

Wentworth Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

“The Shire on Two Rivers”



Wentworth Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2015

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Overview

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

(ii) Wentworth Shire Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 29 October 2015. Council has the power to amend and reissue these financial statements.

Wentworth Shire Council

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

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2015.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance & financial position.

Who uses the Financial Statements ?

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

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

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

More information

A review of Council's financial performance and position for the 14/15 financial year can be found at Note 28 of the financial statements.

Wentworth Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2015

Statement by Councillors and Management

made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

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

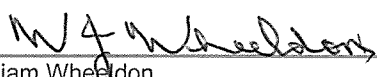
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 08 October 2015.



William Wheeldon
MAYOR



Melisa Hedrics
COUNCILLOR



Peter Kozlowski
GENERAL MANAGER



Simon Rule
RESPONSIBLE ACCOUNTING OFFICER

Wentworth Shire Council

Income Statement

for the financial year ended 30 June 2015

Budget ¹ 2015 \$ '000		Notes	Actual 2015	Actual 2014
Income from Continuing Operations				
Revenue:				
7,542	Rates & Annual Charges	3a	7,526	7,312
2,459	User Charges & Fees	3b	3,928	3,934
711	Interest & Investment Revenue	3c	1,027	1,008
872	Other Revenues	3d	770	559
7,560	Grants & Contributions provided for Operating Purposes	3e,f	7,916	5,723 ²
1,630	Grants & Contributions provided for Capital Purposes	3e,f	1,476	1,433
Other Income:				
100	Net gains from the disposal of assets	5	21	79
-	Net Share of interests in Joint Ventures & Associates using the equity method	19	-	-
20,874	Total Income from Continuing Operations		22,664	20,048
Expenses from Continuing Operations				
6,504	Employee Benefits & On-Costs	4a	7,550	7,249
99	Borrowing Costs	4b	50	48
4,783	Materials & Contracts	4c	6,064	5,515
7,071	Depreciation & Amortisation	4d	6,898	7,230
-	Impairment	4d	-	-
2,297	Other Expenses	4e	2,448	1,876
20,754	Total Expenses from Continuing Operations		23,010	21,918
120	Operating Result from Continuing Operations		(346)	(1,870)
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
120	Net Operating Result for the Year		(346)	(1,870)
120	Net Operating Result attributable to Council		(346)	(1,870)
-	Net Operating Result attributable to Non-controlling Interests		-	-
(1,510)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(1,822)	(3,303)

¹ Original Budget as approved by Council - refer Note 16

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

Wentworth Shire Council

Statement of Comprehensive Income

for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net Operating Result for the year (as per Income statement)		(346)	(1,870)
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	81,112	9,666
Total Items which will not be reclassified subsequently to the Operating Result		81,112	9,666
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		81,112	9,666
Total Comprehensive Income for the Year		80,766	7,796
Total Comprehensive Income attributable to Council		80,766	7,796
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Wentworth Shire Council

Statement of Financial Position
as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	22,883	15,789
Investments	6b	1,000	8,000
Receivables	7	2,905	3,919
Inventories	8	502	478
Other	8	94	114
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		27,384	28,300
Non-Current Assets			
Investments	6b	-	-
Receivables	7	-	-
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	358,835	277,204
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	-	-
Total Non-Current Assets		358,835	277,204
TOTAL ASSETS		386,219	305,504
LIABILITIES			
Current Liabilities			
Payables	10	2,436	3,473
Borrowings	10	197	211
Provisions	10	1,915	1,612
Total Current Liabilities		4,548	5,296
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	988	310
Provisions	10	277	258
Total Non-Current Liabilities		1,265	568
TOTAL LIABILITIES		5,813	5,864
Net Assets		380,406	299,640
EQUITY			
Retained Earnings	20	32,091	32,437
Revaluation Reserves	20	348,315	267,203
Council Equity Interest		380,406	299,640
Non-controlling Equity Interests		-	-
Total Equity		380,406	299,640

Wentworth Shire Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2015						
Opening Balance (as per Last Year's Audited Accounts)		32,437	267,203	299,640	-	299,640
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/14)		32,437	267,203	299,640	-	299,640
c. Net Operating Result for the Year		(346)	-	(346)	-	(346)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	81,112	81,112	-	81,112
Other Comprehensive Income		-	81,112	81,112	-	81,112
Total Comprehensive Income (c&d)		(346)	81,112	80,766	-	80,766
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		32,091	348,315	380,406	-	380,406

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		34,307	257,537	291,844	-	291,844
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		34,307	257,537	291,844	-	291,844
c. Net Operating Result for the Year		(1,870)	-	(1,870)	-	(1,870)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	9,666	9,666	-	9,666
Other Comprehensive Income		-	9,666	9,666	-	9,666
Total Comprehensive Income (c&d)		(1,870)	9,666	7,796	-	7,796
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		32,437	267,203	299,640	-	299,640

Wentworth Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015 \$ '000		Notes	Actual 2015	Actual 2014
Cash Flows from Operating Activities				
Receipts:				
7,509	Rates & Annual Charges		8,222	9,559
2,473	User Charges & Fees		4,232	4,275
723	Investment & Interest Revenue Received		1,191	1,099
9,191	Grants & Contributions		9,421	7,227
371	Other		2,232	1,243
Payments:				
(6,513)	Employee Benefits & On-Costs		(7,231)	(7,240)
(4,899)	Materials & Contracts		(7,319)	(6,265)
(100)	Borrowing Costs		(51)	(51)
(2,297)	Other		(3,830)	(57)
6,458	Net Cash provided (or used in) Operating Activities	11b	6,867	9,790
Cash Flows from Investing Activities				
Receipts:				
1,505	Sale of Investment Securities		67,000	57,000
519	Sale of Infrastructure, Property, Plant & Equipment		189	109
Payments:				
-	Purchase of Investment Securities		(60,000)	(56,000)
(11,160)	Purchase of Infrastructure, Property, Plant & Equipment		(7,626)	(6,848)
-	Purchase of Real Estate Assets		-	(3)
(9,136)	Net Cash provided (or used in) Investing Activities		(437)	(5,742)
Cash Flows from Financing Activities				
Receipts:				
2,400	Proceeds from Borrowings & Advances		920	-
Payments:				
(298)	Repayment of Borrowings & Advances		(256)	(229)
2,102	Net Cash Flow provided (used in) Financing Activities		664	(229)
(576)	Net Increase/(Decrease) in Cash & Cash Equivalents		7,094	3,819
8,147	plus: Cash & Cash Equivalents - beginning of year	11a	15,789	11,970
7,571	Cash & Cash Equivalents - end of the year	11a	22,883	15,789
Additional Information:				
plus:	Investments on hand - end of year	6b	1,000	8,000
Total Cash, Cash Equivalents & Investments			23,883	23,789

Please refer to Note 11 for information on the following:

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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n/a - not applicable

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

(iii) New and amended standards adopted by Council

There were no accounting standards that became mandatory this year which materially impacted on Council's financial statements.

(iv) Early adoption of Accounting Standards

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

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

(v) Basis of Accounting

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

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of non current assets (eg. Infrastructure, Property, Plant & Equipment and Investment Property) that are accounted for at fair valuation.

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

(vi) Changes in Accounting Policies

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(vii) Critical Accounting Estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Critical judgements in applying Council's accounting policies

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

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it and specific

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

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

Dividend Income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

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

(c) Principles of Consolidation

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

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

(i) The Consolidated Fund

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

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

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

- General Purpose Operations
- Wentworth Shire Council Water Supply Fund
- Wentworth Shire Council Sewerage Fund

(ii) The Trust Fund

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

purposes of or in accordance with the trusts relating to those monies.

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

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

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

(iii) Joint Arrangements

Council has no interest in any Joint Arrangements.

(iv) Associates

Council has no interest in any Associates.

(v) County Councils

Council is not a member of any County Councils.

(d) Leases

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

Finance Leases

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

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

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

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

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

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

Operating Leases

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

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

(e) Cash and Cash Equivalents

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

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

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

(f) Investments and Other Financial Assets

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

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

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

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

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

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

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

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

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

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the “Loans & Receivables” classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

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

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

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no

Wentworth Shire Council

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

Note 1. Summary of Significant Accounting Policies

reversals of fair value gains or losses recorded before reclassification date are subsequently made.

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value

adjustments are included in the income statement as gains and losses from investment securities.

Impairment

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

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

(iii) Types of Investments

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

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

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

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

(g) Fair value estimation

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

(h) Receivables

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

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

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

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

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Wentworth Shire Council

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

Note 1. Summary of Significant Accounting Policies

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

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

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

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

- **Stormwater Drainage** (External Valuation)
- **Water and Sewerage Networks**
(External Valuation)
- **Other Assets**
(as approximated by depreciated historical cost)

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

Capitalisation Thresholds

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

Land

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

Plant & Equipment

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

Buildings & Land Improvements

Park Furniture & Equipment	> \$1,000
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Building

- construction/extensions	100% Capitalised
- renovations	> \$1,000

Other Structures	> \$1,000
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Water & Sewer Assets

Reticulation extensions	100% Capitalised
Other	100% Capitalised

Stormwater Assets

Drains & Culverts	100% Capitalised
Other	100% Capitalised

Transport Assets

Road construction & reconstruction	100% Capitalised
Reseal/Re-sheet & major repairs:	100% Capitalised

Bridge construction & reconstruction	100% Capitalised
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Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method) in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

Plant & Equipment

- Office Equipment	3 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	4 years
- Vehicles	5 to 10 years
- Heavy Plant/Road Making equip.	5 to 10 years
- Other plant and equipment	5 to 15 years

Other Equipment

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

Buildings

- Buildings : Masonry	10 to 33 years
- Buildings : Other	100 years

Stormwater Drainage

- Drains	50 to 100 years
- Culverts	50 to 100 years
- Flood Control Structures	50 to 100 years

Transportation Assets

- Sealed Roads : Surface	15 to 25 years
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Wentworth Shire Council

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

Note 1. Summary of Significant Accounting Policies

- Sealed Roads : Structure	100 years
- Unsealed roads	100 years

- Bridge : Concrete	50 years
- Bridge : Other	50 years

- Road Pavements	60 years
- Kerb, Gutter & Paths	40 years

Water & Sewer Assets

- Dams and reservoirs	80 to 100 years
- Bores	20 to 40 years
- Pumps	50 to 100 years

Other Infrastructure Assets

- Bulk earthworks	50 years
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All asset residual values and useful lives are reviewed and adjusted (if appropriate), at each reporting date.

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

Disposal and De-recognition

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

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

(k) Land

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

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

(l) Land under roads

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

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

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

(m) Intangible Assets

Council has not classified any assets as Intangible.

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

Wentworth Shire Council

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

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

Costs are estimated on the basis of a closure plan.

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

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

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

The amortisation or 'unwinding' of the discount applied in establishing the net present value of

provisions is charged to the income statement in each accounting period.

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

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

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

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement.

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

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

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

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

(r) Impairment of assets

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

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

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

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

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

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

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

(s) Payables

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

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

(t) Borrowings

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

Borrowings are subsequently measured at amortised cost.

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

(u) Borrowing costs

Borrowing costs are expensed.

(v) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

The discount rate used to determine the present value reflects current market assessments of the

time value of money and the risks specific to the liability.

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

(w) Employee benefits

(i) Short Term Obligations

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

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

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

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

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

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

(ii) Other Long Term Obligations

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

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

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

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation

Scheme, named the "Local Government Superannuation Scheme – Pool B"

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

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

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

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

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

Defined Contribution Plans

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

(x) Self insurance

Council does not self insure.

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

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Exceptions

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

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

(z) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(aa) New accounting standards and interpretations

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

Council has not adopted any of these standards early.

