

*Good
Government*

FINANCIAL REPORTS
2014/15



■ ■ ■ ■ ■ TOWARDS 2030



Mid-Western Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2015

*“a prosperous and progressive
community that we proudly call home”*



Mid-Western Regional 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 Mid-Western Regional Council.
- (ii) Mid-Western Regional 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.
-

Mid-Western Regional 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.

Mid-Western Regional 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:

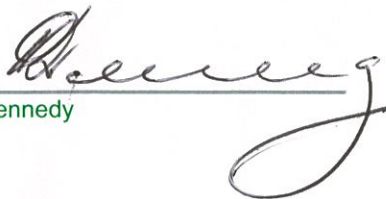
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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 16 September 2015.



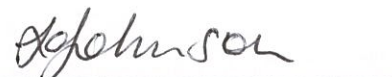
Mr Des Kennedy
MAYOR



Mr Paul Cavalier
COUNCILLOR



Mr Simon Jones
ACTING GENERAL MANAGER



Mrs Leonie Johnson
RESPONSIBLE ACCOUNTING OFFICER

Mid-Western Regional 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:				
25,755	Rates & Annual Charges	3a	25,591	23,757
12,047	User Charges & Fees	3b	18,190	14,773
1,208	Interest & Investment Revenue	3c	1,621	1,504
2,423	Other Revenues	3d	2,790	2,283
12,068	Grants & Contributions provided for Operating Purposes	3e,f	12,385	9,299 ²
14,815	Grants & Contributions provided for Capital Purposes	3e,f	16,284	10,213
Other Income:				
1,441	Net gains from the disposal of assets	5	-	-
-	Net Share of interests in Joint Ventures & Associates using the equity method	19	-	-
69,757	Total Income from Continuing Operations		76,861	61,829
Expenses from Continuing Operations				
21,397	Employee Benefits & On-Costs	4a	20,028	19,167
1,303	Borrowing Costs	4b	1,290	1,370
10,091	Materials & Contracts	4c	13,497	13,645
15,116	Depreciation & Amortisation	4d	16,078	14,947
-	Impairment	4d	-	-
5,730	Other Expenses	4e	6,128	6,016
-	Net Losses from the Disposal of Assets	5	3,230	1,492
53,637	Total Expenses from Continuing Operations		60,251	56,637
16,120	Operating Result from Continuing Operations		16,610	5,192
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
16,120	Net Operating Result for the Year		16,610	5,192
16,120	Net Operating Result attributable to Council		16,610	5,192
-	Net Operating Result attributable to Non-controlling Interests		-	-
1,305	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		326	(5,021)

¹ Original Budget as approved by Council - refer Note 16

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

Mid-Western Regional 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)		16,610	5,192
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	276,205	2,915
Impairment (loss) reversal relating to I,PP&E	20b (ii)	(924)	-
Total Items which will not be reclassified subsequently to the Operating Result		275,281	2,915
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	13
Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met		-	13
Total Other Comprehensive Income for the year		275,281	2,928
Total Comprehensive Income for the Year		291,891	8,120
Total Comprehensive Income attributable to Council		291,891	8,120
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Mid-Western Regional Council

Statement of Financial Position

as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	1,581	9,894
Investments	6b	46,300	30,550
Receivables	7	8,513	7,035
Inventories	8	1,127	1,154
Other	8	59	11
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		57,580	48,644
Non-Current Assets			
Investments	6b	-	-
Receivables	7	60	120
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	835,824	553,246
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	409	430
Total Non-Current Assets		836,293	553,796
TOTAL ASSETS		893,873	602,440
LIABILITIES			
Current Liabilities			
Payables	10	7,323	6,422
Borrowings	10	1,410	1,333
Provisions	10	5,783	5,562
Total Current Liabilities		14,516	13,317
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	17,759	19,168
Provisions	10	1,222	1,470
Total Non-Current Liabilities		18,981	20,638
TOTAL LIABILITIES		33,497	33,955
Net Assets		860,376	568,485
EQUITY			
Retained Earnings	20	342,541	325,931
Revaluation Reserves	20	517,835	242,554
Council Equity Interest		860,376	568,485
Non-controlling Equity Interests		-	-
Total Equity		860,376	568,485

Mid-Western Regional 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)		325,931	242,554	568,485	-	568,485
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)		325,931	242,554	568,485	-	568,485
c. Net Operating Result for the Year		16,610	-	16,610	-	16,610
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	276,205	276,205	-	276,205
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(924)	(924)	-	(924)
Other Comprehensive Income		-	275,281	275,281	-	275,281
Total Comprehensive Income (c&d)		16,610	275,281	291,891	-	291,891
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		342,541	517,835	860,376	-	860,376

