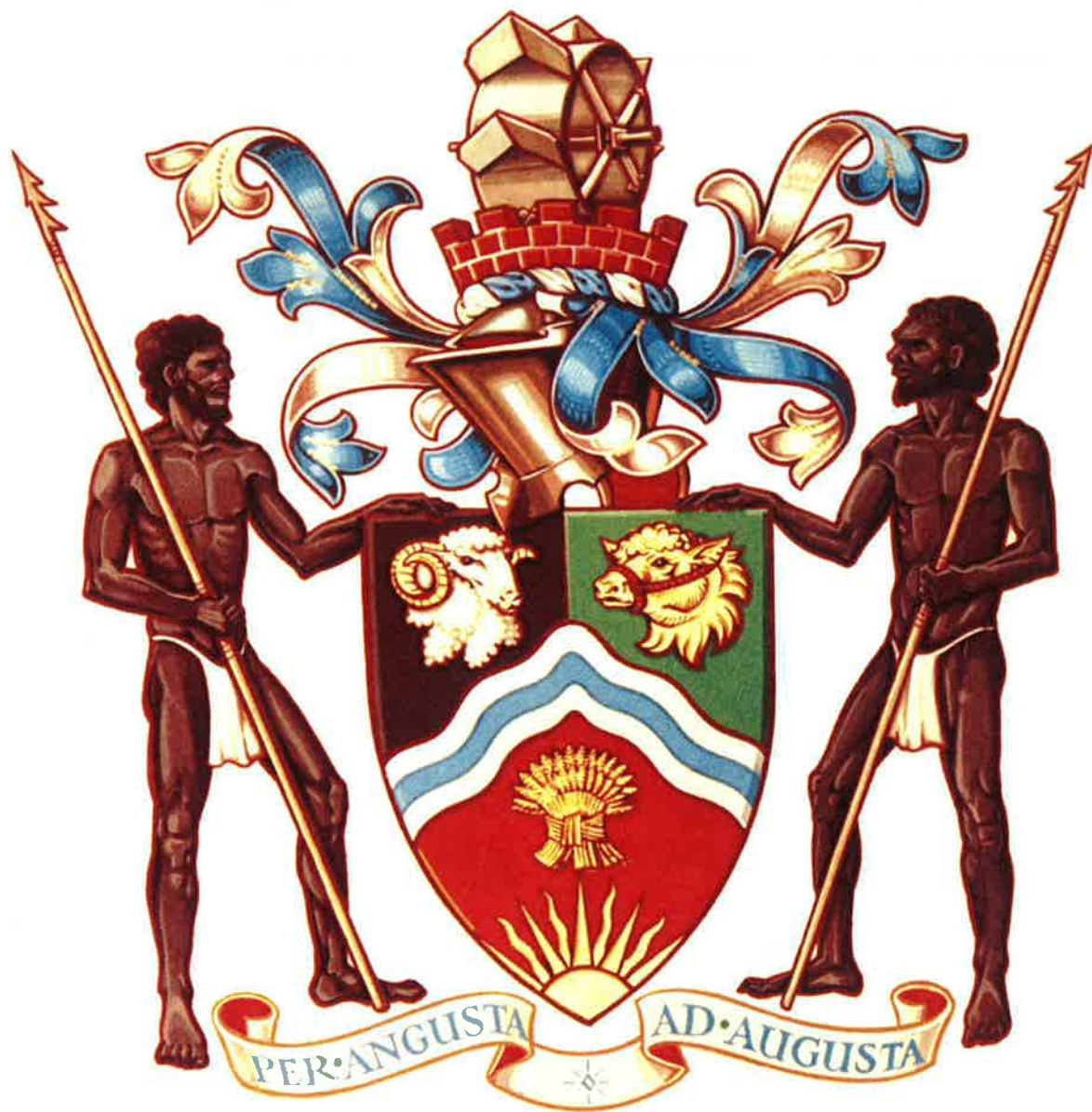


Jerilderie Shire Council



FINANCIAL REPORT

For the year ended 30 June

2013

JERILDERIE SHIRE COUNCIL

General Purpose Financial Reports for the year ended 30th June 2013

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JERILDERIE SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE 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 Annual Financial Statements have been drawn up in accordance with

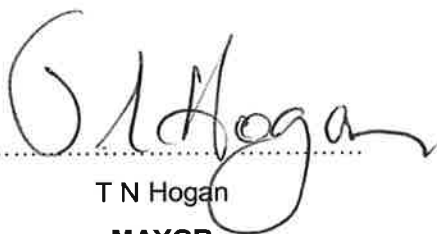
- The Local Government Act 1993 (as amended) and the Regulations made thereunder
- The Local Government Code of Accounting Practice and Financial Reporting
- The Australian Accounting Standards and professional pronouncements

To the best of our knowledge and belief, these reports

- Present fairly the Council's financial position and operating result for the year, and
- Accord 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 24th September 2013



.....

T N Hogan
MAYOR



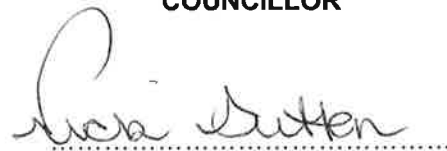
.....

R E McRae
COUNCILLOR



.....

C C Moffitt
GENERAL MANAGER



.....

V H Sutton
RESPONSIBLE ACCOUNTING OFFICER

JERILDERIE SHIRE COUNCIL

INCOME STATEMENT for the year ended 30th June 2013

Budget 2013 \$'000		Notes	Actual 2013 \$'000	Actual 2012 \$'000
	INCOME			
	Revenue:			
2,156	Rates & Annual Charges	3	2,090	2,029
2,547	User Charges & Fees	3	2,032	1,731
280	Investment Revenues	3	280	343
130	Other Revenues	3	183	184
4,576	Grants & Contributions - Operating	3	3,623	3,868
1,351	Grants & Contributions - Capital	3	876	804
	Other Income:			
	Gain from Disposal of Assets	5	-	-
	Gain from interests in Joint Ventures & Associates	19	-	-
<u>11,040</u>	Total Income from Continuing Operations		<u>9,084</u>	<u>8,959</u>
	EXPENSES			
3,216	Employee Benefits and oncosts	4	2,989	3,060
4,131	Materials & Contracts	4	2,621	1,923
91	Borrowing Costs	4	114	130
3,146	Depreciation & Amortisation	4	2,829	2,898
	Impairment	4	-	-
726	Other Expenses	4	810	719
	Interest and investment losses	3	-	-
	Loss from Disposal of Assets	5	280	407
	Loss from interests in Joint Ventures & Associates	19	-	-
<u>11,310</u>	Total expenses from continuing operations		<u>9,643</u>	<u>9,137</u>
(270)	OPERATING RESULT FROM CONTINUING OPERATIONS		(559)	(178)
	Operating result from discontinued operations	24	-	-
<u>(270)</u>	NET OPERATING RESULT FOR YEAR		<u>(559)</u>	<u>(178)</u>
	Attributable to:			
(270)	JERILDERIE SHIRE COUNCIL		(559)	(178)
<u>(270)</u>	Non-controlling Interests	19	<u>(559)</u>	<u>(178)</u>
<u>(1,621)</u>	Net operating result before capital grants and contributions		<u>(1,435)</u>	<u>(982)</u>

This Statement is to be read in conjunction with the attached Notes.

JERILDERIE SHIRE COUNCIL

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30th June 2013

	Notes	2013 \$'000	2012 \$'000
Net operating result for year		(559)	(178)
from Income Statement			
 Other comprehensive income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Revaluation of infrastructure, property, plant & equipment		11,911	(43)
Impairment (expense) / recoupments offset to asset revaluation reserve		101	-
Transfer to accumulated surplus on sale of revalued infrastructure, property, plant & Land under roads recognised (de-recognised)		-	-
Adjustment to correct prior period depreciation errors		-	-
Share of other comprehensive income - joint ventures & associates		-	-
<i>Amounts which will be reclassified subsequently to operating result</i>			
Revaluation of available-for-sale investments		14	-
Realised available-for-sale investments gains recognised in revenue		-	-
Total other comprehensive income		<u>12,026</u>	<u>(43)</u>
TOTAL COMPREHENSIVE INCOME		<u>11,467</u>	<u>(221)</u>
 Attributable to:			
JERILDERIE SHIRE COUNCIL		11,467	(221)
Non-controlling Interests	19	<u>\$ 11,467</u>	<u>\$ (221)</u>

This Statement is to be read in conjunction with the attached Notes.

JERILDERIE SHIRE COUNCIL
STATEMENT OF FINANCIAL POSITION
as at 30th June 2013

	Notes	2013 \$'000	2012 \$'000
CURRENT ASSETS			
Cash & cash equivalents	6	4,154	2,498
Investments	6	2,880	4,055
Receivables	7	950	1,034
Inventories	8	231	301
Other	8	158	170
Non-current assets held for sale	22		
TOTAL CURRENT ASSETS		8,373	8,058
NON-CURRENT ASSETS			
Investments	6	-	-
Receivables	7	-	-
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	99,951	88,698
Equity accounted investments	19	-	-
Investment Property	14	-	-
Intangible Assets	25	4	68
Other	8	-	-
TOTAL NON-CURRENT ASSETS		99,955	88,766
TOTAL ASSETS		108,328	96,824
CURRENT LIABILITIES			
Payables	10	499	470
Borrowings	10	129	122
Provisions	10	1,895	1,744
TOTAL CURRENT LIABILITIES		2,523	2,336
NON-CURRENT LIABILITIES			
Payables	10	-	-
Borrowings	10	614	743
Provisions	10	86	107
TOTAL NON CURRENT LIABILITIES		700	850
TOTAL LIABILITIES		3,223	3,186
NET ASSETS		\$ 105,105	93,638
EQUITY			
Accumulated Surplus	20	41,928	42,487
Revaluation Reserves	20	63,177	51,151
Council Equity Interest		105,105	93,638
Non-controlling Interest	19	-	-
TOTAL EQUITY		\$ 105,105	93,638

This Statement is to be read in conjunction with the attached Notes

JERILDERIE SHIRE COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30th June 2013

2013		Retained Earnings	Asset Reval. Reserve	Other Reserves	Council Equity Interest	Minority Interest	Total
		\$'000					
	Note						
Balance at end of previous reporting period		42,450	51,125	26	93,601	-	93,601
Effect of correction of errors in previous years on retained earnings		37			37		37
Effect of accounting policy changes on retained earnings		-			-		-
Change in associated entities recognised	19	-			-	-	-
Restated opening balance		42,487	51,125	26	93,638	-	93,638
Net Operating Result for the year		(559)			(559)	-	(559)
Other comprehensive income							
<i>Amounts which will not be reclassified subsequently to operating result</i>							
Revaluation of infrastructure, property, plant & Impairment (expense) / recoupments offset to asset revaluation reserve	20		11,911		11,911	-	11,911
Transfer to retained earnings on sale of revalued infrastructure, property, plant & equipment		-	101		101		101
Land under roads recognised (de-recognised)	20	-			-	-	-
Adjustment to correct prior period depreciation errors		-			-	-	-
Share of other comprehensive income - joint ventures & associates		-			-	-	-
<i>Amounts which will be reclassified subsequently to operating result</i>							
Revaluation of available-for-sale investments	20			14	14		14
Realised available-for-sale investments gains recognised in revenue	20			-	-		-
Total other comprehensive income		-	12,012	14	12,026	-	12,026
Transactions with owners as owners							
Cash Contributions by Outside Equity Interests	19					-	-
Cash Distributions to Outside Equity Interests	19					-	-
Other Adjustments to Outside Equity Interest	19					-	-
Total transactions with owners as owners		-	-	-	-	-	-
Balance at end of the reporting period		41,928	63,137	40	105,105	-	105,105

2012		Retained Earnings	Asset Reval. Reserve	Other Reserves	Council Equity Interest	Minority Interest	Total
		\$'000					
	Note						
Balance at end of previous reporting period		42,665	51,168	26	93,859	-	93,859
Effect of correction of errors in previous years on retained earnings		-			-		-
Effect of accounting policy changes on retained earnings		-			-		-
Change in associated entities recognised	19	-			-	-	-
Restated opening balance		42,665	51,168	26	93,859	-	93,859
Net Operating Result for the year		(178)			(178)	-	(178)
Other comprehensive income							
<i>Amounts which will not be reclassified subsequently to operating result</i>							
Revaluation of infrastructure, property, plant & Impairment (expense) / recoupments offset to asset revaluation reserve	20		(43)		(43)	-	(43)
Transfer to retained earnings on sale of revalued infrastructure, property, plant & equipment		-			-		-
Land under roads recognised (de-recognised)	20	-			-	-	-
Adjustment to correct prior period depreciation errors		-			-	-	-
Share of other comprehensive income - joint ventures & associates		-			-	-	-
<i>Amounts which will be reclassified subsequently to operating result</i>							
Revaluation of available-for-sale investments	20			-	-		-
Realised available-for-sale investments gains recognised in revenue	20			-	-		-
Total other comprehensive income		-	(43)	-	(43)	-	(43)
Transactions with owners as owners							
Cash Contributions by Outside Equity Interests	19					-	-
Cash Distributions to Outside Equity Interests	19					-	-
Other Adjustments to Outside Equity Interest	19					-	-
Total transactions with owners as owners		-	-	-	-	-	-
Balance at end of the reporting period		42,487	51,125	26	93,638	-	93,638

This Statement is to be read in conjunction with the attached Notes

JERILDERIE SHIRE COUNCIL

STATEMENT OF CASH FLOWS for the year ended 30th June 2013

Budget 2013 \$'000		Actual 2013 \$'000	Actual 2012 \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES	<u>Notes</u>	
	<u>Receipts</u>		
2,156	Rates & Annual Charges	2,086	1,995
2,547	User Charges & Fees	2,183	1,880
280	Investment Income	256	324
5,927	Grants & Contributions	4,752	5,345
	Deposits and retentions received	2	
130	Other operating receipts	1,293	31
	<u>Payments</u>		
(3,216)	Employee Benefits and oncosts	(2,988)	(2,830)
(4,131)	Materials & Contracts	(2,833)	(2,204)
(91)	Borrowing Costs	(63)	(72)
	Deposits and retentions refunded	-	(2)
(726)	Other operating payments	(1,888)	(642)
2,876	Net Cash provided by (or used in) Operating Activities	2,800	3,825
	CASH FLOWS FROM INVESTING ACTIVITIES		
	<u>Receipts</u>		
542	Proceeds from sale of Infrastructure, Property, Plant & Equipment	372	462
	Proceeds from sale of Investment Property		
	Proceeds from sale of Real Estate	93	144
	Proceeds from sale of Investment Securities	3,173	3,781
	Repayments from Deferred Debtors	-	
	Contributions to joint ventures by minority interests	19	
	Distribution received from associated entities	19	
	<u>Payments</u>		
(4,531)	Purchase of Infrastructure, Property, Plant & Equipment	(2,676)	(3,126)
	Purchase of Investment Property		
(250)	Purchase of Real Estate	-	(107)
	Purchase of Investment Securities	(1,984)	(4,057)
	Loans to Deferred Debtors	-	
	Distributions from joint ventures to minority interests	19	
	Capital contributed to associated entities	19	
(4,239)	Net Cash provided by (or used in) Investing Activities	(1,022)	(2,903)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>Receipts</u>		
903	Proceeds from Borrowings & Advances	-	
	Proceeds from Retirement Home Contributions	-	
	<u>Payments</u>		
(175)	Repayments of Borrowings & Advances	(122)	(113)
	Repayment of Finance Lease Liabilities	-	
	Repayment of Retirement Home Contributions	-	
728	Net Cash provided by (or used in) Financing Activities	(122)	(113)
(635)	Net Increase (Decrease) in cash held	1,656	809
2,498	Cash Assets at beginning of reporting period	2,498	1,689
	Change in associated entities recognised	1	-
1,863	Cash Assets at end of reporting period	4,154	2,498

This Statement is to be read in conjunction with the attached Notes

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Introduction

Jerilderie Shire Council is incorporated under the Local Government Act 1993 with perpetual succession and a common seal, and has its principal place of business at 35 Jerilderie Street, Jerilderie.

Council has the following charter:

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- to exercise community leadership
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- to promote and to provide and plan for the needs of children
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible
- to engage in long-term strategic planning on behalf of the local community
- to exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights
- to facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants
- to keep the local community and the State government (and through it, the wider community) informed about its activities
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected
- to be a responsible employer.

This financial report is a general purpose financial report that consists of an Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, the NSW Local Government Act 1993 (as amended) and regulations thereunder and the Local Government Code of Accounting Practice and Financial Reporting.

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

1.1 Historical Cost Convention

The financial report has been prepared on the accrual basis of accounting and, except where specifically indicated in these Notes, in accordance with the historical cost convention.

1.2 Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or cases where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note. Nothing contained within this report may be taken to be an admission of any liability to any person under any circumstance.

In particular, significant accounting estimates and assumptions that are at risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

- impairment of receivables.
- the fair values of infrastructure, property, plant and equipment, and investment property.
- the estimation of future payments and timing in relation to tip restoration and carbon tax liability.

2. The Local Government Reporting Entity

These financial statements include the consolidated fund and other entities through which the Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

The following Special Rate funds and Committees established pursuant to the Act are included:

- Jerilderie Shire Council Water Supply Fund
- Jerilderie Shire Council Sewerage Fund

The following Committees, the transactions of which are not material either by amount or nature, have been excluded:

- Alf Hanna Legacy Units Committee
- Balmeringa Management Committee
- Central Coree Sports Complex Management Committee
- Yamma Recreation Reserve Management Committee
- Jerilderie Shire Toy Library Committee
- Jerilderie Tidy Towns Committee

Other joint ventures and associated entities in which Council is involved are included to the extent set out in paragraph 11 below and in Note 19.

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

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

3. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when the Council obtains control over the assets comprising the revenue, or when the amount becomes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes as restricted assets. Also disclosed is the amount of grants, contributions and receivables recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$489k was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$1,020m; and in June 2013, again two quarters of the 2013/14 allocation: \$1,039m. Accordingly, in the reporting period ended 30 June 2012, Council's operating deficit was effectively understated by \$531k.

It is anticipated that these amounts in advance will be adjusted at some future time, but details of the timing of this are not currently available. The total amounts to be adjusted at 30 June 2013 is \$1.039m (\$2012, \$531k).

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 3."