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

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

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

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

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

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

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

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

AASB 124 - Related Party Disclosures

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

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

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

Not applicable to Local Government per se;

None

(ab) Rounding of amounts

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

(ac) Comparative Figures

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

(ad) Disclaimer

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

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2014	2015	2014
Governance	-	-	-	396	609	321	(396)	(609)	(321)	21	-	4	-
Administration	689	573	1,675	2,607	3,935	3,927	(1,918)	(3,362)	(2,252)	31	15	30,324	33,812
Public Order & Safety	401	317	320	776	760	716	(375)	(443)	(396)	517	266	1,253	1,196
Health	14	8	9	153	74	66	(139)	(66)	(57)	56	-	-	-
Environment	102	56	153	653	263	303	(551)	(207)	(150)	-	132	8,594	7,429
Community Services & Education	32	40	28	76	110	83	(44)	(70)	(55)	-	-	719	760
Housing & Community Amenities	191	1,143	467	1,351	2,090	1,643	(1,160)	(947)	(1,176)	48	53	8,443	8,204
Water Supplies	1,726	2,581	2,598	1,814	1,789	1,739	(88)	792	859	209	198	28,178	27,036
Sewerage Services	1,399	1,470	1,438	1,318	1,058	1,118	81	412	320	18	17	19,746	19,212
Recreation & Culture	1,110	248	139	1,857	2,202	1,971	(747)	(1,954)	(1,832)	56	32	9,234	8,937
Mining, Manufacturing & Construction	33	68	58	181	234	215	(148)	(166)	(157)	-	-	-	4
Transport & Communication	3,023	5,089	4,885	8,153	8,787	9,049	(5,130)	(3,698)	(4,164)	848	1,386	277,656	196,941
Economic Affairs	850	521	544	1,419	1,099	767	(569)	(578)	(223)	30	360	2,068	1,973
Total Functions & Activities	9,570	12,114	12,314	20,754	23,010	21,918	(11,184)	(10,896)	(9,604)	1,834	2,459	386,219	305,504
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	11,304	10,550	7,734	-	-	-	11,304	10,550	7,734	5,355	2,682	-	-
Operating Result from Continuing Operations	20,874	22,664	20,048	20,754	23,010	21,918	120	(346)	(1,870)	7,189	5,141	386,219	305,504

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

Wentworth Shire Council

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

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER & SAFETY

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

HEALTH

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

ENVIRONMENT

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

COMMUNITY SERVICES & EDUCATION

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

HOUSING & COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

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

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

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

ECONOMIC AFFAIRS

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		1,533	1,483
Farmland		1,550	1,487
Business		1,319	1,289
Total Ordinary Rates		4,402	4,259
Special Rates			
Tourism		37	37
Levee Bank		112	112
Total Special Rates		149	149
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		594	573
Water Supply Services		1,008	986
Sewerage Services		1,373	1,345
Total Annual Charges		2,975	2,904
TOTAL RATES & ANNUAL CHARGES		7,526	7,312

Council has used 2014 year valuations provided by the NSW Valuer General in calculating its rates.

Wentworth Shire Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		1,173	1,190
Total User Charges		1,173	1,190
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Inspection Services		5	5
Planning & Building Regulation		202	183
Private Works - Section 67		64	21
Section 149 Certificates (EPA Act)		45	44
Section 603 Certificates		18	15
Tapping Fees		26	22
Total Fees & Charges - Statutory/Regulatory		360	290
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Aerodrome		7	29
Animal Control		24	19
Cemeteries		74	73
Library & Art Gallery		1	1
RMS (formerly RTA) Charges (State Roads not controlled by Council)		2,094	2,234
Waste Disposal Tipping Fees		193	48
Other- Road Opening Permits		2	-
Other		-	50
Total Fees & Charges - Other		2,395	2,454
TOTAL USER CHARGES & FEES		3,928	3,934

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		241	325
- Interest earned on Investments (interest & coupon payment income)		733	627
Other		53	56
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>1,027</u>	<u>1,008</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		241	325
General Council Cash & Investments		552	683
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		22	-
Water Fund Operations		144	-
Sewerage Fund Operations		68	-
<u>Total Interest & Investment Revenue Recognised</u>		<u>1,027</u>	<u>1,008</u>
(d) Other Revenues			
Rental Income - Other Council Properties		114	103
Facilities Revenue		95	79
Insurance Rebates		69	47
Diesel Rebate		92	48
Insurance Claim Recoveries		106	94
Rural Fire Service Reimbursements		119	25
Sales - Miscellaneous		59	113
Other - other public works		37	-
Other - meter readings		5	-
Other		74	50
<u>TOTAL OTHER REVENUE</u>		<u>770</u>	<u>559</u>

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	3,414	1,706	-	-
Financial Assistance - Local Roads Component	1,894	930	-	-
Pensioners' Rates Subsidies - General Component	47	46	-	-
Total General Purpose	5,355	2,682	-	-

¹ The Financial Assistance Grant for the comparative 13/14 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 13/14 year by up to 50% as had occurred in previous years.

Specific Purpose

Pensioners' Rates Subsidies:

- Water	19	19	-	-
- Sewerage	18	17	-	-
- Domestic Waste Management	20	20	-	-
Water Supplies	190	179	-	-
Bushfire & Emergency Services	517	626	-	-
Employment & Training Programs	31	15	-	-
Flood Restoration	-	-	-	278
Heritage & Cultural	-	2	-	-
Library - per capita	25	26	-	-
Library - special projects	-	-	6	6
Noxious Weeds	56	132	-	-
Recreation & Culture	-	-	25	34
Street Lighting	39	31	-	-
Transport (Roads to Recovery)	795	768	-	-
Transport (Other Roads & Bridges Funding)	-	287	-	-
Water Transport	14	19	-	-
Other e-planning	28	-	-	-
Other Willow Bend	-	-	30	-
Other	21	-	-	-
Total Specific Purpose	1,773	2,141	61	318
Total Grants	7,128	4,823	61	318

Grant Revenue is attributable to:

- Commonwealth Funding	6,134	3,621	-	-
- State Funding	994	1,202	61	318
	7,128	4,823	61	318

Wentworth Shire Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	2	134
S 64 - Water Supply Contributions	-	-	12	49
S 64 - Sewerage Service Contributions	-	-	6	16
Total Developer Contributions 17	-	-	20	199
Other Contributions:				
Community Services	125	1	-	-
Recreation & Culture	-	-	103	-
Roads & Bridges	-	-	12	7
RMS Contributions (Regional Roads, Block Grant)	663	899	1,220	909
Ruby restoration	-	-	10	-
SA water	-	-	50	-
Total Other Contributions	788	900	1,395	916
Total Contributions	788	900	1,415	1,115
TOTAL GRANTS & CONTRIBUTIONS	7,916	5,723	1,476	1,433

\$ '000	Actual 2015	Actual 2014
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(g) Restrictions relating to Grants and Contributions

Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:

Unexpended at the Close of the Previous Reporting Period	1,336	4,309
add: Grants & contributions recognised in the current period but not yet spent:	72	134
less: Grants & contributions recognised in a previous reporting period now spent:	(467)	(3,107)
Net Increase (Decrease) in Restricted Assets during the Period	(395)	(2,973)
Unexpended and held as Restricted Assets	941	1,336
Comprising:		
- Specific Purpose Unexpended Grants	209	483
- Developer Contributions	732	853
	941	1,336

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Employee Benefits & On-Costs			
Salaries and Wages		5,992	5,760
Travelling		42	25
Employee Leave Entitlements (ELE)		1,177	1,012
Superannuation - Defined Contribution Plans		510	460
Superannuation - Defined Benefit Plans		192	193
Workers' Compensation Insurance		270	290
Fringe Benefit Tax (FBT)		32	26
Training Costs (other than Salaries & Wages)		49	99
Uniforms		39	39
Recruitment		11	43
Total Employee Costs		8,314	7,947
less: Capitalised Costs		(764)	(698)
TOTAL EMPLOYEE COSTS EXPENSED		7,550	7,249
Number of "Equivalent Full Time" Employees at year end		102	94
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		104	98
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		50	48
Total Interest Bearing Liability Costs Expensed		50	48
(ii) Other Borrowing Costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		50	48
(c) Materials & Contracts			
Raw Materials & Consumables		2,136	1,764
Contractor & Consultancy Costs		8,545	7,134
Auditors Remuneration ⁽¹⁾		35	36
Legal Expenses:			
- Legal Expenses: Debt Recovery		49	289
- Legal Expenses: Other		93	38
Total Materials & Contracts		10,858	9,261
less: Capitalised Costs		(4,794)	(3,746)
TOTAL MATERIALS & CONTRACTS		6,064	5,515

Wentworth Shire Council

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

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
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(c) Materials & Contracts (continued)

Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

Audit and Other Assurance Services

- Audit & review of financial statements: Council's Auditor

Remuneration for audit and other assurance services

Total Auditor Remuneration

35	36
35	36
35	36

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014

(d) Depreciation, Amortisation & Impairment

Plant and Equipment	-	-	689	632
Office Equipment	-	-	64	96
Furniture & Fittings	-	-	15	14
Land Improvements (depreciable)	-	-	179	106
Buildings - Non Specialised	-	-	100	39
Buildings - Specialised	-	-	920	357
Other Structures	-	-	170	305
Infrastructure:				
- Roads	-	-	3,685	4,775
- Footpaths	-	-	85	-
- Stormwater Drainage	-	-	73	4
- Water Supply Network	-	-	347	344
- Sewerage Network	-	-	461	528
- Swimming Pools	-	-	38	-
- Other Open Space/Recreational Assets	-	-	39	-
Other Assets				
- Library Books	-	-	33	30
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED	-	-	6,898	7,230

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		22	22
Bad & Doubtful Debts		1	21
Bank Charges		25	23
Cleaning		64	58
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		10	14
- NSW Fire Brigade Levy		21	21
- NSW Rural Fire Service Levy		178	183
- Other Contributions/Levies		19	-
Councillor Expenses - Mayoral Fee		23	23
Councillor Expenses - Councillors' Fees		97	94
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		97	95
Donations, Contributions & Assistance to other organisations (Section 356)		373	145
Electricity & Heating		189	185
Fire Control Expenses		-	-
Insurance		343	308
Office Expenses (including computer expenses)		491	268
Postage		19	19
Printing & Stationery		57	43
Street Lighting		106	94
Subscriptions & Publications		39	37
Telephone & Communications		85	77
Tourism Expenses (excluding employee costs)		158	118
Valuation Fees		31	28
<u>TOTAL OTHER EXPENSES</u>		<u>2,448</u>	<u>1,876</u>

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2015	Actual 2014
Property (excl. Investment Property)			
Proceeds from Disposal - Property		-	-
less: Carrying Amount of Property Assets Sold / Written Off		(107)	-
Net Gain/(Loss) on Disposal		(107)	-
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		189	109
less: Carrying Amount of P&E Assets Sold / Written Off		(61)	(30)
Net Gain/(Loss) on Disposal		128	79
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		67,000	57,000
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(67,000)	(57,000)
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		21	79

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

		2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
\$ '000	Notes				
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,883	-	2,789	-
Cash-Equivalent Assets ¹					
- Short Term Deposits		21,000	-	13,000	-
Total Cash & Cash Equivalents		22,883	-	15,789	-
Investments (Note 6b)					
- Long Term Deposits		1,000	-	8,000	-
Total Investments		1,000	-	8,000	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		23,883	-	23,789	-

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

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

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		22,883	-	15,789	-
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Investments

b. "Held to Maturity"	6(b-i)	1,000	-	8,000	-
Investments		1,000	-	8,000	-

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

Note 6(b-i)

Reconciliation of Investments classified as "Held to Maturity"

Balance at the Beginning of the Year		8,000	-	9,000	-
Additions		-	-	56,000	-
Disposals (sales & redemptions)		(7,000)	-	(57,000)	-
Balance at End of Year		1,000	-	8,000	-

Comprising:

- Long Term Deposits		1,000	-	8,000	-
Total		1,000	-	8,000	-

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	23,883	-	23,789	-
attributable to:				
External Restrictions (refer below)	8,224	-	7,542	-
Internal Restrictions (refer below)	8,810	-	6,908	-
Unrestricted	6,849	-	9,339	-
	23,883	-	23,789	-

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

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

Developer Contributions - General	(D)	853	42	(163)	732
Specific Purpose Unexpended Grants	(F)	483	-	(274)	209
Water Supplies	(G)	4,090	688	-	4,778
Sewerage Services	(G)	1,621	578	-	2,199
Domestic Waste Management	(G)	329	-	(224)	105
Council Reserves - Caravan Park		166	35	-	201
External Restrictions - Other		7,542	1,343	(661)	8,224
Total External Restrictions		7,542	1,343	(661)	8,224

Internal Restrictions

Plant & Vehicle Replacement		1,500	580	-	2,080
Employees Leave Entitlement		1,720	322	-	2,042
Future Development		1,113	-	-	1,113
Capital Projects		2,575	1,000	-	3,575
Total Internal Restrictions		6,908	1,902	-	8,810
TOTAL RESTRICTIONS		14,450	3,245	(661)	17,034

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)