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		319,305	241,060	560,365	-	560,365
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)		319,305	241,060	560,365	-	560,365
c. Net Operating Result for the Year		5,192	-	5,192	-	5,192
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	2,915	2,915	-	2,915
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	13	13	-	13
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	2,928	2,928	-	2,928
Total Comprehensive Income (c&d)		5,192	2,928	8,120	-	8,120
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		1,434	(1,434)	-	-	-
Equity - Balance at end of the reporting period		325,931	242,554	568,485	-	568,485

Mid-Western Regional 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:				
25,755	Rates & Annual Charges		25,166	23,385
12,047	User Charges & Fees		21,062	12,825
1,208	Investment & Interest Revenue Received		1,492	1,444
26,883	Grants & Contributions		28,834	22,169
-	Bonds, Deposits & Retention amounts received		74	226
2,871	Other		2,935	5,405
Payments:				
(21,397)	Employee Benefits & On-Costs		(19,431)	(19,212)
(10,091)	Materials & Contracts		(17,812)	(13,850)
(1,303)	Borrowing Costs		(1,277)	(1,347)
-	Bonds, Deposits & Retention amounts refunded		-	(540)
(5,730)	Other		(6,998)	(7,974)
30,243	Net Cash provided (or used in) Operating Activities	11b	34,045	22,531
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		72,900	86,987
-	Sale of Real Estate Assets		150	93
1,144	Sale of Infrastructure, Property, Plant & Equipment		291	1,115
60	Deferred Debtors Receipts		60	-
Payments:				
-	Purchase of Investment Securities		(88,650)	(103,050)
(32,938)	Purchase of Infrastructure, Property, Plant & Equipment		(25,777)	(18,017)
-	Purchase of Real Estate Assets		-	(1)
(31,734)	Net Cash provided (or used in) Investing Activities		(41,026)	(32,873)
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
(1,379)	Repayment of Borrowings & Advances		(1,332)	(1,259)
(1,379)	Net Cash Flow provided (used in) Financing Activities		(1,332)	(1,259)
(2,870)	Net Increase/(Decrease) in Cash & Cash Equivalents		(8,313)	(11,601)
42,552	plus: Cash & Cash Equivalents - beginning of year	11a	9,894	21,495
39,682	Cash & Cash Equivalents - end of the year	11a	1,581	9,894
Additional Information:				
	plus: Investments on hand - end of year	6b	46,300	30,550
	Total Cash, Cash Equivalents & Investments		47,881	40,444

Please refer to Note 11 for additional cash flow information

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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n/a - not applicable

Mid-Western Regional 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)].

Mid-Western Regional 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 infrastructure, property, plant and equipment.
- (ii) Estimated remediation provisions.

Critical judgements in applying Council's accounting policies

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

(b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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.

Mid-Western Regional 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).

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

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

(i) The Consolidated Fund

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

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

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

- *General Purpose Operations*
- *Water Supply*
- *Waste Water Services*
- *Mudgee Showground Committee (s355)*
- *Mudgee Sports Council (s355)*
- *Gulgong Sports Council (s355)*
- *Red Hill Centre Committee (s355)*

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(ii) The Trust Fund

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

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

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

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

(iii) Joint 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.

(vi) Unconsolidated Structured Entities

Unconsolidated Structured Entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a Subsidiary, Joint Arrangement or Associate. Attributes of Structured Entities include restricted activities,

Detailed information relating to Council's interest in Unconsolidated Structured Entities can be found at Note 19 (d).

(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

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

and which are subject to an insignificant risk of changes in value, and

- bank overdrafts.

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

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Financial Assets – Reclassification

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

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

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

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

Impairment

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

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

(iii) Types of Investments

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

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

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

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

(h) Receivables

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

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

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

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

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

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

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

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

Mid-Western Regional Council

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

Note 1. Summary of Significant Accounting Policies

- **Other Open Space/Recreational Assets**
(Internal Valuation)
- **Other Infrastructure**
(Internal Valuation)
- **Other Assets**
(as approximated by depreciated historical cost)
- **Investment Properties** – refer Note 1(p),

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

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

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

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	> \$2,000
Office Equipment	> \$2,000
Other Plant & Equipment	> \$2,000

Buildings & Land Improvements	
Park Furniture & Equipment	> \$2,000

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Building	
- construction/extensions	100% Capitalised
- renovations	> \$5,000

Other Structures	> \$2,000
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Water & Sewer Assets

Reticulation extensions	> \$10,000
Other	> \$10,000

Stormwater Assets

Drains & Culverts	> \$2,000
Other	> \$2,000

Transport Assets

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

Bridge construction & reconstruction	> \$10,000
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Other Infrastructure Assets

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

Other Infrastructure	> \$10,000
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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 IPP&E include:

Plant & Equipment

- Office Equipment	5 years
- Office furniture	10 years
- Computer Equipment	5 years
- Vehicles	5 to 10 years
- Heavy Plant/Road Making equip.	8 to 13 years
- Other plant and equipment	5 to 15 years