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

4. Cash Assets, other Financial Instruments and Receivables

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1993 (as amended) and the Regulations and Determinations made thereunder. Other receivables are generally unsecured and do not bear interest. Loans made to sporting and community groups at concessional interest rates are recognised at their nominal amounts; interest revenues foregone by the Council effectively being a reduction of interest revenue in the period to which it relates.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. Financial instruments classified as *loans and receivables* and *held-to-maturity* are subsequently measured at amortised cost using the effective interest method. Other financial instruments classified as *fair value through profit and loss* and *available-for-sale*, are subsequently measured at fair value where an active market exists, or at cost. Where an active market formerly, but no longer, existed, fair value is estimated using a range of techniques, including dealer quotes for similar instruments or estimated discounted cash flows. Details of classifications of financial instruments are given in Note 15.

5. Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are carried at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with Chapter 17 of the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6. Infrastructure, Property, Plant & Equipment

6.1 Transitional Provisions

As at 1 July 2008, Council has elected not to recognise any values for land under roads acquired before the commencement of AASB 1051 Land Under Roads. Details of the effects of this election are given in Notes 9 & 20.

6.2 Recognition

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

Crown reserves, and improvements thereon, 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

Council has title to, and is the registered owner of, 18 rural fire appliances and associated rural fire fighting equipment. These assets are under the control of the Rural Fire Services to enable that Department to provide the bushfire protection set out in their Service Level Agreement with Council, and accordingly have not been recognised in these reports. In accordance with normal Rural Fire Service funding arrangements, council continues to contribute to the costs of maintenance of this equipment.

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year under review are provided in Note 9 to these accounts.

6.4 Valuation

Detail of valuations, methods and valuers are provided at Note 9. Council is adopting fair value for all asset classes on a staged basis in accordance with the requirements of the *Code of Accounting Practice*.

Asset acquisitions subsequent to the most recent revaluation date are recognised at cost.

6.5 Depreciation of Non-Current Assets

Other than land, all assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are provided in Note 9 to these accounts. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation 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 (which is the higher of the *present value of future cash inflows* or *value in use*). Impairment losses for revalued assets are offset in the first instance against the amount standing to the credit of that class of assets in asset revaluation reserve.

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the *value in use* is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable presumption is made that the current replacement cost exceeds the original cost of acquisition.

6.7 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 1023 *Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 4, and the amount (if any) of interest revenue offset against borrowing costs in Note 3.

7. Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9. Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119 *Employee Benefits*.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2012/13; 9% in 2011/12). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate during the reporting period was 1.9 times members' contributions (1.9 times members' contributions in 2011/12). Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The Trustees have advised that, as a result of the global financial crisis, an unrealised deficiency of assets over liabilities exists at 30 June 2013 in relation to all Councils involved in the Fund. The Trustees have significantly increased contributions rates from 1 July 2009, and a contingent liability has been reported in Note 18 to reflect a possible requirement for immediate payment to the scheme to correct the deficiency.

10. Construction Contracts

Construction works undertaken by Council for third parties (principally the Roads & Maritime Services for works on national and state highways) are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

11. Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council also participates in various local government organisations and County Councils the activities of which it neither controls nor significantly influences. Accordingly, Council's interest in these organisations has not been recognised in these financial statements.

12. Leases

Lease arrangements have been accounted for in accordance with AASB 117.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

13. GST Implications

In accordance with UIG Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

14. Budget Information

The Statement of Financial Performance, Statement of Cash Flows and Note 2 provide budget information of revenues and expenditures by type and for each of the major activities of the Council. Budget figures presented are those approved by Council at the beginning of the financial year and do not include Council approved variations throughout the year. Short explanations of the most significant variations are given in Note 16, and further information of the nature and amount of all variations is available from the Council office upon request.

15. Rounding

In accordance with the Code of Accounting Practice all amounts shown in the Financial Statements are in Australian currency and have been rounded to the nearest thousand dollars.

16. Pending Accounting Standards & Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period.

- AASB 7 Financial Instruments: Disclosures
- AASB 9 Financial Instruments
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 132 Financial Instruments: Presentation
- Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6 and AASB 2012-10.

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 2 - FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES																	
	Income from continuing operations				Expenses from continuing operations				Operating result from continuing operations				GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
	ORIGINAL BUDGET	ACTUAL	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ACTUAL	2013	2012	2013	2012	
	2013 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
GOVERNANCE																	
ADMINISTRATION	97	277	320	171	185	157	(185)	(171)	(185)	(171)	(157)	(171)	(157)		6,815	5,568	
PUBLIC ORDER & SAFETY	132	300	170	2,236	1,446	2,262	(1,349)	(1,959)	(1,349)	(1,959)	(1,942)	(1,959)	(1,942)	32	879	410	
HEALTH	11	9	9	233	322	301	(190)	67	(190)	301	(131)	67	(131)	155	320	174	
ENVIRONMENT	205	114	116	20	26	17	(15)	(11)	(15)	17	(8)	(11)	(8)	27	102	78	
COMMUNITY SERVICES & EDUCATION	4	46	5	177	242	169	(37)	(63)	(37)	169	(53)	(63)	(53)	1	1,058	543	
HOUSING & COMMUNITY AMENITIES	48	61	90	163	131	167	(83)	(102)	(83)	167	(77)	(102)	(77)	21	2,203	925	
WATER SUPPLIES	743	376	363	430	543	362	200	(54)	200	362	1	(54)	1	6	4,791	4,742	
SEWERAGE SERVICES	315	227	234	221	284	228	31	6	31	228	6	6	6	5	5,598	5,371	
RECREATION & CULTURE	321	50	151	759	789	752	(468)	(709)	(468)	752	(601)	(709)	(601)	63	10,178	5,281	
FUEL & ENERGY		-		-				-									
MINING, MANUFACTURING & CONSTRUCTION	38	67	118	22	30	56	8	45	8	56	62	45	62		200	155	
TRANSPORT & COMMUNICATION	5,554	2,999	2,578	4,519	6,606	4,136	(1,052)	(1,520)	(1,052)	4,136	(1,558)	(1,520)	(1,558)	780	75,618	72,950	
ECONOMIC AFFAIRS	705	769	491	651	661	484	44	118	44	484	7	118	7		566	627	
TOTALS - FUNCTIONS	8,173	5,295	4,645	9,643	11,310	9,137	(3,137)	(4,348)	(3,137)	9,137	(4,492)	(4,348)	(4,492)	1,097	108,328	96,824	
JOINT VENTURES & ASSOCIATES		-		-				-									
GENERAL PURPOSE REVENUES	2,867	3,789	4,314				2,867	3,789			4,314			2,513			
TOTALS	11,040	9,084	8,959	9,643	11,310	9,137	(270)	(559)	(270)	9,137	(178)	(559)	(178)	3,610	108,328	96,824	

The above functions conform to those used by the Australian Bureau of Statistics and provide a basis for comparison with other Councils.

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 2 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Administration

Costs relating to Council's role as a component of democratic government, including elections, meetings and associated activities, area representation, and public disclosure and compliance, together with related administration costs, costs not otherwise attributed to functions.

Public Order & Safety

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

Health

Administration and inspection, food control, medical centres, other.

Environment

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

Community Services & Education

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

Housing & Community Amenities

Public cemeteries, public conveniences, street lighting, town planning, housing, other community amenities.

Water Supplies

Sewerage Services

Recreation & Culture

Public libraries, museums, community centres, public halls, other performing arts, sporting grounds and venues, swimming pools, parks and gardens, lakes, other sport and recreation.

Fuel & Energy

Mining, Manufacturing & Construction

Building control, quarries & pits and other.

Transport & Communication

Roads and streets, bridges, footpaths, aerodromes, bus shelters and services, works undertaken for Roads & Transport Authority, other.

Economic Affairs

Tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, private works, other business undertakings.

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 3 - INCOME

RATES & ANNUAL CHARGES	2013 \$'000	2012 \$'000
<u>Ordinary Rates</u>		
Residential	83	76
Farmland	1,413	1,359
Business	45	42
	1,541	1,477
<u>Special Rates</u>		
Water Supplies	253	244
Sewerage Services	207	212
	460	456
<u>Annual Charges</u>		
Domestic Waste Management	52	43
Stormwater Management	10	10
Other Waste Management	27	43
	89	96
Total Rates & Annual Charges	2,090	2,029
<i>Rates have been made and levied on the basis of valuations as at 1 July 2011 supplied by the Valuer-General (2012: 1 July 2008).</i>		
 USER CHARGES & FEES		
<u>User Charges</u>		
Water Supply	113	103
Sewerage Services	12	11
Other Waste Management	8	3
	133	117
<u>Fees</u>		
Private Works	789	550
RMS Works - State Roads	1,025	944
Building Services - Other	10	15
Planning & Building - regulatory	16	23
Saleyard Fees	14	13
Swimming Pool	7	7
Cemeteries	11	23
Other	27	39
	1,899	1,614
Total User Charges & Fees	2,032	1,731

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 3 - REVENUES (cont)

	2013 \$'000	2012 \$'000
INVESTMENT REVENUES		
Interest receivable		
- overdue rates & charges	26	25
- cash & investments	249	313
Dividends received	5	5
Amortisation of discounts and premiums		
Gross Investment Revenues	<u>280</u>	<u>343</u>
Less: Interest deducted from capitalised borrowing costs		
Total Investment Revenues	<u>280</u>	<u>343</u>
OTHER REVENUES		
Rental income - Investment Property		
- Other property	46	52
Insurance Rebates	27	18
Diesel Fuel Rebate	61	56
Miscellaneous sales	1	3
Other	48	55
Total Other Revenues	<u>183</u>	<u>184</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 3 - INCOME (cont)

	Notes	OPERATING		CAPITAL	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
GRANTS					
General Purpose (Untied)					
Financial Assistance		1,982	2,506		
Pensioner Rates Subsidies (General)		7	7		
Specific Purpose					
Pensioner Rates Subsidies					
Water Supplies		5	6		
Sewerage Services		5	5		
Domestic Waste Management		5	5		
Street Lighting		21	21		
Roads & Bridges		197	213	494	568
Employment & Training Programs		8	2		
Heritage & Cultural Services		5	5	(12)	58
Noxious Weeds		21	22		
NSW Rural Fire Services		140	154		
Other		1	38	201	
Total Grants & Subsidies		2,397	2,984	683	626
Comprising:					
- Commonwealth funding		2,010	2,530	452	452
- State funding		387	454	231	174
- Other funding					
		2,397	2,984	683	626
CONTRIBUTIONS & DONATIONS					
RMS Contributions		1,119	743	113	110
Other		107	141	80	68
Total Contributions & Donations		1,226	884	193	178
TOTAL GRANTS & CONTRIBUTIONS		3,623	3,868	876	804

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 3 - INCOME (cont)

CONDITIONS OVER GRANTS & CONTRIBUTIONS

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

	2013 \$'000		2012 \$'000	
	<u>Grants</u>	<u>Contrib</u>	<u>Grants</u>	<u>Contrib</u>
Unexpended at the close of the previous reporting period	88	10	219	342
Less: expended during the current period from revenues recognised in previous reporting periods				
Section 94/64 Developer Contributions				
Roads Infrastructure		10	177	342
Heritage & Cultural Services	15		28	
Community Care Services				
Other	17			
Subtotal	<u>32</u>	<u>10</u>	<u>205</u>	<u>342</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions				
Section 94/64 Developer Contributions				
Roads Infrastructure		15		10
Heritage & Cultural Services	-29		44	
Community Care Services				
Other	42		30	
Subtotal	<u>13</u>	<u>15</u>	<u>74</u>	<u>10</u>
Unexpended at the close of this reporting period and held as restricted assets	<u>69</u>	<u>15</u>	<u>88</u>	<u>10</u>
Net increase (decrease) in restricted assets in the current	<u>-19</u>	<u>5</u>	<u>-131</u>	<u>-332</u>

OPERATING LEASES providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property above.

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also included above. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment property, are as follows:

	2013 \$'000	2012 \$'000
Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 4 - EXPENSES

	2013 \$'000	2012 \$'000
EMPLOYEE BENEFITS AND ONCOSTS		
Salaries and Wages	2,263	2,222
Travelling	72	83
Employee Leave Entitlements	539	569
Superannuation - defined contribution plan contributions	156	151
Superannuation - defined benefit plan contributions	208	206
Workers' Compensation Insurance	46	137
Fringe Benefits Tax	26	21
Training Costs (excluding Salaries)	15	47
Other	3	4
Less: Capitalised and distributed costs	(339)	(380)
Total Operating Employee Costs	<u>2,989</u>	<u>3,060</u>
 Total Number of Employees	 45	 45
<i>(Full time equivalent at end of reporting period)</i>		
 BORROWING COSTS		
Interest on Loans	63	71
Unwinding of present value discounts & premiums	51	59
Gross Interest Charges	<u>114</u>	<u>130</u>
Less: Borrowing Costs capitalised		
Total Interest Charges	<u>114</u>	<u>130</u>
 MATERIALS & CONTRACTS		
Raw materials & consumables	2,481	1,806
Contractor and consultancy costs	93	81
Auditor's Remuneration (see following page)	16	15
Legal Expenses		
- Planning & Development	11	4
- Other Legal Expenses	8	3
Operating Leases		
- Other	12	14
Total Materials & Contracts	<u>2,621</u>	<u>1,923</u>
 <u>Auditors Remuneration</u>		
During the year the following fees were paid or payable for services by Council's auditor:		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	16	15
<i>Other assurance services:</i>		
- audit of regulatory returns		
- due diligence services		
	<u>16</u>	<u>15</u>
<i>Taxation services</i>		
Tax compliance services		
<i>Other services</i>		
Remuneration services		
Benchmarking services		
	<u>0</u>	<u>0</u>
Total remuneration	<u>16</u>	<u>15</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 4 - EXPENSES (cont)	2013 \$'000	2012 \$'000
DEPRECIATION & AMORTISATION		
Plant and Equipment	470	509
Office Equipment	31	31
Furniture & Fittings	14	15
Land Improvements	79	79
Buildings - non-specialised	28	33
Buildings - specialised	353	351
Other Structures	2	1
Infrastructure		
- roads, bridges & footpaths	1,700	1,734
- bulk earthworks	-	
- stormwater drainage	39	39
- water supply network not elsewhere included	120	126
- sewerage network not elsewhere included	93	89
- other infrastructure	-	
Other assets		
- heritage collections	-	
- library books	9	9
- other	-	
Future Reinstatement Costs		
- Tips	-	
- Quarries	2	3
- Other remediation assets	-	
Less: Capitalised and distributed costs	(111)	(121)
Total Depreciation & Amortisation	<u>2,829</u>	<u>2,898</u>
IMPAIRMENT		
Intangible Assets (Note 25)		
Plant and Equipment	-	
Office Equipment	-	
Furniture & Fittings	-	
Leased Property, Plant & Equipment	-	
Land	-	
Land Improvements	-	
Buildings - non-specialised	-	
Buildings - specialised	-	
Other Structures	-	
Infrastructure		
- roads, bridges & footpaths	(101)	
- bulk earthworks	-	
- stormwater drainage	-	
- water supply network not elsewhere included	-	
- sewerage network not elsewhere included	-	
- other infrastructure	-	
Other assets		
- heritage collections	-	
- library books	-	
- other	-	
Future Reinstatement Costs		
- Tips	-	
- Quarries	-	
- Other remediation assets	-	
Less: Offset to Asset Revaluation Reserve	101	
Total Impairment	<u>-</u>	<u>-</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 4 - EXPENSES (cont)	2013 \$'000	2012 \$'000
OTHER EXPENSES		
Revaluation Decrements expensed		
Bad and Doubtful Debts		
Mayoral fee	22	22
Councillors' Fees & Allowances	70	70
Councillors' (incl. Mayor) Expenses	14	13
Insurances	203	183
Street Lighting	43	37
Light, Power & Heating	130	115
Telephone & Communications	32	32
Donations & Contributions to Local & Regional Bodies	106	66
Planning levy	1	1
Waste levy		
Emergency services levy	9	10
Other levies	131	139
Carbon tax expense		
Advertising	15	12
Child Care - Parent Fees		
Election Expenses	14	
Individually Significant Item		
Provision for Insurance Losses		
Subscriptions & Publications	20	19
Adjust interest in associated entities	-	-
Other		
Total Other Expenses	810	719

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 5 - GAIN OR LOSS ON DISPOSAL OF ASSETS

	2013 \$'000	2012 \$'000
DISPOSAL OF INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Proceeds from disposal	365	469
Less: Carrying amount of assets sold	669	910
Gain (Loss) on disposal	<u>(304)</u>	<u>(441)</u>
DISPOSAL OF REAL ESTATE DEVELOPMENT ASSETS		
Proceeds from disposal	93	144
Less: Carrying amount of assets sold	69	82
Gain (Loss) on disposal	<u>24</u>	<u>62</u>
DISPOSAL OF INTANGIBLE ASSETS		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	28
Gain (Loss) on disposal	<u>-</u>	<u>(28)</u>
DISPOSAL OF FINANCIAL ASSETS		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
Gain (Loss) on disposal	<u>-</u>	<u>-</u>
NET GAIN (LOSS) ON DISPOSAL OF ASSETS	<u>(280)</u>	<u>(407)</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 6 - CASH ASSETS & INVESTMENT SECURITIES

	2013		2012	
	\$'000		\$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
CASH ASSETS				
Cash on Hand and at Bank	711		661	
Short Term Deposits & Bills, etc	<u>3,443</u>		<u>1,837</u>	
Total Cash Assets	<u>4,154</u>		<u>2,498</u>	

Cash Assets comprise short-term, highly liquid investments readily convertible to known amounts of cash that are subject to insignificant risk of changes of value.

INVESTMENT SECURITIES

Summary

Held to maturity investments	2,779	-	3,968	-
Available for sale financial assets	<u>101</u>	-	<u>87</u>	-
Total	<u>2,880</u>	-	<u>4,055</u>	-

Held to Maturity Investments

At beginning of year	3,968	-	3,692	
Additions	1,984		4,057	
Disposals	<u>(3,173)</u>		<u>(3,781)</u>	
At end of year	<u>2,779</u>	-	<u>3,968</u>	-

Comprising:

- Term Deposits	<u>2,779</u>		<u>3,968</u>	
	<u>2,779</u>	-	<u>3,968</u>	-

Available-for-sale Financial Assets

At beginning of year	87	-	87	
Revaluation surplus transferred to equity	14			
At end of year	<u>101</u>	-	<u>87</u>	-

Comprising:

- Other	<u>101</u>		<u>87</u>	
	<u>101</u>	-	<u>87</u>	-

Fair values for available-for-sale financial instruments are determined by quoted prices in active markets for identical investments.

