Walgett Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

"Rivers, Plains and Opals"

Walgett 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 Walgett Shire Council.

(ii) Walgett 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 17 December 2013.
Council has the power to amend and reissue these financial statements.

Walgett Shire Council

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

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2013.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance & position, &

2. Their observations on the conduct of the Audit including commentary on the Council's financial performance & financial position.

Who uses the Financial Statements ?

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

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

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

Walgett 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 27 August 2013.

Gustavus Murray
Mayor

David Lane
Councillor

Don Ramsland
GENERAL MANAGER

Bradley Pascoe
RESPONSIBLE ACCOUNTING OFFICER

Walgett Shire Council

Income Statement
for the financial year ended 30 June 2013

Budget 2013 (1)	$ '000	Notes	Actual 2013	Actual 2012
	Income from Continuing Operations			
	Revenue:			
7,995	Rates & Annual Charges	3a	7,165	7,266
2,275	User Charges & Fees	3b	10,076	4,720
355	Interest & Investment Revenue	3c	618	555
7,139	Other Revenues	3d	2,206	410
14,804	Grants & Contributions provided for Operating Purposes	3e,f	17,654	12,600
1,367	Grants & Contributions provided for Capital Purposes	3e,f	1,627	1,880
	Other Income:			
-	Net gains from the disposal of assets	5	458	-
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
33,935	Total Income from Continuing Operations		39,804	27,431
	Expenses from Continuing Operations			
7,223	Employee Benefits & On-Costs	4a	7,893	6,652
239	Borrowing Costs	4b	243	189
29,569	Materials & Contracts	4c	20,751	10,492
6,250	Depreciation & Amortisation	4d	5,867	5,354
-	Impairment	4d	-	-
7,198	Other Expenses	4e	3,351	2,834
-	Net Losses from the Disposal of Assets	5	-	21
50,479	Total Expenses from Continuing Operations		38,105	25,542
(16,544)	Operating Result from Continuing Operations		**1,699**	**1,889**
	Discontinued Operations			
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(16,544)	Net Operating Result for the Year		1,699	1,889
(16,544)	**Net Operating Result attributable to Council**		1,699	1,889
-	**Net Operating Result attributable to Non-controlling Interests**		-	-
(17,911)	**Net Operating Result for the year before Grants and Contributions provided for Capital Purposes**		72	9

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

Walgett Shire Council

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

$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		**1,699**	**1,889**
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	5,168	4,528
Total Items which will not be reclassified subsequently to the Operating Result		***5,168***	***4,528***
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		**5,168**	**4,528**
Total Comprehensive Income for the Year		6,867	6,417
Total Comprehensive Income attributable to Council		6,867	6,417
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Walgett Shire Council

Statement of Financial Position
as at 30 June 2013

$ '000	Notes	Actual 2013	Actual 2012	Actual 2011
ASSETS				
Current Assets				
Cash & Cash Equivalents	6a	6,541	6,351	5,436
Investments	6b	8,250	5,000	1,774
Receivables	7	3,361	3,239	3,137
Inventories	8	1,060	1,078	1,437
Other	8	-	6	-
Non-current assets classified as 'held for sale'	22	-	-	-
Total Current Assets		**19,212**	**15,674**	**11,784**
Non-Current Assets				
Investments	6b	-	-	-
Receivables	7	433	429	391
Inventories	8	-	-	-
Infrastructure, Property, Plant & Equipment	9	341,020	336,918	312,678
Investments accounted for using the equity method	19	-	-	-
Investment Property	14	-	-	-
Intangible Assets	25	-	-	-
Total Non-Current Assets		**341,453**	**337,347**	**313,069**
TOTAL ASSETS		360,665	353,021	324,853
LIABILITIES				
Current Liabilities				
Payables	10	1,335	2,460	1,785
Borrowings	10	181	293	199
Provisions	10	2,037	1,846	1,717
Total Current Liabilities		**3,553**	**4,599**	**3,701**
Non-Current Liabilities				
Payables	10	-	-	
Borrowings	10	4,005	2,182	2,481
Provisions	10	106	106	131
Total Non-Current Liabilities		**4,111**	**2,288**	**2,612**
TOTAL LIABILITIES		7,664	6,887	6,313
Net Assets		353,001	346,134	318,540
EQUITY				
Retained Earnings	20	307,624	305,925	282,859
Revaluation Reserves	20	45,377	40,209	35,681
Council Equity Interest		353,001	346,134	318,540
Non-controlling Interest		-	-	
Total Equity		353,001	346,134	318,540

Walgett 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)		284,748	40,209	**324,957**	-	**324,957**
a. Correction of Prior Period Errors	20 (c)	21,177	-	**21,177**	-	**21,177**
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	**-**	-	**-**
Revised Opening Balance (as at 1/7/12)		**305,925**	**40,209**	**346,134**	**-**	**346,134**
c. Net Operating Result for the Year		**1,699**	**-**	**1,699**	**-**	**1,699**
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	5,168	**5,168**	-	**5,168**
- Revaluations: Other Reserves	20b (ii)	-	-	**-**	-	**-**
- Transfers to Income Statement	20b (ii)	-	-	**-**	-	**-**
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	**-**	-	**-**
- Other Movements	20b (ii)	-	-	**-**	-	**-**
Other Comprehensive Income		**-**	**5,168**	**5,168**	**-**	**5,168**
Total Comprehensive Income (c&d)		**1,699**	**5,168**	**6,867**	**-**	**6,867**
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	**-**	-	**-**
f. Transfers between Equity		-	-	**-**	-	**-**
Equity - Balance at end of the reporting period		**307,624**	**45,377**	**353,001**	**-**	**353,001**

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		282,342	35,681	**318,023**	-	**318,023**
a. Correction of Prior Period Errors	20 (c)	21,694	-	**21,694**	-	**21,694**
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	**-**	-	**-**
Revised Opening Balance (as at 1/7/11)		**304,036**	**35,681**	**339,717**	**-**	**339,717**
c. Net Operating Result for the Year		1,889	-	**1,889**	-	**1,889**
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	4,528	**4,528**	-	**4,528**
- Revaluations: Other Reserves	20b (ii)	-	-	**-**	-	**-**
- Transfers to Income Statement	20b (ii)	-	-	**-**	-	**-**
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	**-**	-	**-**
- Other Movements	20b (ii)	-	-	**-**	-	**-**
Other Comprehensive Income		**-**	**4,528**	**4,528**	**-**	**4,528**
Total Comprehensive Income (c&d)		**1,889**	**4,528**	**6,417**	**-**	**6,417**
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	**-**	-	**-**
f. Transfers between Equity		-	-	**-**	-	**-**
Equity - Balance at end of the reporting period		**305,925**	**40,209**	**346,134**	**-**	**346,134**

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

Walgett 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:			
7,995	Rates & Annual Charges		7,095	7,147
2,275	User Charges & Fees		8,665	4,843
355	Investment & Interest Revenue Received		719	445
16,171	Grants & Contributions		20,176	15,913
7,198	Other		2,365	563
	Payments:			
(7,223)	Employee Benefits & On-Costs		(7,590)	(6,581)
(29,569)	Materials & Contracts		(21,434)	(11,739)
(239)	Borrowing Costs		(245)	(189)
-	Bonds, Deposits & Retention amounts refunded		(26)	(2)
(7,198)	Other		(3,323)	(2,595)
(10,235)	**Net Cash provided (or used in) Operating Activities**	11b	6,402	7,805
	Cash Flows from Investing Activities			
	Receipts:			
-	Sale of Investment Securities		5,495	5,000
460	Sale of Real Estate Assets		-	204
537	Sale of Infrastructure, Property, Plant & Equipment		228	84
	Payments:			
-	Purchase of Investment Securities		(8,250)	(8,250)
-	Purchase of Infrastructure, Property, Plant & Equipment		(5,396)	(3,720)
-	Purchase of Real Estate Assets		-	(3)
997	**Net Cash provided (or used in) Investing Activities**		(7,923)	(6,685)
	Cash Flows from Financing Activities			
	Receipts:			
2,000	Proceeds from Borrowings & Advances		2,000	-
	Payments:			
-	Repayment of Borrowings & Advances		(289)	(205)
2,000	**Net Cash Flow provided (used in) Financing Activities**		1,711	(205)
(7,238)	**Net Increase/(Decrease) in Cash & Cash Equivalents**		190	915
6,351	plus: **Cash & Cash Equivalents - beginning of year**	11a	6,351	5,436
(887)	**Cash & Cash Equivalents - end of the year**	11a	6,541	6,351
	Additional Information:			
	plus: **Investments on hand - end of year**	6b	8,250	5,000
	Total Cash, Cash Equivalents & Investments		14,791	11,351

Please refer to Note 11 for additional cash flow information

Walgett Shire Council

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

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n/a - not applicable

Walgett 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.

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

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

(vii) Critical Accounting Estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

(i) Estimated fair values of investment properties

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

(iii) Estimated tip remediation provisions.

Critical judgements in applying the entity's accounting policies

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

(ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

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

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

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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*
- *Walgett Shire Water Supply Fund*
- *Walgett Shire Sewerage Fund*

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

(ii) The Trust Fund

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

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

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

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

(iii) Joint Ventures

Council has no interest in any Joint Venture Entities, Assets or Operations.

(iv) Associated Entities

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

Such entities are usually termed Associates.

(v) County Councils

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

- **Castlereagh Macquarie County Council**

  Walgett Shire Council is member of Castlereagh Macquarie County Council. Other members are Coonamble, Gilgandra, Warren and Warrumbungle Shire Councils.

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

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

(vi) Additional Information

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

(d) Leases

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

Finance Leases

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

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

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

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

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Operating Leases

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

Payments made under operating leases (net of any incentives received from the lessor) are charged to

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

the income statement on a straight-line basis over the period of the lease.

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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.

Walgett 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.

Walgett 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.

(iii) Types of Investments

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

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

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

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

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

(h) Receivables

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

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

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

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

The amount of the provision is the difference between the asset's carrying amount and the present

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

value of estimated future cash flows, discounted at the effective interest rate.

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

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

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

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

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

- **Other Assets**
  (as approximated by depreciated historical cost)

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

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

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

Specialised and Non Specialised Buildings were last valued in 2008. In 2013 Scott Fullarton Valuations Pty Ltd (SFV) undertook an insurance valuation under the Statewide Mutual programme, which involved an inspection of Council's entire building portfolio. SFV's detailed approach at that time provided Council with accounting valuations at a componentisation level, which Council has used in determining their Building fair values. Council is of the opinion that the carrying amount of the assets would not differ materially had a revaluation occurred at the reporting date.

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.