Other Equipment

- Playground equipment	50 years
- Benches, seats etc	50 years

Buildings

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

Water & Sewer Assets

- Dams and reservoirs	80 to 100 years
- Reticulation pipes: PVC	80 years
- Reticulation pipes: Other	45 to 80 years
- Pumps and telemetry	25 to 70 years

Stormwater Assets

- Drains	80 years
- Culverts	80 years

Transportation Assets

- Sealed Roads : Surface	13 to 25 years
- Sealed Roads : Structure	52 to 100 years
- Unsealed roads	6 to 30 years
- Bridge : Concrete	80 years
- Bridge : Other	80 years
- Kerb, Gutter & Paths	60 to 75 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	80 years
- Other Open Space/ Recreational Assets	3 to 80 years
- Other Infrastructure	3 to 100 years

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

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

IT Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

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

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

(p) Investment property

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

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

Mid-Western Regional Council

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

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

Costs are estimated on the basis of a closure plan.

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

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

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

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

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

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

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

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

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

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwinding 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.

Mid-Western Regional 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.

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

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

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

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

(s) Impairment of assets

All Council's IPP&E is subject to an annual assessment of impairment.

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

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

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

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

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

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

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

(v) Borrowing costs

Borrowing costs are expensed.

(w) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

(x) Employee benefits

(i) Short Term Obligations

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

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

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

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

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

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

(ii) Other Long Term Obligations

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

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

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

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

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

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

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

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

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

The last valuation of the Scheme was performed by Mr Martin Stevenson (BSc, FIA, FIAA) on 20 February 2013 and covers the period ended 30 June 2013.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials. The Actuary has estimated that as at 30 June 2015 the prior period deficit still exists.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2015 was \$384,426.42.

The amount of additional contributions included in the total employer contribution advised above is \$198,081.

It is estimated Council's participation in the Scheme compared with other participating entries is approximately 0.41%. 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.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(iv) Employee Benefit On-Costs

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

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

(y) Self insurance

Council does not self insure.

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

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

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

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

Operating cash flows within the Cash Flow Statement are on a 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.

(ab) New accounting standards and interpretations

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

Council has not adopted any of these standards early.

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

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

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

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

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

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

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

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

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

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

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

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

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

AASB 124 - Related Party Disclosures

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

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

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

(ac) Rounding of amounts

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

(ad) Comparative Figures

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

(ae) Disclaimer

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

Mid-Western Regional Council

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 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Governance	73	74	84	467	407	436	(394)	(333)	(352)	2	165	-	-
Looking after our Community	4,705	4,116	4,504	12,639	12,390	13,033	(7,934)	(8,274)	(8,529)	2,313	2,742	66,407	62,045
Protecting our Natural Environment	15,470	15,650	17,673	15,759	16,492	15,345	(289)	(842)	2,328	714	3,066	143,638	147,833
Building a Strong Local Economy	1,951	1,992	970	1,278	1,255	1,120	673	737	(150)	969	-	16,500	16,354
Connecting the Region	14,862	22,381	12,152	14,582	21,864	17,943	280	517	(5,791)	7,617	1,694	588,845	296,347
Good Government	9,643	9,383	7,413	8,912	7,843	8,760	731	1,540	(1,347)	199	35	78,483	79,861
Total Functions & Activities	46,704	53,596	42,796	53,637	60,251	56,637	(6,933)	(6,655)	(13,841)	11,814	7,702	893,873	602,440
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	23,053	23,265	19,033	-	-	-	23,053	23,265	19,033	6,188	3,173	-	-
Operating Result from Continuing Operations	69,757	76,861	61,829	53,637	60,251	56,637	16,120	16,610	5,192	18,002	10,875	893,873	602,440

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

Mid-Western Regional 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:

As a result of moving to the Integrated Planning & Reporting framework from 1 July 2012, Council now reports on its activities under the 5 broad themes set out below (Governance forms part of the Good Government theme). Prior year actuals have been restated to correspond to the new Themes.

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.

LOOKING AFTER OUR COMMUNITY

Fire protection, animal control, public order & safety, emergency services, food control, health, community services, family day care, childcare, youth services, aged & disabled services, housing, town planning, public cemeteries, public toilets, libraries, museums, community centres, public halls, swimming pools, sporting grounds, parks & gardens, building control, and urban streetscaping.

PROTECTING OUR NATURAL ENVIRONMENT

Noxious plants, domestic waste management, other solid waste management, street cleaning, stormwater drainage, environmental protection, water supply, sewerage services.

BUILDING A STRONG LOCAL ECONOMY

Caravan parks, tourism & area promotions, industrial development, saleyards, real estate development.