The permitted forms of investment in financial instruments of the Council are defined in an order made by the Minister for Local Government on 12 January 2011, and may broadly be described as "Trustee Securities". Deposits and Bills are with, or have been accepted by, banks and credit unions and bear various rates of interest between 3.7% and 5.75% (2012- 4.75% and 6.25%).

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 6 - CASH ASSETS & INVESTMENT SECURITIES (cont)

RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

	2013		2012	
	Current	Non-Current	Current	Non-Current
	\$'000	\$'000	\$'000	\$'000
Cash & Cash Equivalent Assets	4,154	-	2,498	-
Investment Securities	2,880	-	4,055	-
TOTAL CASH & INVESTMENT SECURITIES	7,034	-	6,553	-
External Restrictions	3,156	-	2,915	-
Internal Restrictions	3,587	-	3,131	-
Unrestricted	291	-	507	-
	7,034	-	6,553	-

DETAILS OF MOVEMENTS OF RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

Notes	Opening Balance 30 June 2012	Movements		Closing Balance 30 June 2013
		Transfers To Restriction	Transfers From Restriction	
	\$'000	\$'000	\$'000	\$'000
External Restrictions				
Included in Liabilities				
Unexpended Loans			-	
Other	7		7	
	7	-	7	-
Other				
Developer Contributions			-	
RTA Contributions	10	15	10	15
Unexpended Grants	89	12	32	69
Water Supply funds	1,035	46	-	1,081
Sewerage funds	1,714	197	-	1,911
Domestic Waste Management	60	20	-	80
	2,908	290	42	3,156
Total External Restrictions	2,915	290	49	3,156

External Restrictions arise pursuant to section 409(3) of the Local Government Act, the Local Government (General) Regulation 2005 and other applicable legislation. Further information relating to Developer Contributions is provided in Note 17 and Unexpended Grants in Note 3. Amounts raised by special rates (eg. Water & Sewer) and certain annual charges may only be used for those purposes.

Internal Restrictions

Employee Leave Entitlements	560	100	-	660
Infrastructure Replacement	343	100	21	422
Plant replacement	870	39	-	909
Carry-over works	228	296	77	447
FA Grant Advance Payment	1,020	1,039	1,020	1,039
Residential Housing	110	-	-	110
Total Internal Restrictions	3,131	1,574	1,118	3,587

Internal Restrictions arise pursuant to resolutions of Council to set aside reserves of cash resources either relating to liabilities recognised in these reports or to fund future expenditure for the stated purpose. Such reserves are not permitted to exceed the amounts of cash assets and cash investments not otherwise

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 7 - RECEIVABLES

	2013 \$'000		2012 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
Rates & Annual Charges	236		232	
Interest & Extra Charges	48		37	
User Charges & Fees				
Accrued Revenues	39		31	
Deferred Debtors				
Other levels of Government	383		500	
Retirement Home Contributions				
Other	256		246	
Total	962	-	1,046	-
Less: Allowance for Doubtful Debts				
Other	12		12	
	950	-	1,034	-

Rates, Annual Charges, Interest & Extra Charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the Local Government Act) are secured over the relevant land and are subject to simple interest at a rate of 10.00% (2012: 11.00%). Although Council is not materially exposed to any individual ratepayer, credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

Other levels of Government

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Government of New South Wales and the Government of Australia.

Other Receivables

Amounts due (other than User Charges which are secured over the relevant land) are unsecured and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State of New South Wales.

AGGREGATE ASSET ARISING FROM EMPLOYEE BENEFITS

	3	1
RESTRICTED RECEIVABLES		
Water Supply	110	105
Sewerage Services	51	47
Total Restrictions	161	152
Unrestricted Receivables	789	882
Total Receivables	950	1,034

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 8 - INVENTORIES & OTHER ASSETS

	2013 \$'000		2012 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
INVENTORIES				
Stores & Materials	168		169	
Real Estate Developments	63	-	132	
Total Inventories	<u>231</u>	<u>-</u>	<u>301</u>	<u>-</u>

Inventories not expected to be realised within the next 12 months.

	60	-	63	-
--	----	---	----	---

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical

OTHER ASSETS

Prepayments	141		159	
Other	17		11	
Total Other Assets	<u>158</u>	<u>-</u>	<u>170</u>	<u>-</u>

Real Estate Developments

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

Residential	63		132	
Total Real Estate for Resale	<u>63</u>	<u>-</u>	<u>132</u>	<u>-</u>

Represented by:

Acquisition Costs				
Development Costs	63		132	
	<u>63</u>	<u>-</u>	<u>132</u>	<u>-</u>

Less: Allowance for Under-Recovery

Total Real Estate for Resale	<u>63</u>	<u>-</u>	<u>132</u>	<u>-</u>
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RESTRICTIONS EXIST IN RESPECT OF THE FOLLOWING:

Inventories				
Water Supplies	18	-	19	
Other Assets				
Water Supplies	-	-		
	<u>18</u>	<u>-</u>	<u>19</u>	<u>-</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 9 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR												
	2012					2013							
	AT COST	AT FAIR VALUE	ACCUM DEPN	CARRYING AMOUNT	Asset Purchases	Asset Disposals	Depreciation	Impairment	Transfers, etc.	Net Revaluation	AT COST	AT FAIR VALUE	ACCUM DEPN
Capital Work-in-progress	59	-	-	59	160	-	-	-	(59)	-	160	-	160
Plant & Equipment	-	7,528	(4,629)	2,899	1,040	(529)	(470)	-	23	126	-	(3,177)	3,089
Office Equipment	-	429	(291)	138	6	(1)	(31)	-	(23)	(3)	-	(74)	86
Furniture & Fittings	-	248	(128)	120	4	-	(14)	-	-	12	-	(165)	122
Leased Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	335	-	-	1,150
- Operational Land	-	810	-	810	5	-	-	-	-	9	-	-	768
- Community Land	-	759	-	759	-	-	-	-	-	-	-	-	-
Land under roads	-	-	-	-	-	-	-	-	-	-	-	-	-
- pre 1 July 2008	-	-	-	-	-	-	-	-	-	-	-	-	-
- post 1 July 2008	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - non-depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - depreciable	-	3,322	(2,147)	1,175	29	-	(79)	-	-	607	3,961	(2,229)	1,732
Buildings - non-specialised	-	1,176	(556)	620	-	-	(28)	-	-	1,146	2,087	(349)	1,738
Buildings - specialised	-	15,001	(8,573)	6,428	41	-	(353)	-	1	9,507	19,762	(4,138)	15,624
Other Structures	-	55	(5)	50	-	-	(2)	-	-	-	55	(7)	48
Infrastructure	-	-	-	-	1,514	(127)	(1,700)	101	58	-	-	(24,313)	38,974
- Roads, bridges, footpaths	-	62,351	(23,223)	39,128	-	-	-	-	-	-	-	-	28,254
- Bulk earthworks (non-deprec.)	-	28,254	-	28,254	-	-	-	-	-	-	-	-	-
- Stormwater drainage	-	3,159	(2,018)	1,141	-	-	(39)	-	-	-	3,159	(2,057)	1,102
- Water Supply Network	-	8,023	(4,465)	3,558	46	(14)	(120)	-	-	86	8,215	(4,659)	3,556
- Sewerage Network	-	7,077	(3,549)	3,528	-	-	(93)	-	-	86	7,254	(3,733)	3,521
- Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
- Heritage Collections	-	-	(39)	21	9	-	(9)	-	-	-	40	(19)	21
- Library Books	60	-	-	-	-	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Future Reinstatement Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
- Tips	-	-	-	-	-	-	-	-	-	-	-	-	-
- Quarries	52	-	(42)	10	-	-	(2)	-	-	-	51	(45)	6
- Other remediation assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	171	138,192	(49,665)	88,698	2,854	(671)	(2,940)	101	-	11,911	211	(44,965)	99,951

Asset acquisitions were apportioned between:

Building & Infrastructure Renewals	1,440
Building & Infrastructure New Assets	161
Other Assets	1,253

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 9 (cont) - RESTRICTED PROPERTY, PLANT & EQUIPMENT

	2013 \$'000				2012 \$'000			
	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT
Water Supply								
Plant & Equipment		30	28	2		30	28	2
Office Equipment								
Furniture & Fittings								
Leased Plant & Equipment								
Land								
- Operational		20		20		14		14
- non depreciable land improv'ts								
Land Improvements - depreciable		32	27	5		15	7	8
Buildings								
Other Structures								
Water Supply Infrastructure		8,215	4,659	3,556		8,023	4,465	3,558
- Other								
Total Water Supply	-	8,297	4,714	3,583	-	8,082	4,500	3,582
Sewerage Services								
Plant & Equipment		23	15	8		23	14	9
Office Equipment								
Furniture & Fittings								
Leased Plant & Equipment								
Land								
- Operational		105		105		57		57
- non depreciable land improv'ts								
Land Improvements - depreciable		34	31	3		60	44	16
Buildings								
Other Structures								
Sewerage Infrastructure		7,254	3,734	3,520		7,077	3,549	3,528
- Roads, bridges, footpaths								
- Other								
Total Sewerage Services	-	7,416	3,780	3,636	-	7,217	3,607	3,610
Domestic Waste Management								
Plant & Equipment		5	1	4		4	1	3
Office Equipment								
Furniture & Fittings								
Leased Plant & Equipment								
Land								
- Operational		25		25		25		25
- non depreciable land improv'ts								
Land Improvements - depreciable		57	48	9		97	74	23
Buildings		49	2	47		16	7	9
Other Structures								
- Other								
Total Domestic Waste	-	136	51	85	-	142	82	60
TOTAL RESTRICTIONS	-	15,849	8,545	7,304	-	15,441	8,189	7,252

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 9 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

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

Plant & equipment, office equipment, furniture and fittings and similar items are recognised at fair value calculated in accordance with the *Code of Accounting Practice* as being equivalent to depreciated historical cost.

Major depreciation periods are:

Office Equipment	3 to 10 years
Office Furniture	5 to 20 years
Vehicles & Road-making Equip	5 to 20 years
Other Plant & Equipment	5 to 20 years

Asset capitalisation thresholds include:

Office Furniture & Equipment	\$500
Other Plant & Equipment	\$500

Leased Plant & Equipment

In accordance with AASB 117, leased plant and equipment is initially recognised at the lower of the fair value of the leased item or the present value of the minimum lease payments, and is subsequently amortised over the term of the lease.

Land – Operational Land

Land classified in accordance with Division 1, Part 2, Chapter 6 of the *Local Government Act* was revalued as at 30th June 2013 by Council officers using Valuer General site values. All land subsequently acquired is recognised at cost. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land – Community Land

Land classified as community land was valued by Council officers using Valuer General site values during the reporting period ended 30 June 2013. All land subsequently acquired is recognised at cost.

Land under roads

Council, being of the opinion that it is not possible to reliably determine fair value for land under roads, and it being impracticable to determine actual cost of acquisition, has elected not to recognise land under roads, whether acquired before or after the commencement of AASB 1051 *Land under roads*.

Buildings – non-specialised

Buildings were valued by Council Officers on a replacement value basis as at 30 June 2013. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Buildings - masonry	100 years
Buildings – other construction	100 years

Asset capitalisation thresholds include:

New construction/extensions	\$10,000
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Buildings – specialised

Specialised buildings – designed for a specific limited public purpose – have been revalued during the reporting period in accordance with the guidelines contained in the *Code of Accounting Practice* and *NSW Treasury Accounting Policy TPP07-1*. The valuations were provided by Council officers as at 30 June 2013 using Rawlinsons Australian Construction Handbook guides. All subsequent additions are recognised at cost.

Land Improvements and Other Structures

Land improvements and other structures were valued by Council officers at 30th June 2013 using Rawlinsons Australian Construction Handbook guides. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Park Structures - masonry	40 to 50 years
Park Structures – other construction	40 to 50 years
Playground equipment	20 to 50 years
Benches, seats, etc	40 to 50 years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 9 – Infrastructure, Property, Plant & Equipment (cont)

Asset capitalisation thresholds include:	
Park Furniture & Equipment	\$1,000

Water and Sewer Infrastructure

Water and sewer infrastructure was valued by Council officers in accordance with the *Reference Rates Manual for the Valuation of Water Supply, Sewerage and Stormwater Assets* issued by NSW Office of Water at 30 June 2012. These valuations have been subsequently indexed in accordance with the *Code of Accounting Practice* at the rate prescribed in the advices sent to Council. All acquisitions made after 30 June 2012 are recorded at cost indexed at the prescribed rate for all completed years since acquisition. Major depreciation periods are:

Dams and Reservoirs	100 years
Bores	5 to 40 years
Reticulation Pipes – PVC	50 to 80 years
Reticulation Pipes – other	50 to 75 years

Augmentation works constructed subject to PWD schemes are recorded as follows:

- Where the scheme has not been commissioned, works are recorded at cost (including borrowing costs).
- Where the scheme has been commissioned but the final cost to Council has not been determined, the scheme has been recorded as a single asset and depreciated from the date of commissioning. The depreciation period has been selected, depending on the nature of the scheme, having regard to the depreciation period applicable to its major components as shown above.
- Where the final cost to Council has been determined, carrying value of the scheme has been apportioned between the individual components and depreciation periods adopted as shown above.

Asset capitalisation thresholds include:	
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000

Transportation and other Infrastructure

Transportation assets were valued by Council officers at written down current replacement cost as at 30 June 2010 using the guidelines contained in the *Australian Infrastructure Financial Management Guidelines*. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Sealed Roads - Surface	15 years
Sealed Roads – Structure	100 years
Unsealed Roads	10 to 75 years
Bridges – Concrete	80 to 100 years
Bulk Earthworks	indefinite

Asset capitalisation thresholds include:	
Road construction & reconstruction	\$1,000

Stormwater drainage infrastructure was valued by Council officers at written down current replacement cost as at 30 June 2010 using the guidelines contained in the *Australian Infrastructure Financial Management Guidelines*. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Drains	80 years
Culverts	80 years

Asset capitalisation thresholds include:	
Drains & Culverts	\$5,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 9 – Infrastructure, Property, Plant & Equipment (cont)

All other assets

Assets acquired after 1 January 1993 are recorded at cost. Assets acquired prior to that date and depreciated in accordance with the Local Government Accounting Regulations 1979 are recorded at deemed cost, being the carrying value of those assets at 31 December 1992.

Major depreciation periods are:

Library Books
Artworks

4 to 15 years
indefinite

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 10 - LIABILITIES

	2013 \$'000		2012 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
PAYABLES				
Goods & Services	388		369	
Payments received in advance	25		19	
Accrued salaries & wages	51		51	
Accrued interest payable	4		4	
Deposits, Retentions & Bonds	5		3	
Other	26		24	
Total Payables	<u>499</u>	<u>-</u>	<u>470</u>	<u>-</u>

Current payables not expected to be settled within the next 12 months.

BORROWINGS

Loans				
- Secured	129	614	122	743
Total Borrowings	<u>129</u>	<u>614</u>	<u>122</u>	<u>743</u>

All interest bearing liabilities are secured over the future revenues of the Council.

PROVISIONS

Employee benefits - annual leave	480		477	
- long service leave	1,415	56	1,267	67
- gratuities & other				
Reinstatement, Remediation, etc. (see also Note 21)		30		40
Total Provisions	<u>1,895</u>	<u>86</u>	<u>1,744</u>	<u>107</u>

Current payables not expected to be settled within the next 12 months.

1,467

1,364

Movements in Provisions	Opening balance \$'000	Increases in provision \$'000	Payments \$'000	Remeasure- ment \$'000	Closing balance \$'000
Annual leave	477	3			480
Sick leave	-				-
Long service leave	1,334	137			1,471
Other employee benefits	-				-
Self insurance	-				-
Reinstatement, etc.	40	2	(10)	(2)	30
Carbon tax	-				-
Other	-				-
Closing Balance	<u>1,851</u>	<u>142</u>	<u>(10)</u>	<u>(2)</u>	<u>1,981</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

NOTE 10 - LIABILITIES (cont)

Provision for Self Insurance

In accordance with the relevant licences, Council makes provision for the actuarial estimate of the probable costs it will incur relating to unpaid reported claims, claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER) and direct and indirect claims settlement costs.

Provision for Reinstatement, rehabilitation & restoration liabilities

Council is required by law to reinstate/ rehabilitate the areas of certain tips and quarries for roadmaking materials when it ceases to use each facility. Engineering estimates have been made based on current reinstatement standards and discounted to its present value over the estimated remaining life of each facility at the rates applicable to government securities.