G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		1,527	-	2,222	-
Interest & Extra Charges		31	-	163	-
User Charges & Fees		-	-	25	-
Private Works		-	-	4	-
Contributions to Works		-	-	38	-
Accrued Revenues					
- Interest on Investments		91	-	123	-
- Other Income Accruals		890	-	1,044	-
Government Grants & Subsidies		308	-	286	-
Net GST Receivable		91	-	46	-
Other Debtors (DIESEL REBATE)		-	-	-	-
Total		2,938	-	3,951	-
less: Provision for Impairment					
Rates & Annual Charges		(32)	-	(31)	-
User Charges & Fees		(1)	-	(1)	-
Total Provision for Impairment - Receivables		(33)	-	(32)	-
<u>TOTAL NET RECEIVABLES</u>		<u>2,905</u>	<u>-</u>	<u>3,919</u>	<u>-</u>
Externally Restricted Receivables					
Water Supply					
- Rates & Availability Charges		952	-	420	-
- Other		120	-	686	-
Sewerage Services					
- Rates & Availability Charges		247	-	214	-
- Other		-	-	38	-
Total External Restrictions		1,319	-	1,358	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		1,586	-	2,561	-
TOTAL NET RECEIVABLES		2,905	-	3,919	-

Notes on Debtors above:

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 8. Inventories & Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		318	-	318	-
Stores & Materials		184	-	160	-
Total Inventories		502	-	478	-
Other Assets					
Prepayments		94	-	114	-
Total Other Assets		94	-	114	-
TOTAL INVENTORIES / OTHER ASSETS		596	-	592	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Other Disclosures**(a) Details for Real Estate Development**

Residential	314	-	314	-
Industrial/Commercial	4	-	4	-
Total Real Estate for Resale	318	-	318	-

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

Represented by:

Acquisition Costs	182	-	182	-
Development Costs	136	-	136	-
Total Costs	318	-	318	-
Total Real Estate for Resale	318	-	318	-

Movements:

Real Estate assets at beginning of the year	318	-	315	-
- Purchases and other costs	-	-	3	-
Total Real Estate for Resale	318	-	318	-

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

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

	2015	2014
Real Estate for Resale	318	318
	318	318

(c) Inventory Write Downs

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2014					Asset Movements during the Reporting Period						as at 30/6/2015				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment										Dep'n	Impairment	
Plant & Equipment	-	13,090	9,336	-	3,754	1,480	(61)	(689)	-	-	25	-	14,534	10,025	-	4,509
Office Equipment	-	2,201	1,986	-	215	59	-	(64)	-	-	-	-	2,260	2,050	-	210
Furniture & Fittings	-	305	248	-	57	6	-	(15)	-	-	-	-	311	263	-	48
Land:																
- Operational Land	-	135	-	-	135	-	-	-	-	-	-	-	135	-	-	135
- Community Land	-	7,154	-	-	7,154	-	-	-	-	-	-	-	7,154	-	-	7,154
- Land under Roads (post 30/6/08)	-	-	-	-	-	-	-	-	-	-	99	-	99	-	-	99
Land Improvements - depreciable	-	6,781	2,870	-	3,911	95	-	(179)	-	-	-	-	6,876	3,049	-	3,827
Buildings - Non Specialised	-	2,067	1,168	-	899	-	-	(100)	-	-	-	-	2,067	1,268	-	799
Buildings - Specialised	-	41,190	25,245	-	15,945	1,004	(107)	(920)	-	(1,683)	-	-	40,404	26,165	-	14,239
Other Structures	-	9,342	2,415	-	6,927	209	-	(170)	-	-	881	-	10,432	2,585	-	7,847
Infrastructure:																
- Roads	-	270,703	76,749	-	193,954	3,082	-	(3,685)	(831)	-	79,587	-	364,176	92,069	-	272,107
- Footpaths	-	130	-	-	130	221	-	(85)	831	-	1,506	-	3,907	1,304	-	2,603
- Stormwater Drainage	-	4,731	834	-	3,897	768	-	(73)	-	-	117	-	5,674	965	-	4,709
- Water Supply Network	-	39,550	17,691	-	21,859	480	-	(347)	-	-	329	-	40,630	18,309	-	22,321
- Sewerage Network	-	36,944	19,735	-	17,209	118	-	(461)	-	-	253	-	37,618	20,499	-	17,119
- Swimming Pools	-	2,027	1,394	-	633	26	-	(38)	-	-	-	-	2,053	1,432	-	621
- Other Open Space/Recreational Assets	-	609	195	-	414	-	-	(39)	-	-	-	-	609	234	-	375
Other Assets:																
- Library Books	-	1,399	1,288	-	111	37	-	(33)	-	(2)	-	-	1,434	1,321	-	113
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	-	438,358	161,154	-	277,204	7,585	(168)	(6,898)	-	(1,685)	82,797	-	540,373	181,538	-	358,835

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$5920) and New Assets (\$1665).

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000 Class of Asset	Actual 2015				Actual 2014			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Infrastructure	-	40,643	18,314	22,329	-	39,562	17,696	21,866
Total Water Supply	-	40,643	18,314	22,329	-	39,562	17,696	21,866
Sewerage Services								
Infrastructure	-	37,837	20,537	17,300	-	37,101	19,762	17,339
Total Sewerage Services	-	37,837	20,537	17,300	-	37,101	19,762	17,339
TOTAL RESTRICTED I,PP&E	-	78,480	38,851	39,629	-	76,663	37,458	39,205

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		-	-	43	-
Goods & Services - capital expenditure		-	-	41	-
Payments Received In Advance		333	-	308	-
Accrued Expenses:					
- Borrowings		1	-	2	-
- Salaries & Wages		176	-	140	-
- Other Expenditure Accruals		1,640	-	2,672	-
Trust Account - Money Held in Trust		286	-	267	-
Total Payables		2,436	-	3,473	-
Borrowings					
Loans - Secured ¹		197	988	211	310
Total Borrowings		197	988	211	310
Provisions					
Employee Benefits:					
Annual Leave		857	-	715	-
Long Service Leave		881	98	731	81
Gratuities		177	29	166	27
Sub Total - Aggregate Employee Benefits		1,915	127	1,612	108
Asset Remediation/Restoration (Future Works) ²⁶		-	150	-	150
Total Provisions		1,915	277	1,612	258
Total Payables, Borrowings & Provisions		4,548	1,265	5,296	568
(i) Liabilities relating to Restricted Assets					
		2015		2014	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		-	-	5	-
Sewer		-	-	131	-
Liabilities relating to externally restricted assets		-	-	136	-
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		-	-	136	-
Total Liabilities relating to Unrestricted Assets		4,548	1,265	5,160	568
TOTAL PAYABLES, BORROWINGS & PROVISIONS		4,548	1,265	5,296	568

¹. Loans are secured over the General Rating Income of Council

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

	Actual 2015	Actual 2014
\$ '000		

(ii) Current Liabilities not anticipated to be settled within the next 12 months

The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Provisions - Employees Benefits	840	1,273
	840	1,273

Note 10b. Description of and movements in Provisions

Class of Provision	2014	2015				Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	715	486	(344)	-	-	857
Long Service Leave	812	226	(59)	-	-	979
Gratuities	193	25	(12)	-	-	206
Asset Remediation	150	-	-	-	-	150
TOTAL	1,870	737	(415)	-	-	2,192

- Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	22,883	15,789
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		22,883	15,789
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(346)	(1,870)
Adjust for non cash items:			
Depreciation & Amortisation		6,898	7,230
Net Losses/(Gains) on Disposal of Assets		(21)	(79)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		1,013	2,286
Increase/(Decrease) in Provision for Doubtful Debts		1	14
Decrease/(Increase) in Inventories		(24)	29
Decrease/(Increase) in Other Assets		20	8
Increase/(Decrease) in Payables		(43)	6
Increase/(Decrease) in accrued Interest Payable		(1)	(3)
Increase/(Decrease) in other accrued Expenses Payable		(996)	2,014
Increase/(Decrease) in Other Liabilities		44	153
Increase/(Decrease) in Employee Leave Entitlements		322	2
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		6,867	9,790
(c) Non-Cash Investing & Financing Activities			
Nil			
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		1,010	1,010
Credit Cards / Purchase Cards		20	20
Total Financing Arrangements		1,030	1,030

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

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

(ii) Secured Loan Liabilities

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

Wentworth Shire Council

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

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		14	92
Plant & Equipment		50	346
Other		292	119
Total Commitments		356	557
These expenditures are payable as follows:			
Within the next year		356	557
Total Payable		356	557
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		356	211
Internally Restricted Reserves		-	346
Total Sources of Funding		356	557

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

Nil

(d) Investment Property Commitments

Nil

Wentworth Shire Council

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

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	(1,843)	-8.71%	-18.25%	-11.30%
Total continuing operating revenue ⁽¹⁾	21,167			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. ALL Grants & Contributions)	13,251	58.52%	64.16%	57.66%
Total continuing operating revenue ⁽¹⁾	22,643			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	17,523	4.73x	4.91	10.48
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	3,708			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	5,105	16.68x	14.06	17.15
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	306			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	1,526	15.08%	19.23%	42.04%
Rates, Annual and Extra Charges Collectible	10,121			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	23,883	15.34	20.62	16.16
Payments from cash flow of operating and financing activities	1,557	mths		

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

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

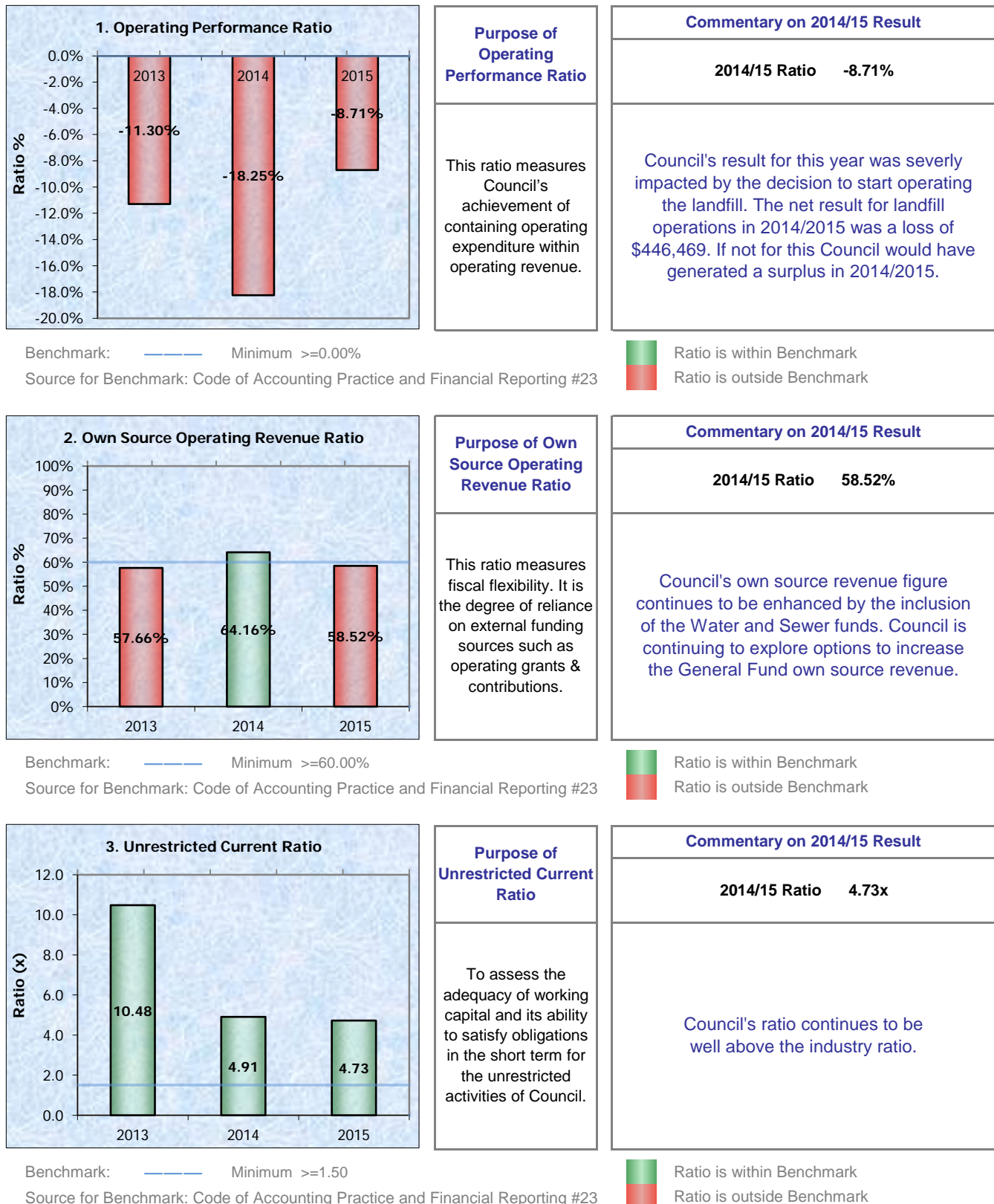
⁽³⁾ Refer to Note 10(a).