CONNECTING THE REGION

Urban roads local, urban roads regional, sealed rural roads local, sealed rural roads regional, unsealed rural roads local, unsealed rural roads regional, bridges, footpaths & cycleways, aerodromes, car parking areas, state roads, street lighting.

GOOD GOVERNMENT

Corporate support, Mid-Western Operations, plant operations, private works, general purpose revenue, developer contributions.

Mid-Western Regional 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		8,534	8,141
Farmland		4,412	4,337
Mining		1,975	1,299
Business		1,241	1,183
Total Ordinary Rates		16,162	14,960
Special Rates			
Hunter Valley Catchment Special Rate		15	14
Total Special Rates		15	14
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		1,116	1,091
Water Supply Services		1,199	1,123
Sewerage Services		4,689	4,273
Waste Management Services (non-domestic)		2,410	2,296
Total Annual Charges		9,414	8,783
TOTAL RATES & ANNUAL CHARGES		25,591	23,757

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

Mid-Western Regional 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		4,737	4,717
Sewerage Services		651	620
Other		7	-
Total User Charges		5,395	5,337
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Planning & Building Regulation		799	934
Private Works - Section 67		168	293
Total Fees & Charges - Statutory/Regulatory		967	1,227
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Aerodrome		80	73
Aged Care		192	378
Cemeteries		238	232
Childrens Services		129	136
Leaseback Fees - Council Vehicles		59	45
Parks & Sports Grounds		96	92
RMS (formerly RTA) Charges (State Roads not controlled by Council)		9,531	5,561
Saleyards		376	299
Swimming Centres		152	151
Waste Depot		781	959
Waste Water Services		63	95
Water Connection Fees		127	186
Other		4	2
Total Fees & Charges - Other		11,828	8,209
TOTAL USER CHARGES & FEES		18,190	14,773

Mid-Western Regional 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)		122	121
- Interest earned on Investments (interest & coupon payment income)		1,499	1,383
TOTAL INTEREST & INVESTMENT REVENUE		1,621	1,504
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		122	52
General Council Cash & Investments		793	848
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		109	80
- Section 64		144	106
Water Fund Operations		143	197
Sewerage Fund Operations		189	162
Domestic Waste Management operations		121	59
Total Interest & Investment Revenue Recognised		1,621	1,504
(d) Other Revenues			
Rental Income - Other Council Properties		947	921
Fines		102	87
Legal Fees Recovery - Rates & Charges (Extra Charges)		138	119
Legal Fees Recovery - Other		58	-
Commissions & Agency Fees		13	18
Diesel Rebate		199	133
Insurance Claim Recoveries		369	286
Recycling Income (non domestic)		439	419
Sales - General		95	45
Sales - Ironed Out		36	42
Sales - Libraries Conference		145	30
Sales - Mudgee Town Hall Cinema		64	76
Sales - Kandos Centennial		31	-
Other		154	107
TOTAL OTHER REVENUE		2,790	2,283

Mid-Western Regional 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	1	3,753	1,869	-
Financial Assistance - Local Roads Component	1	2,239	1,105	-
Pensioners' Rates Subsidies - General Component		196	199	-
Total General Purpose		6,188	3,173	-

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	54	66	-	-
- Sewerage	59	60	-	-
- Domestic Waste Management	78	77	-	-
Water Supplies	-	-	-	600
Sewerage Services	-	-	100	1,715
Aged Care	930	1,110	-	-
Bushfire & Emergency Services	607	558	25	19
Childrens Services	743	912	812	-
Employment & Training Programs	13	22	-	-
Environmental Programs	23	35	-	-
Healthy Communities	-	15	-	-
Heritage & Cultural	7	(13)	-	-
Library	91	105	-	-
LIRS Subsidy	152	165	-	-
Noxious Weeds	108	256	-	-
Recreation & Culture	-	-	139	172
Strategic Planning	23	22	-	-
Street Lighting	34	34	-	-
Transport (Roads to Recovery)	-	-	1,056	1,059
Transport (Other Roads & Bridges Funding)	-	-	4,962	648
Youth Services	2	(2)	-	-
Aerodromes	34	-	1,531	-
Other Waste Management	-	-	71	-
Other	-	15	160	52
Total Specific Purpose		2,958	3,437	8,856
Total Grants		9,146	8,856	4,265

Grant Revenue is attributable to:

- Commonwealth Funding	7,209	4,542	1,059	1,659
- State Funding	1,937	2,031	7,797	2,572
- Other Funding	-	37	-	34
	9,146	6,610	8,856	4,265