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
Plant & Equipment	
Office Furniture	> $3,000
Office Equipment	> $1,000
Other Plant &Equipment	> $3,000
Buildings & Land Improvements	
Park Furniture & Equipment	> $3,000

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

Building	
- construction/extensions	100% Capitalised
- renovations	> $3,000
Other Structures	> $3,000
Water & Sewer Assets	
Reticulation extensions	> $3,000
Other	> $3,000
Stormwater Assets	
Drains & Culverts	> $3,000
Other	> $3,000
Transport Assets	
Road construction & reconstruction	> $3,000
Reseal/Re-sheet & major repairs:	> $3,000
Bridge construction & reconstruction	> $3,000

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	3 to 10 years
- Office furniture	5 to 10 years
- Computer Equipment	3 years
- Vehicles	3 to 8 years
- Heavy Plant/Road Making equip.	3 to 8 years
- Other plant and equipment	3 to 20 years
Other Equipment	
- Playground equipment	2 to 15 years
- Benches, seats etc	5 to 10 years
Buildings	
- Buildings	50 to 100 years
Stormwater Drainage	
- Drains	100 years
- Culverts	100 years
Transportation Assets	
- Sealed Roads : Surface	8 to 10 years
- Sealed Roads : Structure	100 years
- Unsealed roads	100 years
- Bridge : Concrete	100 years
- Road Pavements	50 years
- Kerb, Gutter & Paths	50 years
Water & Sewer Assets	
- Dams and reservoirs	40 to 100 years
- Bores	20 to 40 years
- Reticulation pipes : PVC	54 to 80 years
- Pumps and telemetry	15 to 65 years
Other Infrastructure Assets	
- Bulk earthworks	Infinite

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

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

Disposal and De-recognition

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

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

(k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

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

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

(l) Land under roads

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

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

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

(m) Intangible Assets

Council has not classified any assets as Intangible.

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

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

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

(p) Investment property

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

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

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

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

The last full revaluation for Council's Investment Properties was dated 30/06/10.

(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.

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

Costs are estimated on the basis of a closure plan.

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

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

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

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

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

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

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

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

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

These costs are charged to the income statement.

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

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

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

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

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

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

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

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

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

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

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

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

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

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

(s) Impairment of assets

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

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

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

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

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

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

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

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

(v) Borrowing costs

Borrowing costs are expensed except to the extent that they are incurred during the construction of qualifying assets.

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

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

(w) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

(x) Employee benefits

(i) Short Term Obligations

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

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

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

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

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

(ii) Other Long Term Obligations

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

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

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

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

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

(iii) Retirement benefit obligations

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

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

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

Defined Benefit Plans

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

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

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

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

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

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

The last valuation of the Scheme was performed by Mr Martin Stevenson (BSc, FIA, FIAA) on 20/02/13 and covers the period ended 30/06/13.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2013 the prior period deficit still exists.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2013 was $102,739.

The amount of additional contributions included in the total employer contribution advised above is $28,866.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of $134,210 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.

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

(y) Self insurance

Council does not self insure.

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

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

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

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and UIG interpretations

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

Council has not adopted any of these standards early.
Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

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

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

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

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

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.

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)*

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The amendments also introduce a “partial disposal” concept.

Council is still assessing the impact of these amendments.

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

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

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

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

Walgett Shire Council

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

Note 1. Summary of Significant Accounting Policies

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

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

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

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in 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 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.

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

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

$ '000	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
Functions/Activities	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Governance	-	-	-	-	-	866	-	-	(866)	-	-	-	33,009
Administration	4,305	5,371	625	1,592	1,305	2,510	2,713	4,066	(1,885)	31	-	99	-
Public Order & Safety	126	157	452	8,858	5,627	1,101	(8,732)	(5,470)	(649)	-	-	130	124
Health	7	8	4	800	656	92	(793)	(648)	(88)	-	-	-	-
Environment	4,000	4,990	2,309	365	299	1,002	3,635	4,691	1,307	1,524	1,113	3,211	3,093
Community Services & Education	129	161	473	1,764	1,446	637	(1,635)	(1,285)	(164)	310	473	-	-
Housing & Community Amenities	1,136	1,417	482	1,037	850	2,296	99	567	(1,814)	-	-	5,750	5,686
Water Supplies	5,653	7,052	2,085	4,841	3,968	1,769	812	3,084	316	11	-	16,305	17,892
Sewerage Services	2,848	3,553	835	4,128	3,383	773	(1,280)	170	62	10	-	11,868	13,904
Recreation & Culture	195	244	375	1,772	1,452	2,041	(1,577)	(1,208)	(1,666)	117	305	6,227	13,344
Fuel & Energy	-	-	-	2,643	2,166	-	(2,643)	(2,166)	-	-	-	-	-
Mining, Manufacturing & Construction	265	330	90	-	-	-	265	330	90	-	-	-	-
Transport & Communication	4,871	6,040	8,590	21,793	16,228	12,163	(16,922)	(10,188)	(3,573)	10,144	4,352	317,075	265,469
Economic Affairs	332	414	69	886	725	292	(554)	(311)	(223)	-	-	-	500
Total Functions & Activities	**23,867**	**29,737**	**16,389**	**50,479**	**38,105**	**25,542**	**(26,612)**	**(8,368)**	**(9,153)**	**12,147**	**6,243**	**360,665**	**353,021**
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income [1]	10,068	10,067	11,042	-	-	-	10,068	10,067	11,042	4,987	6,408	-	-
Operating Result from Continuing Operations	**33,935**	**39,804**	**27,431**	**50,479**	**38,105**	**25,542**	**(16,544)**	**1,699**	**1,889**	**17,134**	**12,651**	**360,665**	**353,021**

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

Walgett Shire Council

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

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

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

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

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

PUBLIC ORDER & SAFETY
Fire protection, animal control, beach control, enforcement of local government regulations, emergency services, other.

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

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

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

HOUSING & COMMUNITY AMENITIES
Housing, town planning, street lighting, other sanitation and garbage, public cemeteries, public conveniences, other community amenities.

WATER SUPPLIES
SEWERAGE SERVICES

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

FUEL & ENERGY - Gas Supplies

MINING, MANUFACTURING & CONSTRUCTION
Building control, abattoirs, quarries & pits, other.

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

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

Walgett 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		1,131	1,077
Farmland		3,178	3,045
Business		192	200
Total Ordinary Rates		**4,501**	**4,322**
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		1,028	1,007
Water Supply Services		856	1,231
Sewerage Services		780	706
Total Annual Charges		**2,664**	**2,944**
TOTAL RATES & ANNUAL CHARGES		7,165	7,266

Council has used 2011 year valuations provided by the NSW Valuer General in calculating its rates.

Walgett Shire Council

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

Note 3. Income from Continuing Operations (continued)

$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		495	-
Waste Management Services (non-domestic)		106	108
Total User Charges		**601**	**108**
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Inspection Services		6	-
Planning & Building Regulation		38	95
Private Works - Section 67		36	12
Regulatory/ Statutory Fees		54	-
Registration Fees		15	-
Section 603 Certificates		8	9
Total Fees & Charges - Statutory/Regulatory		**157**	**116**
(ii) Fees & Charges - Other (incl. General User Charges (per s.608)			
Aerodrome		9	9
Cemeteries		53	46
Lease Rentals		59	58
Leaseback Fees - Council Vehicles		35	28
Library & Art Gallery		2	-
RMS (formerly RTA) Charges (State Roads not controlled by Council)		9,150	4,337
Saleyards		10	-
Other		-	18
Total Fees & Charges - Other		**9,318**	**4,496**
TOTAL USER CHARGES & FEES		10,076	4,720

Walgett 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)		87	84
- Interest earned on Investments (interest & coupon payment income)		531	495
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		-	(24)
TOTAL INTEREST & INVESTMENT REVENUE		618	555
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		34	84
General Council Cash & Investments		545	312
Restricted Investments/Funds - External:			
Water Fund Operations		23	74
Sewerage Fund Operations		16	85
Total Interest & Investment Revenue Recognised		**618**	**555**
(d) Other Revenues			
Rental Income - Other Council Properties		245	115
Fines		5	-
Legal Fees Recovery - Rates & Charges (Extra Charges)		118	30
Commissions & Agency Fees		49	47
Diesel Rebate		40	26
Insurance Claim Recoveries		64	55
Sale of Land for Overdue Rates		111	-
Sales - General		179	95
Statecover Incentive		-	26
Sundry Income		147	-
Maintain Water and Sewer Aboriginal Communities		1,188	-
Other		60	16
TOTAL OTHER REVENUE		2,206	410

Walgett 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 - General Component	3,091	4,012	-	-
Financial Assistance - Local Roads Component	1,853	2,352	-	-
Pensioners' Rates Subsidies - General Component	43	44	-	-
Total General Purpose	**4,987**	**6,408**	**-**	**-**
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	12	12	-	-
- Sewerage	10	10	-	-
- Domestic Waste Management	24	24	-	-
Water Supplies	-	398	-	-
Child Care	33	32	-	-
Community Care	133	390	-	-
Economic Development	-	-	-	107
Employment & Training Programs	30	47	-	-
Flood Restoration	8,942	1,653	-	-
Heritage & Cultural	7	10	-	-
Levee Rehabitition	-	-	1,500	1,113
Library	37	42	-	-
Library - special projects	-	-	-	200
NSW Rural Fire Services	35	35	-	-
Recreation & Culture	-	15	82	5
Regional & Local Infrastructure	-	-	45	100
Street Lighting	27	26	-	-
Traffic Route Subsidy	27	-	-	-
Transport (Roads to Recovery)	1,103	1,692	-	
Transport (Other Roads & Bridges Funding)	-	-	-	30
Youth Services	100	47	-	-
Other	-	30	-	225
Total Specific Purpose	**10,520**	**4,463**	**1,627**	**1,780**
Total Grants	**15,507**	**10,871**	**1,627**	**1,780**
Grant Revenue is attributable to:				
- Commonwealth Funding	1,103	6,365	-	30
- State Funding	9,854	-	-	3,442
- Other Funding	4,550	4,506	1,627	(1,692)
	15,507	**10,871**	**1,627**	**1,780**

Walgett 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):				
Nil				
Other Contributions:				
RMS Contributions (Regional Roads, Block Grant)	2,147	1,729	-	-
SES Contribution towards Depot	-	-	-	100
Total Other Contributions	**2,147**	**1,729**	**-**	**100**
Total Contributions	2,147	1,729	-	100
TOTAL GRANTS & CONTRIBUTIONS	17,654	12,600	1,627	1,880

$ '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	2,680	994
add: Grants & contributions recognised in the current period but not yet spent:	3,265	2,681
less: Grants & contributions recognised in a previous reporting period now spent:	(2,680)	(995)
Net Increase (Decrease) in Restricted Assets during the Period	**585**	**1,686**
Unexpended and held as Restricted Assets	3,265	2,680
Comprising:		
- Specific Purpose Unexpended Grants	3,265	2,680
	3,265	**2,680**