	2013 \$'000		2012 \$'000	
	Current	Non-Current	Current	Non-Current
AGGREGATE LIABILITY ARISING FROM EMPLOYEE BENEFITS	1,946	56	1,795	67
LIABILITIES relating to RESTRICTED ASSETS				
<u>Domestic Waste Management</u>				
Payables				
Interest Bearing Liabilities				
Provisions				
Subtotal	-	-	-	-
<u>Water Supplies</u>				
Payables				
Interest Bearing Liabilities				
Provisions				
Subtotal	-	-	-	-
<u>Sewerage Services</u>				
Payables				
Interest Bearing Liabilities				
Provisions				
Subtotal	-	-	-	-
<u>Stormwater Drainage Services</u>				
Payables				
Interest Bearing Liabilities				
Provisions				
Subtotal	-	-	-	-
<u>Other</u>				
Payables				
Interest Bearing Liabilities				
Provisions				
Subtotal	-	-	7	-
TOTAL	-	-	7	-

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise short-term, highly liquid investments readily convertible to known amounts of cash that are subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2013 \$'000	2012 \$'000
Total Cash Assets (Note 6)	4,154	2,498
Less: Bank Overdraft (Note 10)	-	-
Balances per Statement of Cash Flows	4,154	2,498

**(b) Reconciliation of Change in Net Assets to Cash
from Operating Activities**

Net Operating Result from Income Statement	(559)	(178)
Add: Depreciation, Amortisation & Impairment	2,829	2,898
Unwinding of present value discounts & premiums	139	59
Investments - impairment & fair value adjustments	-	-
Increase in provision for doubtful debts	-	-
Increase in employee benefits provisions	3	172
Increase in other provisions	-	-
Decrease in receivables	77	532
Decrease in inventories	1	2
Decrease in other assets	12	-
Increase in trade creditors & other accruals	25	-
Increase in accrued interest payable	-	-
Increase in other payables	2	-
Loss on Sale of Assets	280	407
Equity share of loss in Associates	-	-
Equity adjustment in Associates (decrease)	-	-
Decrements from Revaluations	-	-
Loss on Council restructure	-	-
	2,809	3,892
Less: Decrease in provision for doubtful debts	-	-
Present value discounts & premiums recognised	-	-
Decrease in employee benefits provisions	-	-
Decrease in other provisions	11	4
Increase in receivables	-	-
Increase in inventories	-	-
Increase in other assets	-	29
Decrease in trade creditors & other accruals	-	-
Decrease in accrued interest payable	-	1
Decrease in other payables	-	-
Gain on Sale of Assets	-	-
Equity share of profit in Associates	-	-
Equity adjustment in Associates (increase)	-	-
Fair value adjustments as revenue items	-	-
Investment Revaluation Reserve realised	-	-
Reversal of previous Revaluation Decrements	-	-
Non-cash acquisition of assets	(2)	33
Gain on Council restructure	-	-
Net Cash provided by (or used in) operations	2,800	3,825

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 11 (cont) - RECONCILIATION TO CASH FLOW STATEMENT

	2013 \$'000	2012 \$'000
(c) Non-Cash Financing and Investing Activities		
Acquisition of assets by means of:		
- PWD Construction	-	-
- Bushfire Grants	-	-
- Developer Contributions received in kind	-	-
- Non-cash issues of Shares in Other Companies	-	-
- Estimated future reinstatement, etc costs	(2)	(4)
- Other	-	37
	<u>(2)</u>	<u>33</u>
- Finance Leases	-	-
- Land taken over for non-payment of Rates	-	-
	<u>(2)</u>	<u>33</u>

(d) Financing Arrangements

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

Bank Overdrafts		
Total Facilities		
Corporate Credit Cards	16	16

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are variable while the rates for loans are fixed for the period of the loan.

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 12 - COMMITMENTS FOR EXPENDITURE

	2013 \$'000	2012 \$'000
(a) Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Plant & Equipment	57	394
	57	394

Commitments for Capital Expenditures relating to Joint Ventures and Partnerships are set out in Note 19.

(b) Finance Lease Commitments

Commitments under finance leases at the reporting date are as follows:

Not later than one year		
Later than one year and not later than 5 years		
Later than 5 years		
Minimum lease payments	-	-
Less: future finance charges	-	-
Net Lease Liability	-	-
Representing lease liabilities:		
Current	-	-
Non-Current	-	-
	-	-

Insert similar information to that given in relation to operating leases below, for finance leases.

No Joint Ventures or Partnerships have any finance lease arrangements.

(c) Operating Lease Commitments (Non-Cancellable)

Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:

Total Future Minimum Lease Payments		
Not later than one year	13	13
Later than one year and not later than 5 years	18	32
Later than 5 years	31	45
	31	45

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

Contingent rental payments exist in relation to the lease of one grader if utilisation exceeds 250 hours during any month. No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments for Operating Lease Expenditures relating to Joint Ventures and Partnerships are set out in Note 19.

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 13 - STATEMENT OF PERFORMANCE MEASUREMENT

INDICATORS - CONSOLIDATED

	2013	2012	2011
	<u>Amounts</u>	<u>Indicators</u>	
Unrestricted Current Ratio			
<u>Unrestricted Current Assets*</u>	\$4,978	4.71:1	5.09:1
Current Liabilities not relating to Restricted Assets	\$1,056		4.24:1
Debt Service Ratio			
<u>Net Debt Service Cost*</u>	\$185	0.03:1	0.03:1
Operating Revenue*	\$6,574		0.02:1
Rate & Annual Charges Coverage Ratio			
<u>Rates & Annual Charges Revenues</u>	\$2,090	0.23:1	0.23:1
Revenue from continuing operations	\$9,084		0.24:1
Rates & Annual Charges Outstanding Percentage			
<u>Rates & Annual Charges Outstanding</u>	\$284	11.91%	11.82%
Rates & Annual Charges Collectible	\$2,385		10.16%
Building & Infrastructure Renewals Ratio			
<u>Asset renewals*</u>	\$1,440	0.65:1	0.91:1
Depreciation, Amortisation, Impairment	\$2,232		0.38:1

INDICATORS - BY FUND

	Current Year Indicators		
	General	Water	Sewer
Unrestricted Current Ratio			
<u>Unrestricted Current Assets*</u>	4.71:1	N/A	N/A
Current Liabilities not relating to Restricted Assets			
Debt Service Ratio			
<u>Net Debt Service Cost*</u>	0.03:1	N/A	N/A
Operating Revenue*			
Rate & Annual Charges Coverage Ratio			
<u>Rates & Annual Charges Revenues</u>	0.18:1	0.86:1	0.66:1
Revenue from continuing operations			
Rates & Annual Charges Outstanding Percentage			
<u>Rates & Annual Charges Outstanding</u>	6.99%	27.50%	22.67%
Rates & Annual Charges Collectible			
Building & Infrastructure Renewals Ratio			
<u>Asset renewals*</u>	0.69:1	0.39:1	NIL
Depreciation, Amortisation, Impairment			

* Detailed methods of calculation of these indicators is defined in the Code.

JERILDERIE SHIRE COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2013**

Note 14 - INVESTMENT PROPERTY

Council does not hold any investment properties at this time

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 15 - FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. All financial instruments are denominated in Australian dollars, and hence currency risk does not apply.

Financial risk management is carried out by Finance section in accordance with policies approved by Council and in accordance with statutory requirements, and seeks to maximise revenue while protecting the corpus of the funds invested.

Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial Assets				
Cash and Cash Equivalents	4,154	2,498	4,154	2,498
Receivables	950	1,034	950	1,034
Financial assets at fair value through profit & loss	-	-	-	-
Held-to-maturity investments	2,779	3,968	2,779	3,968
Available-for-sale financial assets	101	87	101	87
Investments categorised as loans and receivables	-	-	-	-
	7,984	7,587	7,984	7,587
Financial Liabilities				
Payables	499	470	499	470
Borrowings	743	865	743	865
	1,242	1,335	1,242	1,335

Fair value is estimated as follows:

* Cash & equivalents, receivables & payables - due to the short-term nature, face value (carrying value) approximates fair value.

* Held-to-maturity investments and borrowings - anticipated future cash flows discounted by current market interest rates applicable to assets and liabilities with similar risk profiles.

* Financial assets at fair value through profit & loss, and available-for-sale - based on quoted market prices (where a liquid market exists) or independent valuation. Particular difficulties were experienced in assessing fair value of CDOs, and these have been reported in Note 1.

Fair value hierarchy

The fair values of financial instruments carried at fair value have been classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels of the hierarchy are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The value of financial assets carried at fair value shown in the relevant level of the hierarchy is shown below:

	2013 \$'000	2012 \$'000
Level 1	101	3,968
Level 2		
Level 3		
Financial assets carried at fair value	101	3,968
Financial assets carried at cost / amortised cost	7,883	3,619
	7,984	7,587

Reconciliation of movement in level 3 financial assets

Balance at 1 July	-	-
Gains or losses for the period		
Recognised in profit and loss		
Recognised in other comprehensive income		
Purchases		
Sales		
Settlements		
Issues		
Transfers in / (out) of level 3		
Balance 30th June	-	-

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 15 - FINANCIAL RISK MANAGEMENT (cont)

Cash and cash equivalents

Financial assets at fair value through profit & loss

Available-for-sale financial assets

Held-to-maturity investments

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

The investment portfolio is managed in accordance with Council's policy (which complies with the *Local Government Act & Regulations*), and the Minister's Order. The investment policy is reviewed regularly, and a report in accordance with section 625 of the Act provided to Council monthly.

The investment portfolio is managed so as to provide adequate liquidity at all times, particularly during the periods between the quarterly receipt of rates instalments and grants. In addition, Council has access to overdraft facilities set out in Note 12.

Council's investment portfolio consists of deposits at fixed and variable interest rates, generally for periods of less than 120 days. Whilst these are subject to interest rate risk, this is minimised by the short term of the financial assets held.

Interest Sensitivity Analysis

	2013 \$'000	2012 \$'000
Impact of a 10% movement in price of investments (for assets subject to price risk only)		
- Equity	9	9
- Income Statement	9	9
 Impact of a 1% change in interest rates on cash & investments		
- Equity	70	66
- Income Statement	70	66

Receivables

Credit risk on receivables for rates, annual charges and service charges made under section 502 is minimised as these are secured over the subject land. The security extends to interest levied for late payment.

Other receivables are subject to a range of credit risk minimisation procedures as appropriate, varying from credit checks to specific security pledges. Council is not materially exposed to any individual debtor, and credit risk exposure is concentrated within the Council boundaries in the State of New South Wales. There are no material receivables that have been subject to re-negotiation of repayment terms.

Council receives regular summary reports of receivables due, and detailed reports where appropriate.

At reporting date, all amounts receivable were reviewed, and adequate allowance made for amounts considered doubtful.

	2013 \$'000	2012 \$'000
Percentage of Rates & Annual Charges		
- Current		0%
- Overdue	100%	100%

Payables

Borrowings

Payables and borrowings are subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as they fall due. The investment portfolio is managed so as to provide adequate liquidity at all times, particularly during the periods between the quarterly receipt of rates instalments and grants. In addition, Council has access to overdraft facilities set out in Note 12.

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 15 - FINANCIAL RISK MANAGEMENT (cont)

Liquidity Sensitivity Table

The contractual undiscounted cash flows of Council's payables and borrowings are shown below:

	2013 '000	Due			Total Contractual Cash Flows	Carrying Value
		≤ 1 year	2 - 5 years	> 5 years		
Payables		499	-		499	499
Borrowings		129	425	189	743	743
		<u>628</u>	<u>425</u>	<u>189</u>	<u>1,242</u>	<u>1,242</u>
	2012 '000	Due			Total Contractual Cash Flows	Carrying Value
		≤ 1 year	2 - 5 years	> 5 years		
Payables		470	-		470	470
Borrowings		122	472	271	865	865
		<u>592</u>	<u>472</u>	<u>271</u>	<u>1,335</u>	<u>1,335</u>

Borrowings are also subject to interest rate risk - the risk that changes in interest rates could adversely affect funding costs. Council manages this risk by generally borrowing long term, commonly at rates fixed for the duration of the loan. Bank overdraft and less than 10% of borrowings are at variable rates; the associated interest rate risk is not considered material.

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

	2013		2012	
	Wtd ave interest rate	Balance	Wtd ave interest rate	Balance
Overdraft		-		-
Loans - fixed interest rate	7.69%	743	7.50%	865
Loans - variable interest rate				
		<u>743</u>		<u>865</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 16 – MATERIAL BUDGET VARIATIONS

Council's original budget comprised part of the Operational Plan adopted by Council on 26th June 2012. The original projections on which the budget was based have been affected by decisions and new grant programs initiated by State and Federal Governments, by the weather, and by decisions made by the Council.

This Note sets out the principal variations between the original Budget and Actual results for the Statement of Financial Performance.

Further information of the nature and amount of all variations is available from the Council office upon request.

1 INCOME STATEMENT

1.1 User Charges & Fees

An unfavourable variance of \$515k (20%) primarily attributable to a variation in the amount of works undertaken for Roads & Maritime Service in relation to State and National Highways

1.2 Other Revenues

A favourable result of \$53k (41%) resultant from additional insurance and diesel fuel rebates, temporary water sales and additional commissions received from Bendigo Bank Agency

1.3 Grants & Contributions Received – Operating & Capital

An unfavourable result of \$1,428m (24%) as a result decisions made by State and Federal governments after the original Budget was adopted, together with the deferral of significant flood restoration works.

1.4 Employee costs

A favourable variation of \$227k (7%). During the year Council employees are engaged in both maintenance and capital works, the proportions of which vary from year to year. Costs in relation to the capital works are excluded from the Operating Statement, and it is not Council's practice to make detailed calculations for this as part of its budgeting procedures. Accordingly, significant variations will often arise in this area.

1.5 Materials & Contracts

A favourable variance of \$1,510 (37%) resulting from the deferral of planned flood restoration works. Also, Council's budget is based on a "normal" mix of self-constructed and contract works. The process of calling and accepting tenders during the year can result in substantial changes in this mix, resulting in significant budget variations in this item.

1.6 Borrowing Costs

An unfavourable result of \$23k (25%) due to the unwinding of discounts included in the measurement of provisions being excluded from the budgeting process

1.7 Depreciation

A favourable result of \$317k (10%) primarily due to overestimation during the budgeting process

1.8 Other Expenses

An unfavourable result of \$84k (12%) due to significant electricity cost increases and increased payments to other levels of government

1.9 Loss from Disposal of Assets

An unfavourable result as a consequence of disposal of infrastructure assets which were renewed and replaced during the financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 16 – Material Budget Variations (cont)

2 STATEMENT OF CASH FLOWS

Council's budget calculations for the statement of cash flows is based purely upon the estimates of income and expenditure as presented in the operational plan, due to the difficulty in estimating the fluctuating amount of payables and receivables. GST is also excluded from the budgeted figures.

3 NOTE 2

Council's operating results by functional activities varied primarily as a result of the prepayment of additional Financial Assistance Grant funds. Variances have also resulted due to deferral of flood restoration works and subsequent funding for such.

JERILDERIE SHIRE COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2013**

Note 17 - STATEMENT OF CONTRIBUTION PLANS

Council has no developer contributions at this time

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 18 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. DEFINED BENEFIT SUPERANNUATION PLAN

Council contributes to the Local Government Superannuation Scheme which has a closed section where a portion of member entitlements are defined as a multiple of salary. Member councils bear the responsibility of ensuring there are sufficient monies available to pay out benefits as these members cease employment.

The Scheme has a deficit of assets over liabilities and its administrators have advised all Councils that they will need to make significantly higher contributions to help reverse this deficit. However, the Trustees may also call upon Councils to make an immediate payment sufficient to offset all or part of this deficit at any time. There is no current indication that such action will be necessary.

As the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils, the amount of such a payment is not able to be reliably quantified.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. STATECOVER MUTUAL Ltd

Council has been a member of Statecover Mutual Ltd, a corporation formed for the purchase and management of workers compensation insurances on behalf of its members, since 1 July 2001.

Statecover has issued shares with no par value and may make calls on its members to meet trading losses and to comply with prudential requirements. There is no recognised market for the sale of Statecover shares.

4. WESTERN RIVERINA LIBRARIES

Council is a member of the Western Riverina Libraries and has a one-sixth proportion of voting power of the organisation. Council's share in the assets, liabilities and outputs of the organisation is based on the proportional population share and is considered immaterial in amount.

5. RURAL FIRE FIGHTING ASSETS

Council has title to, and is the registered owner of 18 rural fire appliances and associated rural fire fighting equipment. Council has an obligation under the Rural Fire Services Act 1997 to repay to the NSW Rural Fire Fighting Fund the proportion of sale proceeds from any sales of these assets equal to the proportion of the original cost funded by the Rural Fire Service.

In accordance with normal Rural Fire Service funding arrangements, Council continues to contribute to the costs of maintenance of this equipment.

6. "CARBON" TAX

From 1 July 2012 a new tax on emissions of certain "greenhouse" gases commenced operation. Council has a garbage landfill facility which emits, and will continue for many years to emit, gases of this type.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 18 – Contingencies & Assets & Liabilities not Recognised in the Balance Sheet (cont)

Using current calculation methods, emissions from Council's landfill facilities are substantially below current taxable thresholds. This situation is expected to continue while thresholds remain at current levels.

Information currently available provides assurances that "legacy emissions" from garbage placed in landfills prior to commencement of the tax will not subsequently become liable to the tax. However, should taxable thresholds be substantially reduced Council may be subject to taxation on landfill deposits made after 1 July 2012. No liability has been recognised in these reports.

JERILDERIE SHIRE COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2013**

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

Council has no joint ventures at this time

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 20 - RETAINED EARNINGS & REVALUATION RESERVES

RETAINED EARNINGS	2013 \$'000	2012 \$'000
Balance at end of previous reporting period	42,450	42,665
Effect of correction of errors in previous years (see below)	37	
Effect of accounting policy changes		
Change in associated entities recognised	-	-
Restated opening balance	42,487	42,665
Net operating result for the year	(559)	(178)
Other comprehensive income		
Share of other comprehensive income - joint ventures & associates		
Transfer to retained earnings on sale of revalued infrastructure, property, plant & equipment		
Land under roads recognised (de-recognised)		
Adjustment to correct prior period depreciation errors		
Balance at end of the reporting period	41,928	42,487
REVALUATION RESERVES		
<i>Infrastructure, Property, Plant & Equipment</i>		
Balance at end of previous reporting period	51,125	51,168
Revaluation of infrastructure, property, plant & equipment	11,911	(43)
Share of other comprehensive income (revaluations) - joint ventures & associates		
Impairment (expense) / recoupments offset to asset revaluation reserve	101	-
Transfer to retained earnings on sale of revalued infrastructure, property, plant & equipment		
Balance at end of reporting period	63,137	51,125
At the end of the reporting period, the amount held in the reserve related to the following asset classes:		
Plant & Equipment	580	454
Office Equipment	5	8
Furniture & Fittings	38	26
Leased Plant & Equipment		
Land		
- Operational Land	571	291
- Community Land	351	342
Land under roads		
- pre 1 July 2008		
- post 1 July 2008		
Land Improvements - non-depreciable		
Land Improvements - depreciable	1,589	967
Buildings - non-specialised		
Buildings - specialised	15,917	5,265
Other Structures		
Infrastructure		
- Roads, bridges, footpaths	9,751	9,650
- Bulk earthworks (non-deprec.)	27,557	27,557
- Stormwater drainage	1,211	1,211
- Water Supply Network	2,804	2,714
- Sewerage Network	2,763	2,640
Other Assets		
- Heritage Collections		
- Library Books		
- Other		
Future Reinstatement Costs		
- Tips		
- Quarries		
- Other remediation assets		
Balance at end of reporting period	63,137	51,125

JERILDERIE SHIRE COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2013**

Note 20 - REVALUATION RESERVES & RETAINED EARNINGS (CONT)

	2013 \$'000	2012 \$'000
<i>Available-for Sale Financial Assets</i>		
Balance at end of previous reporting period	26	26
Revaluation of available-for-sale investments	14	-
Realised available-for-sale investments gains recognised in revenue	-	-
Balance at end of reporting period	40	26

Nature and purpose of reserves

Infrastructure, property, plant & equipment revaluation reserve

Used to record increments (net of decrements) on the revaluation of infrastructure, property, plant & equipment.