Mid-Western Regional 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 93F - Contributions using Planning Agreements	-	-	574	856
S 94 - Contributions towards amenities/services	-	-	1,208	561
S 94A - Fixed Development Consent Levies	-	-	75	38
S 64 - Water Supply Contributions	-	-	1,193	685
S 64 - Sewerage Service Contributions	-	-	601	477
Total Developer Contributions	17	-	3,651	2,617
Other Contributions:				
Community Services	-	-	1	5
Dedications (other than by S94)	-	-	-	196
Occupational Health & Safety	83	72	-	-
Other Councils - Joint Works/Services	-	217	-	-
Recreation & Culture	-	10	9	-
Roads & Bridges	689	87	3,439	516
RMS Contributions (Regional Roads, Block Grant)	2,329	2,274	316	2,594
Aerodromes	75	-	-	-
Risk Management	39	-	-	-
Other	24	29	12	20
Total Other Contributions	3,239	2,689	3,777	3,331
Total Contributions	3,239	2,689	7,428	5,948
TOTAL GRANTS & CONTRIBUTIONS	12,385	9,299	16,284	10,213

\$ '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	9,494	10,355
add: Grants & contributions recognised in the current period but not yet spent:	4,146	3,160
less: Grants & contributions recognised in a previous reporting period now spent:	(1,380)	(4,021)
Net Increase (Decrease) in Restricted Assets during the Period	2,766	(861)
Unexpended and held as Restricted Assets	12,260	9,494
Comprising:		
- Specific Purpose Unexpended Grants	478	773
- Developer Contributions	11,589	8,555
- Other Contributions	193	166
	12,260	9,494

Mid-Western Regional 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		16,656	15,228
Travelling		6	19
Employee Leave Entitlements (ELE)		3,363	3,250
Superannuation - Defined Contribution Plans		1,561	1,421
Superannuation - Defined Benefit Plans		416	436
Workers' Compensation Insurance		530	505
Fringe Benefit Tax (FBT)		137	118
Payroll Tax		90	91
Training Costs (other than Salaries & Wages)		267	262
Protective Clothing		82	77
Recruitment Costs		48	29
Other		40	42
Total Employee Costs		23,196	21,478
less: Capitalised Costs		(3,168)	(2,311)
TOTAL EMPLOYEE COSTS EXPENSED		20,028	19,167
Number of "Equivalent Full Time" Employees at year end		300	288
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		306	295
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		1,267	1,344
Interest on Advances		1	1
Total Interest Bearing Liability Costs Expensed		1,268	1,345
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	22	25
Total Other Borrowing Costs		22	25
TOTAL BORROWING COSTS EXPENSED		1,290	1,370

Mid-Western Regional 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
(c) Materials & Contracts			
Raw Materials & Consumables		4,950	4,547
Contractor & Consultancy Costs		4,920	4,593
- Plant Hire Wet		1,564	1,232
- Road Sealing Contract		1,005	1,443
- Tourism Contract		368	360
Auditors Remuneration ⁽¹⁾		56	54
Legal Expenses:			
- Legal Expenses: Planning & Development		31	222
- Legal Expenses: Debt Recovery		140	124
- Legal Expenses: Other		119	681
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payment ⁽²⁾		337	374
- Operating Lease Rentals: Contingent Rental ⁽²⁾		7	15
TOTAL MATERIALS & CONTRACTS		13,497	13,645
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		55	45
Remuneration for audit and other assurance services		55	45
(ii) Other Services			
- Remuneration advice		1	4
- Other Services		-	5
Remuneration for other services		1	9
Total Auditor Remuneration		56	54
2. Operating Lease Payments are attributable to:			
Land and Buildings		51	-
Computers		214	226
Motor Vehicles		75	113
Other		-	50
		340	389

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014
Plant and Equipment		-	-	1,837	1,524
Office Equipment		-	-	8	9
Furniture & Fittings		-	-	60	58
Land Improvements (depreciable)		-	-	13	12
Buildings - Non Specialised		164	-	921	927
Buildings - Specialised		-	-	997	1,004
Other Structures		-	-	324	295
Infrastructure:					
- Roads		-	-	6,787	6,559
- Bridges		34	-	656	668
- Footpaths		-	-	152	132
- Stormwater Drainage		-	-	157	133
- Water Supply Network		726	-	1,580	1,511
- Sewerage Network		-	-	1,807	1,343
- Swimming Pools		-	-	151	152
- Other Open Space/Recreational Assets		-	-	338	296
Other Assets					
- Library Books		-	-	85	77
Asset Reinstatement Costs	9 & 26	-	-	56	80
Intangible Assets	25	-	-	149	167
Total Depreciation & Impairment Costs		924	-	16,078	14,947
less: Impairments (to)/from ARR [Equity]	9a	(924)	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	16,078	14,947