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

Wentworth Shire Council

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

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



Wentworth Shire Council

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

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

<p>4. Debt Service Cover Ratio</p> <p>Benchmark: — Minimum ≥ 2.00</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Debt Service Cover Ratio</p> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 16.68x</p> <p>Council continues to have sufficient operating cash to service current debt levels.</p>
<p>5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <p>Benchmark: — Minimum ≥ 2.00</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 15.08%</p> <p>Council has a large agricultural industry which is variable in nature due to change commodity prices and weather conditions.</p> <p>15% whilst above industry standards is more than acceptable for an area such as Wentworth.</p>
<p>6. Cash Expense Cover Ratio</p> <p>Benchmark: — Minimum ≥ 3.00</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	<p>Purpose of Cash Expense Cover Ratio</p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 15.34 mths</p> <p>Council's ratio indicates that it can continue paying for its immediate expenses for the next 15 months without additional cash inflow. This is well above the industry requirements of 3 months.</p>

■ Ratio is within Benchmark
■ Ratio is outside Benchmark

Wentworth Shire Council

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

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

\$ '000	Water 2015	Sewer 2015	General ⁵ 2015
Local Government Industry Indicators - by Fund			
1. Operating Performance Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	30.36%	27.73%	-17.68%
Total continuing operating revenue ⁽¹⁾			
(excl. Capital Grants & Contributions)	prior period: 31.78%	21.38%	-30.87%
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾	98.80%	98.37%	49.78%
<u>(excl. ALL Grants & Contributions)</u>			
Total continuing operating revenue ⁽¹⁾	prior period: 97.38%	97.71%	55.72%
3. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽²⁾	No	No	4.73x
<u>Current Liabilities less Specific Purpose Liabilities ^(3, 4)</u>	Liabilities	Liabilities	
	prior period: 1039.20	14.30	4.91
4. Debt Service Cover Ratio			
Operating Result ⁽¹⁾ before capital excluding interest			
<u>and depreciation / impairment / amortisation</u>	0.00	6.49x	18.21x
Principal Repayments (from the Statement of Cash Flows)			
+ Borrowing Costs (from the Income Statement)	prior period: 0.00	5.15	16.89
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>	94.44%	17.99%	4.22%
Rates, Annual and Extra Charges Collectible			
	prior period: 42.60%	15.91%	17.35%
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents			
<u>+ All Term Deposits</u>	0.00	0.00	10.86
Payments from cash flow of operating and			mths
financing activities	prior period: 0.00	0.00	15.67

Notes

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

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

Wentworth Shire Council

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

Note 14. Investment Properties

\$ '000

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

Note 15. Financial Risk Management

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2015	2014	2015	2014
Financial Assets				
Cash and Cash Equivalents	22,883	15,789	22,883	15,749
Investments				
- "Held to Maturity"	1,000	8,000	1,000	8,000
Receivables	2,905	3,919	2,869	3,897
Total Financial Assets	26,788	27,708	26,752	27,646
Financial Liabilities				
Payables	2,103	3,165	2,103	3,165
Loans / Advances	1,185	521	1,185	521
Total Financial Liabilities	3,288	3,686	3,288	3,686

Fair Value is determined as follows:

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

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

Wentworth Shire Council

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

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

The risks associated with the investments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2015				
Possible impact of a 10% movement in Market Values	35	35	(35)	(35)
Possible impact of a 1% movement in Interest Rates	4	4	(4)	(4)
2014				
Possible impact of a 10% movement in Market Values	187	187	(187)	(187)
Possible impact of a 1% movement in Interest Rates	19	19	(19)	(19)

Wentworth Shire Council

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

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

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

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

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

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

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

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

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

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

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

		2015	2015	2014	2014
		Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables - %					
Current (not yet overdue)		100%	100%	100%	100%
Overdue		0%	0%	0%	0%
		100%	100%	100%	100%
(ii) Ageing of Receivables - value					
Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
Current	Current	1,527	1,411	2,222	1,729
		1,527	1,411	2,222	1,729
(iii) Movement in Provision for Impairment of Receivables					
				2015	2014
Balance at the beginning of the year				32	18
+ new provisions recognised during the year				1	14
Balance at the end of the year				33	32

Wentworth Shire Council

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

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2015									
Trade/Other Payables	-	2,103	-	-	-	-	-	2,103	2,103
Loans & Advances	-	197	163	167	81	85	582	1,275	1,185
Total Financial Liabilities	-	2,300	163	167	81	85	582	3,378	3,288
2014									
Trade/Other Payables	-	3,165	-	-	-	-	-	3,165	3,165
Loans & Advances	-	131	96	96	96	96	96	611	521
Total Financial Liabilities	-	3,296	96	96	96	96	96	3,776	3,686

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

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

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	2,103	0.0%	3,165	0.0%
Loans & Advances - Fixed Interest Rate	1,185	5.5%	131	6.0%
Loans & Advances - Variable Interest Rate	-	0.0%	390	7.3%
	<u>3,288</u>		<u>3,686</u>	

Wentworth Shire Council

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

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 25 June 2014.

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

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

Note that for Variations* of Budget to Actual :

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

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

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----	
REVENUES				
Rates & Annual Charges	7,542	7,526	(16)	(0%) U
User Charges & Fees	2,459	3,928	1,469	60% F
Council continues to attract significant fee for service work from Roads and Maritime Services. Income received from water consumption charges continues to be above budget.				
Interest & Investment Revenue	711	1,027	316	44% F
Continues continues to hold significant cash reserves which didn't reduce during the year as anticipates. Council also received \$169k in overdue interest on outstanding rates.				
Other Revenues	872	770	(102)	(12%) U
There were a number of reimbursements that Council had expected to receive during the year that did not eventuate which resulted in other revenue having an unfavourable variance.				
Operating Grants & Contributions	7,560	7,916	356	5% F
Capital Grants & Contributions	1,630	1,476	(154)	(9%) U
Net Gains from Disposal of Assets	100	21	(79)	(79%) U
Council net gain from disposal of assets was severely impacted from demolishing and rebuilding two buildings which resulted in an unbudgeted loss of \$107K.				

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----	
EXPENSES				
Employee Benefits & On-Costs	6,504	7,550	(1,046)	(16%) U
Council employed additional staff in regards to Landfill and Capital projects.				
Borrowing Costs	99	50	49	49% F
Council incurred new borrowings for 2014/2015 to pay for landfill upgrades. This resulted in additional interest payments that had not been budgeted for.				
Materials & Contracts	4,783	6,064	(1,281)	(27%) U
Approximately \$600K of expenditure that was originally budgeted as capital was brought in as expenditure instead.				
Depreciation & Amortisation	7,071	6,898	173	2% F
Other Expenses	2,297	2,448	(151)	(7%) U

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

Cash Flows from Operating Activities	6,458	6,867	409	6.3% F
Cash Flows from Investing Activities	(9,136)	(437)	8,699	(95.2%) F
Council moved \$7,000,000 between long term and short term investments.				
Cash Flows from Financing Activities	2,102	664	(1,438)	(68.4%) U
Council didn't take up as many loans/finance leases has had been originally budgeted for.				

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	341	2	-	8	(80)	-	271	20	(150)	141	-
Stormwater	447	-	-	14	-	-	461	20	(150)	331	-
Other	65	18	-	-	(83)	-	-	-	-	-	-
S94 Contributions - under a Plan	853	20	-	22	(163)	-	732	40	(300)	472	-
Total S94 Revenue Under Plans	853	20	-	22	(163)	-	732				-
Total Contributions	853	20	-	22	(163)	-	732	40	(300)	472	-

S94 CONTRIBUTIONS - UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	341	2	-	8	(80)	-	271	20	(150)	141	-
Stormwater	447	-	-	14	-	-	461	20	(150)	331	-
Other	65	18	-	-	(83)	-	-	-	-	-	-
Total	853	20	-	22	(163)	-	732	40	(300)	472	-

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

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

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

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

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

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

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

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

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

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

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

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

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

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

Wentworth Shire Council

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

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

\$ '000

ASSETS NOT RECOGNISED: (continued)

(iii) Rural Fire Assets

Council has title to, and is the registered owner of various 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 defences 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.

Note 19. Interests in Other Entities

Council has no interest in any Controlled Entities, Joint Arrangements or Associates.

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
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(a) Retained Earnings

Movements in Retained Earnings were as follows:

Balance at beginning of Year (from previous years audited accounts)		32,437	34,307
a. Net Operating Result for the Year		(346)	(1,870)
Balance at End of the Reporting Period		32,091	32,437

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		348,315	267,203
Total		348,315	267,203

(ii) Reconciliation of movements in Reserves:**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- Opening Balance		267,203	257,537
- Revaluations for the year	9(a)	81,112	9,666
- Balance at End of Year		348,315	267,203

TOTAL VALUE OF RESERVES

348,315	267,203
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(iii) Nature & Purpose of Reserves**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

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

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

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

(d) Voluntary Changes in Accounting Policies

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	1,008	1,373	5,145
User Charges & Fees	1,200	-	2,728
Interest & Investment Revenue	144	68	815
Other Revenues	7	5	758
Grants & Contributions provided for Operating Purposes	210	18	7,688
Grants & Contributions provided for Capital Purposes	12	6	1,458
Other Income			
Net Gains from Disposal of Assets	-	-	21
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	2,581	1,470	18,613
Expenses from Continuing Operations			
Employee Benefits & on-costs	311	176	7,063
Borrowing Costs	-	5	45
Materials & Contracts	1,043	374	4,647
Depreciation & Amortisation	347	471	6,080
Impairment	-	-	-
Other Expenses	88	32	2,328
Total Expenses from Continuing Operations	1,789	1,058	20,163
Operating Result from Continuing Operations	792	412	(1,550)
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	792	412	(1,550)
Net Operating Result attributable to each Council Fund	792	412	(1,550)
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	780	406	(3,008)

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

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

Wentworth Shire Council

Notes to the Financial Statements
as at 30 June 2015

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

Statement of Financial Position by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	4,778	2,199	15,906
Investments	-	-	1,000
Receivables	1,072	247	1,586
Inventories	-	-	502
Other	-	-	94
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	5,850	2,446	19,088
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	-
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	22,329	17,300	319,206
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	-
Total Non-Current Assets	22,329	17,300	319,206
TOTAL ASSETS	28,179	19,746	338,294
LIABILITIES			
Current Liabilities			
Payables	-	-	2,436
Borrowings	-	-	197
Provisions	-	-	1,915
Total Current Liabilities	-	-	4,548
Non-Current Liabilities			
Payables	-	-	-
Borrowings	-	-	988
Provisions	-	-	277
Total Non-Current Liabilities	-	-	1,265
TOTAL LIABILITIES	-	-	5,813
Net Assets	28,179	19,746	332,481
EQUITY			
Retained Earnings	8,917	(6,364)	29,538
Revaluation Reserves	19,262	26,110	302,943
Total Equity	28,179	19,746	332,481

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

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

Note 23. Events occurring after the Reporting Date

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

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

Accordingly, the "authorised for issue" date is 29/10/15.