Walgett 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		6,043	5,617
Travelling		41	78
Employee Leave Entitlements (ELE)		927	651
Superannuation		645	565
Workers' Compensation Insurance		196	24
Fringe Benefit Tax (FBT)		56	48
Training Costs (other than Salaries & Wages)		114	88
Protective Clothing		58	-
Other		22	15
Total Employee Costs		**8,102**	**7,086**
less: Capitalised Costs		(209)	(434)
TOTAL EMPLOYEE COSTS EXPENSED		7,893	6,652
Number of "Equivalent Full Time" Employees at year end		**115**	**113**
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		**130**	**140**
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		243	189
Total Interest Bearing Liability Costs Expensed		**243**	**189**
(ii) Other Borrowing Costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		243	189

Walgett 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		5,482	5,244
Contractor & Consultancy Costs		15,042	8,841
Auditors Remuneration [1]		74	41
Legal Expenses:			
- Legal Expenses: Debt Recovery		117	39
- Legal Expenses: Other		15	-
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments [2]		21	43
Total Materials & Contracts		**20,751**	**14,208**
less: Capitalised Costs		-	(3,716)
TOTAL MATERIALS & CONTRACTS		20,751	10,492

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	43	41
- Audit & review of financial statements: Other Consolidated Entity Auditors	31	-
Remuneration for audit and other assurance services	**74**	**41**
Total Auditor Remuneration	**74**	**41**

2. Operating Lease Payments are attributable to:

Computers	21	43
	21	**43**

Walgett 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 Actual 2013	Impairment Costs Actual 2012	Depreciation/Amortisation Actual 2013	Depreciation/Amortisation Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	1,146	898
Office Equipment		-	-	49	63
Buildings - Non Specialised		-	-	265	120
Buildings - Specialised		-	-	391	344
Other Structures		-	-	543	420
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	2,067	2,662
- Stormwater Drainage		-	-	121	84
- Water Supply Network		-	-	516	511
- Sewerage Network		-	-	324	168
Other Assets					
- Other		-	-	445	84
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	5,867	5,354

Walgett 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	45	41
Bad & Doubtful Debts	147	316
Bank Charges	13	11
Contributions/Levies to Other Levels of Government		
- Emergency Services Levy	18	-
- NSW Fire Brigade Levy	36	13
- NSW Rural Fire Service Levy	188	92
- CMCC Noxious Weeds	93	85
- Regional Library	95	221
- Other Contributions/Levies	8	12
Councillor Expenses - Mayoral Fee	23	22
Councillor Expenses - Councillors' Fees	80	98
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)	44	18
Donations, Contributions & Assistance to other organisations (Section 356)		
- Community & Tourism Programs	529	408
- RSPCA	8	7
- Other Donations, Contributions & Assistance	22	69
Election Expenses	39	-
Electricity & Heating	338	360
Insurance	387	594
Office Expenses (including computer expenses)	3	30
Printing & Stationery	69	13
Rate Discount	81	46
Street Lighting	193	147
Subscriptions & Publications	70	19
Swimming Pools	556	55
Telephone & Communications	127	116
Tourism Expenses (excluding employee costs)	37	9
Valuation Fees	32	30
Housing Subsidy	67	-
Other	3	2
TOTAL OTHER EXPENSES	3,351	2,834

Walgett 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		47	1
less: Carrying Amount of Property Assets Sold / Written Off		(54)	(2)
Net Gain/(Loss) on Disposal		**(7)**	**(1)**
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		181	83
less: Carrying Amount of P&E Assets Sold / Written Off		(211)	(54)
Net Gain/(Loss) on Disposal		**(30)**	**29**
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		-	204
less: Carrying Amount of Real Estate Assets Sold / Written Off		-	(253)
Net Gain/(Loss) on Disposal		**-**	**(49)**
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		5,495	5,000
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(5,000)	(5,000)
Net Gain/(Loss) on Disposal		**495**	**-**
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		458	(21)

*** Financial Assets disposals / redemptions include:**

- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"	495	-
Net Gain/(Loss) on Disposal of Financial Instruments	**495**	**-**

Walgett 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		346	-	3,349	-
Cash-Equivalent Assets[1]					
- Deposits at Call		3,695	-	2,002	-
- Short Term Deposits		2,500	-	1,000	-
Total Cash & Cash Equivalents		**6,541**	**-**	**6,351**	**-**
Investments (Note 6b)					
- Long Term Deposits		8,250	-	5,000	-
Total Investments		**8,250**	**-**	**5,000**	**-**
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		14,791	-	11,351	-

[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"		**6,541**	**-**	**6,351**	**-**
Investments					
b. "Held to Maturity"	6(b-ii)	8,250	-	5,000	-
Investments		**8,250**	**-**	**5,000**	**-**
Note 6(b-i) Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"					
Balance at the Beginning of the Year		-	-	24	-
Revaluations (through the Income Statement)		-	-	(24)	-
Additions		-	-	2,500	-
Disposals (sales & redemptions)		-	-	(2,500)	-
Balance at End of Year		**-**	**-**	**-**	**-**
Note 6(b-ii) Reconciliation of Investments classified as "Held to Maturity"					
Balance at the Beginning of the Year		5,000	-	1,750	-
Additions		8,250	-	5,750	-
Disposals (sales & redemptions)		(5,000)	-	(2,500)	-
Balance at End of Year		**8,250**	**-**	**5,000**	**-**
Comprising:					
- Long Term Deposits		8,250	-	5,000	-
Total		**8,250**	**-**	**5,000**	**-**

Walgett 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 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Total Cash, Cash Equivalents and Investments	14,791	-	11,351	-
attributable to:				
External Restrictions (refer below)	9,259	-	6,879	-
Internal Restrictions (refer below)	2,012	-	2,012	-
Unrestricted	3,520	-	2,460	-
	14,791	**-**	**11,351**	**-**

2013 $ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Details of Restrictions				
External Restrictions - Included in Liabilities				
Nil				
External Restrictions - Other				
Specific Purpose Unexpended Grants (F)	2,680	585	-	3,265
Water Supplies (G)	1,617	271	-	1,888
Sewerage Services (G)	2,194	1,524	-	3,718
Domestic Waste Management (G)	388	-	-	388
External Restrictions - Other	6,879	2,380	-	9,259
Total External Restrictions	**6,879**	**2,380**	**-**	**9,259**
Internal Restrictions				
Infrastructure Replacement	1,044	-	-	1,044
Employees Leave Entitlement	500	-	-	500
Rehabilitation	100	-	-	100
General Manager Contract Provisions	8	-	-	8
Other	360	-	-	360
Total Internal Restrictions	**2,012**	**-**	**-**	**2,012**
TOTAL RESTRICTIONS	8,891	2,380	-	11,271

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.

Walgett Shire Council

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

Note 7. Receivables

$ '000	Notes	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Purpose					
Rates & Annual Charges		652	340	588	334
Interest & Extra Charges		175	187	193	206
User Charges & Fees		2,654	98	1,511	49
Accrued Revenues					
- Interest on Investments		75	-	105	-
- Other Income Accruals		-	-	145	-
Government Grants & Subsidies		-	-	895	-
Deferred Debtors		-	200	-	305
Net GST Receivable		141	-	260	-
Total		**3,697**	**825**	**3,697**	**894**
less: Provision for Impairment					
Rates & Annual Charges		(11)	(104)	(11)	(104)
Interest & Extra Charges		(5)	(88)	(3)	(56)
User Charges & Fees		(320)	-	(444)	-
Other Debtors		-	(200)	-	(305)
Total Provision for Impairment - Receivables		**(336)**	**(392)**	**(458)**	**(465)**
TOTAL NET RECEIVABLES		3,361	433	3,239	429
Externally Restricted Receivables					
Water Supply					
- Rates & Availability Charges		272	147	239	129
Sewerage Services					
- Rates & Availability Charges		169	91	164	88
Total External Restrictions		**441**	**238**	**403**	**217**
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		**2,920**	**195**	**2,836**	**212**
TOTAL NET RECEIVABLES		3,361	433	3,239	429

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.

Walgett Shire Council

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

Note 8. Inventories & Other Assets

$ '000	Notes	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Inventories					
Real Estate for resale (refer below)		402	-	402	-
Stores & Materials		658	-	676	-
Total Inventories		**1,060**	**-**	**1,078**	**-**
Other Assets					
Prepayments		-	-	6	-
Total Other Assets		**-**	**-**	**6**	**-**
TOTAL INVENTORIES / OTHER ASSETS		1,060	-	1,084	-

Externally Restricted Assets
There are no restrictions applicable to the above assets.

(i) Other Disclosures

(a) Details for Real Estate Development

Residential	402	-	402	-
Total Real Estate for Resale	**402**	**-**	**402**	**-**

(Valued at the lower of cost and net realisable value)

Represented by:

Acquisition Costs	402	-	402	-
Total Real Estate for Resale	**402**	**-**	**402**	**-**

Movements:

Real Estate assets at beginning of the year		402	-	862	-
- Purchases and other costs		-	-	3	-
- Transfers in from (out to) Note 9		-	-	(210)	-
- WDV of Sales (exp)	5	-	-	(253)	-
Total Real Estate for Resale		**402**	**-**	**402**	**-**

(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	402	402
	402	**402**

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

- Real Estate for Resale	-	47
- Stores & Materials	2,060	1,175

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 Dep'n	Accumulated Impairment	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	WIP Transfers	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated Dep'n	Accumulated Impairment	Carrying Value
Capital Work in Progress	42	-	-	-	42	-	-	-	(42)	-	-	-	-	-	-
Plant & Equipment	-	12,300	8,419	-	3,881	685	(211)	(1,146)	-	-	-	12,774	9,565	-	3,209
Office Equipment	-	1,146	1,022	-	124	24		(49)	-	-	-	1,170	1,071	-	99
Land:															
- Operational Land	-	1,213	-	-	1,213	-	(54)	-	-	-	-	1,159	-	-	1,159
Buildings - Non Specialised	-	6,644	2,171	-	4,473	-	-	(265)	-	1,267	-	8,151	2,676	-	5,475
Buildings - Specialised	-	19,533	12,320	-	7,213	-	-	(391)	42	2,374	-	24,967	15,729	-	9,238
Other Structures	-	31,845	12,599	-	19,246	-	-	(543)	-	-	-	31,845	13,142	-	18,703
Infrastructure:															
- Roads, Bridges, Footpaths	-	109,880	51,945	-	57,935	2,711	-	(2,067)	-	-	-	112,591	54,012	-	58,579
- Bulk Earthworks (non-depreciable)	-	203,566	-	-	203,566	-	-	-	-	-	-	203,566	-	-	203,566
- Stormwater Drainage	-	12,156	4,232	-	7,924	1,072	-	(121)	-	-	-	13,228	4,353	-	8,875
- Water Supply Network	-	32,318	16,411	-	15,907	-	-	(516)	-	914	-	33,126	16,821	-	16,305
- Sewerage Network	-	17,446	5,867	-	11,579	-	-	(324)	-	613	-	17,882	6,014	-	11,868
Other Assets:															
- Other	-	7,335	3,520	-	3,815	574	-	(445)	-	-	-	7,909	3,965	-	3,944
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	**42**	**455,382**	**118,506**	**-**	**336,918**	**5,066**	**(265)**	**(5,867)**	**-**	**5,168**	**-**	**468,368**	**127,348**	**-**	**341,020**