Mid-Western Regional 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		101	74
Bad & Doubtful Debts		115	41
Bank Charges		99	88
Computer Software Charges		602	553
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		33	41
- NSW Fire Brigade Levy		51	51
- NSW Rural Fire Service Levy		471	508
- Other Contributions/Levies		154	277
Councillor Expenses - Mayoral Fee		23	23
Councillor Expenses - Councillors' Fees		96	94
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		31	27
Donations, Contributions & Assistance		361	275
- Housing Plus Affordable Housing Contribution		-	120
- Mudgee Tennis Club Court Upgrades		-	30
- Western NSW Local Health, Healthy Communities Activities		-	33
- Pelican Airline Air Service		210	-
- Lifeskills		28	-
Electricity & Heating		1,298	1,229
Family Day Care Centre		639	767
Insurance		950	933
Postage		78	76
Printing & Stationery		152	143
Property Rental		-	-
Street Lighting		296	288
Subscriptions & Publications		101	102
Telephone & Communications		239	238
Other		-	5
<u>TOTAL OTHER EXPENSES</u>		<u>6,128</u>	<u>6,016</u>

Mid-Western Regional 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
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		291	280
less: Carrying Amount of P&E Assets Sold / Written Off		(449)	(252)
Net Gain/(Loss) on Disposal		(158)	28
Infrastructure			
Proceeds from Disposal - Infrastructure		-	835
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(3,070)	(2,435)
Net Gain/(Loss) on Disposal		(3,070)	(1,600)
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		150	273
less: Carrying Amount of Real Estate Assets Sold / Written Off		(152)	(193)
Net Gain/(Loss) on Disposal		(2)	80
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		72,900	86,987
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(72,900)	(86,987)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>(3,230)</u>	<u>(1,492)</u>

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	2015	2015	2014	2014
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		20	-	2,374	-
Cash-Equivalent Assets ¹					
- Deposits at Call		1,561	-	1,320	-
- Short Term Deposits		-	-	6,200	-
Total Cash & Cash Equivalents		1,581	-	9,894	-
Investments (Note 6b)					
- Long Term Deposits		46,300	-	30,550	-
Total Investments		46,300	-	30,550	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		47,881	-	40,444	-

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"		1,581	-	9,894	-
--	--	--------------	----------	--------------	----------

Investments

a. "Loans & Receivables"	6(b-iii)	46,300	-	30,550	-
Investments		46,300	-	30,550	-

Note 6(b-i)

Reconciliation of Investments classified as "Loans & Receivables"

Balance at the Beginning of the Year		30,550	-	13,000	-
Additions		88,650	-	103,050	-
Disposals (sales & redemptions)		(72,900)	-	(85,500)	-
Balance at End of Year		46,300	-	30,550	-

Comprising:

- Long Term Deposits		46,300	-	30,550	-
Total		46,300	-	30,550	-

Note 6(b-ii)

Reconciliation of Investments classified as "Available for Sale"

Balance at the Beginning of the Year		-	-	512	975
Disposals (sales & redemptions)		-	-	(512)	(975)
Balance at End of Year		-	-	-	-

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

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	2015	2015	2014	2014
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	47,881	-	40,444	-
attributable to:				
External Restrictions (refer below)	30,073	-	23,952	-
Internal Restrictions (refer below)	8,202	-	8,631	-
Unrestricted	9,606	-	7,861	-
	47,881	-	40,444	-

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

Details of Restrictions

External Restrictions - Included in Liabilities

Trust Deposits	934	537	(463)	1,008
External Restrictions - Included in Liabilities	934	537	(463)	1,008

External Restrictions - Other

Developer Contributions - General (D)	3,952	1,979	(870)	5,061
Developer Contributions - Water Fund (D)	3,206	1,285	-	4,491
Developer Contributions - Sewer Fund (D)	1,397	640	-	2,037
Specific Purpose Unexpended Grants (F)	896	-	(226)	670
Specific Purpose Unexpended Grants-Water Fund (F)	43	-	(42)	1
Water Supplies (G)	4,482	888	-	5,370
Sewerage Services (G)	5,184	1,221	-	6,405
Domestic Waste Management (G)	3,431	699	-	4,130
Bequest - Kandos Museum	32	1	-	33
Bequest - Simpkins Park	96	2	-	98
Community Services	144	63	-	207
Community Tenancy Scheme	64	-	-	64
Family Day Care	91	-	-	91
Ulan Road Strategy	-	407	-	407
External Restrictions - Other	23,018	7,185	(1,138)	29,065
Total External Restrictions	23,952	7,722	(1,601)	30,073

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.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	3,141	3,623	(4,719)	2,045
Employees Leave Entitlement	2,375	175	(255)	2,295
Airport Development	(234)	-	-	(234)
Asset Replacement	835	1,533	(929)	1,439
Capital Program	653	927	(709)	871
Community Plan	313	-	-	313
Community Services (Rylstone)	6	-	-	6
Council Elections	135	60	-	195
Emergency Disaster	200	-	-	200
Land Development	754	148	(269)	633
Saleyards	58	15	(34)	39
State Roads Warranty	395	-	(195)	200
Future Fund	-	200	-	200
Total Internal Restrictions	8,631	6,681	(7,110)	8,202
TOTAL RESTRICTIONS	32,583	14,403	(8,711)	38,275

