-	-
Public Subscription	-	-	-							-	-
Financial Institutions	-	-	-							-	-
Other	-	-	-							-	-
Total Loans	-	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt											
Ratepayers Advances	-	-	-							-	-
Government Advances	-	-	-							-	-
Finance Leases	-	-	-							-	-
Deferred Payments	-	-	-							-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	-	-	-	-	-	-	-	-	-	-	-

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 2013

\$'000

Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General			
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	-	-	-

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
Totals							-	-	-

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 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	-	-
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	-	-
d. Maintenance expenses	-	-
- Reservoirs		
e. Operation expenses	-	-
f. Maintenance expenses	-	-
- Pumping Stations		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	-	-
i. Maintenance expenses	-	-
- Treatment		
j. Operation expenses (excluding chemical costs)	-	-
k. Chemical costs	-	-
l. Maintenance expenses	-	-
- Other		
m. Operation expenses	-	-
n. Maintenance expenses	-	-
o. Purchase of water	-	-
3. Depreciation expenses		
a. System assets	-	-
b. Plant and equipment	-	-
4. Miscellaneous expenses		
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)	-	-
5. Total expenses	-	-

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 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Extra charges	-	-
9. Interest income	-	-
10. Other income	-	-
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	-	-
c. Other grants	-	-
12. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
13. Total income	<u>-</u>	<u>-</u>
14. Gain (or loss) on disposal of assets	-	-
15. Operating Result	<u>-</u>	<u>-</u>
15a. Operating Result (less grants for acquisition of assets)	-	-

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 2013

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

Coolamon Shire Council

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

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?			
<p>NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.</p>			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

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 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	-	-	-
31. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	-	-	-
c. User Charges	-	-	-
d. Other	-	-	-
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	-	-	-
b. Plant and equipment	-	-	-
34. Other assets	-	-	-
35. Total assets	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	-	-	-
38. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
41. NET ASSETS COMMITTED	<u>-</u>	<u>-</u>	<u>-</u>
EQUITY			
42. Accumulated surplus			-
43. Asset revaluation reserve			-
44. TOTAL EQUITY			<u>-</u>
Note to system assets:			
45. Current replacement cost of system assets			
46. Accumulated current cost depreciation of system assets			-
47. Written down current cost 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 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	39	38
b. Engineering and Supervision	14	16
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	38	19
- Pumping Stations		
c. Operation expenses (excluding energy costs)	-	-
d. Energy costs	-	10
e. Maintenance expenses	48	27
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	90	108
g. Chemical costs	-	-
h. Energy costs	42	16
i. Effluent Management	18	11
j. Biosolids Management	-	-
k. Maintenance expenses	-	-
- Other		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	147	94
b. Plant and equipment	62	53
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	88	64
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	586	456

Coolamon Shire Council

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

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

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges (including rates)	326	291
7. Non-residential charges		
a. Access (including rates)	71	65
b. Usage charges	-	-
8. Trade Waste Charges		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	3	3
10. Interest income	62	72
11. Other income	8	3
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	13	13
c. Other grants	-	-
13. Contributions		
a. Developer charges	23	4
b. Developer provided assets	-	-
c. Other contributions	-	110
14. Total income	<u>506</u>	<u>561</u>
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	<u>(80)</u>	<u>105</u>
16a. Operating Result (less grants for acquisition of assets)	(80)	105

Coolamon Shire Council

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

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

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	113	64
c. Renewals	-	-
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	<u>113</u>	<u>64</u>
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	<u>-</u>	<u>-</u>
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	895	815
b. Residential (unoccupied, ie. vacant lot)	113	111
c. Non-residential (occupied)	40	104
d. Non-residential (unoccupied, ie. vacant lot)	5	9
26. Number of ETs for which developer charges were received	7 ET	2 ET
27. Total amount of pensioner rebates (actual dollars)	\$ 23,715	\$ 23,572

Coolamon Shire Council

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

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/>	<input type="checkbox"/> No	
If Yes, go to 29a. If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text"/> -

* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

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 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	1,461	-	1,461
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	14	-	14
c. User Charges	15	-	15
d. Other	6	-	6
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	10,625	10,625
b. Plant and equipment	-	2,498	2,498
35. Other assets	-	-	-
36. Total Assets	1,496	13,123	14,619
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	11	-	11
39. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	11	-	11
42. NET ASSETS COMMITTED	1,485	13,123	14,608
EQUITY			
42. Accumulated surplus			6,096
44. Asset revaluation reserve			8,512
45. TOTAL EQUITY			14,608
Note to system assets:			
46. Current replacement cost of system assets			13,491
47. Accumulated current cost depreciation of system assets			(2,866)
48. Written down current cost of system assets			10,625

Coolamon Shire Council

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

Administration ⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment Losses (item 4d & 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Coolamon Shire Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2013

\$'000	Actual ⁽¹⁾ 12/13	Forecast ⁽³⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23
(i) OPERATING BUDGET											
Income from continuing operations	12,896	10,843	11,346	11,854	11,842	11,918	12,142	12,368	12,603	12,844	12,977
Expenses from continuing operations	12,016	12,120	11,160	11,360	11,640	11,667	11,913	12,286	12,479	12,753	12,913
Operating Result from Continuing Operations	880	(1,278)	186	494	202	251	229	82	124	91	64
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	1,645	130		620							
Replacement/Refurbishment of Existing Assets	2,293	2,361	2,293	2,137	2,145	2,198	2,051	2,101	2,051	2,101	2,051
Total Capital Budget	3,938	2,491	2,293	2,757	2,145	2,198	2,051	2,101	2,051	2,101	2,051
Funded by:											
– Loans											
– Asset sales	276	106	123	149	395	316	316	316	316	316	70
– Reserves	988	393	245	570	345	300	300	300	300	300	300
– Grants/Contributions	1,656	1,562	1,431	1,412	1,662	1,456	1,456	1,456	1,456	1,456	1,456
– Recurrent revenue	1,018	430	494	626	(257)	126	(21)	29	(21)	29	225
– Other											
	3,938	2,491	2,293	2,757	2,145	2,198	2,051	2,101	2,051	2,101	2,051

Notes:

(1) From 12/13 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.