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals ($2,017) and New Assets ($2,340).
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Walgett Shire Council

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

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

$ '000	Actual 2013				Actual 2012			
Class of Asset	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Infrastructure	-	33,126	16,821	**16,305**	-	32,318	16,411	**15,907**
Total Water Supply	**-**	**33,126**	**16,821**	**16,305**	**-**	**32,318**	**16,411**	**15,907**
Sewerage Services								
Infrastructure	-	17,882	6,014	**11,868**	-	17,446	5,867	**11,579**
Total Sewerage Services	**-**	**17,882**	**6,014**	**11,868**	**-**	**17,446**	**5,867**	**11,579**
TOTAL RESTRICTED I,PP&E	**-**	**51,008**	**22,835**	**28,173**	**-**	**49,764**	**22,278**	**27,486**

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

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

Walgett Shire Council

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

Note 10a. Payables, Borrowings & Provisions

$ '000	Notes	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Payables					
Goods & Services - operating expenditure		589	-	1,290	-
Goods & Services - capital expenditure		-	-	435	-
Payments Received In Advance		23	-	118	-
Accrued Expenses:					
- Borrowings		-	-	2	-
- Interest on Bonds & Deposits		9	-	-	-
- Salaries & Wages		218	-	136	-
- Other Expenditure Accruals		496	-	453	-
Security Bonds, Deposits & Retentions		-	-	26	-
Total Payables		**1,335**	**-**	**2,460**	**-**
Borrowings					
Loans - Secured [1]		181	4,005	293	2,182
Total Borrowings		**181**	**4,005**	**293**	**2,182**
Provisions					
Employee Benefits;					
Annual Leave		890	-	823	-
Sick Leave		221	-	146	-
Long Service Leave		926	106	847	106
Sub Total - Aggregate Employee Benefits		**2,037**	**106**	**1,816**	**106**
Other		-	-	30	-
Total Provisions		**2,037**	**106**	**1,846**	**106**
Total Payables, Borrowings & Provisions		3,553	4,111	4,599	2,288

(i) Liabilities relating to Restricted Assets

	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Externally Restricted Assets				
Water	-	50	23	45
Sewer	-	-	8	-
Liabilities relating to externally restricted assets	-	50	31	45
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	-	50	31	45
Total Liabilities relating to Unrestricted Assets	3,553	4,061	4,568	2,243
TOTAL PAYABLES, BORROWINGS & PROVISIONS	3,553	4,111	4,599	2,288

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.

Walgett 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	813	879
	813	**879**

Note 10b. Description of and movements in Provisions

	2012	2013				
Class of Provision	**Opening Balance as at 1/7/12**	**Additional Provisions**	**Decrease due to Payments**	**Remeasurement effects due to Discounting**	**Unused amounts reversed**	**Closing Balance as at 30/6/13**
Annual Leave	823	589	(522)	-	-	**890**
Sick Leave	146	348	(273)	-	-	**221**
Long Service Leave	953	149	(70)	-	-	**1,032**
Other	30	(30)	-	-	-	**-**
TOTAL	**1,952**	**1,056**	**(865)**	**-**	**-**	**2,143**

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.

Walgett 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	6,541	6,351
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		**6,541**	**6,351**
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		**1,699**	**1,889**
Adjust for non cash items:			
Depreciation & Amortisation		5,867	5,354
Net Losses/(Gains) on Disposal of Assets		(458)	21
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		-	24
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(36)	(459)
Increase/(Decrease) in Provision for Doubtful Debts		(195)	319
Decrease/(Increase) in Inventories		18	(101)
Decrease/(Increase) in Other Assets		6	(6)
Increase/(Decrease) in Payables		(701)	549
Increase/(Decrease) in accrued Interest Payable		(2)	(3)
Increase/(Decrease) in other accrued Expenses Payable		125	144
Increase/(Decrease) in Other Liabilities		(112)	(30)
Increase/(Decrease) in Employee Leave Entitlements		221	74
Increase/(Decrease) in Other Provisions		(30)	30
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		**6,402**	**7,805**

(c) Non-Cash Investing & Financing Activities

Nil

(d) Financing Arrangements

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

Credit Cards / Purchase Cards	20	20
Total Financing Arrangements	**20**	**20**
Amounts utilised as at Balance Date:		
- Credit Cards / Purchase Cards	4	4
Total Financing Arrangements Utilised	**4**	**4**

Walgett 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			
Footpaths & Drainage		-	80
Other		-	15
Total Commitments		**-**	**95**
These expenditures are payable as follows:			
Within the next year		-	95
Total Payable		**-**	**95**
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		-	95
Total Sources of Funding		**-**	**95**

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

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

Within the next year	19	19
Later than one year and not later than 5 years	58	77
Later than 5 years	-	-
Total Non Cancellable Operating Lease Commitments	**77**	**96**

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

(d) Investment Property Commitments

Nil

(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)

Walgett Shire Council

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

Note 13a. 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]	9,110	3.32 : 1	2.17	2.13
Current Liabilities less Specific Purpose Liabilities [2,3]	2,740			
2. Debt Service Ratio				
Debt Service Cost	532	2.09%	2.23%	0.67%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	25,510			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	7,165	18.00%	26.49%	26.53%
Income from Continuing Operations	39,804			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	1,146	13.46%	13.77%	12.45%
Rates, Annual & Extra Charges Collectible	8,517			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals[4]	2,017	54.75%	45.10%	89.25%
Depreciation, Amortisation & Impairment	3,684			

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.

Walgett 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)] / Current Liabilities less Specific Purpose Liabilities [(2,3)]		**0.01 : 1**	**0.01 : 1**	**3.32 : 1**
	prior period:	80.7	294.75	2.35
2. Debt Service Ratio				
Debt Service Cost / Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)		**4.07%**	**0.00%**	**2.02%**
	prior period:	0.00%	1.07%	2.25%
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges / Income from Continuing Operations		**97.53%**	**43.14%**	**13.30%**
	prior period:	72.79%	88.60%	20.98%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding / Rates, Annual & Extra Charges Collectible		**27.15%**	**33.33%**	**7.54%**
	prior period:	27.54%	33.78%	8.44%
5. Building & Infrastructure Renewals Ratio				
Asset Renewals (Building & Infrastructure assets) / Depreciation, Amortisation & Impairment		**0.00%**	**0.00%**	**70.92%**
	prior period:	0.00%	0.00%	54.64%

Notes

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

Walgett Shire Council

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

Note 14. Investment Properties

$ '000

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

Note 15. Financial Risk Management

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	6,541	6,351	14,801	10,598
Investments				
- "Held to Maturity"	8,250	5,000	-	750
Receivables	3,794	3,668	4,358	3,668
Total Financial Assets	**18,585**	**15,019**	**19,159**	**15,016**
Financial Liabilities				
Payables	1,312	2,342	1,330	2,342
Loans / Advances	4,186	2,475	4,310	2,475
Total Financial Liabilities	**5,498**	**4,817**	**5,640**	**4,817**

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.

Walgett Shire Council

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

Note 15. Financial Risk Management (continued)

$ '000

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

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

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

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

The 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.

	Increase of Values/Rates		Decrease of Values/Rates	
2013	**Profit**	**Equity**	**Profit**	**Equity**
Possible impact of a 10% movement in Market Values	2	2	(2)	(22)
Possible impact of a 1% movement in Interest Rates	55	55	(55)	(55)
2012				
Possible impact of a 10% movement in Market Values	2	2	(2)	(2)
Possible impact of a 1% movement in Interest Rates	72	72	(72)	(72)

Walgett Shire Council

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

Note 15. Financial Risk Management (continued)

$ '000

(b) Receivables

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

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

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

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

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

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

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

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

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

(i) Ageing of Receivables	**2013 Rates & Annual Charges**	**2013 Other Receivables**	**2012 Rates & Annual Charges**	**2012 Other Receivables**
Current (not yet overdue)	530	2,612	493	2,640
Past due by up to 30 days	-	358		401
Past due between 31 and 180 days	-	153		172
Past due between 181 and 365 days	-	135		151
Past due by more than 1 year	462	272	429	305
	992	**3,530**	**922**	**3,669**

(ii) Movement in Provision for Impairment of Receivables	**2013**	**2012**
Balance at the beginning of the year	923	604
+ new provisions recognised during the year	-	409
- amounts provided for but recovered during the year	(195)	(90)
Balance at the end of the year	**728**	**923**

Walgett Shire Council

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

Note 15. Financial Risk Management (continued)

$ '000

(c) Payables & Borrowings

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

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

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

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

$ '000	Subject to no maturity	payable in: ≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	Total Cash Outflows	Actual Carrying Values
2013									
Trade/Other Payables	-	1,330	-	-	-	-	-	1,330	**1,312**
Loans & Advances	-	384	376	338	301	263	224	1,886	**4,186**
Total Financial Liabilities	**-**	**1,714**	**376**	**338**	**301**	**263**	**224**	**3,216**	**5,498**
2012									
Trade/Other Payables	26	2,316	-	-	-	-	-	2,342	**2,342**
Loans & Advances	-	293	284	273	265	263	1,097	2,475	**2,475**
Total Financial Liabilities	**26**	**2,609**	**284**	**273**	**265**	**263**	**1,097**	**4,817**	**4,817**

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 Carrying Value	2013 Average Interest Rate	2012 Carrying Value	2012 Average Interest Rate
Trade/Other Payables	1,312	0.0%	2,342	0.0%
Loans & Advances - Fixed Interest Rate	4,186	6.7%	2,475	6.7%
	5,498		4,817	

Walgett 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 26 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	7,995	7,165	(830)	(10%)	U
Reflects need for accurate forcasting of rating income through improved modelling process/procedure.					
User Charges & Fees	2,275	10,076	7,801	343%	F
Reflects additional income/better identification disection of revenue sources.					
Interest & Investment Revenue	355	618	263	74%	F
Reflects better control of cashflow and investment placement and terms.					
Other Revenues	7,139	2,206	(4,933)	(69%)	U
Reflects better control and dissection of revenue sources.					
Operating Grants & Contributions	14,804	17,654	2,850	19%	F
Additional grant funds sourced.					
Capital Grants & Contributions	1,367	1,627	260	19%	F
Additional grant funds sourced.					
Net Gains from Disposal of Assets	-	458	458	0%	F
Net loss 37k.					

Walgett 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	7,223	7,893	(670)	(9%)	U
Reflects reduction in leave accrued.					
Borrowing Costs	239	243	(4)	(2%)	U
Reflects current market interest rates.					
Materials & Contracts	29,569	20,751	8,818	30%	F
Reflects savings achieved through improved supervision.					
Depreciation & Amortisation	6,250	5,867	383	6%	F
Reflects increase in depreciation due to a more accurate asset management systems/plans.					
Other Expenses	7,198	3,351	3,847	53%	F
Reflects saving achieved by improved supervision.					