Mid-Western Regional 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		800	-	912	-
Interest & Extra Charges		182	-	205	-
User Charges & Fees		2,456	-	3,897	-
Contributions to Works		2,458	-	-	-
Accrued Revenues					
- Interest on Investments		345	-	204	-
Government Grants & Subsidies		1,949	-	1,183	-
Deferred Debtors		60	60	60	120
Net GST Receivable		298	-	-	-
Other Debtors		72	-	689	-
Total		8,620	60	7,150	120
less: Provision for Impairment					
Rates & Annual Charges		(59)	-	(74)	-
Interest & Extra Charges		(4)	-	(15)	-
User Charges & Fees		(44)	-	(26)	-
Total Provision for Impairment - Receivables		(107)	-	(115)	-
<u>TOTAL NET RECEIVABLES</u>		<u>8,513</u>	<u>60</u>	<u>7,035</u>	<u>120</u>
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		-	-	11	-
- Rates & Availability Charges		30	-	37	-
- Other		1,008	-	959	-
Sewerage Services					
- Specific Purpose Grants		425	-	404	-
- Rates & Availability Charges		125	-	144	-
- Other		146	-	151	-
Domestic Waste Management					
General Fund Specific Purpose Grants		1,628	-	-	-
Contributions to Works		2,458	-	-	-
Total External Restrictions		5,944	-	1,922	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		2,569	60	5,113	120
<u>TOTAL NET RECEIVABLES</u>		<u>8,513</u>	<u>60</u>	<u>7,035</u>	<u>120</u>

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding. An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 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.

Mid-Western Regional 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)		-	-	152	-
Stores & Materials		768	-	794	-
Gravel Stockpile		359	-	208	-
Total Inventories		1,127	-	1,154	-
Other Assets					
Prepayments		59	-	11	-
Total Other Assets		59	-	11	-
TOTAL INVENTORIES / OTHER ASSETS		1,186	-	1,165	-
Externally Restricted Assets					
Water					
Stores & Materials		243	-	249	-
Prepayments		-	-	3	-
Total Water		243	-	252	-
Sewerage					
Stores & Materials		16	-	17	-
Total Sewerage		16	-	17	-
Domestic Waste Management					
Nil					
Other					
Nil					
Total Externally Restricted Assets		259	-	269	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		927	-	896	-
TOTAL INVENTORIES & OTHER ASSETS		1,186	-	1,165	-

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 8. Inventories & Other Assets (continued)

\$ '000	2015		2014	
	Current	Non Current	Current	Non Current
(i) Other Disclosures				
(a) Details for Real Estate Development				
Industrial/Commercial	-	-	152	-
Total Real Estate for Resale	-	-	152	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Development Costs	-	-	108	-
Other Properties - Book Value	-	-	44	-
Total Costs	-	-	152	-
Total Real Estate for Resale	-	-	152	-
Movements:				
Real Estate assets at beginning of the year	152	-	344	-
- Purchases and other costs	-	-	1	-
- WDV of Sales (exp)	(152)	-	(193)	-
Total Real Estate for Resale	-	-	152	-
(b) Inventories recognised as an expense for the year included:				
- Real Estate for Resale			152	193
- Stores & Materials			2,127	2,130