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

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

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

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

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

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

Note 24. Discontinued Operations

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

Note 25. Intangible Assets

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

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

Wentworth Shire Council

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

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

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

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2015	2014
Tips	2010	150	150
Balance at End of the Reporting Period	10(a)	150	150

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

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

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	150	150
Total - Reinstatement, rehabilitation and restoration provision	150	150

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

\$ '000

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

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

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

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

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

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

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

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

		Fair Value Measurement Hierarchy			
		Level 1	Level 2	Level 3	Total
		Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
2015					
Recurring Fair Value Measurements					
Financial Assets					
Investments					
- "Held to Maturity"	30/06/15	-	1,000	-	1,000
Cash & Cash Equivalents	30/06/15	-	22,883	-	22,883
Total Financial Assets		-	23,883	-	23,883
Financial Liabilities					
Loans / Advances	30/06/15	-	1,185	-	1,185
Payables	30/06/15	-	2,103	-	2,103
Total Financial Liabilities		-	3,288	-	3,288
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/06/11	-	-	4,609	4,609
Office Equipment	30/06/11	-	-	210	210
Furniture & Fittings	30/06/11	-	-	48	48
Operational Land	30/06/11	-	-	135	135
Community Land	30/06/11	-	-	7,154	7,154
Land Improvements - Depreciable	30/06/14	-	-	3,827	3,827
Buildings - Non Specialised	30/06/14	-	-	799	799
Buildings - Specilaised	30/06/14	-	-	14,239	14,239
Other Structures	30/06/14	-	-	7,747	7,747
Roads	30/06/15	-	-	272,206	272,206
Footpaths	30/06/15	-	-	2,603	2,603
Stormwater Drainage	30/06/15	-	-	4,709	4,709
Water Supply Network	30/06/12	-	-	22,321	22,321
Sewerage Network	30/06/12	-	-	17,119	17,119
Other Recreational Assets	30/06/14	-	-	1,109	1,109
Total Infrastructure, Property, Plant & Equipment		-	-	358,835	358,835

Wentworth Shire Council

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

Note 27. Fair Value Measurement (continued)

\$ '000

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

2014	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Financial Assets					
Investments					
- "Held to Maturity"	30/06/14	-	8,000	-	8,000
Cash & Cash Equivalents	30/06/14	-	15,789	-	15,789
Total Financial Assets		-	23,789	-	23,789
Financial Liabilities					
Loans / Advances	30/06/14	-	521	-	521
Payables	30/06/14	-	3,165	-	3,165
Total Financial Liabilities		-	3,686	-	3,686
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/06/11	-	-	3,754	3,754
Office Equipment	30/06/11	-	-	215	215
Furniture & Fittings	30/06/11	-	-	57	57
Operational Land	30/06/11	-	-	135	135
Community Land	30/06/11	-	-	7,154	7,154
Land Improvements - Depreciable	30/06/14	-	-	3,911	3,911
Buildings - Non Specialised	30/06/14	-	-	899	899
Buildings - Specilaised	30/06/14	-	-	15,945	15,945
Other Structures	30/06/14	-	-	6,927	6,927
Roads	30/06/10	-	-	193,954	193,954
Footpaths	30/06/10	-	-	130	130
Stormwater Drainage	30/06/10	-	-	3,897	3,897
Water Supply Network	30/06/12	-	-	21,859	21,859
Sewerage Network	30/06/12	-	-	17,209	17,209
Other Recreational Assets	30/06/14	-	-	1,158	1,158
Total Infrastructure, Property, Plant & Equipment		-	-	277,204	277,204

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

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

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (ie. Level 1 inputs) Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Investment Properties

Level 3 unobservable inputs for all Investment Properties with Level 2 or Level 3 fair values disclosed in the table at Note 27 (1).

Infrastructure, Property, Plant & Equipment

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the values of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There have been no change to the valuation process during the reporting period.

Operational Land comprises all of Council land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2011 using the values provided by the NSW Valuer General's Office. Generally, fair value is the most advantageous price reasonably obtained by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intended to replace the asset, the remaining useful life and condition of the asset; and cash flows from future use and disposal. There has been no change to the valuation process during the reporting period.

Valuations of all Council's Community Land and Council managed land were based on the land values provided by the NSW Valuer General's Office. As these values were not considered to be observable market evidence they have been classified as Level 3. There has been no change to the valuation process during the reporting period.

Depreciable Land Improvements comprises land improvements such as spectator mounds, gardens, mulched areas streetscaping and landscaping. These assets may be located on parks, reserves and within road reserves. They were last revalued at 30 June 2014 by Asset Val Pty Ltd. The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Wentworth Shire Council

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

Note 27. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Infrastructure, Property, Plant & Equipment (continued)

Specialised and non-specialised buildings were valued by Asset Val Pty Ltd at 30 June 2014 using the cost approach. The approach estimated the replacement cost of each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Other Structures comprises lighting systems, shade shails, shelters, tennis and netball courts, bbqs, etc. The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period. These assets were valued by Asset Val Pty Ltd at 30 June 2014.

Roads comprises the Road Carriageway, Bus Shelters, Carparks, Guardrails, Kerb & Guttering, Boat Ramps, Wharfs and traffic facilities. The road carriage way is defined as the trafficable portion of a road, between but not including the kerb & gutter. The cost approach using Level 3 inputs was used to value the road carriage way and other road infrastructure. Valuations for the road carriageway, comprising surface, pavement and formation were valued by APV Valuers and Asset Managers at 30 June 2010. The cost approach was utilised with inputs such as estimates of patterns of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Footpaths were valued by APV Valuers and Asset Managers at 30 June 2010 using a cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally assessed using physical inspections. Condition information is updated as changes in the network are observed through regular inspections. There has been no change to the valuation process during the reporting period.

Stormwater Drainage assets comprises pits, pipes, headwalls, gross pollutant traps and various types of water quality devices. The cost approach estimated the replacement cost of each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Accordingly due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no changes to the valuation process during the reporting period. These assets were valued by APV Valuers and Asset Managers at 30 June 2010.

Swimming pools were valued by Asset Val Pty Ltd at 30 June 2014 using the cost approach. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement which impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Wentworth Shire Council

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

Note 27. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Infrastructure, Property, Plant & Equipment (continued)

Other Open Space/Recreational Assets include all of Council's playground equipment. They were valued by Asset Val Pty Ltd at 30 June 2014 using the cost approach. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement which impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Library books are valued at cost but are disclosed at fair value in the notes. The carrying amounts of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

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

	Plant & Equipment	Office Equipment	Furniture & Fittings	Operational Land	Total
Opening Balance - 1/7/13	3,477	206	71	135	3,889
Purchases (GBV)	839	105	-	-	944
Disposals (WDV)	(30)	-	-	-	(30)
Depreciation & Impairment	(632)	(96)	(14)	-	(742)
Other movement (Revaluation)	100	-	-	-	100
Closing Balance - 30/6/14	3,754	215	57	135	4,161
Purchases (GBV)	1,480	59	6	-	1,545
Disposals (WDV)	(61)	-	-	-	(61)
Depreciation & Impairment	(689)	(64)	(15)	-	(768)
Other movement (Revaluation)	125	-	-	-	125
Closing Balance - 30/6/15	4,609	210	48	135	5,002

	Community Land	Land Imp Depreciable	Buildings Non Specialised	Buildings Specialised	Total
Opening Balance - 1/7/13	7,154	3,254	718	8,732	19,858
Purchases (GBV)	-	37	-	153	190
Depreciation & Impairment	-	(106)	(39)	(357)	(502)
Other movement (Revaluation)	-	726	220	7,417	8,363
Closing Balance - 30/6/14	7,154	3,911	899	15,945	27,909
Purchases (GBV)	-	95	-	1,004	1,099
Depreciation & Impairment	-	(179)	(100)	(920)	(1,199)
Other movement (Revaluation)	-	-	-	(1,790)	(1,790)
Closing Balance - 30/6/15	7,154	3,827	799	14,239	26,019

Wentworth Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

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

	Other Structures	Roads	Footpaths	Stormwater Drainage	Total
Opening Balance - 1/7/13	9,199	192,401	-	3,710	205,310
Transfers from/(to) another asset class	(3,232)	2,086	-	-	(1,146)
Purchases (GBV)	1,120	4,242	130	98	5,590
Depreciation & Impairment	(305)	(4,775)	-	(4)	(5,084)
Other movement (Revaluations)	145	-	-	93	238
Closing Balance - 30/6/14	6,927	193,954	130	3,897	204,908
Transfers from/(to) another asset class	-	(831)	831	-	-
Purchases (GBV)	209	3,082	221	768	4,280
Depreciation & Impairment	(170)	(3,685)	(85)	(73)	(4,013)
Other movement (Revaluations)	781	79,686	1,506	117	82,090
Closing Balance - 30/6/15	7,747	272,206	2,603	4,709	287,265
	Water Supply Network	Sewerage Network	Swimming Pools	Other Assets	Total
Opening Balance - 1/7/13	21,536	17,256	-	101	38,893
Transfers from/(to) another asset class	-	-	633	414	1,047
Purchases (GBV)	72	12	-	40	124
Depreciation & Impairment	(344)	(528)	-	(30)	(902)
Other movement (Revaluations)	595	469	-	-	1,064
Closing Balance - 30/6/14	21,859	17,209	633	525	40,226
Transfers from/(to) another asset class	-	-	-	-	-
Purchases (GBV)	480	118	26	37	661
Depreciation & Impairment	(347)	(461)	(38)	(72)	(918)
Other movement (Revaluations)	329	253	-	(2)	580
Closing Balance - 30/6/15	22,321	17,119	621	488	40,549

b. Information relating to the transfers into and out of the Level 3 Fair Valuation hierarchy (as disclosed in the Table above) includes:

Nil

(5). Highest and best use

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

Wentworth Shire Council

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

Note 28. Financial Review

\$ '000

Key Financial Figures of Council over the past 5 years (consolidated)

Financial Performance Figures	2015	2014	2013	2012	2011
Inflows:					
Rates & Annual Charges Revenue	7,526	7,312	7,056	6,759	6,504
User Charges Revenue	3,928	3,934	4,071	3,361	3,338
Interest & Investment Revenue (Losses)	1,027	1,008	986	1,073	971
Grants Income - Operating & Capital	7,189	5,141	7,365	8,817	6,984
Total Income from Continuing Operations	22,664	20,048	21,909	23,598	20,209
Sale Proceeds from I,PP&E	189	109	174	52	224
New Loan Borrowings & Advances	920	-	-	2	-
Outflows:					
Employee Benefits & On-cost Expenses	7,550	7,249	7,444	7,177	6,282
Borrowing Costs	50	48	66	80	102
Materials & Contracts Expenses	6,064	5,515	4,517	4,818	4,994
Total Expenses from Continuing Operations	23,010	21,918	20,838	21,495	20,480
Total Cash purchases of I,PP&E	7,626	6,848	5,021	4,841	4,918
Total Loan Repayments (incl. Finance Leases)	256	229	211	199	845
Operating Surplus/(Deficit) (excl. Capital Income)	(1,822)	(3,303)	(2,106)	(705)	(2,539)
Financial Position Figures	2015	2014	2013	2012	2011
Current Assets	27,384	28,300	27,815	25,354	21,044
Current Liabilities	4,548	5,296	3,059	3,444	3,777
Net Current Assets	22,836	23,004	24,756	21,910	17,267
Available Working Capital (Unrestricted Net Current Assets)	6,277	8,837	8,509	9,996	8,990
Cash & Investments - Unrestricted	6,849	9,339	4,493	6,320	6,496
Cash & Investments - Internal Restrictions	8,810	6,908	8,089	5,496	3,920
Cash & Investments - Total	23,883	23,789	20,970	18,936	15,304
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	1,185	521	750	961	1,158
Total Value of I,PP&E (excl. Land & Earthworks)	532,985	431,069	383,511	376,890	353,630
Total Accumulated Depreciation	181,538	161,154	122,850	115,499	99,931
Indicative Remaining Useful Life (as a % of GBV)	66%	63%	68%	69%	72%

Source: Published audited financial statements of Council (current year & prior year)

Wentworth Shire Council

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

Note 29. Council Information & Contact Details

Principal Place of Business:

26-28 Adelaide Street
Wentworth NSW 2648

Contact Details
Mailing Address:

PO Box 81
Wentworth NSW 2648

Opening Hours:

Monday - Friday
8:30am - 5:00pm

Telephone: 03 5027 5027

Facsimile: 03 5027 5000

Internet: www.wentworth.nsw.gov.au

Email: council@wentworth.nsw.gov.au

Officers
GENERAL MANAGER

Peter Kozlowski

RESPONSIBLE ACCOUNTING OFFICER

Simon Rule

PUBLIC OFFICER

Simon Rule

AUDITORS

Pitcher Partners - Accountants, Auditors & Advisors
19 Martin Place Sydney NSW 2000

Elected Members
MAYOR

William Wheeldon

COUNCILLORS

William Wheeldon

Melisa Hedrics

Donald McKinnon

Paul Cohrs

Bob Wheeldon

Brian Wakefield

Ian Whitfield

Brad Clarke

Peter Nunan

Other Information

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WENTWORTH SHIRE COUNCIL
Independent Audit Report to the Council
General Purpose Financial Statements for the Year ended 30 June 2015

Report on the Financial Report

We have audited the general purpose financial statements of Wentworth Shire Council, which comprises the Statement of Financial Position as at 30 June 2015, the Statement by Councillors and Management, and the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Council's Responsibilities for the Financial Statements

Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the statutory requirements under the Local Government Act, 1993, and for such internal control that Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the Original Budget figures disclosed in the Income Statement and Cash Flow Statement, Notes 2(a), and 16 to the financial statements, estimated expenditure in Note 17, additional Council disclosure notes, nor the attached Special Schedules. Accordingly, no opinion is expressed on these matters.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wentworth Shire Council as of 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Report on Other Legal and Regulatory Requirements

Council's Responsibilities for compliance with other legal and regulatory requirements

Council is responsible for ensuring compliance with the accounting and reporting requirements of Division 2 of Part 3, Chapter 12 of the Local Government Act, 1993. This responsibility includes maintaining such accounting records as are necessary to correctly record and explain its financial transactions and its financial position, and to facilitate convenient and proper auditing of its financial statements.