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

Cash Flows from Operating Activities	(10,235)	6,402	16,637	(162.6%)	F
Reflects better management of day to day cashflows.					
Cash Flows from Investing Activities	997	(7,923)	(8,920)	(894.7%)	U
Reflects the need for more accurate forcasting/timing of capital acquisitions.					
Cash Flows from Financing Activities	2,000	1,711	(289)	(14.5%)	U
Reflects good management of financing cashflow.					

Note 17. Statement of Developer Contributions

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

Walgett 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 Councils contributions to the pool and the result of insurance claims within each of the Fund Years.

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Walgett 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 Councils intention to spend funds in the manner and timing set out in those Plans.

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council

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

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

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

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

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

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

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

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

Walgett 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 has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

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)		284,748	282,342
a. Correction of Prior Period Errors	20 (c)	21,177	21,694
b. Net Operating Result for the Year		1,699	1,889
Balance at End of the Reporting Period		307,624	305,925
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		66,554	40,209
- Other Reserves (Specify)		(21,177)	-
Total		**45,377**	**40,209**
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		40,209	35,681
- Revaluations for the year	9(a)	5,168	4,528
- Correction of Prior Period Errors	20(c)	21,177	-
- Balance at End of Year		**66,554**	**40,209**
Other Reserves			
- Correction of Prior Period Errors	20(c)	(21,177)	-
- Balance at End of Year		**(21,177)**	**-**
TOTAL VALUE OF RESERVES		**45,377**	**40,209**

(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.

Walgett Shire Council

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

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

$ '000	Notes	Actual 2013	Actual 2012

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

Correction of errors disclosed in this year's financial statements:

Other structures accumulated depreciation adjustment 2011	(6,940)	-
Roads, Bridges & Footpaths accumulated depreciation adjustment 2011	732	-
Stormwater Drainage accumulated depreciation adjustment 2011	(2,361)	-
Other assets accumulated depreciation adjustment 2011	(3,225)	-
Other structures fair value adjustment 2011	20,478	-
Roads, bridges & footpaths fair value adjustment 2011	(1,163)	-
Bulk earthworks fair value adjustment 2011	386	-
Stormwater drainage fair value adjustment 2011	7,192	-
Other assets fair value adjustment 2011	6,078	-

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

Council owned land previously not recognised		517

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

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

These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/11 (relating to adjustments for the 30/6/11 reporting year end and prior periods)	-	517
- Adjustments to Closing Equity - 30/6/12 (relating to adjustments for the 30/6/12 year end)	21,177	-
Total Prior Period Adjustments - Prior Period Errors	**21,177**	**517**

(d) Voluntary Changes in Accounting Policies

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

Walgett Shire Council

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

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund $ '000	Actual 2013	Actual 2013	Actual 2013
Continuing Operations	**Water**	**Sewer**	**General**[1]
Income from Continuing Operations			
Rates & Annual Charges	1,543	780	4,842
Interest & Investment Revenue	23	16	579
Other Revenues	3	3	2,200
Grants & Contributions provided for Operating Purposes	13	9	17,632
Grants & Contributions provided for Capital Purposes	-	1,000	627
Other Income			
Net Gains from Disposal of Assets	-	-	458
Total Income from Continuing Operations	**1,582**	**1,808**	**36,414**
Expenses from Continuing Operations			
Employee Benefits & on-costs	324	148	7,421
Borrowing Costs	-	-	243
Materials & Contracts	815	87	19,849
Depreciation & Amortisation	500	324	5,043
Impairment	-	-	-
Other Expenses	128	69	3,154
Total Expenses from Continuing Operations	**1,767**	**628**	**35,710**
Operating Result from Continuing Operations	(185)	1,180	704
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	(185)	1,180	704
Net Operating Result attributable to each Council Fund	(185)	1,180	704
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(185)	180	77

[1] General Fund refers to all Council's activities other than Water & Sewer.

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

Walgett Shire Council

Notes to the Financial Statements
as at 30 June 2013

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

Statement of Financial Position by Fund $ '000	Actual 2013	Actual 2013	Actual 2013
ASSETS	**Water**	**Sewer**	**General**[1]
Current Assets			
Cash & Cash Equivalents	1,888	3,718	935
Investments	-	-	8,250
Receivables	419	260	2,682
Inventories	-	-	1,060
Other	-	-	-
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	2,307	3,978	12,927
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	433
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	16,305	11,868	312,847
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	-
Total Non-Current Assets	16,305	11,868	313,280
TOTAL ASSETS	**18,612**	**15,846**	**326,207**
LIABILITIES			
Current Liabilities			
Payables	-	-	1,335
Borrowings	-	-	181
Provisions	-	-	2,037
Total Current Liabilities	-	-	3,553
Non-Current Liabilities			
Payables	-	-	-
Borrowings	50	-	3,955
Provisions	-	-	106
Total Non-Current Liabilities	50	-	4,061
TOTAL LIABILITIES	**50**	**-**	**7,614**
Net Assets	**18,562**	**15,846**	**318,593**
EQUITY			
Retained Earnings	8,187	10,320	289,117
Revaluation Reserves	10,375	5,526	29,476
Total Equity	**18,562**	**15,846**	**318,593**

[1] General Fund refers to all Council's activities other than Water & Sewer.
NB. All amounts disclosed above are Gross - that is, they include internal receivables & payables between the Funds.

Walgett Shire Council

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

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

$ '000

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

Note 23. Events occurring after the Reporting Period

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

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

Accordingly, the "authorised for issue" date is 17/12/13.

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

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

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

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

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

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

Note 24. Discontinued Operations

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

Note 25. Intangible Assets

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

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

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

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

Walgett Shire Council

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

Note 27. Council Information & Contact Details

Principal Place of Business:
77 Fox Street
Walgett NSW 2832

Contact Details
Mailing Address:
PO Box 31
Walgett NSW 2832

Telephone: 02 6828 1399
Facsimile: 02 6828 1399

Internet: www.walgett.nsw.gov.au
Email: admin@walgett.nsw.gov.au

Officers
GENERAL MANAGER
Don Ramsland

RESPONSIBLE ACCOUNTING OFFICER
Bradley Pascoe

PUBLIC OFFICER
Stephen Holland

AUDITORS
Hill Rogers Spencer Steer
Level 5, Chifley Square
Sydney NSW 2000

Elected Members
MAYOR
Gustavus Murray

Other Information
ABN: 88 769 076 385

Hill Rogers Spencer Steer

WALGETT SHIRE COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying ***general purpose financial statements*** of ***Walgett Shire Council***, which comprises the Statement of Financial Position as at 30 June 2013, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

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

Hill Rogers Spencer Steer

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

Independence

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

Auditor's Opinion

In our opinion,

(a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and

(b) the financial statements:
   - (i) have been presented in accordance with the requirements of this Division;
   - (ii) are consistent with the Council's accounting records;
   - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
   - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

(c) all information relevant to the conduct of the audit has been obtained; and

(d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

Emphasis of Matter

Without qualification to the opinion expressed above, we draw attention to the requirement under Section 416 of the Local Government Act 1993 to prepare and submit audited financial reports by 29 November 2013.

HILL ROGERS SPENCER STEER

Gary Mottau
Partner

Dated at Sydney this 16th day of December 2013

Hill Rogers Spencer Steer

16 December 2013

The Mayor
Walgett Shire Council
PO Box 31
WALGETT NSW 2832

Mayor,

Audit Report - Year Ended 30 June 2013

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2013 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements and draw your attention to the emphasis of matter paragraph without qualification to our audit opinion.

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

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

1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a surplus of $1.699 million and compared with $1.889 million in the previous year.

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

	2013 $'000	% of Total	2012 $'000	% of Total	Increase (Decrease) $'000
Revenues before capital items					
Rates & annual charges	7,165	19%	7,266	28%	(101)
User charges, fees & other revenues	12,740	33%	5,130	20%	7,610
Grants & contributions provided for operating purposes	17,654	46%	12,600	49%	5,054
Interest & investment revenue	618	2%	555	2%	63
	38,177	100%	**25,551**	100%	**12,626**
Expenses					
Employee benefits & costs	7,893	21%	6,652	26%	1,241
Materials, contracts & other expenses	24,102	63%	13,347	52%	10,755
Depreciation, amortisation & impairment	5,867	15%	5,354	21%	513
Borrowing costs	243	1%	189	1%	54
	38,105	100%	**25,542**	100%	**12,563**
Surplus/(Deficit) before capital items	**72**		**9**		**63**
Grants & contributions provided for capital purposes	1,627		1,880		(253)
Net Surplus/(Deficit) for the year	**1,699**		**1,889**		**(190)**

The table above shows an overall decrease compared with the previous year of $190,000 and can be mainly attributed to reduced capital grants ($153,000) and contributions ($100,000).

1.2 Funding Result

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

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Funds were provided by:-	2013 $'000	2012 $'000
Operating Result (as above)	**1,699**	**1,889**
Add back non funding items:-		
- Depreciation, amortisation & impairment	5,867	5,354
- Book value of non current assets sold	265	56
	7,831	7,299
New loan borrowings	2,000	0
Net Changes in current/non current assets & liabilities	161	0
	9,992	7,299
Funds were applied to:-		
Purchase and construction of assets	(5,066)	(3,735)
Principal repaid on loans	(289)	(205)
Transfers to externally restricted assets (net)	(2,449)	(1,617)
Transfers to internal reserves (net)	0	(474)
Net Changes in current/non current assets & liabilities	0	(298)
	(7,804)	(6,329)
Increase/(Decrease) in Available Working Capital	**2,188**	**970**

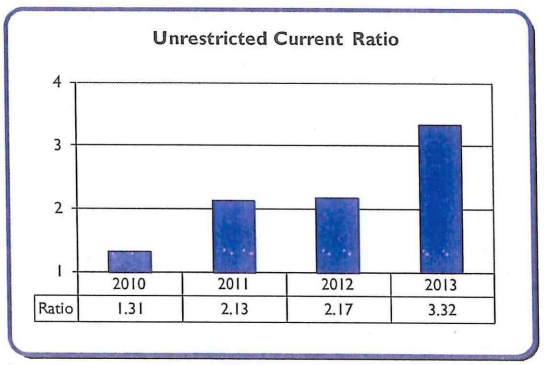
2. FINANCIAL POSITION

2.1 *Current Ratios*

2.1 *Unrestricted Current Ratio*

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

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to $6.370 million representing a factor of 3.32 to 1.