Available-for-sale investments revaluation reserve

Changes in fair value of investments categorised in this manner are held in this reserve pending sale. Amounts are recognised in profit and loss when the relevant investments are sold.

MOVEMENTS IN RETAINED EARNINGS

Correction of errors in previous years

(i) Non cash contribution of Intangible assets received in June 2012 not previously recognised	37
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JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

NOTE 21 - RESULTS BY FUND

Moneys raised pursuant to certain sections of the Local Government Act, and of certain other Acts, may not be used for the general purposes of the Council, or must be held as cash or authorised investments until expended for the purposes they were raised. This Note identifies the operating result and net assets of the general purposes operations of the Council, and of the principal special purpose operations.

Amounts are shown on a gross basis - before consolidation eliminations - and do NOT reconcile to the principal statements, and are shown for the current year only.

INCOME STATEMENT	GENERAL FUND \$'000	WATER SUPPLY \$'000	SEWER \$'000
INCOME			
Rates & Annual Charges	1,659	278	222
User Charges & Fees	1,905	119	14
Investment Revenues	133	59	95
Other Revenues	184	0	0
Grants & Contributions - Operating	3,613	5	5
Grants & Contributions - Capital	876	0	0
Profit from Disposal of Assets	0	0	0
Profit from interests in Joint Ventures & Associates	0		
Total Income from Continuing Operations	<u>8,370</u>	<u>461</u>	<u>336</u>
EXPENSES			
Employee Costs	2,851	82	54
Materials & Contracts	2,413	206	79
Borrowing Costs	122	0	0
Depreciation & Amortisation	2,612	120	96
Impairment	0		
Other Expenses	671	78	62
Interest and investment losses	0	0	0
Loss from Disposal of Assets	266	14	0
Loss from interests in Joint Ventures & Associates	0		
Total expenses from Continuing Operations	<u>8,935</u>	<u>500</u>	<u>291</u>
OPERATING RESULT FROM CONTINUING OPERATIONS	(565)	(39)	45
Operating result from discontinued operations		0	0
Gain (loss) on restructure			
NET OPERATING RESULT FOR YEAR	<u>(565)</u>	<u>(39)</u>	<u>45</u>
Attributable to:			
COALFACE NSW COUNCIL	(565)	(39)	45
Minority Interests	<u>(565)</u>	<u>(39)</u>	<u>45</u>
<i>Net operating result before capital grants and contributions</i>	<i>(1,441)</i>	<i>(39)</i>	<i>45</i>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 21 - Results by Fund (cont)

BALANCE SHEET	GENERAL FUND \$'000	WATER SUPPLY \$'000	SEWER \$'000
CURRENT ASSETS			
Cash & cash equivalents	2,853	670	631
Investments	1,189	411	1,280
Receivables	789	110	51
Inventories	213	18	0
Other	157	0	28
Non-current assets held for sale	0	0	0
TOTAL CURRENT ASSETS	<u>5,201</u>	<u>1,209</u>	<u>1,990</u>
NON-CURRENT ASSETS			
Investments	0	0	0
Receivables	0	0	0
Inventories	0	0	0
Infrastructure, Property, Plant & Equipment	92,735	3,582	3,636
Equity accounted investments	0		
Investment Property	0	0	0
Intangible Assets	4		
Other	0	0	136
TOTAL NON-CURRENT ASSETS	<u>92,739</u>	<u>3,582</u>	<u>3,772</u>
TOTAL ASSETS	<u>97,940</u>	<u>4,791</u>	<u>5,762</u>
CURRENT LIABILITIES			
Payables	500	0	0
Borrowings	157	0	0
Provisions	1,895	0	0
TOTAL CURRENT LIABILITIES	<u>2,552</u>	<u>0</u>	<u>0</u>
NON-CURRENT LIABILITIES			
Payables	0	0	0
Borrowings	750	0	0
Provisions	86	0	0
TOTAL NON CURRENT LIABILITIES	<u>836</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>3,388</u>	<u>0</u>	<u>0</u>
NET ASSETS	<u>94,552</u>	<u>4,791</u>	<u>5,762</u>
EQUITY			
Accumulated Surplus	36,942	1,987	2,999
Revaluation Reserves	57,611	2,804	2,763
Council Equity Interest	94,553	4,791	5,762
Minority Equity Interest	0		
TOTAL EQUITY	<u>94,553</u>	<u>4,791</u>	<u>5,762</u>

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2013

Note 25 - INTANGIBLE ASSETS

	2013 \$'000	2012 \$'000
Water Right at Cost	<u>4</u>	<u>68</u>

INDEPENDENT AUDIT REPORT

JERILDERIE SHIRE COUNCIL

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying **general purpose financial statements** of **Jerilderie Shire Council**, which comprise 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 and the Local Government Act 1993. This includes responsibility for such internal control as Council determines necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 about whether the financial statements are free from material misstatement.

Our responsibility does not extend to the original budget information disclosed in the Income Statement, the Cash Flow Statement, Note 2(a), or the detailed variations from the adopted budget disclosed in Note 16. Accordingly we express no opinion on those disclosures. Also our audit did not involve an analysis of the prudence of business decisions made by Council or management.

Adams Kenneally White & Co
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**Chartered
Accountants**



Liability limited by a scheme
approved under Professional
Standards Legislation.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. 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.

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

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 Council's general purpose financial statements:
 - (i) have been prepared in accordance with the requirements of Division 2 of Part 3 of Chapter 13 of the Local Government Act 1993.
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly, in all material respects, 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. We obtained all the information which we required, relevant to the conduct of the audit; and
- d. There were no material deficiencies in the accounting records or the financial reports which came to our attention during the course of the audit.

Adams Kenneally White & Co

ADAMS KENNEALLY WHITE & CO
Chartered Accountants

Dated: 16th October 2013
Wagga Wagga

JERILDERIE SHIRE COUNCIL
REPORT ON THE CONDUCT OF THE AUDIT

We have completed the audit of the Council's financial statements and accounting records for the year ended 30 June 2013, and submit this report on the conduct of the audit, in accordance with Sections 417(1)&(3) of the Local Government Act 1993. This report is subject to and should be read in conjunction with our accompanying report on the General Purpose Financial Statements, of same date.

FINANCIAL PERFORMANCE FOR THE YEAR

The **Operating Result for the year** was a deficit from all activities of \$559,000 (2012 \$178,000 deficit). The deficit for the year includes a loss on de-recognition of mobile fire assets of \$315,000. The mobile fire assets have been derecognised on the basis that Council does not "control" the assets in accounting terms.

Revenues for the year increased by \$125,000 to \$9,084,000 including an increase in user charges of \$301,000 and a decrease in grants and contributions of \$173,000.

Total expenses increased by \$506,000 (5.5%) to \$9,643,000. Expenses include non-cash depreciation of \$2,829,000 and net losses on the disposal of assets of \$280,000.

The result includes grants and contributions for capital works of \$876,000, for which the matching expenditure is shown in the Balance Sheet and not the Income Statement. The result before including these grants was a deficit of \$1,435,000 (2012 Deficit \$982,000).

Rates and Annual Charges

Ordinary rates levied were increased by the permissible increase of 3.6%. Total rates and annual charges increased by \$61,000 (3%) to \$2,090,000 and represented 23% of Council's revenue for the year compared to 22.7% in 2012.

Adams Kenneally White & Co
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Lake Cargelligo 02 6898 1102
Henty 02 6929 3204
Batlow 02 6949 1163



**Chartered
Accountants**



Liability limited by a scheme
approved under Professional
Standards Legislation.

Grants and Contributions

Council is very reliant on grants and contributions provided by other levels of government with total grants and contributions of \$4,499,000 representing 50% of Councils total revenue (2012: \$4,672,000; 52%).

The general purpose Financial Assistance Grant (FAG) income of \$1,982,000 was \$524,000 less than the previous year due to the early payment of an additional instalment of the funding in the previous year. Total advance instalments held as internally restricted assets at 30th June were \$1.04M (2012 \$1.02M).

There was an increase of \$379,000 in RMS Contributions for work on regional roads. Total contributions of \$1,232,000 for this purpose included \$484,000 for flood damage works.

Flood restoration grants for work on local roads were \$197,000 compared to \$213,000 in the previous year.

User Charges and Fees

User charges and Fees were \$2,032,000 compared to \$1,731,000 in 2012 and \$2,215,000 in 2011.

The level of user charges is dependent primarily on the level of RTA contract and other private works. Compared to the prior year these income items increased by \$320,000 in total.

Investment Revenues

Investment revenues for 2013 were \$280,000 compared to the budgeted \$280,000 (2012 revenue was \$343,000). The budgeted investment revenue for 2013/12 is \$240,000 and this should be achievable.

Actual Result/Budgeted Result

Income Statement Basis

The consolidated **deficit** for the year was \$559,000. Council originally budgeted for a **deficit** of \$270,000.

Total income was \$1,956,000 less than budgeted and total expenses were \$1,667,000 less than budget. The materials and contract expense, in particular, was \$1,510,000 less due to the deferral of flood restoration work.

Details of material variations between the original budget and the actual result are provided in Note 16 to the financial statements.

Funding Basis

While the Income Statement includes a comparison of the actual results to the original budget, its basis of preparation is such that it can only give part of the comparison with the underlying "funding" budget which includes capital transactions.

- **General Purposes**

The funding budget for 2013 was for a consumption of available working capital (deficit) of \$24,000 and the consumption of \$155,000 of internal reserves (a budgeted net decrease in funds of \$131,000). The **actual funding result** was a consumption of working capital (deficit) of \$398,000 and an increase in internal reserves of \$456,000, that is, a net increase in funds of \$58,000.

A reconciliation of the movement in the General Purposes available working capital result is set out below:

	<u>Original Budget</u> \$'000	<u>Actual</u> \$'000
Operating Result before Depreciation	2,420	2,293
Increase in FAG Grant received in advance	-	(19)
Increase in Unspent Special Purpose Grants	-	(15)
<i>Funds from operations excluding expended grants</i>	<u>2,420</u>	<u>2,259</u>
<i>Other Funding Sources</i>		
Loan Funds Used	850	-
<i>Applications of Funds</i>		
Net Capital Expenditure	(3,226)	(2,098)
Loan Repayments	(175)	(122)
Transfer from/(to) reserves		
- Employee Leave Entitlements	-	(100)
- Infrastructure Reserve	55	(79)
- Plant Replacement Reserve	100	(39)
- "Carry-over works" (net)	<u>-</u>	<u>(219)</u>
<u>Available Working Capital movement for year</u>	<u>24</u>	<u>(398)</u>

The principal differences between budget and actual were that budgeted capital expenditure on the swimming pool and real estate development did not occur and net transfers to reserve were \$373,000 more than budgeted.

The increase in transfers to internal reserves included:

- \$39,000 to the Plant Replacement Reserve compared to a budgeted reserve consumption of \$100,000.
- \$100,000 to the Employee Leave Entitlement reserve.
- \$79,000 to the Infrastructure Reserve compared to a budgeted reserve consumption of \$55,000.

Total General Purpose available working capital was \$1,123,000 at 30th June 2013, including unrestricted cash of \$291,000.

Council has budgeted for an underlying general purpose funding deficit of \$7,000 for the 2013/14 year.

- **Water Fund**

The original funding budget for 2013 was for a deficit of \$176,000. The actual result was a surplus of \$50,000. Investment revenue was \$15,000 more than budgeted, operating and maintenance expenditure was \$55,000 less than budgeted and the operating result exceeded budget by \$79,000. The budget expenditure of \$311,000 on the emergency water supply did not occur and total capital expenditure was \$458,000 less than budget.

	<u>Budget</u> \$'000	<u>Actual</u> \$'000
Operating Result before Non Cash Expenses	20	99
Capital Grants	<u>311</u>	-
<i>Funds from operations</i>	331	<u>99</u>
Capital Expenditure	<u>(507)</u>	<u>(49)</u>
Funding Surplus (Deficit) for year	<u>(176)</u>	<u>50</u>

The available working capital for this fund is now \$1,209,000 (including cash of \$1,081,000). The budgeted funding result for 2014 is a deficit of \$127,000.

- **Sewerage Fund**

The budgeted funding result was for a deficit of \$329,000. A budgeted internal loan to General Fund of \$250,000 and capital expenditure of \$257,000 did not occur and there was an actual increase in funds of \$173,000 for the year.

	<u>Budget</u> \$'000	<u>Actual</u> \$'000
Operating Result before Non Cash Expenses	178	173
Internal Loan advance for Real Estate Development	(250)	-
Capital Expenditure	<u>(257)</u>	-
Funding Surplus (Deficit) for year	<u>(329)</u>	<u>173</u>

Total available Sewerage funds are now \$2,126,000 (including cash of \$1,911,000 and other net current assets of \$215,000). These funds include an internal loan of \$164,000, due from General Fund, for the Library Development. The budgeted funding result for 2014 is a surplus of \$114,000.

FINANCIAL POSITION

Council's net assets at 30th June 2013 were \$105.1m compared with \$93.6m at the beginning of the year. Most of the increase arose from the revaluation of buildings this year.

Condition of Civil Infrastructure

Council staff have assessed the condition of infrastructure to be in varying conditions ranging from poor to average. Special Schedule 7 shows an estimated cost of \$2,000,000 to bring infrastructure assets up to a satisfactory standard including \$900,000 for the swimming pool.

Council's draft asset management plan indicates that sufficient funds are being applied to the maintenance of infrastructure assets apart from an annual shortfall of maintenance expenditure on Council roads. The annual budget allocation for resealing of local roads would need to be \$530,000 to keep the resealing cycle at 15 years. The current allocations are \$380,000 (including an allocation of \$100,000 from Roads to Recovery funding), a shortfall of \$150,000 pa. There is also an estimated annual shortfall of \$155,000 on the allocation required for maintenance of unsealed roads.

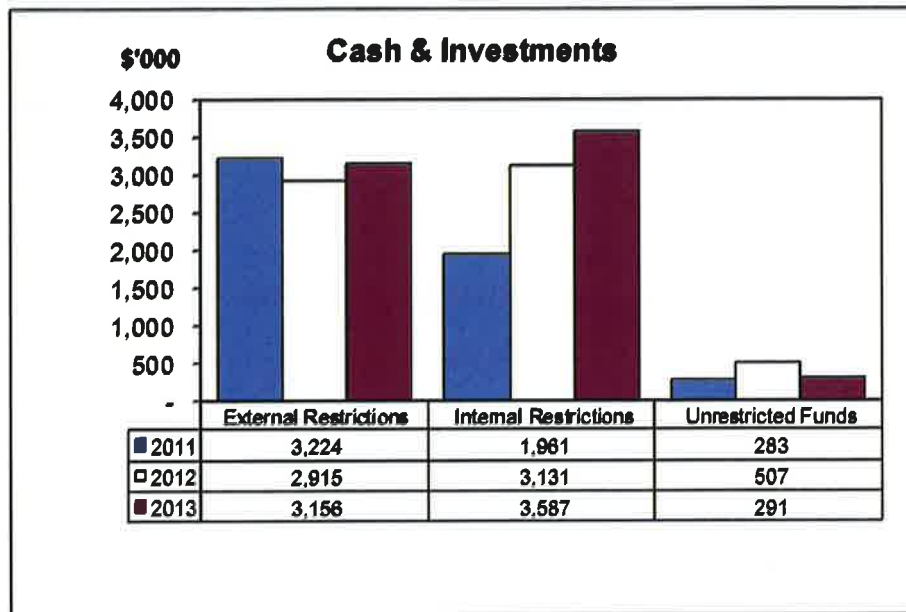
These figures are not audited but are noted as an indication of the funding issues that Council must take into account.

Liquidity - Available Working Capital

Council's **net current assets** were \$5,850,000 at 30th June 2013, an increase of \$128,000 for the year.

The General Purpose unrestricted cash at 30th June 2013 was \$291,000 and the total General Purpose Available Working Capital was \$788,000. This level provides Council with sufficient short term financial flexibility to address any essential works.

CASH & INVESTMENTS



Council's total cash and investments at 30th June 2013 were \$7,034,000 compared to \$6,553,000 at 30th June 2012.

Total cash and investments held include:-

	<u>2012</u> \$'000	<u>2012</u> \$'000
Externally restricted cash and investments:-		
Unexpended Specific Purpose Grants & Contributions	84	99
Water Fund Cash	1,081	1,035
Sewerage Fund Cash	1,911	1,714
Other	80	67
Internally restricted cash:-		
General Fund Reserves	<u>3,587</u>	<u>3,131</u>
	6,743	6,046
Unrestricted Cash – General Purposes	<u>291</u>	<u>507</u>
Total Cash and Investments	<u>7,034</u>	<u>6,553</u>

RESTRICTED CASH ASSETS

Externally Restricted Funds

Sewerage Fund restricted cash is now \$1,911,000 and restricted cash for Water Fund is \$1,081,000. Unspent Specific Purpose Grants and Contributions of \$84,000 were also held as externally restricted cash at 30th June 2013.

In accordance with Section 409 of the Local Government Act, this money must be held as cash at bank or on investment until it is spent for the purpose for which it was received. Section 410 of the Act allows these restricted funds to be lent for other purposes subject to approval by the Minister.

Internally Restricted Cash (Reserves)

Council held internally restricted cash backed reserves totalling \$3,587,000 at 30th June 2013.

These funds were set aside **at Council's discretion** for:

- Employee Leave Entitlements - \$660,000.
- Infrastructure and Plant Replacement - \$1,331,000.
- Residential Housing - \$110,000
- Carry over of Financial Assistance Grant received in advance - \$1,039,000
- Carry over of 2013 Budgeted Work - \$447,000

THE CASH FLOW STATEMENT

The statement shows a net increase in cash for the year of \$1,656,000 and Cash Funds held at 30 June 2013 of \$4,154,000. In addition, Council held investments of \$2,880,000 which do not qualify for disclosure as "cash" in the Cash Flow Statement either because they are investment securities or because they were invested for more than 90 days.