Auditor's Responsibilities under Section 417(2) of the Local Government Act, 1993

Our responsibility is to report on Council's compliance with the accounting and reporting requirements of the Local Government Act, 1993 and Local Government (General) Regulation 2005.

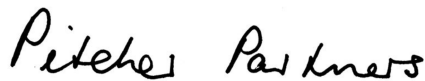
Auditors' Opinion on other legal and regulatory requirements

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 the Local Government (General) Regulation 2005; and
- (b) the Council's general purpose financial statements
 - i) have been prepared in accordance with the requirements of this Division and Regulation;
 - ii) are consistent with the Council's accounting records;
 - iii) present fairly the Council's financial position and the results of its operations;
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of in the course of the audit.

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of Wentworth Shire Council for the year ended 30 June 2015 included on Wentworth Shire Council's web site. The Council is responsible for the integrity of the Wentworth Shire Council's web site. We have not been engaged to report on the integrity of the Council's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.



PITCHER PARTNERS



CARL MILLINGTON
Partner

Sydney, 29 October 2015

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WENTWORTH SHIRE COUNCIL
INDEPENDENT AUDITORS' REPORT ON THE CONDUCT OF THE AUDIT
(Local Government Act, 1993 – Sections 417(1) and 417(3))
YEAR ENDED 30 JUNE 2015

Wentworth Shire Council has prepared general and special purpose financial reports for the year ended 30 June 2015 on which we issued separate audit reports to the Council dated 29 October 2015. This report has been prepared in accordance with the requirements of the Office of Local Government, and the provisions of Sections 417(1) and 417(3) of the Local Government Act, 1993.

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 New South Wales Office of Local Government, or for any purpose other than that for which it was prepared.

Audit Conclusion

Our audit of the financial reports for the year ended 30 June 2015 resulted in unqualified independent audit reports for Council's General Purpose and Special Purpose Financial Statements.

Additional Audit Considerations and Comment

Income Statement

Summarised Income Statement

	2015 Actual	2015 Budget	* Budget	2014 Actual
	\$'000	\$'000	Variance %	\$'000
Operating result	(346)	120	388.33%U	(1,870)
Operating result before capital revenue	(1,756)	(1,510)	16.29%U	(3,303)
Rates & annual charges	7,526	7,542	0.21%U	7,312
Operating grants & contributions	7,982	7,560	5.58%F	5,723
Capital grants & contributions	1,410	1,630	13.50%U	1,433
Depreciation & amortisation	6,898	7,071	2.45%F	7,230

* Detailed explanations for material favourable (F) and unfavourable (U) budget variations are provided in Note 16 to the financial statements

Operating Result. Council's operating deficit improved from \$1.870M in 2014 to a deficit of \$0.346M in 2015 and was in line with the budgeted surplus of \$0.120M. The variation to budget was largely within employee costs and contractor/consultancy expenses.

Operating Result before Capital. The operating result before capital grants and contributions was a deficit of \$1.756M compared with the prior year deficit of \$3.303M and budget deficit of \$1.510M.

Rates and Annual Charges. Revenue from rates and annual charges increased to \$7.526M from \$7.312M in the prior year, and was in line with budget expectations of \$7.542M based on rate pegging for the year.

Grants and Contributions. Operating grants and contributions for the year totaled \$7.982M and represented 35.2% of total income from continuing operations. This compares with budget of \$7.560M. The increase over the 2014 actual was expected with receipt of 4 quarters of Financial Assistance Grants in 2014/2015 after only 2 quarters were received in 2013/2014.

Capital grants and contributions amounted to \$1.410M for the 2015 year and represented 6.22% of total income from continuing operations. This amount was similar to 2014 however was less than the budgeted amount of \$1.630M partially due to the Roads and Recovery now being shown as an operating grant in 2015.

Depreciation. Included in the operating result was \$6.898M for the depreciation and amortisation of infrastructure, property, plant and equipment. This represented a decrease from the 2014 expense of \$7.230M and the 2015 budget of \$7.071M and was largely related to road infrastructure assets for which significant analysis was performed and refinement of useful life estimations made. Depreciation and amortisation represents 29.99% (2014: 32.99%) of total expenses and 30.44% (2014: 36.06%) of total income for the year.

Statement of Financial Position

Council's equity at 30 June 2015 amounted to \$380.408M and is comprised of retained earnings, and reserves arising from revaluation of infrastructure assets in prior years.

The most significant impact on Council's equity in 2015 was the fair valuation of roads and stormwater assets accounting for an increase of \$81.210M.

At balance date Council had not utilised any of its bank overdraft facility.

Movements in Cash and Cash Equivalents

Summarised Statement of Cash Flows

Activities	2015 Actual \$'000	2015 Budget \$'000	* Budget Variance %	2014 Actual \$'000
Net cash flows from operations	6,866	6,458	6.32%F	9,790
Net cash flows from investing	(435)	(9,136)	95.24%F	(5,742)
Net cash flows from financing	664	2,102	-68%U	(229)
Net movement in cash	7,095	(576)		3,819

* Detailed explanations for material budget variations are provided in Note 16 to the financial statements

Council's cash and cash equivalent balances increased to a total of \$22.884M during the year, with \$6.866M being provided from operations, \$435,000 utilised in net investing activities for the acquisition and sale of non-current assets and investments, and \$664,000 provided by the repayment of borrowings and advances.

Total Investments and Cash Balances

Council's total cash balance at 30 June 2015 was comprised of the following:

	2015	2014
	\$'000	\$'000
Externally restricted cash	5,901	7,542
Internally restricted cash	6,908	6,908
Unrestricted cash	11,704	9,339
<i>Total Cash, Cash Equivalents and Investments</i>	23,883	23,789

Council's cash and investments balance remained stable during the year. Externally restricted cash was reduced due to extinguishment of sewerage service related items.

Performance Indicators and Trends

Prescribed performance indicators are included in Note 13 to the financial report and provide a comparison of the 2015 year results with prior years.

Operating performance ratio. At -8.37% this ratio is a significant improvement from 2014 largely due to the Financial Assistance Grants returning to the full quantum. This ratio is below benchmarks set by NSW TCorp and expectations of the Office of Local Government.

Own source operating revenue ratio. The ratio of 58.52% is similar to the industry benchmark of 60% as stated in the Code of Accounting Practice and Financial Reporting. This ratio indicates the extent of Council's reliance on external funding sources.

Unrestricted Current Ratio. This ratio is similar to 2014 at 4.58:1 which is above the industry benchmark of 1.50:1 established by TCorp.

Debt Service Cover Ratio. The ratio continues to be well above (favourable to) the industry benchmark; council's debt is not significant.

Rates, Annual Charges, Interest & extra Charges Outstanding Percentage. The amount of rates uncollected at year end expressed as a percentage of the total rates and annual charges collectible was 15.08% an improvement from 19.23% for 2014. The outstanding percentage remains in excess of the industry benchmark of 5%.

Cash expense cover ratio. This liquidity ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow. Council's ratio of 16.79 (2014: 20.62) exceeds the industry benchmark of 3 and indicates that Council has sufficient liquidity to adequately fund its short term operations.

Legislative Compliance

As a result of our audit we advise that no material deficiencies in the accounting records or financial reports have come to our attention during the conduct of the audit, and that Council's accounting records have been kept accurately and conscientiously and in accordance with requirements of the Local Government Act, 1993, and Regulations.

Council has complied with all statutory reporting requirements relating to Division 2 of Chapter 12 of the Local Government Act, 1993, the Code of Accounting Practice and Financial Reporting (Update 23), and other legislatively prescribed standards.

Conduct of the audit

During the conduct of our audit, a number of issues arose that required additional explanation and investigation, however we are able to report that all such issues have been appropriately attended to and there are no matters of audit significance, other than those already referred to in this report, that require mention in this or our statutory audit report.

We would like to commend the courteous and professional manner in which Council's staff has acted throughout the conduct of our audit, and their willingness to consider issues that we raised and assist us with our audit.

Pitcher Partners
PITCHER PARTNERS

Carl Millington
CARL MILLINGTON

Partner

Sydney, 29 October 2015

Wentworth Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

“The Shire on Two Rivers”



Wentworth Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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Statement of Financial Position - Other Business Activities	n/a
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Background

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

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

- (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Wentworth Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

Statement by Councillors and Management

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

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

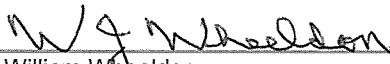
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.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


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

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


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

Signed in accordance with a resolution of Council made on 08 October 2015.



William Wheelon
MAYOR

Melisa Hedrics
COUNCILLOR

Peter Kozlovski
GENERAL MANAGER

Simon Rule
RESPONSIBLE ACCOUNTING OFFICER

Wentworth Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	1,008	986
User charges	1,173	1,190
Fees	27	55
Interest	144	136
Grants and contributions provided for non capital purposes	210	179
Profit from the sale of assets	-	-
Other income	7	3
Total income from continuing operations	2,569	2,549
Expenses from continuing operations		
Employee benefits and on-costs	311	342
Borrowing costs	-	-
Materials and contracts	1,043	1,010
Depreciation and impairment	347	344
Water purchase charges	45	40
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	43	3
Total expenses from continuing operations	1,789	1,739
Surplus (deficit) from Continuing Operations before capital amounts	780	810
Grants and contributions provided for capital purposes	12	49
Surplus (deficit) from Continuing Operations after capital amounts	792	859
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	792	859
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(234)	(243)
SURPLUS (DEFICIT) AFTER TAX	558	616
plus Opening Retained Profits	8,125	7,266
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	234	243
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	8,917	8,125
Return on Capital %	3.5%	3.7%
Subsidy from Council	-	-
Calculation of dividend payable:		
Surplus (deficit) after tax	558	616
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	558	616
Potential Dividend calculated from surplus	279	308

Wentworth Shire Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	1,373	1,345
User charges	-	-
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	68	54
Grants and contributions provided for non capital purposes	18	17
Profit from the sale of assets	-	-
Other income	5	6
Total income from continuing operations	1,464	1,422
Expenses from continuing operations		
Employee benefits and on-costs	176	159
Borrowing costs	5	14
Materials and contracts	374	411
Depreciation and impairment	471	532
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	32	2
Total expenses from continuing operations	1,058	1,118
Surplus (deficit) from Continuing Operations before capital amounts	406	304
Grants and contributions provided for capital purposes	6	16
Surplus (deficit) from Continuing Operations after capital amounts	412	320
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	412	320
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(122)	(91)
SURPLUS (DEFICIT) AFTER TAX	290	229
plus Opening Retained Profits	(6,776)	(7,096)
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	122	91
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	(6,364)	(6,776)
Return on Capital %	2.4%	1.8%
Subsidy from Council	111	299
Calculation of dividend payable:		
Surplus (deficit) after tax	290	229
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	290	229
Potential Dividend calculated from surplus	145	114

Wentworth Shire Council

Statement of Financial Position - Council's Water Supply Business Activity
as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	4,778	4,090
Investments	-	-
Receivables	1,072	1,106
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	5,850	5,196
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	22,329	21,866
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
Total non-Current Assets	22,329	21,866
TOTAL ASSETS	28,179	27,062
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	5
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	-	5
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	-	5
NET ASSETS	28,179	27,057
EQUITY		
Retained earnings	8,917	8,125
Revaluation reserves	19,262	18,932
Council equity interest	28,179	27,057
Non-controlling equity interest	-	-
TOTAL EQUITY	28,179	27,057

Wentworth Shire Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	2,199	1,621
Investments	-	-
Receivables	247	252
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	2,446	1,873
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	17,300	17,339
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
Total non-Current Assets	17,300	17,339
TOTAL ASSETS	19,746	19,212
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	-	-
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	131
Provisions	-	-
Total Non-Current Liabilities	-	131
TOTAL LIABILITIES	-	131
NET ASSETS	19,746	19,081
EQUITY		
Retained earnings	(6,364)	(6,776)
Revaluation reserves	26,110	25,857
Council equity interest	19,746	19,081
Non-controlling equity interest	-	-
TOTAL EQUITY	19,746	19,081

Wentworth Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

Contents of the Notes accompanying the Financial Statements

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2	Water Supply Business Best Practice Management disclosure requirements	11
3	Sewerage Business Best Practice Management disclosure requirements	13

Wentworth Shire Council

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

Note 1. Significant Accounting Policies

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

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

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

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

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

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

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

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

National Competition Policy

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

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

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

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

Declared Business Activities

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

Category 1

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

a. **Wentworth Shire Council Combined Water Supplies**

Comprising the whole of the operations and net assets of Council's water supply activities servicing the towns of Wentworth, Dareton, Gol Gol, Pooncarie and Buronga, each of which are established as separate Special Rate Funds.

b. **Wentworth Shire Council Combined Sewerage Service**

Comprising the whole of the operations and net assets of Council's sewerage reticulation and treatment activities servicing the towns of Wentworth, Dareton, Gol Gol, Pooncarie and Buronga, which is established as a Special Rate Fund.