2.2 *Available Working Capital – (Working Funds)*

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

At the close of the year the Available Working Capital of Council stood at $5.763 million as detailed below;

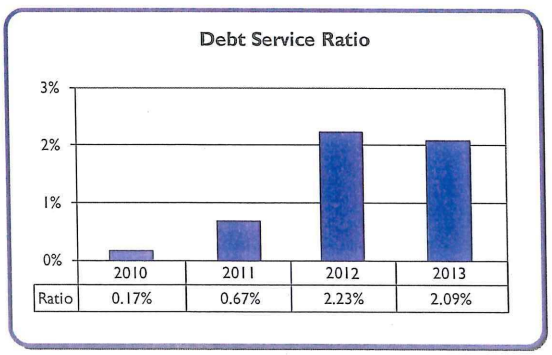
	2013	2012	Change
	$'000	$'000	$'000
Net Current Assets (Working Capital) as per Accounts	**15,659**	**11,075**	4,584
Add: Payables & provisions not expected to be realised in the next 12 months included above	411	477	(66)
Adjusted Net Current Assets	16,070	11,552	4,518
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	181	293	(112)
- Employees leave entitlements	1,224	937	287
- Site remediation	0	30	(30)
- Deposits & retention moneys	0	26	(26)
Less: Externally restricted assets	(9,700)	(7,251)	(2,449)
Less: Internally restricted assets	(2,012)	(2,012)	0
Available Working Capital as at 30 June	**5,763**	**3,575**	**2,188**

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside we are of the opinion that Available Working Capital as at 30 June 2013 was adequate.

2.3 *Debt*

Operating revenue (excluding special purpose grants and contributions) required to service debt (repayment of loans) was 2.09%.

Total loans outstanding, after repaying principal & interest of $532,000 and taking up $2 million of new loans, was $4.186 million.



2.4 *Summary*

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

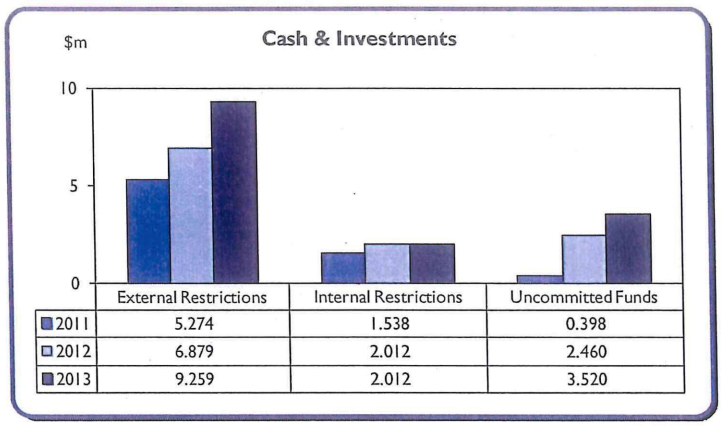
Hill Rogers Spencer Steer

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to $14.791 million as compared with $11.351million and $7.210 million at the close of financial years 2012 and 2011 respectively.

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



	External Restrictions	Internal Restrictions	Uncommitted Funds
2011	5.274	1.538	0.398
2012	6.879	2.012	2.460
2013	9.259	2.012	3.520

Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended grants ($3.265 million), water and sewerage funds ($5.606 million) and domestic waste management charges ($388,000).

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's **"Reserves"**. These Reserves totalled $2.012 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

Unrestricted cash and investments amounted to $3.520 million.

3.2 Cash Flows

The Cash Flow Statement illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash assets increased by $190,000 to $6.541 million at the close of the year.

In addition to operating activities which contributed net cash of $6.402 million were the proceeds from the redemption of investment securities ($5.495 million), proceeds from borrowings ($2 million) and the sale of assets ($228,000). Cash outflows other than operating activities were used to repay loans ($289,000), purchase investments ($8.25 million) and to acquire assets ($5.396 million).

Hill Rogers Spencer Steer

4. RECEIVABLES

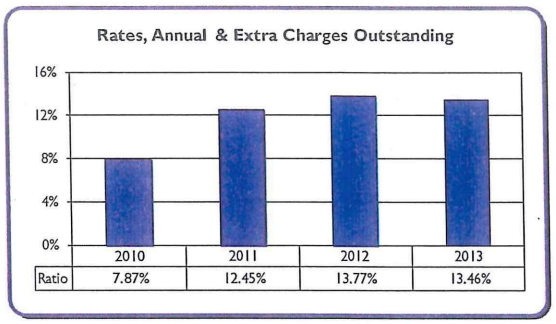
4.1 *Rates & Annual Charges (excluding interest & extra charges)*

Net rates and annual charges levied during the year totalled $7.165 million and represented 18% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was $7.972 million of which $7.095 million (89%) was collected.

4.2 *Rates, Annual & Extra Charges*

After providing for doubtful debts of $208,000, arrears of rates, annual & extra charges stood at $1.146 million at the end of the year and represented 13.46% of those receivables.



4.3 *Other Receivables*

Receivables (other than rates, annual & extra charges) totalled $3.168 million and consisted mainly of amounts due from government departments ($141,000) and user charges & fees ($2.752 million). Those considered to be uncertain of collection have been provided for as doubtful debts amounting to $520,000 and included deferred debtors of $200,000.

5. PAYABLES

Employees Leave Entitlements - Council's provision for its liability toward employees leave entitlements and associated on costs amounted to $2.143 million.

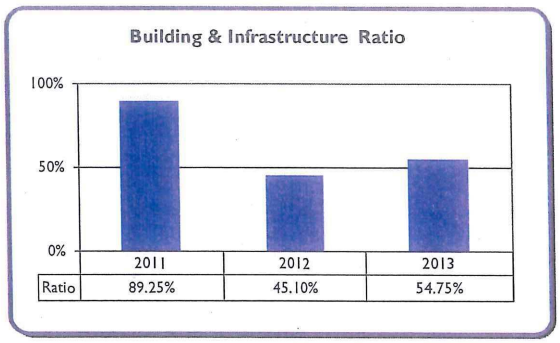
A cash reserve of $500,000 was held at year end representing 23% of this liability and was, in our opinion, sufficient to enable Council to meet unbudgeted and unanticipated retirements.

Hill Rogers Spencer Steer

6. BUILDINGS AND INFRASTRUCTURE RENEWALS

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

The ratio indicates that asset renewals for 2013 represented 54.75% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



7. MANAGEMENT LETTER

A letter was issued to management on 30 April 2013 in respect of our examination of certain aspects of Council's accounting systems and internal controls necessary to produce reliable financial reports that we considered warrant attention. This letter also included our suggestions and management's responses to possible ways to strengthen and/or improve procedures. A response was received from management.

A further closing memorandum will be prepared and issued in due course detailing a schedule of uncorrected misstatements that were not material to our audit opinion however should be investigated for the purpose of preparing future financial reports.

8. CONCLUSION

We wish to acknowledge the commitment and perseverance of your General Manager, the recently appointed Finance Manager and his staff, in achieving an unqualified audit opinion.

Yours faithfully,

HILL ROGERS SPENCER STEER

GARY MOTTAU
Partner

Walgett Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

"Rivers, Plains and Opals"

Walgett 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).

Walgett 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 27th August 2013

Gustavus Murray
MAYOR

David Lane
COUNCILLOR

Don Ramsland
GENERAL MANAGER

Bradley Pascoe
RESPONSIBLE ACCOUNTING OFFICER

Walgett 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	1,543	1,324
User charges	-	-
Fees	-	12
Interest	23	74
Grants and contributions provided for non capital purposes	13	409
Profit from the sale of assets	-	-
Other income	3	-
Total income from continuing operations	**1,582**	**1,819**
Expenses from continuing operations		
Employee benefits and on-costs	324	252
Borrowing costs	-	1
Materials and contracts	815	1,413
Depreciation and impairment	500	511
Water purchase charges	64	-
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	64	-
Total expenses from continuing operations	**1,767**	**2,177**
Surplus (deficit) from Continuing Operations before capital amounts	**(185)**	**(358)**
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	**(185)**	**(358)**
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	**(185)**	**(358)**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	**(185)**	**(358)**
plus Opening Retained Profits	8,266	8,891
plus/less: Prior Period Adjustments	-	(267)
plus/less: Other Adjustments	106	-
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	**8,187**	**8,266**
Return on Capital %	**-1.1%**	**-2.2%**
Subsidy from Council	**855**	**839**
Calculation of dividend payable:		
Surplus (deficit) after tax	(185)	(358)
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	**-**	**-**
Potential Dividend calculated from surplus	**-**	**-**

Walgett 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	780	746
User charges	-	-
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	16	85
Grants and contributions provided for non capital purposes	9	11
Profit from the sale of assets	-	-
Other income	3	-
Total income from continuing operations	**808**	**842**
Expenses from continuing operations		
Employee benefits and on-costs	148	147
Borrowing costs	-	-
Materials and contracts	87	560
Depreciation and impairment	324	168
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	69	-
Total expenses from continuing operations	**628**	**875**
Surplus (deficit) from Continuing Operations before capital amounts	**180**	**(33)**
Grants and contributions provided for capital purposes	1,000	-
Surplus (deficit) from Continuing Operations after capital amounts	**1,180**	**(33)**
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	**1,180**	**(33)**
less: Corporate Taxation Equivalent (30%) [based on result before capital]		-
SURPLUS (DEFICIT) AFTER TAX	**1,180**	**(33)**
plus Opening Retained Profits	9,104	9,141
plus/less: Prior Period Adjustments	-	(4)
plus/less: Other Adjustments	36	-
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	**10,320**	**9,104**
Return on Capital %	**1.5%**	**-0.3%**
Subsidy from Council	**267**	**384**
Calculation of dividend payable:		
Surplus (deficit) after tax	1,180	(33)
less: Capital grants and contributions (excluding developer contributions)	(1,000)	-
Surplus for dividend calculation purposes	**180**	**-**
Potential Dividend calculated from surplus	**90**	**-**

Walgett 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	1,888	1,617
Investments	-	-
Receivables	419	239
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	**2,307**	**1,856**
Non-Current Assets		
Investments	-	-
Receivables	-	129
Inventories	-	-
Infrastructure, property, plant and equipment	16,305	15,907
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	**16,305**	**16,036**
TOTAL ASSETS	**18,612**	**17,892**
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	23
Provisions	-	-
Total Current Liabilities	**-**	**23**
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	50	45
Provisions	-	-
Total Non-Current Liabilities	**50**	**45**
TOTAL LIABILITIES	**50**	**68**
NET ASSETS	18,562	17,824
EQUITY		
Retained earnings	8,187	8,266
Revaluation reserves	10,375	9,558
Council equity interest	18,562	17,824
Non-controlling interest	-	-
TOTAL EQUITY	18,562	17,824

Walgett 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	3,718	2,194
Investments	-	-
Receivables	260	164
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	**3,978**	**2,358**
Non-Current Assets		
Investments	-	-
Receivables	-	88
Inventories	-	-
Infrastructure, property, plant and equipment	11,868	11,579
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	**11,868**	**11,667**
TOTAL ASSETS	**15,846**	**14,025**
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	8
Provisions	-	-
Total Current Liabilities	**-**	**8**
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	**-**	**-**
TOTAL LIABILITIES	**-**	**8**
NET ASSETS	15,846	14,017
EQUITY		
Retained earnings	10,320	9,104
Revaluation reserves	5,526	4,913
Council equity interest	15,846	14,017
Non-controlling equity interest	-	-
TOTAL EQUITY	15,846	14,017

Walgett Shire Council

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

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3	Sewerage Business Best Practice Management disclosure requirements	13

Walgett Shire Council

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

Note 1. Significant Accounting Policies

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

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

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

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

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

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

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

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

National Competition Policy

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

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

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

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

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

Category 1

(where gross operating turnover is over $2 million)

Council has no Category 1 business activities.