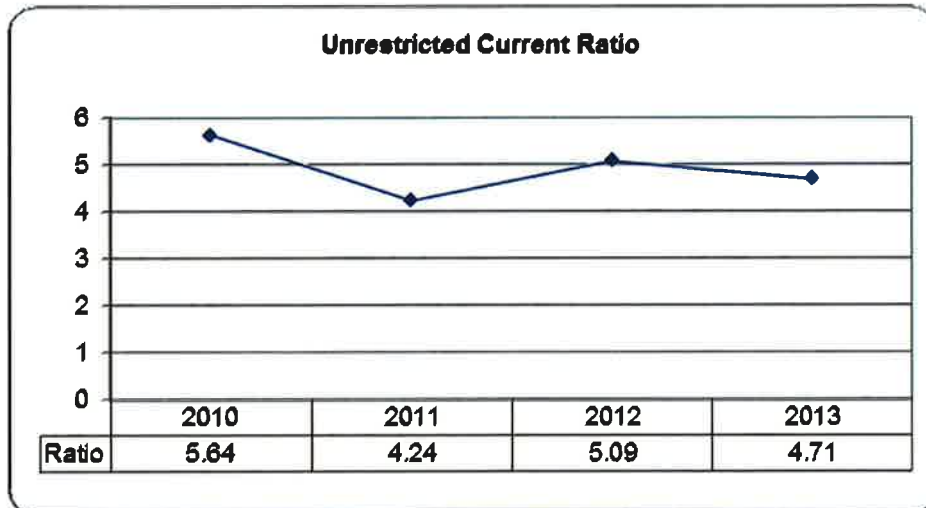
Sources of funds in 2013 included a cash surplus from operations of \$2,800,000, proceeds from real estate sales of \$93,000 and net investment redemptions of \$1,189,000.

Applications of funds included the net cost of new and renewed assets of \$2,304,000 and loan repayments of \$122,000.

PERFORMANCE INDICATORS

The financial report shows a number of financial indicators in Note 13:-

Liquidity

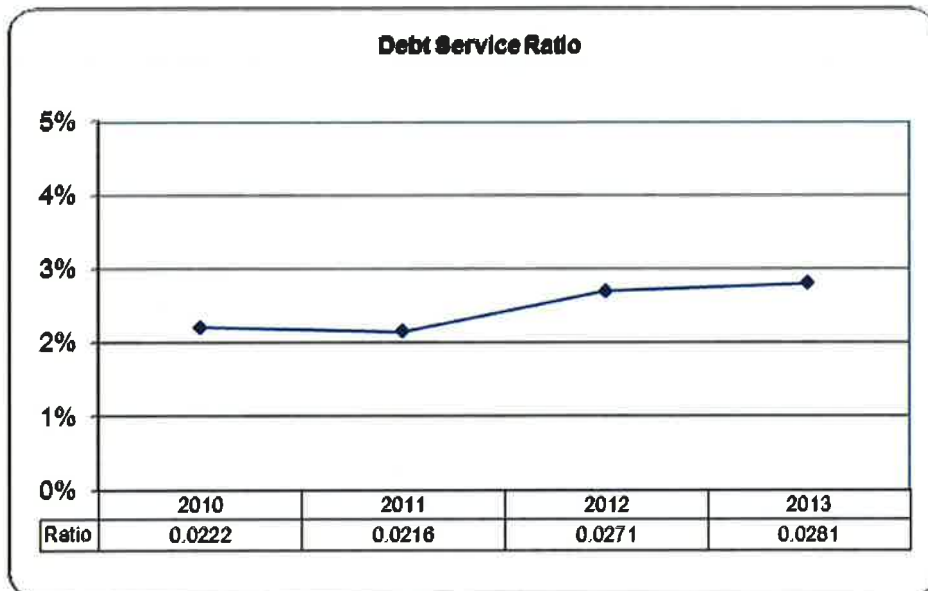


The unrestricted current ratio is an indicator of the adequacy of working capital and the ability to satisfy the short term obligations of the consolidated Council. All externally restricted current assets and current liabilities are excluded in the calculation of the ratio, as are amounts not expected to be settled in the next year. The ratio shows Unrestricted Current Assets (\$4,978,000) at 4.71 times Unrestricted Current Liabilities (\$1,056,000).

For the Local Government sector a ratio of 2 times or better is regarded as good and the recent T Corp financial sustainability report on NSW Local Government adopted a ratio of 1.5 times as the benchmark.

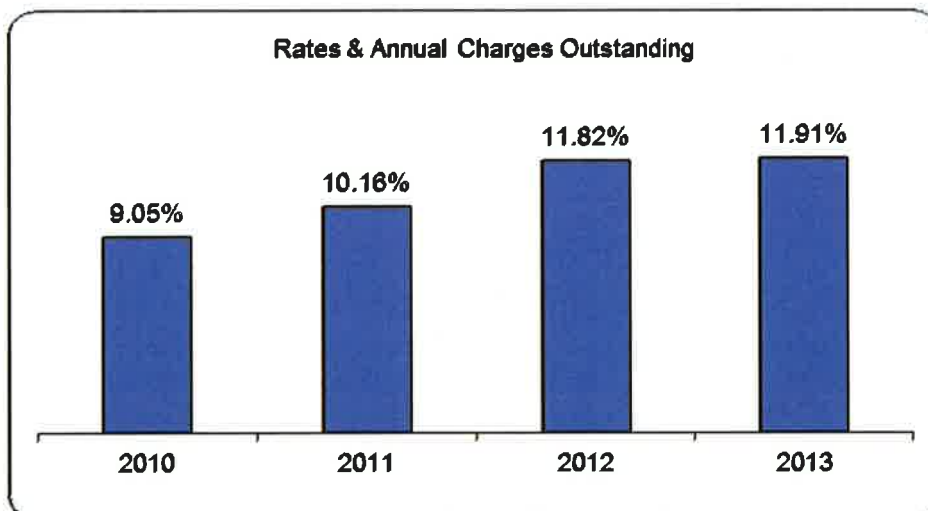
Based on the projections contained in Council's long term financial plan the ratio will remain above 2x for the next ten years.

Debt Servicing Cost



The debt servicing cost ratio shows 2.81% of ordinary revenue is committed to the repayment of external debt. The debt servicing costs of the consolidated fund for 2012/13 were \$185,000. When the internal loan for the library is included the ratio is 3.5%.

Rate Arrears



Arrears of rates and annual charges at 30 June 2013 totalled \$284,000. The level of outstanding rates remains relatively high at 11.91% of collectable rates and arrears.

Building and Infrastructure Renewals Ratio

This ratio is an indicator of the rate of expenditure on asset renewals as compared to the depreciation of the assets (65%). The ratio gives a comparison of the rate of renewal compared to the consumption (in replacement cost terms) of the infrastructure assets.

SPECIAL PURPOSE FINANCIAL REPORTS

The Special Purpose Financial Reports comprise operating and financial position statements of Council's declared business activities (Water & Sewerage). These reports are prepared for the purpose of fulfilling the requirements of National Competition Policy reporting. They show the operating results for those activities after including a notional tax expense, equivalent to the corporate tax rate of 30%.

OTHER MATTERS

The records of Council were well maintained and up to date and we did not note, during the conduct of the audit, any specific non compliance, with Division 2 of Chapter 13 of the Local Government Act or Part 9 of the Local Government (General) Regulation.

We extend our thanks to your General Manager and staff for their co-operation during the course of our audit.

CONCLUSION

There was a net increase of \$58,000 in unrestricted and internally restricted funds for the year and Council's liquidity position remains good with \$291,000 of unrestricted cash and \$2.5m of internally restricted cash (plus the \$1M in advance instalments of the Financial Assistance Grant).

Council's immediate financial position is satisfactory and based on budget projections it will remain so throughout 2014. The 2014 budget projects a total increase of unrestricted and internally restricted funds of \$6,000, however, an additional consumption of up to \$447,000 is likely to occur in respect of works carried over from 2013.

The projections for the next ten years indicate that current budget allocations will maintain current service levels for that period, except for local council roads. Council needs to develop scenarios that provide a balanced long term outlook between the budget allocations and the projected requirements for transport assets. The budgeted operating deficits over the next ten years indicate that, in the longer term, Council will face asset renewal funding issues.

Adams Kenneally White & Co

Dated: 16th October 2013
WAGGA WAGGA

ADAMS KENNEALLY WHITE & CO.
Chartered Accountants and Local Government Auditors

JERILDERIE SHIRE COUNCIL
Special Purpose Financial Reports
for the year ended 30th June 2013

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JERILDERIE SHIRE COUNCIL

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE 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 drawn up in accordance with the

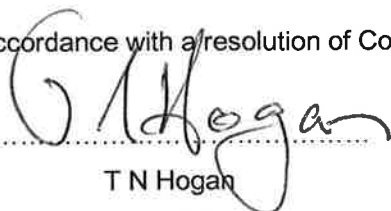
- NSW Government Policy Statement "*Application of National Competition Policy to Local Government*"
- Division of Local Government guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*".
- Local Government Code of Accounting Practice and Financial Reporting
- The NSW Office of Water guidelines.

To the best of our knowledge and belief, these reports

- present fairly the financial position and operating result for each of Council's declared Business Units for the year, and
- accord 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 24th September 2013



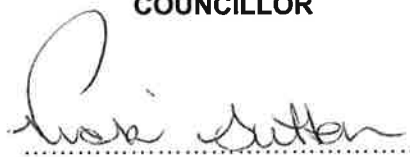
T N Hogan
MAYOR



R E McRae
COUNCILLOR



C C Moffitt
GENERAL MANAGER



V H Sutton
RESPONSIBLE ACCOUNTING OFFICER

JERILDERIE SHIRE COUNCIL

INCOME STATEMENT
WATER SUPPLY BUSINESS ACTIVITY
for the year ended 30th June 2013

	Notes	2013 '000	2012 '000	2011 '000
INCOME FROM CONTINUING OPERATIONS				
Access Charges	A4	278	266	248
User Charges	A4	118	107	90
Fees	A4	1	7	3
Interest Received	A4	59	65	52
Grants & Contributions - Operating	A4	5	6	6
Gain on Disposal of Assets	A5	-		
Other Operating Revenues	A4		1	
TOTAL		<u>461</u>	<u>452</u>	<u>399</u>
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	A3	178	77	77
Materials & Contracts	A3	157	104	181
Borrowing Costs	A3	-		
Depreciation & Amortisation	A3	120	127	123
Water Purchase Charges		6	3	4
Loss on Disposal of Assets	A5	14	3	
NCP Tax Equivalents	1			
Debt Guarantee Fee		-		
Other Operating Expenses	A3	25	109	47
TOTAL		<u>500</u>	<u>423</u>	<u>432</u>
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS		<u>(39)</u>	29	(33)
Grants & Contributions - Capital	A4	-		
RESULT FROM CONTINUING OPERATIONS		<u>(39)</u>	29	(33)
Discontinued Operations				
SURPLUS (DEFICIT) BEFORE TAX		<u>(39)</u>	29	(33)
Corporate Taxation Equivalent	1	-	9	-
SURPLUS (DEFICIT) FOR YEAR		<u>(39)</u>	20	(33)
Add: Accumulated Surplus brought forward		2,026	1,997	2,030
<i>Adjustments for amounts unpaid</i>				
NCP Tax Equivalents retained	1			
Debt Guarantee Fee retained	1			
Corporate Tax Equivalent retained	1	-	9	
Less: Dividends Paid	1			
ACCUMULATED SURPLUS		<u>1,987</u>	<u>2,026</u>	<u>1,997</u>
RATE OF RETURN ON CAPITAL		1 NIL	0.81%	Nil
NOTIONAL SUBSIDY FROM COUNCIL		1 N/A	N/A	N/A
<i>Calculation of Dividend Payable during next financial year</i>				
Surplus after tax		-39	20	-33
Less: Capital grants & contribs from LWUs			6	
Surplus for dividend calculation purposes		<u>0</u>	<u>14</u>	<u>0</u>
Dividend calculated from surplus		0	7	0

This Statement is to be read in conjunction with the attached Notes.

JERILDERIE SHIRE COUNCIL

INCOME STATEMENT
SEWERAGE BUSINESS ACTIVITY
for the year ended 30th June 2013

	Notes	2013 '000	2012 '000	2011 '000
INCOME FROM CONTINUING OPERATIONS				
Access Charges	A4	222	229	229
User Charges	A4	14	12	10
Liquid Trade Waste Charges	A4	-		
Fees	A4	-		
Interest Received	A4	95	109	93
Grants & Contributions - Operating	A4	5	5	6
Gain on Disposal of Assets	A5	-		
Other Operating Revenues	A4	-	2	
TOTAL		336	357	338
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	A3	79	55	50
Materials & Contracts	A3	69	92	95
Borrowing Costs	A3	-		
Depreciation & Amortisation	A3	96	92	89
Loss on Disposal of Assets	A5	-		
NCP Tax Equivalents	1			
Debt Guarantee Fee		-		
Other Operating Expenses	A3	16	27	20
TOTAL		260	266	254
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS		76	91	84
Grants & Contributions - Capital	A4	-		
RESULT FROM CONTINUING OPERATIONS		76	91	84
Discontinued Operations				
SURPLUS (DEFICIT) BEFORE TAX		76	91	84
Corporate Taxation Equivalent	1	23	27	25
SURPLUS (DEFICIT) FOR YEAR		53	64	59
Add: Accumulated Profits brought forward		2,923	2,832	2,748
Adjustments for amounts unpaid				
NCP Tax Equivalents retained	1			
Debt Guarantee Fee retained				
Corporate Tax Equivalent retained		23	27	25
Less: Dividends Paid	1			
ACCUMULATED SURPLUS		2,999	2,923	2,832
RATE OF RETURN ON CAPITAL		2.09%	2.52%	2.53%
NOTIONAL SUBSIDY FROM COUNCIL		N/A	N/A	N/A
<i>Calculation of Dividend Payable during next financial year</i>				
Surplus after tax		53	64	59
Less: Capital grants & contribs from LWUs		5	5	
Surplus for dividend calculation purposes		48	59	59
Dividend calculated from surplus		24	30	30

This Statement is to be read in conjunction with the attached Notes.

JERILDERIE SHIRE COUNCIL

STATEMENT OF FINANCIAL POSITION WATER SUPPLY BUSINESS ACTIVITY for the year ended 30th June 2013

	Notes	2013 '000	2012 '000
CURRENT ASSETS			
Cash & cash equivalents	A6	670	400
Investments	A6	411	635
Receivables	A7	110	105
Inventories	A8	18	19
Other	A8		
Non-current assets held for sale			
TOTAL CURRENT ASSETS		<u>1,209</u>	<u>1,159</u>
NON-CURRENT ASSETS			
Investments	A6		
Receivables	A7		
Inventories	A8		
Infrastructure, Property, Plant & Equipment	A9	3,582	3,581
Investment Property			
Other	A8		
TOTAL NON-CURRENT ASSETS		<u>3,582</u>	<u>3,581</u>
TOTAL ASSETS		<u>4,791</u>	<u>4,740</u>
CURRENT LIABILITIES			
Payables	A10		
Interest bearing liabilities	A10		
Provisions	A10		
TOTAL CURRENT LIABILITIES		<u> </u>	<u> </u>
NON-CURRENT LIABILITIES			
Payables	A10		
Interest bearing liabilities	A10		
Provisions	A10		
TOTAL NON CURRENT LIABILITIES		<u> </u>	<u> </u>
TOTAL LIABILITIES		<u> </u>	<u> </u>
NET ASSETS		<u>\$ 4,791</u>	<u>4,740</u>
EQUITY			
Accumulated Surplus		1,987	2,026
Asset Revaluation Reserve		2,804	2,714
TOTAL EQUITY		<u>\$ 4,791</u>	<u>4,740</u>

This Statement is to be read in conjunction with the attached Notes

JERILDERIE SHIRE COUNCIL

STATEMENT OF FINANCIAL POSITION SEWERAGE BUSINESS ACTIVITY for the year ended 30th June 2013

	Notes	2013 '000	2012 '000
CURRENT ASSETS			
Cash & cash equivalents	A6	631	649
Investments	A6	1,280	1,065
Receivables	A7	51	47
Inventories	A8		
Other	A8	28	29
Non-current assets held for sale			
TOTAL CURRENT ASSETS		<u>1,990</u>	<u>1,790</u>
NON-CURRENT ASSETS			
Investments	A6		
Receivables	A7		
Inventories	A8		
Infrastructure, Property, Plant & Equipment	A9	3,636	3,610
Investment Property			
Other	A8	136	163
TOTAL NON-CURRENT ASSETS		<u>3,772</u>	<u>3,773</u>
TOTAL ASSETS		<u>5,762</u>	<u>5,563</u>
CURRENT LIABILITIES			
Payables	A10		
Interest bearing liabilities	A10		
Provisions	A10		
TOTAL CURRENT LIABILITIES		<u> </u>	<u> </u>
NON-CURRENT LIABILITIES			
Payables	A10		
Interest bearing liabilities	A10		
Provisions	A10		
TOTAL NON CURRENT LIABILITIES		<u> </u>	<u> </u>
TOTAL LIABILITIES		<u> </u>	<u> </u>
NET ASSETS		<u>\$ 5,762</u>	<u>5,563</u>
EQUITY			
Accumulated Surplus		2,999	2,923
Asset Revaluation Reserve		2,763	2,640
TOTAL EQUITY		<u>\$ 5,762</u>	<u>5,563</u>

This Statement is to be read in conjunction with the attached Notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

JERILDERIE SHIRE COUNCIL

**NOTES TO AND FORMING PART OF THE
SPECIAL PURPOSE FINANCIAL STATEMENTS**
for the year ended 30 June 2013

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. The Special Purpose Financial Statements

These financial statements are a Special Purpose Financial Report prepared for use by the Council and the Division of Local Government. They have been prepared to report the results of business units determined by Council in accordance with the requirements of National Competition Policy guidelines, and the specific requirements relating to Best Practice Management of water and sewer business units. For the purposes of these statements, the Council is not a reporting not-for-profit entity.

In preparing these reports, each business unit has been viewed as a separate unit, and accordingly transactions between different business units, and between business units and other Council operations, have not been eliminated.