Category 2

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

Nil

Monetary Amounts

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

Wentworth Shire Council

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

Note 1. Significant Accounting Policies

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

(i) Taxation Equivalent Charges

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

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

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

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

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

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

Achievement of substantial compliance against the guidelines for Best Practice Management of Water

Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income Tax

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

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

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

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

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

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the Business Activity.

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

Wentworth Shire Council

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

Note 1. Significant Accounting Policies

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

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

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

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

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

(iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

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

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

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

(iv) Dividends

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

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

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

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

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

Wentworth Shire Council

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

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

2015

1. Calculation and Payment of Tax-Equivalents

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

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	7,326
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	279,000
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	73,260
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	1,174,000

2015 Surplus	558,000	2014 Surplus	616,000	2013 Surplus	-
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	73,260
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 6 Criteria

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

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Full Cost Recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	- Complying charges [Item 2(b) in Table 1]	YES
	- DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	YES
(iii)	Sound Water Conservation and Demand Management implemented	YES
(iv)	Sound Drought Management implemented	YES
(v)	Complete Performance Reporting Form (by 15 September each year)	YES
(vi)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Wentworth Shire Council

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

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

2015

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	2,247
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	48.28%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	22,322
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	1,073
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	480
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	4.55%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

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

Wentworth Shire Council

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

Note 3. Sewerage Business Best Practice Management disclosure requirements

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

2015

1. Calculation and Payment of Tax-Equivalents

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

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	8,064
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	145,100
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	80,640
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	519,000

2015 Surplus	290,200	2014 Surplus	228,800	2013 Surplus	-
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	80,640
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 4 Criteria

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

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	Complying charges	
	(a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	YES
	(c) Trade Waste [Item 2(d) in Table 1]	YES
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Wentworth Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 3. Sewerage Business

Best Practice Management disclosure requirements (continued)

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

2015

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	1,402
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	17,120
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	524
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	118
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	2.35%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

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

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	3,839
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	0.96%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	598
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	3.59%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Wentworth Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 3. Sewerage Business

Best Practice Management disclosure requirements (continued)

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

2015

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

NWI F22	Net Debt to Equity (Water & Sewerage)	%	-14.56%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]		
NWI F23	Interest Cover (Water & Sewerage)		> 100
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):		1,202
	Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c)		
	Net Interest:		- 207
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
NWI F24	Net Profit After Tax (Water & Sewerage)	\$'000	1,204
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
NWI F25	Community Service Obligations (Water & Sewerage)	\$'000	37
	Grants for Pensioner Rebates (w11b + s12b)		

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

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WENTWORTH SHIRE COUNCIL
Special Purpose Financial Report
Independent Auditors' Report to the Council for the Year ended 30 June 2015

Report on the Financial Statements of Council's Declared Business Activities

We have audited the accompanying financial statements, being special purpose financial statements, of Wentworth Shire Council's declared business activities, which comprises the statement of financial position as at 30 June 2015 and the income statement for the year then ended, a summary of significant accounting policies, and other explanatory notes and the Statement by Councillors and Management.

Council's Responsibilities for the Financial Statements

Council is responsible for the preparation and fair presentation of the financial statements and has determined that the accounting policies described in Note 1 to the financial statements which form part of the financial statements are appropriate to their needs. Council's responsibility also includes such internal controls as the Council determines are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

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

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

Auditor's Opinion


In our opinion, the financial statements present fairly, in all material respects, the financial position of Wentworth Shire Council as of 30 June 2015 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the special purpose financial statements.

Basis of Accounting

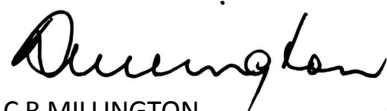
Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial statements have been prepared for distribution to the Council and the New South Wales Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial statements to which it relates to any person other than the Council or the New South Wales Division of Local Government, or for any purpose other than that for which it was prepared.

Other Matter

Wentworth Shire Council has prepared a separate financial report for the year ended 30 June 2015 in accordance with Australian Accounting Standards and the Code of Accounting Practice and Financial Reporting on which we issued a separate auditor's report to the Council dated 29 October 2015.



PITCHER PARTNERS



C R MILLINGTON
Partner

Sydney, 29 October 2015

Wentworth Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2015

“The Shire on Two Rivers”



Wentworth Shire Council

Special Schedules

for the financial year ended 30 June 2015

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- Special Schedule No. 8	Financial Projections	n/a
- Special Schedule No. 9	Permissible Income Calculation	22

¹ Special Schedules are not audited (with the exception of Special Schedule 9).

Background

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

Wentworth Shire Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	609	-	-	(609)
Administration	3,935	573	-	(3,362)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	524	293	-	(231)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	236	24	-	(212)
Other	-	-	-	-
Total Public Order & Safety	760	317	-	(443)
Health	74	8	-	(66)
Environment				
Noxious Plants and Insect/Vermin Control	110	56	-	(54)
Other Environmental Protection	35	-	-	(35)
Solid Waste Management	-	-	-	-
Street Cleaning	-	-	-	-
Drainage	42	-	-	(42)
Stormwater Management	76	-	-	(76)
Total Environment	263	56	-	(207)
Community Services and Education				
Administration & Education	39	33	-	(6)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	41	7	-	(34)
Children's Services	30	-	-	(30)
Total Community Services & Education	110	40	-	(70)
Housing and Community Amenities				
Public Cemeteries	150	79	-	(71)
Public Conveniences	138	-	-	(138)
Street Lighting	117	39	-	(78)
Town Planning	1,658	1,023	2	(633)
Other Community Amenities	27	-	-	(27)
Total Housing and Community Amenities	2,090	1,141	2	(947)
Water Supplies	1,789	2,569	12	792
Sewerage Services	1,058	1,464	6	412

Wentworth Shire Council

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

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	451	30	6	(415)
Museums	-	-	-	-
Art Galleries	-	-	-	-
Community Centres and Halls	225	30	-	(195)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	295	14	128	(153)
Swimming Pools	314	-	-	(314)
Parks & Gardens (Lakes)	592	16	-	(576)
Other Sport and Recreation	325	22	2	(301)
Total Recreation and Culture	2,202	112	136	(1,954)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	234	68	-	(166)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	234	68	-	(166)
Transport and Communication				
Urban Roads (UR) - Local	589	-	-	(589)
Urban Roads - Regional	950	-	-	(950)
Sealed Rural Roads (SRR) - Local	3,208	-	-	(3,208)
Sealed Rural Roads (SRR) - Regional	1,889	-	-	(1,889)
Unsealed Rural Roads (URR) - Local	917	-	-	(917)
Unsealed Rural Roads (URR) - Regional	352	-	-	(352)
Bridges on UR - Local	36	-	-	(36)
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	46	-	-	(46)
Footpaths	254	-	-	(254)
Aerodromes	100	-	-	(100)
Other Transport & Communication	446	3,809	1,280	4,643
Total Transport and Communication	8,787	3,809	1,280	(3,698)
Economic Affairs				
Camping Areas & Caravan Parks	121	79	30	(12)
Other Economic Affairs	978	402	10	(566)
Total Economic Affairs	1,099	481	40	(578)
Totals – Functions	23,010	10,638	1,476	(10,896)
General Purpose Revenues ⁽²⁾		10,550		10,550
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT ⁽¹⁾	23,010	21,188	1,476	(346)

(1) As reported in the Income Statement

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

Wentworth Shire Council

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

for the financial year ended 30 June 2015

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	211	310	521	920	256	-	-	50	197	988	1,185
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	211	310	521	920	256	-	-	50	197	988	1,185
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	211	310	521	920	256	-	-	50	197	988	1,185

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Wentworth Shire Council

Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	115	115
b. Engineering and Supervision	50	50
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	-	-
d. Maintenance expenses	188	209
- Reservoirs		
e. Operation expenses	-	-
f. Maintenance expenses	-	-
- Pumping Stations		
g. Operation expenses (excluding energy costs)	23	17
h. Energy costs	216	166
i. Maintenance expenses	27	21
- Treatment		
j. Operation expenses (excluding chemical costs)	360	398
k. Chemical costs	-	-
l. Maintenance expenses	14	15
- Other		
m. Operation expenses	9	39
n. Maintenance expenses	26	25
o. Purchase of water	45	39
3. Depreciation expenses		
a. System assets	-	-
b. Plant and equipment	347	344
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	147	138
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	222	163
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,789	1,739

Wentworth Shire Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges		
a. Access (including rates)	1,010	917
b. Usage charges	943	1,107
7. Non-residential charges		
a. Access (including rates)	74	69
b. Usage charges	154	83
8. Extra charges	-	-
9. Interest income	144	136
10. Other income	35	39
10a. Aboriginal Communities Water and Sewerage Program	190	179
11. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	19	19
c. Other grants	-	-
12. Contributions		
a. Developer charges	12	49
b. Developer provided assets	-	-
c. Other contributions	-	-
13. Total income	2,581	2,598
14. Gain (or loss) on disposal of assets	-	-
15. Operating Result	792	859
15a. Operating Result (less grants for acquisition of assets)	792	859

Wentworth Shire Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	36	-
b. New Assets for Growth	-	-
c. Renewals	444	72
d. Plant and equipment	-	-
17. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	480	72
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	-	-
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	2,146	2,082
b. Residential (unoccupied, ie. vacant lot)	112	145
c. Non-residential (occupied)	184	167
d. Non-residential (unoccupied, ie. vacant lot)	-	-
25. Number of ETs for which developer charges were received	2 ET	2 ET
26. Total amount of pensioner rebates (actual dollars)	\$ 35,019	\$ 33,568

Wentworth Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2015

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

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

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

Wentworth Shire Council

Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	4,778	-	4,778
31. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	952	-	952
c. User Charges	120	-	120
d. Other	-	-	-
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	-	22,322	22,322
b. Plant and equipment	-	7	7
34. Other assets	-	-	-
35. Total assets	5,850	22,329	28,179
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	-	-	-
38. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	-	-	-
41. NET ASSETS COMMITTED	5,850	22,329	28,179
EQUITY			
42. Accumulated surplus			8,917
43. Asset revaluation reserve			19,262
44. TOTAL EQUITY			28,179
Note to system assets:			
45. Current replacement cost of system assets			40,630
46. Accumulated current cost depreciation of system assets			(18,308)
47. Written down current cost of system assets			22,322

Wentworth Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	74	74
b. Engineering and Supervision	30	30
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	44	49
b. Maintenance expenses	22	24
- Pumping Stations		
c. Operation expenses (excluding energy costs)	33	27
d. Energy costs	51	63
e. Maintenance expenses	107	60
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	91	-
g. Chemical costs	-	-
h. Energy costs	4	3
i. Effluent Management	3	5
j. Biosolids Management	-	123
k. Maintenance expenses	46	7
- Other		
l. Operation expenses	16	9
m. Maintenance expenses	3	7
3. Depreciation expenses		
a. System assets	471	532
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	5	14
b. Revaluation Decrements	-	-
c. Other expenses	58	91
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,058	1,118