Category 2

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

a. Walgett Shire Council Combined Water Supplies

Council's water supply activity servicing the towns of Walgett, Lightning Ridge and Collarenebri.

b. Walgett Shire Council Combined Sewerage Service

Council's sewerage reticulation & treatment activity servicing the towns of Walgett, Lightning Ridge and Collarenebri.

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best Practice Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

Walgett Shire Council

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

Note 1. Significant Accounting Policies

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

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

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

Notional Rate Applied %

Corporate Income Tax Rate – **30%**

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

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

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

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

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

Income Tax

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

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

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

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

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

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

Walgett 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:

$$\frac{\textbf{Operating Result before Capital Income + Interest Expense}}{\textbf{Written Down Value of I,PP\&E as at 30 June}}$$

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.

Walgett 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	-
(ii)	No of assessments multiplied by $3/assessment	5,808
(iii)	Amounts payable for Tax Equivalents **[lesser of (i) and (ii)]**	-
(iv)	Amounts actually paid for Tax Equivalents	n/a

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 multiplied by $30/assessment, less tax equivalent charges/assessment	58,080
(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	(1,460,000)

2013 Surplus	(185,000)	**2012 Surplus**	(358,000)	**2011 Surplus**	(917,000)
		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]**	n/a

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)	NO
(ii)	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 **[Item 2(b) in Table 1]**	YES
	- DSP with Commercial Developer Charges **[Item 2(e) in Table 1]**	NO
	- If Dual Water Supplies, Complying Charges **[Item 2(g) in Table 1]**	NO
(iii)	Sound Water Conservation and Demand Management implemented	NO
(iv)	Sound Drought Management implemented	NO
(v)	Complete Performance Reporting Form **(by 15 September each year)**	NO
(vi)	a. Integrated Water Cycle Management Evaluation	NO
	b. Complete and implement Integrated Water Cycle Management Strategy	NO

Walgett Shire Council

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

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

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)			2013
National Water Initiative (NWI) Financial Performance Indicators			
NWI F1	Total Revenue (Water) **Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)**	$'000	1,559
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)]**	%	0.00%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) **Written down current cost of system assets (w47)**	$'000	16,305
NWI F11	Operating Cost (OMA) (Water) **Management Expenses (w1) + Operational & Maintenance Expenses (w2)**	$'000	1,187
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)]**	%	-0.88%
NWI F26	Capital Works Grants (Water) **Grants for the Acquisition of Assets (w11a)**	$'000	-

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

Walgett Shire Council

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

Note 3. Sewerage Business
Best Practice Management disclosure requirements

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

1. Calculation and Payment of Tax-Equivalents
[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by $3/assessment	5,808
(iii)	Amounts payable for Tax Equivalents **[lesser of (i) and (ii)]**	-
(iv)	Amounts actually paid for Tax Equivalents	n/a

2. Dividend from Surplus

(i)	50% of Surplus before Dividends **[Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]**	90,000
(ii)	No. of assessments x ($30 less tax equivalent charges per assessment)	58,080
(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	111,000

2013 Surplus	180,000	**2012 Surplus**	(33,000)	**2011 Surplus**	(36,000)
		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]**	n/a

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

Walgett 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	792
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) **Written down current cost of system assets (s48)**	$'000	11,868
NWI F12	Operating Cost (Sewerage) **Management Expenses (s1) + Operational & Maintenance Expenses (s2)**	$'000	279
NWI F15	Capital Expenditure (Sewerage) **Acquisition of Fixed Assets (s17)**	$'000	-
NWI F18	Economic Real Rate of Return (Sewerage) **[Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]**	%	1.59%
NWI F27	Capital Works Grants (Sewerage) **Grants for the Acquisition of Assets (12a)**	$'000	1,000

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	2,351
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) **Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)**	%	0.94%
NWI F16	Capital Expenditure (Water & Sewerage) **Acquisition of Fixed Assets (w16 + s17)**	$'000	-
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)]**	%	0.16%
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)**	%	-

Walgett Shire Council

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

Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

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

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

NWI F22	Net Debt to Equity (Water & Sewerage) **Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31)** **x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]**	%	-16.15%
NWI F23	Interest Cover (Water & Sewerage) **Earnings before Interest & Tax (EBIT) divided by Net Interest**		2
	Earnings before Interest & Tax (EBIT): 45 **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: 25 **Interest Expense (w4a + s4a) - Interest Income (w9 + s10)**		
NWI F24	Net Profit After Tax (Water & Sewerage) **Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))**	$'000	-
NWI F25	Community Service Obligations (Water & Sewerage) **Grants for Pensioner Rebates (w11b + s12b)**	$'000	22

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

Hill Rogers Spencer Steer

WALGETT SHIRE COUNCIL

SPECIAL PURPOSE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying ***special purpose financial statements*** of ***Walgett Shire Council***, which comprises the Statement of Financial Position as at 30 June 2013, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Hill Rogers Spencer Steer

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

Independence

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

Auditor's Opinion

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

HILL ROGERS SPENCER STEER

Gary Mottau
Partner

Dated at Sydney this 16th day of December 2013

Walgett Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

"Rivers, Plains and Opals"

Walgett 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.

Walgett 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	**1,177**	**-**	**-**	**(1,177)**
Administration	**3,779**	**1,507**	**-**	**(2,272)**
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,084	145	-	**(939)**
Beach Control	-	-	-	**-**
Enforcement of Local Govt. Regulations	-	131	-	**131**
Animal Control	-	1,573	-	**1,573**
Other	345	-	76	**(269)**
Total Public Order & Safety	**1,429**	**1,849**	**76**	**496**
Health	**46**	**52**	**-**	**6**
Environment				
Noxious Plants and Insect/Vermin Control	52	-	-	**(52)**
Other Environmental Protection	67	-	-	**(67)**
Solid Waste Management	860	1,179	-	**319**
Street Cleaning	200	-	-	**(200)**
Drainage	67	-	-	**(67)**
Stormwater Management	-	-	1,551	**1,551**
Total Environment	**1,246**	**1,179**	**1,551**	**1,484**
Community Services and Education				
Administration & Education	592	-	-	**(592)**
Social Protection (Welfare)	-	-	-	**-**
Aged Persons and Disabled	-	-	-	**-**
Children's Services	1,601	353	-	**(1,248)**
Total Community Services & Education	**2,193**	**353**	**-**	**(1,840)**
Housing and Community Amenities				
Public Cemeteries	221	4	-	**(217)**
Public Conveniences	602	105	-	**(497)**
Street Lighting	121	-	-	**(121)**
Town Planning	-	-	-	**-**
Other Community Amenities	179	5	-	**(174)**
Total Housing and Community Amenities	**1,123**	**114**	**-**	**(1,009)**
Water Supplies	**1,768**	**1,581**	**-**	**(187)**
Sewerage Services	**664**	**1,810**	**-**	**1,146**

Walgett 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	6	188	-	182
Museums	-	-	-	-
Art Galleries	-	-	-	-
Community Centres and Halls	128	4	-	(124)
Performing Arts Venues	-	-	-	-
Other Performing Arts	181	-	-	(181)
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	205	-	-	(205)
Swimming Pools	1,708	-	-	(1,708)
Parks & Gardens (Lakes)	159	-	-	(159)
Other Sport and Recreation	52	55	-	3
Total Recreation and Culture	**2,439**	**247**	**-**	**(2,192)**
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	-	-	-	-
Transport and Communication				
Urban Roads (UR) - Local	787	78	-	(709)
Urban Roads - Regional	55	2,793	-	2,738
Sealed Rural Roads (SRR) - Local	-	7,415	-	7,415
Sealed Rural Roads (SRR) - Regional	17,193	-	-	(17,193)
Unsealed Rural Roads (URR) - Local	1,080	-	-	(1,080)
Unsealed Rural Roads (URR) - Regional	776	-	-	(776)
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	31	-	-	(31)
Footpaths	761	-	-	(761)
Aerodromes	278	-	-	(278)
Other Transport & Communication	351	9,132	-	8,781
Total Transport and Communication	**21,312**	**19,418**	**-**	**(1,894)**
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	929	-	-	(929)
Total Economic Affairs	**929**	**-**	**-**	**(929)**
Totals – Functions	**38,105**	**28,110**	**1,627**	**(8,368)**
General Purpose Revenues(2)		**10,067**		**10,067**
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT (1)	**38,105**	**38,177**	**1,627**	**1,699**

(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	293	2,182	**2,475**	2,000	289	-	-	243	181	4,005	**4,186**
Other	-	-	**-**	-	-	-	-	-	-	-	**-**
Total Loans	**293**	**2,182**	**2,475**	**2,000**	**289**	**-**	**-**	**243**	**181**	**4,005**	**4,186**
Other Long Term Debt											
Ratepayers Advances	-	-	**-**		-	-	-	-	-	-	**-**
Government Advances	-	-	**-**	-	-	-	-	-	-	-	**-**
Finance Leases	-	-	**-**	-	-	-	-	-	-	-	**-**
Deferred Payments	-	-	**-**	-	-	-	-	-	-	-	**-**
Total Long Term Debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Debt	**293**	**2,182**	**2,475**	**2,000**	**289**	**-**	**-**	**243**	**181**	**4,005**	**4,186**

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).

Walgett 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	324	264
b. Engineering and Supervision	58	216
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	25	22
d. Maintenance expenses	153	152
- Reservoirs		
e. Operation expenses	20	16
f. Maintenance expenses	10	8
- Pumping Stations		
g. Operation expenses (excluding energy costs)	37	36
h. Energy costs	105	103
i. Maintenance expenses	30	28
- Treatment		
j. Operation expenses (excluding chemical costs)	155	150
k. Chemical costs	80	79
l. Maintenance expenses	45	45
- Other		
m. Operation expenses	145	143
n. Maintenance expenses	-	-
o. Purchase of water	-	-
3. Depreciation expenses		
a. System assets	516	511
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	64	-
b. Revaluation Decrements	-	-
c. Other expenses	-	404
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	**1,767**	**2,177**

Walgett 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)	1,543	1,323
b. Usage charges	-	-
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Extra charges	-	12
9. Interest income	23	74
10. Other income	-	-
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	-	397
b. Grants for pensioner rebates	13	13
c. Other grants	3	-
12. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
13. Total income	**1,582**	**1,819**
14. Gain (or loss) on disposal of assets	-	-
15. Operating Result	**(185)**	**(358)**
15a. Operating Result (less grants for acquisition of assets)	(185)	(755)

Walgett 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	-	701
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	**-**	**701**
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	**-**	**-**
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	1,936	1,936
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)	$ -	$ -

Walgett 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*?		NO	
If Yes, go to 28a. If No, please report if council has removed **land value** from access charges (ie rates)?	YES		
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.			
b. Cross-subsidy **from** residential customers using less than allowance (page 25 of Guidelines)			
c. Cross-subsidy **to** non-residential customers (page 24 of Guidelines)			
d. Cross-subsidy **to** large connections in unmetered supplies (page 26 of Guidelines)			
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?		NO	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			
** 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)			-

* 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.