2. Basis of Accounting

2.1 Compliance

The financial reports comply with the Local Government Code of Accounting Practice and Financial Reporting, and with the principles of the June 1996 NSW Government Policy Statement "*Application of National Competition Policy to Local Government*", the Department of Local Government's July 1997 guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*" and the NSW Office of Water, Department of Environment, Climate Change and Water 2007 guidelines "*Best-Practice Management of Water Supply and Sewerage*".

Except where directed to the contrary by the above documents, the financial report also complies with all applicable Australian Accounting Standards and professional pronouncements, and is based on information consistent with that forming the basis of Council's general purpose Annual Financial Statements for the year.

2.2 Basis

The financial report has been prepared on the accrual basis of accounting and, except where specifically indicated in these Notes or in the Notes to the general purpose Annual Financial Statements, in accordance with the historical cost convention.

3. National Competition Policy

In accordance with the framework set out in the June 1996 NSW Government Policy Statement "*Application of National Competition Policy to Local Government*" and other guidelines and documentation in relation to this matter, Council has declared that the following are to be considered as Business Units:

Jerilderie Shire Council Water Supply

Established as a Special Rate Fund comprising the whole of the operations and assets of the dual water supply system servicing the township of Jerilderie.

Jerilderie Shire Council Sewerage Service

Established as a Special Rate Fund comprising the whole of the operations and assets of the sewerage reticulation and treatment system servicing the township of Jerilderie.

As the total operating revenues are less than \$2,000,000 both business activities are defined as 'Category 2' business units.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

Council has no 'Category 1' business units.

The Division of Local Government's July 1997 guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*" 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, rate of return on investments in business units and dividends paid. The NSW Office of Water, Department of Environment, Climate Change and Water's 2007 guidelines "*Best-Practice Management of Water Supply and Sewerage*" include specific requirements relating to the calculation and payment of "dividends" by water supply and sewerage business units.

3.1 Taxation Equivalent Payments

Council does not pay certain taxes and duties that are paid by equivalent private sector operations, but is liable for others. The Special Purpose Financial Reports disclose the effect of imputing these taxes to the declared business units at the several rates that would have applied to equivalent private sector operations. The NSW Office of Water's guidelines "*Best-Practice Management of Water Supply and Sewerage*" require that imputed amounts be paid into the general funds of the Council where it may be applied for any permitted purpose of the Local Government Act 1993 (as amended).

Details of the rates of each tax or duty applicable to each different business unit are set out in the table forming item 7 of this Note. The narration "applies" indicates that the tax or duty has in fact been paid to the taxing authority by the Business Unit, and that these costs have been included in actual Operating Expenses, and the narration "various" indicates that Council has based the calculation of imputed tax on the differing rates of tax or duty applicable to different purchases.

3.2 Council Rates, Charges & Fees

Council rates have been *imputed* in relation to all non-rateable land, and *applied* in relation to all rateable land, owned or exclusively used by all business units. Annual and User Charges, and Regulatory and Other Fees, have been *applied* in relation to all services supplied to business units by Council or other business units.

3.3 Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that Council's business units face equivalent commercial borrowing costs to private sector competitors. In order to calculate the debt guarantee fees, Council has determined the average differential between actual and commercial borrowing rates for each business unit.

3.4 Corporate Taxation Equivalent

In accordance with the Code of Local Government Accounting Practice and Financial Reporting, income taxation has been calculated on the Operating Result before Capital Amounts disclosed in the Statements of Financial Performance of the Special Purpose Financial Reports. No allowance has been made for non-deductible items, timing differences or carried forward losses. Australian Accounting Standard AASB 112 "Income Taxes" has not been applied.

3.5 Dividends Paid

In accordance with National Competition Policy guidelines, it is expected that business units will pay dividends to its owner, Council, equivalent to those paid by private sector competitors. In accordance with the Code of Local Government Accounting Practice and Financial Reporting, the rate of dividend paid has been expressed as a percentage of the Change in Net Assets Resulting from Operations after Taxation.

Council is permitted, but not required, to pay a dividend to the general funds of the Council from surpluses generated by water supply and sewerage operations. The maximum amount of such dividend permitted under the "*Best-Practice Management of Water Supply and Sewerage*" guidelines is set out at the foot of the relevant Statements of Financial Performance. Actual payment of the dividend is subject to compliance with the procedures set out in the guidelines.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

3.6 Return on Investment (Rate of Return)

The Policy statement states that Category 1 businesses "would be expected to generate a rate of return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field." In accordance with the Code of Accounting Practice, the rate of return on monopoly businesses such as water and sewerage services has been set at an amount sufficient to cover costs and replace assets needed to maintain services. For competitive markets, the rate of return has been set equal to or better than the return on Commonwealth 10 year bonds.

In accordance with the Code of Accounting Practice, the rate of return has been calculated as the Operating Result before Capital Amounts plus Interest Expense expressed as a percentage of the carrying value of Property, Plant & Equipment at the reporting date.

3.7 Notional Subsidy from Council

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, or accepts a lower rate of return on its investment in the business unit than would be acceptable to a private sector competitor.

In accordance with the Code of Accounting Practice, this amount has been calculated as the dollar difference between the required and actual rates of return.

4. Special Rate Funds

The Local Government Act 1993 (as amended) requires that moneys raised by way of Special Rates (or for Domestic Waste Management) be used only for those purposes, except for "dividends" payable in accordance with the "Best-Practice Management of Water Supply and Sewerage" guidelines, which also impose limits on the amounts payable. Accordingly, *imputed* amounts in excess of the permitted limits have been retained in those funds, and added back to Accumulated Surplus.

For Business Units not involving Special Rate Funds, *imputed* amounts have been transferred to Council's General Fund and are available to Council for utilisation for other purposes.

All such amounts have been eliminated in the course of preparation of the Council's general purpose Annual Financial Statements.

5. Other Accounting Policies and Notes

Other accounting policies relating to the determination of revenues and expenses, and assets and liabilities, not specifically referred to above are reported in Note 1 to the Council's Annual Financial Statements, and should be read in conjunction with this Note. Note references in the Statements of Financial Performance of Business Activities and the Statement of Financial Position of Business Activities that are prefixed "A" refer to the Notes to the Annual Financial Statements.

6. Rounding

In accordance with the Code of Accounting Practice all amounts shown in these statements are in Australian currency and, other than Notes 2 & 3, have been rounded to the nearest thousand dollars; amounts in Notes 2 & 3 are shown in whole dollars to meet the requirements of the NSW Office of Water.

7. National Competition Policy Notional Payments

The table forming part of this Note immediately follows.

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

NOTE 1 Table - NATIONAL COMPETITION POLICY NOTIONAL PAYMENTS
for the year ended 30th June 2013

	BUSINESS ACTIVITIES			
	WATER		SEWER	
	2013	2012	2013	2012
Category	2	2	2	2
TAXATION EQUIVALENT PAYMENTS	<i>Rate</i>	<i>Rate</i>	<i>Rate</i>	<i>Rate</i>
Land Tax	<406000	<396000	<406000	<396000
Stamp Duty				
Payroll Tax	<689000	<678000	<689000	<678000
Fringe Benefits Tax	Applies	Applies	Applies	Applies
COUNCIL RATES, CHARGES & FEES	See Note 1, Item 3.2			
LOAN & DEBT GUARANTEE FEES	3.00%	3.00%	3.00%	3.00%
CORPORATE TAXATION EQUIVALENT	30%	30%	30%	30%
DIVIDENDS PAID	N/A	N/A	N/A	N/A
RATE OF RETURN ON CAPITAL				
Required Rate of Return				
Actual Rate of Return	NIL	0.81%	2.09%	2.53%

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE STATEMENTS for the year ended 30th June 2013

Note 2 - BEST PRACTICE MANAGEMENT DISCLOSURES - WATER SUPPLY

		2013
<i>Values shown in this Note are expressed in WHOLE DOLLARS</i>		\$
Calculation and Payment of Tax-Equivalents		
(i) Calculated Tax Equivalents		0
(ii) No of assessments multiplied by \$3/assessment		1,557
(iii) Amounts payable for Tax Equivalents		0
(iv) Tax Equivalents paid		0
Dividend from Surplus		
(i) 50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage guidelines.)</i>		0
(ii) No of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment		15,570
(iii) Cumulative Surplus before Dividends for 3 years to 30 June 2013, less cumulative dividends paid for 2 years to 30 June 2012		14,000
(iv) Maximum Dividend from Surplus (least of (i), (ii) and (iii))		0
(v) Dividend paid from Surplus		0
Required Outcomes for 6 Criteria		
(i) Completion of Strategic Business Plan (including Financial Plan)		YES
(ii) Pricing with full cost-recovery, without significant cross subsidies (Item 2(a) in Table 1 on page 22 of Best Practice guidelines)		YES
Complying charges (Item 2(b) in Table 1)		NO
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 & Demand Management Implemented		NO
(iv) Sound Drought Management implemented		NO
(v) Complete Performance Reporting Form (by 15 September each year)		NO
(vi) Complete Integrated Water Cycle Management Evaluation		NO
(vii) Complete and implement Integrated Water Cycle Management Strategy		NO
National Water Initiative (NWI) Financial Performance Indicators		
NWI F1 Total Revenue (Water)	\$'000	406
NWI F4 Residential Revenue from Usage Charges (Water)	%	24.05
NWI F9 Written Down Replacement Cost of Fixed Assets (Water)	\$'000	3,556
NWI F11 Operating Cost (OMA) (Water)	\$'000	341
NWI F14 Capital Expenditure (Water)	\$'000	46
NWI F17 Economic Real Rate of Return (Water)	%	-1.55
NWI F20 Capital Works Grants (Water)	\$'000	

JERILDERIE SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE STATEMENTS for the year ended 30th June 2013

Note 3 - BEST PRACTICE MANAGEMENT DISCLOSURES - SEWERAGE

		2013
<i>Values shown in this Note are expressed in WHOLE DOLLARS</i>		\$
Calculation and Payment of Tax-Equivalents		
(i) Calculated Tax Equivalents		23
(ii) No of assessments multiplied by \$3/assessment		1,362
(iii) Amounts payable for Tax Equivalents		23
(lesser of (i) and (ii))		
(iv) Tax Equivalents paid		0
Dividend from Surplus		
(i) 50% of Surplus before Dividends		24,000
<i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage guidelines.)</i>		
(ii) No of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment		13,597
(iii) Cumulative Surplus before Dividends for 3 years to 30 June 2010, less cumulative dividends paid for 2 years to 30 June 2009		166,000
(iv) Maximum Dividend from Surplus		13,597
(least of (i), (ii) and (iii))		
(v) Dividend paid from Surplus		0
Required Outcomes for 4 Criteria		
(i) Complete current Strategic Business Plan (including Financial Plan)		YES
(ii) Pricing with full cost-recovery, without significant cross subsidies		YES
(Item 2(a) in Table 1 on page 18 of Best practice guidelines)		
Complying charges (a) Residential (Item 2(c) in Table 1)		NO
(b) Non-Residential (Item 2(c) in Table 1)		NO
(c) Trade Waste (Item 2(d) in Table 1)		NO
DSP with Commercial Developer Charges (Item 2(e) in Table 1)		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. Complete Integrated Water Cycle Management Evaluation		NO
(iv) b. Complete and implement Integrated Water Cycle Management Strategy		NO
National Water Initiative (NWI) Financial Performance Indicators		
NWI F2 Total Revenue (Sewerage)	\$'000	244
NWI F10 Written Down Replacement Cost of Fixed Assets (Sewerage)	\$'000	3,519
NWI F12 Operating Cost (Sewerage)	\$'000	148
NWI F15 Capital Expenditure (Sewerage)	\$'000	0
NWI F18 Economic Real Rate of Return (Sewerage)	%	0
NWI F27 Capital Works Grants (Sewer)	\$'000	0
NWI F3 Total Income (Water & Sewerage)	\$'000	636
NWI F8 Revenue from Community Service Obligations (Water & Sewerage)	%	2
NWI F16 Capital Expenditure (Water & Sewerage)	\$'000	46
NWI F19 Economic Real Rate of Return (Water & Sewerage)	%	-1
NWI F20 Dividend (Water & Sewerage)	\$'000	0
NWI F21 Dividend Payout Ratio (Water & Sewerage)	%	0
NWI F22 Net Debt to Equity (Water & Sewerage)	%	-28
NWI F23 Interest Cover (Water & Sewerage)	times	0
NWI F24 Net Profit after Tax (Water & Sewerage)	\$'000	37
NWI F25 Community Service Obligations (Water & Sewerage)	\$'000	10

INDEPENDENT AUDIT REPORT

JERILDERIE SHIRE COUNCIL

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying **special purpose financial statements** of **Jerilderie Shire Council** for the year ended 30th June 2013. The financial statements include the financial statements of the business activities of the Council, comprising, Income Statements of Business Activities, Statements of Financial Position of Business Activities, and a summary of significant accounting policies and other explanatory notes and the Statement by Council 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 accounting policies described in Note 1 to the financial statements and have determined that the accounting policies therein described are appropriate to meet the financial reporting requirements to the Division of Local Government of the Department of Premier & Cabinet. This includes responsibility for such internal control as Council determines necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 about whether the financial statements are free from material misstatement. We have not examined the best practice management disclosures in Note 2 for Water Supply and Note 3 for Sewerage Services in respect of best practice required outcomes and National Water Initiative Financial Performance Indicators and accordingly we express no opinion on them. Also our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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**Chartered
Accountants**



Liability limited by a scheme
approved under Professional
Standards Legislation.

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 report, 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 report.

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

Opinion


In our opinion, the Special Purpose Financial Statements of **Jerilderie Shire Council** are presented fairly, in all material respects, 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 special purpose financial statements have been prepared for the purpose of fulfilling the requirements of National Competition Policy reporting. As a result they may not be suitable for another purpose.

The special purpose financial reports have been prepared for distribution to the Council the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the report was prepared.

Dated: 16th October 2013
Wagga Wagga



ADAMS KENNEALLY WHITE & CO
Chartered Accountants

JERILDERIE SHIRE COUNCIL

Special Schedules

for the year ended 30th June 2013

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JERILDERIE SHIRE COUNCIL
SPECIAL SCHEDULE NO 1
NET COST OF SERVICES
for the year ended 30th June 2013

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations (non-capital)	Income from continuing operations (capital)	NET COST OF SERVICES
GOVERNANCE	171			171
ADMINISTRATION	2,236	277		1,959
PUBLIC ORDER & SAFETY				
Fire Service Levy, Fire Protection, Emergency Services	221	140	159	(78)
Beach Control				-
Enforcement of Regulations				-
Animal Control	12	1		11
Other				-
Total Public Order & Safety	233	141	159	(67)
HEALTH	20	9		11
ENVIRONMENT				
Noxious Plants and Insect / Vermin Control	61	21		40
Other Environmental Protection	2			2
Solid Waste Management	58	93		(35)
Street Cleaning	17			17
Drainage	39			39
Stormwater Management				-
Total Environment	177	114	-	63
COMMUNITY SERVICES & EDUCATION				
Administration & Education	6	3		3
Social Protection (welfare)				-
Aged Persons & Disabled	34		42	(8)
Childrens Services	1	1		-
Total Community Services & Education	41	4	42	(5)
HOUSING & COMMUNITY AMENITIES				
Public Cemeteries	31	11		20
Public Conveniences	38			38
Street Lighting	43	21		22
Town Planning	1	16		(15)
Other Community Amenities	50	13		37
Total Housing & Community Amenities	163	61	-	102
WATER SUPPLIES	430	376		54
SEWERAGE SERVICES	221	227		(6)

JERILDERIE SHIRE COUNCIL

SPECIAL SCHEDULE NO 1 - NET COST OF SERVICES (cont) for the year ended 30th June 2013

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations (non-capital)	Income from continuing operations (capital)	NET COST OF SERVICES
RECREATION & CULTURE				
Public Libraries	160	8	13	139
Museums	9			9
Art Galleries				-
Community Centres and Halls	106	6	4	96
Performing Arts Venues				-
Other Performing Arts				-
Other Cultural Services	31	2	(29)	58
Sporting Grounds	220	10	29	181
Swimming Pools	100	7		93
Parks & Gardens, Lakes	133			133
Other Sport & Recreation				-
Total Recreation & Culture	759	33	17	709
FUEL & ENERGY				
				-
AGRICULTURE				
	6	5		1
MINING, MANUFACTURING & CONSTRUCTION				
Building Control		10		(10)
Other Mining Manufacturing & Construction	22	57		(35)
Total Mining Manufacturing & Construction	22	67	-	(45)
TRANSPORT & COMMUNICATION				
Urban Roads: Local	361			361
Urban Roads: Regional				-
Sealed Rural Roads: Local	541		452	89
Sealed Rural Roads: Regional	949	1,119	113	(283)
Unsealed Rural Roads: Local	1,364	171		1,193
Unsealed Rural Roads: Regional				-
Bridges - Urban Roads: Local				-
Bridges - Sealed Rural Roads: Local	52			52
Bridges - Unsealed Rural Roads: Local				-
Bridges on Regional Roads				-
Parking Areas				-
Footpaths	18	26	42	(50)
Aerodromes	153			153
Other Transport & Communication	1,081	1,025	51	5
Total Transport & Communication	4,519	2,341	658	1,520
ECONOMIC AFFAIRS				
Camping Areas & Caravan Parks				-
Other Economic Affairs	645	764		(119)
Total Economic Affairs	645	764	-	(119)
TOTALS - FUNCTIONS				
	9,643	4,419	876	4,348
General Purpose Revenues				3,789
Equity accounted income (loss)				3,789
NET OPERATING RESULT FOR YEAR				(559)

JERILDERIE SHIRE COUNCIL
SPECIAL SCHEDULE NO 2 (1)
STATEMENT OF LONG TERM DEBT (ALL PURPOSE)
for the year ended 30th June 2013

\$'000

Classification of Debt	Principal Outstanding at beginning of year		New Loans Raised	Debt Redemption		Tfrs to Sinking Funds	Interest applicable for year	Principal outstanding at end of year	
	Current	Non-Current		From Revenue	Sinking Funds			Current	Non-Current
LOANS (by source)									
Commonwealth Government		-							-
Treasury Corporation		-							-
Other State Government		-							-
Public Subscription		-							-
Financial Institutions	122	743		122			63	129	743
Other		-							-
Total Loans	122	743	-	122	-	-	63	129	743
OTHER LONG TERM DEBT									
Ratepayers' Advances		-							-
Government Advances		-							-
Finance Leases		-							-
Deferred Payment		-							-
Other		-							-
Total Other Long Term Debt	-	-	-	-	-	-	-	-	-
TOTAL LONG TERM DEBT	122	743	-	122	-	-	63	129	743

This Schedule excludes Internal Loans and refinancing of existing borrowings.