Wentworth Shire Council

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

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges (including rates)	1,231	1,206
7. Non-residential charges		
a. Access (including rates)	142	139
b. Usage charges	-	-
8. Trade Waste Charges		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	68	54
11. Other income	5	6
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	18	17
c. Other grants	-	-
13. Contributions		
a. Developer charges	6	16
b. Developer provided assets	-	-
c. Other contributions	-	-
14. Total income	1,470	1,438
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	412	320
16a. Operating Result (less grants for acquisition of assets)	412	320

Wentworth Shire Council

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

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	118	-
b. New Assets for Growth	-	-
c. Renewals	-	12
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	131	151
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	249	163
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	2,375	2,195
b. Residential (unoccupied, ie. vacant lot)	129	206
c. Non-residential (occupied)	184	276
d. Non-residential (unoccupied, ie. vacant lot)	-	-
26. Number of ETs for which developer charges were received	1 ET	2 ET
27. Total amount of pensioner rebates (actual dollars)	\$ 32,431	\$ 30,872

Wentworth Shire Council

Special Schedule No. 5 - Sewerage Service Cross Subsidies

for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?			
<input type="checkbox"/>			
<input type="checkbox"/>			
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>
<p>* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.</p> <p>However, disclosure of cross-subsidies is not required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.</p>			

Wentworth Shire Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	2,199	-	2,199
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	247	-	247
c. User Charges	-	-	-
d. Other	-	-	-
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	17,120	17,120
b. Plant and equipment	-	180	180
35. Other assets	-	-	-
36. Total Assets	2,446	17,300	19,746
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	-	-	-
39. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	-	-	-
42. NET ASSETS COMMITTED	2,446	17,300	19,746
EQUITY			
42. Accumulated surplus			(6,364)
44. Asset revaluation reserve			26,110
45. TOTAL EQUITY			19,746
Note to system assets:			
46. Current replacement cost of system assets			37,619
47. Accumulated current cost depreciation of system assets			(20,499)
48. Written down current cost of system assets			17,120

Wentworth Shire Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2015

Administration ⁽¹⁾

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

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

Engineering and supervision ⁽¹⁾

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

Wentworth Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings										
	Council Offices / Administration Centres	140	16	16	1,402	40%	42%	8%	10%	0%
	Council Works Depot	34	5	5	430	44%	36%	12%	8%	0%
	Council Public Halls	95	21	21	1,902	13%	52%	30%	5%	0%
	Libraries	-	5	5	458	55%	45%	0%	0%	0%
	Other Buildings	96	13	13	1,205	33%	35%	24%	8%	0%
	Other	771	108	108	9,641	33%	43%	16%	8%	0%
	sub total	1,136	168	168	15,038	32.1%	43.3%	17.1%	7.6%	0.0%
Other Structures										
	Other Structures	77	29	29	7,847	33%	56%	10%	1%	0%
	sub total	77	29	29	7,847	33.0%	56.0%	10.0%	1.0%	0.0%
Roads										
	Sealed Roads Surface	18,546	1,288	1,288	185,453	36%	24%	30%	9%	1%
	Unsealed Roads	8,311	262	262	37,780	34%	26%	18%	18%	4%
	Bridges	2,221	154	154	22,206	27%	53%	10%	10%	0%
	Footpaths	-	45	45	2,603	39%	59%	2%	0%	0%
	Cycle ways	194	13	13	1,940	45%	37%	8%	10%	0%
	Kerb and Gutter	302	104	104	15,080	46%	41%	11%	2%	0%
	Other Road Assets	9	6	6	852	13%	79%	7%	1%	0%
	Other	-	31	31	8,796	20%	67%	13%	0%	0%
	sub total	29,583	1,903	1,903	274,710	35.1%	29.5%	24.7%	9.5%	1.2%

Wentworth Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Water Supply Network										
	Mains	4,553	144	144	12,649	28%	20%	16%	31%	5%
	Reservoirs	348	40	40	3,475	70%	10%	10%	10%	0%
	Pumping Station/s	413	21	21	1,795	38%	19%	20%	23%	0%
	Treatment	-	49	49	4,300	66%	16%	18%	0%	0%
	Other	6	1	1	102	67%	22%	5%	6%	0%
	sub total	5,320	255	255	22,321	42.8%	17.6%	15.7%	21.0%	2.8%
Sewerage Network										
	Mains	1,813	73	73	6,974	33%	7%	34%	24%	2%
	Pumping Station/s	1,134	74	74	7,088	29%	24%	31%	16%	0%
	Treatment	566	30	30	2,828	0%	0%	80%	20%	0%
	Other	5	2	2	229	20%	24%	54%	2%	0%
	sub total	3,518	179	179	17,119	25.7%	13.1%	40.6%	19.7%	0.8%

Wentworth Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Stormwater Drainage	Retarding Basins	46	3	3	462	20%	50%	20%	10%	0%
	Outfalls	321	20	20	3,207	20%	50%	20%	10%	0%
	Head Walls	32	2	2	322	20%	50%	20%	10%	0%
	Outfall Structures	6	1	1	64	20%	50%	20%	10%	0%
	Stormwater Converters	2	1	1	42	5%	40%	50%	5%	0%
	Other	31	3	3	612	5%	40%	50%	5%	0%
	sub total	438	30	30	4,709	17.9%	48.6%	24.2%	9.3%	0.0%
	TOTAL - ALL ASSETS	40,072	2,564	2,564	342,740	34.6%	29.3%	24.1%	10.5%	1.5%

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). **Infrastructure Asset Condition Assessment "Key"**

1	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

Wentworth Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures				
Renewals Ratio				
Asset Renewals				
(Building, Infrastructure & Other Structures) ⁽¹⁾	5,541	93.63%	70.28%	63.06%
Depreciation, Amortisation & Impairment	5,918			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	40,072			
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	346,567	11.56%	4.93%	16.00%
3. Asset Maintenance Ratio				
Actual Asset Maintenance	2,564			
Required Asset Maintenance	2,564	1.00	1.00	1.00
4. Capital Expenditure Ratio				
Annual Capital Expenditure	7,417			
Annual Depreciation	6,898	1.08	0.94	0.67

Notes

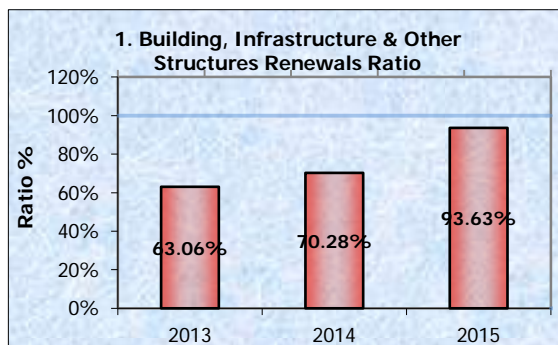
⁽¹⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

⁽²⁾ Written Down Value

Wentworth Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015



Benchmark: — Minimum $\geq 100.00\%$

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

Purpose of Asset Renewals Ratio

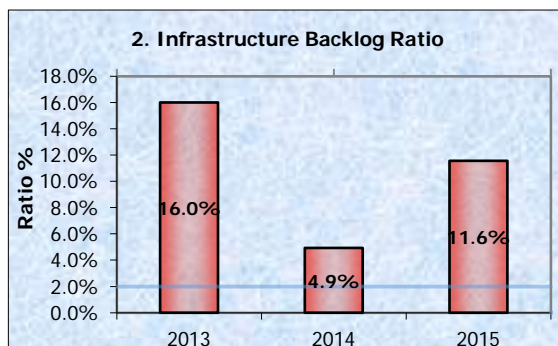
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2014/15 Result

2014/15 Ratio 93.63%

After reviewing the useful lives and associated depreciation rates for infrastructure assets, Council believes it has a more accurate picture of the annual requirement for renewing assets. 2014/2015 was a marked improvement on previous years and was very close to reaching the 100% benchmark.

Ratio is within Benchmark
 Ratio is outside Benchmark



Benchmark: — Maximum < 0.02

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

Purpose of Infrastructure Backlog Ratio

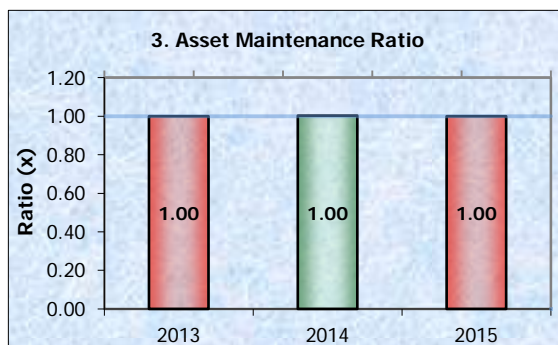
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2014/15 Result

2014/15 Ratio 11.56%

The revaluation of roads assets has proportionately increased this ratio. The consumption pattern of an asset useful lives is not a uniform ratio in comparison to depreciation rates determined by an assets useful live. These figures will vary from year to year depending on a number of different variables.

Ratio is within Benchmark
 Ratio is outside Benchmark



Benchmark: — Minimum > 1.00

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

Purpose of Asset Maintenance Ratio

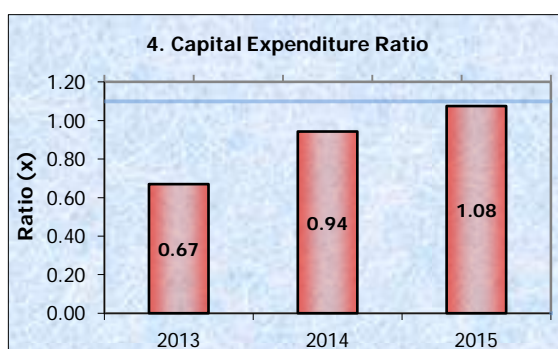
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

Commentary on 2014/15 Result

2014/15 Ratio 1.00 x

Council is investing enough funds to stop the infrastructure backlog growing as a result of a lack of maintenance.

Ratio is within Benchmark
 Ratio is outside Benchmark



Benchmark: — Minimum > 1.10

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

Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

Commentary on 2014/15 Result

2014/15 Ratio 1.08 x

Council continues to expand its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

Ratio is within Benchmark
 Ratio is outside Benchmark

Wentworth Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015

\$ '000	Water 2015	Sewer 2015	General ⁽¹⁾ 2015
Infrastructure Asset Performance Indicators By Fund			
1. Building, Infrastructure & Other Structures Renewals Ratio			
Asset Renewals			
(Building, Infrastructure & Other Structures) ⁽²⁾	127.95%	0.00%	99.75%
Depreciation, Amortisation & Impairment			
prior period:	20.93%	2.27%	79.93%
2. Infrastructure Backlog Ratio			
Estimated Cost to bring Assets to a Satisfactory Condition			
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	23.83%	20.55%	10.17%
prior period:	16.15%	12.48%	3.28%
3. Asset Maintenance Ratio			
Actual Asset Maintenance			
Required Asset Maintenance	1.00	1.00	1.00
prior period:	1.00	1.00	1.00
4. Capital Expenditure Ratio			
Annual Capital Expenditure			
Annual Depreciation	1.38	0.25	1.12
prior period:	0.21	0.02	1.06

Notes

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

⁽²⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

⁽³⁾ Written Down Value

Wentworth Shire Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	4,517	4,631
Plus or minus Adjustments ⁽²⁾	b	9	20
Notional General Income	c = (a + b)	4,526	4,651
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = d x (c-g)	-	-
or plus Rate peg amount	i = c x e	104	112
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	4,630	4,763
plus (or minus) last year's Carry Forward Total	l	-	0
less Valuation Objections claimed in the previous year	m	-	-
sub-total	n = (l + m)	-	0
Total Permissible income	o = k + n	4,630	4,763
less Notional General Income Yield	p	4,631	4,763
Catch-up or (excess) result	q = o - p	0	(0)
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	-	-
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	t = q + r - s	0	(0)

Notes

- The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.

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WENTWORTH SHIRE COUNCIL

Special Schedule No. 9

Independent Auditors' Report to the Council for the Year ended 30 June 2016

Report on Special Schedule No. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Wentworth Shire Council for the year ending 30 June 2016.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.


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

Auditor's Opinion

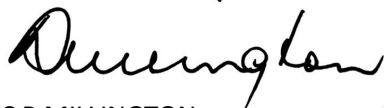
In our opinion, Special Schedule No. 9 of Wentworth Shire Council for the year ending 30 June 2016 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income for the year ending 30 June 2016 is presented fairly. As a result, the schedule may not be suitable for another purpose.



PITCHER PARTNERS



C R MILLINGTON
Partner

Sydney, 28 October 2015