Walgett 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	1,888	-	**1,888**
31.	**Receivables**			
	a. Specific purpose grants	-	-	**-**
	b. Rates and Availability Charges	272	147	**419**
	c. User Charges	-	-	**-**
	d. Other	-	-	**-**
32.	**Inventories**	-	-	**-**
33.	**Property, plant and equipment**			
	a. System assets	-	16,305	**16,305**
	b. Plant and equipment	-	-	**-**
34.	**Other assets**	-	-	**-**
35.	**Total assets**	**2,160**	**16,452**	**18,612**
	LIABILITIES			
36.	**Bank overdraft**	-	-	**-**
37.	**Creditors**	-	-	**-**
38.	**Borrowings**			
	a. Loans	-	50	**50**
	b. Advances	-	-	**-**
	c. Finance leases	-	-	**-**
39.	**Provisions**			
	a. Tax equivalents	-	-	**-**
	b. Dividend	-	-	**-**
	c. Other	-	-	**-**
40.	**Total liabilities**	**-**	**50**	**50**
41.	**NET ASSETS COMMITTED**	**2,160**	**16,402**	**18,562**
	EQUITY			
42.	Accumulated surplus			8,187
43	Asset revaluation reserve			10,375
44.	**TOTAL EQUITY**			**18,562**

Note to system assets:

45.	**Current replacement cost** of system assets	33,126
46.	Accumulated **current cost** depreciation of system assets	(16,821)
47.	Written down **current cost** of system assets	**16,305**

Walgett 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	80	137
b. Engineering and Supervision	80	223
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	20	25
- Pumping Stations		
c. Operation expenses (excluding energy costs)	-	55
d. Energy costs	-	51
e. Maintenance expenses	-	51
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	67	66
g. Chemical costs	-	-
h. Energy costs	4	4
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	25	63
- Other		
l. Operation expenses	3	5
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	324	168
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	25	27
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	**628**	**875**

Walgett 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)	780	746
7.	**Non-residential charges**		
	a. Access (including rates)	-	-
	b. Usage charges	-	-
8.	**Trade Waste Charges**		
	a. Annual Fees	-	-
	b. Usage charges	-	-
	c. Excess mass charges	-	-
	d. Re-inspection fees	-	-
9.	**Extra charges**	-	-
10.	**Interest income**	16	85
11.	**Other income**	3	-
11a.	**Aboriginal Communities Water & Sewerage Program**	-	-
12.	**Grants**		
	a. Grants for acquisition of assets	1,000	-
	b. Grants for pensioner rebates	9	11
	c. Other grants	-	-
13.	**Contributions**		
	a. Developer charges	-	-
	b. Developer provided assets	-	-
	c. Other contributions	-	-
14.	**Total income**	**1,808**	**842**
15.	**Gain (or loss) on disposal of assets**	-	-
16.	**Operating Result**	**1,180**	**(33)**
16a.	**Operating Result (less grants for acquisition of assets)**	180	(33)

Walgett Shire Council

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

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

$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	-	-
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	-	9
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	**-**	**9**
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	**-**	**-**
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	1,936	1,936
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	-	-
d. Non-residential (unoccupied, ie. vacant lot)	-	-
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	$ -	$ -

Walgett 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*?		NO	
If Yes, go to 29a. If No, please report if council has removed **land value** from access charges (ie rates)?	YES		
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)			
c. Cross-subsidy **to** trade waste discharges (page 46 of Guidelines)			
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?		NO	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			
** 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)			-

* Councils which have not yet implemented best practice sewer pricing & liquid waste prising 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.

Walgett 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	3,718	-	**3,718**
32.	**Receivables**			
	a. Specific purpose grants	-	-	-
	b. Rates and Availability Charges	169	91	**260**
	c. User Charges	-	-	-
	d. Other	-	-	-
33.	**Inventories**	-	-	-
34.	**Property, plant and equipment**			
	a. System assets		11,868	**11,868**
	b. Plant and equipment	-	-	-
35.	**Other assets**	-	-	-
36.	**Total Assets**	**3,887**	**11,959**	**15,846**
	LIABILITIES			
37.	**Bank overdraft**	-	-	-
38.	**Creditors**	-	-	-
39.	**Borrowings**			
	a. Loans	-	-	-
	b. Advances	-	-	-
	c. Finance leases	-	-	-
40.	**Provisions**			
	a. Tax equivalents	-	-	-
	b. Dividend	-	-	-
	c. Other	-	-	-
41.	**Total Liabilities**	**-**	**-**	**-**
42.	**NET ASSETS COMMITTED**	**3,887**	**11,959**	**15,846**
	EQUITY			
42.	Accumulated surplus			10,405
44.	Asset revaluation reserve			5,441
45.	**TOTAL EQUITY**			**15,846**
	Note to system assets:			
46.	**Current replacement cost** of system assets			17,882
47.	Accumulated **current cost** depreciation of system assets			(6,014)
48.	Written down **current cost** of system assets			**11,868**

Walgett 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.

Special Schedule No. 7 - Condition of Public Works
as at 30 June 2013

$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense ($)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition#.	Estimated cost to bring up to a satisfactory condition / standard (1)	Required(2) Annual Maintenance	Current(3) Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<<< per Note 9 >>>>>>>>>>>							
Buildings	Council Offices	3.00%	230		5,806	3,406	2,400	3	500	185	166
	Council Works Depot	5.00%	198		1,313	479	834	4	20	-	310
	Council Halls	5.00%	2		5,969	3,158	2,811	3	519	-	60
	Council Houses	5.00%	124		5,499	1,960	3,539	3	800	-	330
	Library	5.00%	75		1,998	973	1,025	4	300	50	25
	Childcare Centre(s)		-		1,759	442	1,317	3	250	25	-
	Other	5.00%	27		5,454	2,667	2,787	-	168	-	-
	sub total		**656**	**-**	**27,798**	**13,085**	**14,713**		**2,557**	**260**	**891**
Other Structures	Assets not included in Buildings		543		38,248	19,545	18,703	3	4,351	500	382
	sub total		**543**	**-**	**38,248**	**19,545**	**18,703**		**4,351**	**500**	**382**
Public Roads	Sealed Roads	1.00%	914		49,799	15,973	33,826	3	1,000	1,650	1,610
	Unsealed Roads	1.00%	151		8,233	8,156	77	3	8,018	1,000	830
	Bridges	1.00%	686		37,364	18,121	19,243	3	1,355	100	5
	Footpaths	1.00%	87		4,717	4,160	557	4	1,742	100	52
	Kerb and Gutter		229		12,478	7,602	4,876	3	225	100	50
	sub total		**2,067**	**-**	**112,591**	**54,012**	**58,579**		**12,340**	**2,950**	**2,547**

Special Schedule No. 7 - Condition of Public Works (continued)

as at 30 June 2013

$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense ($)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition#.	Estimated cost to bring up to a satisfactory condition / standard (1)	Required(2) Annual Maintenance	Current(3) Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<<< per Note 9 >>>>>>>>>>>							
Water	Treatment Plants	1.00%	60		4,195	3,490	705	4	1,699	80	50
	Bores	3.00%	2		250	227	23	2	38	10	-
	Reservoirs	1.00%	91		5,420	1,543	3,877	3	50	20	10
	Pipeline	1.00%	322		22,090	12,164	9,926	4	51	10	10
	Pump Station	3.00%	14		955	607	348	4	309	80	80
	Other		27		1,908	482	1,426	3	1,051	100	40
	sub total		**516**	**-**	**34,818**	**18,513**	**16,305**		**3,198**	**400**	**230**
Sewerage	Pump Stations	3.00%	47		2,608	1,280	1,328	4	270	55	48
	Pipeline	3.00%	236		13,347	3,359	9,988	4	500	50	33
	Treatment Works	3.00%	41		2,315	1,763	552	4	217	50	49
	sub total		**324**	**-**	**18,270**	**6,402**	**11,868**		**987**	**155**	**130**

Special Schedule No. 7 - Condition of Public Works (continued)

as at 30 June 2013

$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense ($)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition#.	Estimated cost to bring up to a satisfactory condition / standard (1)	Required(2) Annual Maintenance	Current(3) Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<<< per Note 9 >>>>>>>>>>>							
Drainage Works	Stormwater Conduits	1.00%	121		13,228	4,353	8,875	3	11	90	70
	Levee		-		-	-	-	4	5,000	70	56
	sub total		**121**	**-**	**13,228**	**4,353**	**8,875**		**5,011**	**160**	**126**
	TOTAL - ALL ASSETS		**4,227**	**-**	**244,953**	**115,910**	**129,043**		**28,444**	**4,425**	**4,306**

Notes:

(1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.

(2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.

(3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

 # Asset Condition "Key" - as per the DLG Integrated Planning & Reporting Manual

1	**Excellent** - No work required (normal maintenance)
2	**Good** - Only minor maintenance work required
3	**Average** - Maintenance work required
4	**Poor** - Renewal required
5	**Very Poor** - Urgent renewal/upgrading required

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	39,804	31,322	33,016	29,408	29,996	30,596	31,208	31,832	32,469	33,118	33,781
Expenses from continuing operations	38,105	24,557	25,330	26,143	26,666	27,199	27,743	28,298	28,864	29,441	30,030
Operating Result from Continuing Operations	**1,699**	**6,765**	**7,686**	**3,265**	**3,330**	**3,397**	**3,465**	**3,534**	**3,605**	**3,677**	**3,750**
(ii) CAPITAL BUDGET											
New Capital Works [2]	4,251	6,942	6,838	2,246	2,291	2,337	2,383	2,431	2,480	2,529	2,580
Replacement/Refurbishment of Existing Assets	4,816	6,608	7,599	6,797	6,933	7,072	7,213	7,357	7,504	7,655	7,808
Total Capital Budget	**9,067**	**13,550**	**14,437**	**9,043**	**9,224**	**9,408**	**9,597**	**9,788**	**9,984**	**10,184**	**10,388**
Funded by:											
– Loans	-	3,000	500	500	-	-	-	-	-	-	-
– Asset sales	-	-	-	-	-	-	-	-	-	-	-
– Reserves	-	4,658	3,138	2,402	2,450	2,499	2,549	2,600	2,652	2,705	2,759
– Grants/Contributions	-	8,392	10,799	6,641	6,774	6,909	7,047	7,188	7,332	7,479	7,628
– Recurrent revenue	-	-	-	-	-	-	-	-	-	-	-
– Other	-	-	-	-	-	-	-	-	-	-	-
	-	**16,050**	**14,437**	**9,543**	**9,224**	**9,408**	**9,597**	**9,788**	**9,984**	**10,184**	**10,388**

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.