JERILDERIE SHIRE COUNCIL

**SPECIAL SCHEDULE NO 2 (2)
STATEMENT OF INTERNAL LOANS
for the year ended 30th June 2013**

\$'000

SUMMARY OF INTERNAL LOANS

Borrower (by purpose)	Amount Originally Raised	Total Repaid During Year Principal & Interest	Principal Outstanding at End of Year
General Water	285	37	164
Sewerage Domestic Waste Management Gas Other			
Totals	285	37	164

The above summary of internal loans represents the total of Council's internal loans categorised according to the purpose of the borrower. Details of individual internal loans are set out below.

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Maturity Date	Rate of Interest	Amount Originally Raised	Paid During Year - Princ and Interest	Principal Outstanding End of Year
General Fund - Library Construction	Sewer Fund	11/09/2008	31/03/2009	10	31/03/2019	Variable	285	37	164
Totals							285	37	164

JERILDERIE SHIRE COUNCIL

**SPECIAL SCHEDULE NO 3
WATER SUPPLY OPERATIONS
(Gross including Internal Transactions)
for the year ended 30th June 2013**

<u>A. EXPENSES & REVENUES</u>	2013	2012
<u>EXPENSES</u>	\$'000	\$'000
1.a. Management - Administration	40	35
b. - Engineering & Supervision	28	23
2 Operations		
a. - Dams & Weirs - Operation Expenses		
b. - Maintenance Expenses		
c. - Mains - Operation Expenses	41	2
d. -Maintenance Expenses	48	50
e. - Reservoirs - Operation Expenses		
f. - Maintenance Expenses		1
g. - Pumping Stations - Operation Expenses		
h. - Energy Costs	55	40
l. - Maintenance Expenses	18	14
j. - Treatment - Operation Expenses	1	4
k. - Chemical Costs	24	18
l. - Maintenance Expenses	73	74
m. - Other - Operation Expenses	3	3
n. - Maintenance Expenses	4	5
o. - Purchase of Water	6	3
3.a. Depreciation - System Assets	119	126
b. - Plant & Equipment	1	1
4.a. Miscellaneous - Interest expenses		
b. - Revaluation decrements		
c. - Other	25	21
c. - NCP Tax & Other Equivalents	-	
d. - Impairment system assets		
e. - Impairment plant and equipment		
f. - Aboriginal Communities Water & Sewerage Program		
5 Total Expenses	486	420
<u>REVENUE</u>		
6 Residential Charges		
a. - Access (including rates)	199	194
b. - User Charges	63	57
7 Non-Residential Charges		
a. - Access (including rates)	79	72
b. - User Charges	55	50
8 Extra Charges	4	3
9 Interest income	55	62
10 Other Income	1	8
10a. - Aboriginal Communities Water & Sewerage Program		
11.a. Grants - Acquisition of Assets		
b. - Pensioner Rebates	5	6
c. - Other		
12.a. Contributions - Developer Charges		
b. - Developer Provided Assets		
c. - Other Contributions		
13 Total Revenues	461	452
14 Gain (Loss) on Disposal of Assets	(14)	(3)
15 OPERATING RESULT	(39)	29
15a. Operating Result before Grants for Acquisition of Assets	(39)	29

JERILDERIE SHIRE COUNCIL

SPECIAL SCHEDULE NO 3 - WATER SUPPLY OPERATIONS (cont)

	2013 \$'000	2012 \$'000
<u>B. CAPITAL TRANSACTIONS</u>		
<u>Non - Operating Expenditure</u>		
16 Acquisition of Fixed Assets		
a. - New assets for improved standards		
b. - New assets for growth		12
c. - Renewals	46	19
d. - Plant & Equipment		
17 Repayment of Debt		
a. - Loans		
b. - Advances		
c. - Finance Leases		
18 Transfers to Sinking Funds		
19 Total Non-Operating Expenditure	46	31
<u>Non-Operating Funds Employed</u>		
20 Proceeds from Disposal of Assets		
21 Borrowings Utilised		
a. - Loans		
b. - Advances		
c. - Finance Leases		
22 Transfers from Sinking Funds		
23 Total Non-Operating Funds Employed	-	-
<u>C. RATES & CHARGES</u>		
24 Number of Assessments		
a. - Residential (occupied)	365	
b. - Residential (unoccupied - vacant land)	26	
c. - Non-Residential (occupied)	98	
d. - Non -Residential (unoccupied - vacant land)	30	
25 Number of ETs for which Developer Charges were		ET
26 Total Amount of Pensioner Rebates	10	\$'000
<u>D. BEST PRACTICE ANNUAL CHARGES & DEVELOPER CHARGES</u>		
27 Annual Charges		
a	Does Council have best-practice water supply annual charges and usage charges?	<input checked="" type="checkbox"/> Yes
	If Yes, go to 28a.	
	If No, has Council removed land value from access charges (i.e. rates)	<input type="checkbox"/>
b	Cross subsidy from residential customers using less than allowance	
c	Cross subsidy to non-residential customers	
d	Cross subsidy to large connections in unmetered supplies	
28 Developer Charges		
a	Has Council completed a water supply Development Servicing Plan?	<input type="checkbox"/> No
b	Total cross-subsidy in water supply developer charges	
29 TOTAL OF CROSS SUBSIDIES		-

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.

JERILDERIE SHIRE COUNCIL

SPECIAL SCHEDULE NO 4 WATER SUPPLY - STATEMENT OF FINANCIAL POSITION (Gross including Internal Transactions) for the year ended 30th June 2013

	<u>Current</u> \$'000	<u>Non-Current</u> \$'000	<u>Total</u> \$'000
<u>ASSETS</u>			
30 Cash and Investments			
a. - Developer Charges			-
b. - Specific Purpose Grants			-
c. - Accrued Leave			-
d. - Unexpended Loans			-
e. - Sinking Funds			-
f. - Other	1,081		1,081
31 Receivables			
a. - Specific Purpose Grants			-
b. - Rates & Availability Charges	110		110
c. - User charges			-
d. - Other			-
32 Inventories	18		18
33 Property, Plant & Equipment			
a. - System Assets		3,580	3,580
b. - Plant & Equipment		2	2
34 Other			-
35 Total Assets	1,209	3,582	4,791
<u>LIABILITIES</u>			
36 Bank Overdraft			-
37 Creditors			-
38 Borrowings			
a. - Loans			-
b. - Advances			-
c. - Finance Leases			-
39 Provisions			
- Tax Equivalents			-
a. - Dividend	-		-
b. - Other			-
40 Total Liabilities	-	-	-
41 NET ASSETS COMMITTED	1,209	3,582	4,791
<u>EQUITY</u>			
42 Accumulated Surplus			1,988
43 Asset Revaluation Reserve			2,803
44 Total Equity			4,791
45 Current Replacement Cost of System Assets			8,215
46 Accumulated Current Cost Depreciation of System Assets			4,659
47 Written Down Current Cost of System Assets			3,556

JERILDERIE SHIRE COUNCIL

SPECIAL SCHEDULE NO 5 SEWERAGE SERVICE OPERATIONS (Gross including Internal Transactions) for the year ended 30th June 2013

<u>A. EXPENSES & REVENUES</u>	2013	2012
<u>EXPENSES</u>	\$'000	\$'000
1.a. Management - Administration	21	20
b. - Engineering & Supervision	15	14
2 Operations & Maintenance Expenses		
a. -Mains - Operation Expenses		
b. -Maintenance Expenses	5	5
c. - Pumping Stations - Operation Expenses		
d. - Energy Costs	9	8
e. - Maintenance Expenses	24	36
f. - Treatment - Operation Expenses		
g. - Chemical Costs		
h. - Energy Costs	6	9
i. - Effluent Management		
j. - Biosolids Management		
k. - Maintenance Expenses	64	67
l. - Other - Operation Expenses	4	4
m. - Maintenance Expenses		
3.a. Depreciation - System Assets	93	89
b. - Plant & Equipment	3	3
4.a. Miscellaneous - Interest expense		
b. - Revaluation decrements		
c. - Other	16	11
c. - NCP Tax & Other Equivalents	-	
d. - Impairment system assets		
e. - Impairment plant and equipment		
f. - Aboriginal Communities Water & Sewerage Program		
5 Total Expenses	260	266
<u>REVENUE</u>		
6 Residential Charges (including rates)	160	165
7 Non-Residential Charges		
a Access (including rates)	62	64
b User Charges	14	12
8 Trade Waste Charges		
a Annual Fees		
b User Charges		
c Excess Mass Charges		
Re-inspection charges		
9 Extra Charges	3	3
10 Interest income	92	106
11 Other Income		2
11a. Aboriginal Communities Water & Sewerage Program		
12.a. Grants - Acquisition of Assets		
b. - Pensioner Rebates	5	5
c. - Other		
13.a Contributions - Developer Charges		
b. - Developer Provided Assets		
c. - Other Contributions		
14 Total Revenues	336	357
15 Gain (Loss) on Disposal of Assets		
16 OPERATING RESULT	76	91
16.a. Operating Result before Grants for Acquisition of Assets	76	91

JERILDERIE SHIRE COUNCIL

SPECIAL SCHEDULE NO 5 - SEWERAGE SERVICE OPERATIONS (cont)

	2013 \$'000	2012 \$'000
<u>B. CAPITAL TRANSACTIONS</u>		
<u>Non - Operating Expenditure</u>		
17 Acquisition of Fixed Assets		
a. - New assets for improved standards		
b. - New assets for growth		
c. - Renewals		
d. - Plant & Equipment		
18 Repayment of Debt		
a. - Loans		
b. - Advances		
c. - Finance Leases		
19 Transfers to Sinking Funds	_____	_____
20 Total Non-Operating Expenditure	_____ -	_____ -
 <u>Non-Operating Funds Employed</u>		
21 Proceeds of Disposal of Assets		
22 Borrowings Utilised		
a. - Loans		
b. - Advances		
c. - Finance Leases		
23 Transfers from Sinking Funds	_____	_____
24 Total Non-Operating Funds Employed	_____ -	_____ -
 <u>C. RATES AND CHARGES</u>		
25 Number of Assessments		
a. - Residential (occupied)	335	
b. - Residential (unoccupied - vacant land)	14	
c. - Non-Residential (occupied)	95	
d. - Non-Residential (unoccupied - vacant land)	10	
26 Number of ETs for which Developer Charges were		ET
27 Total Amount of Pensioner Rebates	9	\$'000
 <u>D. BEST PRACTICE ANNUAL CHARGES & DEVELOPER CHARGES</u>		
28 Annual Charges		
Does Council have best-practice sewerage annual charges, usage charges and trade waste fees and charges?		<input type="checkbox"/> NO
If Yes, go to 29a.		
If No, has Council removed land value from access charges (i.e. rates)		<input type="checkbox"/> YES
b Cross subsidy to non-residential customers		_____
c Cross subsidy to trade waste dischargers		_____
29 Developer Charges		
a Has Council completed a sewerage Development Servicing Plan?		<input type="checkbox"/> NO
b Total cross-subsidy in sewerage developer charges		_____
30 TOTAL OF CROSS SUBSIDIES		_____ -

Councils which have not yet implemented best practice sewerage pricing and trade waste pricing should disclose cross subsidies in items 28b and 28c above. However, disclosure of cross-subsidies is **NOT** required where a Council has implemented best practice sewerage and liquid trade waste pricing and is phasing in such pricing over

JERILDERIE SHIRE COUNCIL

**SPECIAL SCHEDULE NO 6
SEWERAGE SERVICES - STATEMENT OF FINANCIAL POSITION
(Gross including Internal Transactions)
for the year ended 30th June 2013**

	<u>Current</u> \$'000	<u>Non-Current</u> \$'000	<u>Total</u> \$'000
<u>ASSETS</u>			
31 Cash and Investments			
a. - Developer Charges			-
b. - Specific Purpose Grants			-
c. - Accrued Leave			-
d. - Unexpended Loans			-
e. - Sinking Funds			-
f. - Other	1,911		1,911
32 Receivables			
a. - Specific Purpose Grants			-
b. - Rates & Availability Charges	51		51
c. - User charges			-
d. - Other			-
33 Inventories			-
34 Property, Plant & Equipment			
a. - System Assets		3,629	3,629
b. - Plant & Equipment		7	7
35 Other	28	136	164
36 Total Assets	<u>1,990</u>	<u>3,772</u>	<u>5,762</u>
<u>LIABILITIES</u>			
37 Bank Overdraft			-
38 Creditors			-
39 Borrowings			
a. - Loans			-
b. - Advances			-
c. - Finance Leases			-
40 Provisions			
- Tax Equivalents			-
a. - Dividend	-		-
b. - Other			-
41 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
42 NET ASSETS COMMITTED	<u>1,990</u>	<u>3,772</u>	<u>5,762</u>
<u>EQUITY</u>			
43 Accumulated Surplus			3,000
44 Asset Revaluation Reserve			2,762
45 Total Equity			<u>5,762</u>
46 Current Replacement Cost of System Assets			7,253
47 Accumulated Current Cost Depreciation of System Assets			3,734
48 Written Down Current Cost of System Assets			<u>3,519</u>

JERILDERIE SHIRE COUNCIL

**SPECIAL SCHEDULE NO 7
CONDITION OF PUBLIC WORKS
as at 30th June 2013**

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Estimated Annual Maintenance Expense '000	Program Maintenance Works for current year '000
	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>		<i>Note 9</i>				<i>Local Govt. Act 1993, Section 428 (2d)</i>		
Public Buildings	Council Offices	3%	43		2,600	636	1,964	3		21	21
	Works Depot	3%	36		3,417	399	3,018	3		6	6
	Halls	3%	58		2,131	780	1,351	3		24	24
	Houses	3%	27		2,087	349	1,738	3		15	15
	Museum	3%	15		663	258	405	3		8	8
	Library	3%			1,399	43	1,356	1		4	4
	Childcare Centres										
	Art Galley			201	9,552	2,022	7,530	4	900	50	50
	Amenities/Toilets	3%	380	-	21,849	4,487	17,362	4	900	128	128
	Subtotal										
Public Roads	Sealed Roads	1%	596		24,684	9,060	15,624	3		1,283	1,133
	Unsealed Roads	1%	969		29,570	11,693	17,877	3		565	410
	Sealed Roads										
	Structure	1.25%	52		4,165	2,311	1,854	4	700	12	12
	Bridges	3%	18		1,310	222	1,088	3		5	5
	Footpaths										
	Cycleways	5%	36		2,708	899	1,809	4	400	42	42
	Kerb & Gutter	5%	28		850	128	722	3		4	4
	Road Furniture										
	Subtotal			1,699	-	63,287	24,313	38,974		1,100	1,911
Other Structures	Structures not included in buildings	3%	1		55	7	48				

This Schedule is to be read in conjunction with the explanatory notes following.

JERILDERIE SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30th June 2013

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Estimated Annual Maintenance Expense '000	Program Maintenance Works for current year '000
	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>		<i>Note 9</i>				<i>Local Govt. Act 1993, Section 428 (2d)</i>		
Water	Treatment Plants	1%	22	-	1,609	989	620	3	-	83	83
	Water Connections										
	Bores	20%	12	-	62	37	25	3	-		
	Reservoirs	1%	24	-	2,419	1,450	969	3	-	33	33
	Dams										
	Hydrants										
	Stop Valves										
	Pipelines	1%	57	-	3,940	2,024	1,916	3	-	93	93
	Pump Stations	2%	4	-	185	159	26	3	-	29	29
		Subtotal		119	-	8,215	4,659	3,556		-	238
Sewerage	Pump Stations	1%	33	-	2,378	1,107	1,271	3	-	41	41
	Pipelines	1.25%	39	-	3,267	1,719	1,548	3	-	11	11
	Manholes										
	Air Vent Stacks										
	Treatment Works										
	Connections	1.25%	21	-	1,609	907	702	3	-	79	79
		Subtotal		93	-	7,254	3,733	3,521		-	131
Drainage Works	Retarding Basins										
	Outfalls										
	Conduits	1.25%	2	-	185	98	87	3	-		
	Inlet & Junction Pits	1.25%	1	-	62	30	32	3	-		
	Head Walls	1.25%	36	-	2,912	1,929	983	3	-		
	Outfall Structures										
	Converters										
	Subtotal		39	-	3,159	2,057	1,102		-	-	-
Total Classes - All Assets			2,331	-	103,819	39,256	64,563		2,000	2,408	2,103

This Schedule is to be read in conjunction with the explanatory notes following.

JERILDERIE SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30th June 2013

"SATISFACTORY" CONDITION OF PUBLIC ASSETS

In assessing the condition of Public Assets Council has had regard to the condition, function and location of each asset, based on the original design standard. Changes in standards or proposed or potential enhancements to the existing asset design standard have been ignored. Assets within each Asset Category have been assessed on an overall basis, recognising that an average standard of "satisfactory" may be achieved even though certain assets may be above or below that standard on an individual basis.

Council recognises that the standard that it considers to be "satisfactory" may be different from that adopted by other Councils.

The information contained in this Schedule comprises accounting estimates formulated in accordance with the NSW Local Government Code of Accounting Practice and Financial Reporting. Nothing contained within this Schedule may be

ASSET CONDITION

The following condition codes have been used in this Schedule.

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

JERILDERIE SHIRE COUNCIL

**SPECIAL SCHEDULE NO 8 - FINANCIAL PROJECTIONS
as at 30th June 2013**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Recurrent Budget											
Income from continuing operations	9	8	8	8	8	8	8	8	9	9	9
Expenses from continuing operations	10	9	9	9	10	10	10	10	10	10	11
Operating result from continuing operation	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(1)	(1)	(2)
Capital Budget											
New Works	3	3	3	3	3	3	3	3	3	3	3
Replacement of existing assets	3	3	3	3	3	3	3	3	3	3	3
Funded by											
- Loans											
- Asset Sales											
- Reserves											
- Grants/Contributions	1	2	1	1	1	1	1	1	1	1	1
- Recurrent revenue	3	2	3	3	4	4	4	4	3	3	4
- Other	4	4	4	4	5	5	5	5	4	4	5

Financial projections are in accordance with Council's Integrated Planning and Reporting framework.