(c) Inventory Write Downs

\$13,199 was 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	Impairment Loss (recognised in Equity)	WIP Transfers	Adjustments & Transfers	Other Movements	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment												Dep'n	Impairment	
Capital Work in Progress	4,285	-	-	-	4,285	6,201	-	-	-	(2,499)	(111)	(9)	-	7,867	-	-	-	7,867
Plant & Equipment	-	24,135	10,987	-	13,148	5,092	(449)	(1,837)	-	-	(1)	-	-	28,188	12,235	-	15,953	
Office Equipment	-	2,770	2,720	-	50	5	-	(8)	-	-	-	(3)	-	2,775	2,731	-	44	
Furniture & Fittings	-	720	423	-	297	-	-	(60)	-	-	-	2	-	720	481	-	239	
Land:																		
- Operational Land	-	30,055	-	-	30,055	187	-	-	-	-	-	-	-	30,242	-	-	30,242	
- Community Land	-	10,773	-	-	10,773	151	-	-	-	-	-	-	-	10,924	-	-	10,924	
- Land under Roads (post 30/6/08)	-	1,269	-	-	1,269	11	-	-	-	22	-	-	-	1,302	-	-	1,302	
Land Improvements - non depreciable	-	1,444	-	-	1,444	-	-	-	-	-	-	-	-	1,444	-	-	1,444	
Land Improvements - depreciable	-	493	247	-	246	-	-	(13)	-	-	-	-	-	493	260	-	233	
Buildings - Non Specialised	-	40,884	17,234	-	23,650	749	(298)	(921)	(164)	301	888	-	-	41,800	17,431	164	24,205	
Buildings - Specialised	-	42,730	15,593	-	27,137	467	-	(997)	-	720	(888)	-	-	42,799	16,360	-	26,439	
Other Structures	-	9,166	3,192	160	5,814	1,176	-	(324)	-	-	-	7	-	10,342	3,509	160	6,673	
Infrastructure:																		
- Roads	-	278,709	98,738	1,175	178,796	9,217	(2,432)	(6,787)	-	753	-	-	35,609	359,907	143,576	1,175	215,156	
- Bridges	-	53,944	23,768	-	30,176	462	-	(656)	(34)	-	-	-	26,089	102,662	46,591	34	56,037	
- Footpaths	-	9,507	4,129	-	5,378	490	-	(152)	-	-	-	-	(1,283)	7,920	3,487	-	4,433	
- Bulk Earthworks (non-depreciable)	-	75,281	-	-	75,281	421	-	-	-	417	-	-	202,675	278,794	-	-	278,794	
- Stormwater Drainage	-	14,514	8,239	-	6,275	-	-	(157)	-	-	-	-	11,256	27,155	9,781	-	17,374	
- Water Supply Network	-	102,888	42,112	-	60,776	685	(12)	(1,580)	(726)	38	-	-	891	104,891	44,093	726	60,072	
- Sewerage Network	-	105,318	38,971	-	66,347	477	(328)	(1,807)	-	248	-	-	968	100,430	34,525	-	65,905	
- Swimming Pools	-	4,907	1,577	-	3,330	121	-	(151)	-	-	-	-	-	5,028	1,728	-	3,300	
- Other Open Space/Recreational Assets	-	12,281	4,676	-	7,605	966	-	(338)	-	-	-	-	-	13,247	5,014	-	8,233	
Other Assets:																		
- Library Books	-	2,346	1,740	-	606	64	-	(85)	-	-	-	-	-	2,410	1,825	-	585	
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):																		
- Tip Assets	-	971	551	-	420	-	-	(51)	-	-	-	(80)	-	891	602	-	289	
- Quarry Assets	-	202	114	-	88	-	-	(5)	-	-	-	(2)	-	200	119	-	81	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	4,285	825,307	275,011	1,335	553,246	26,942	(3,519)	(15,929)	(924)	-	(112)	(85)	276,205	7,867	1,174,564	344,348	2,259	835,824

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$10,946) and New Assets (\$4,370). 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.

Mid-Western Regional 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								
WIP	83	-	-	83	66	-	-	66
Land								
- Operational Land	-	1,097	-	1,097	-	1,097	-	1,097
- Community Land	-	845	-	845	-	845	-	845
Buildings	-	38	10	28	-	38	9	29
Infrastructure	-	104,891	44,820	60,071	-	102,888	42,112	60,776
Total Water Supply	83	106,871	44,830	62,124	66	104,868	42,121	62,813
Sewerage Services								
WIP	1,825	-	-	1,825	1,582	-	-	1,582
Land								
- Operational Land	-	946	-	946	-	946	-	946
- Community Land	-	521	-	521	-	521	-	521
Buildings	-	763	240	523	-	763	224	539
Other Structures	-	823	56	767	-	-	-	-
Infrastructure	-	100,431	34,526	65,905	-	105,318	38,971	66,347
Other Assets	-	-	-	-	-	823	-	823
Total Sewerage Services	1,825	103,484	34,822	70,487	1,582	108,371	39,195	70,758
Domestic Waste Management								
WIP	211	-	-	211	-	-	-	-
Plant & Equipment	-	1,229	791	438	-	1,246	734	512
Land								
- Operational Land	-	1,480	-	1,480	-	1,480	-	1,480
- Community Land	-	274	-	274	-	274	-	274
- Improvements - depreciable	-	292	234	58	-	-	-	-
Buildings	-	1,284	561	723	-	1,284	523	761
Other Structures	-	3,239	1,529	1,710	-	3,177	1,405	1,772
Infrastructure	-	523	42	481	-	350	230	120
Other Assets	-	11	-	11	-	11	-	11
Total DWM	211	8,332	3,157	5,386	-	7,822	2,892	4,930
TOTAL RESTRICTED I,PP&E	2,119	218,687	82,809	137,997	1,648	221,061	84,208	138,501

Mid-Western Regional Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
(i) Impairment Losses recognised direct to Equity (ARR):			
- Grandstand at Mudgee Showground is structurally unsound.		(164)	-
- Butterfactory Bridge subject to load and speed restrictions. Due for replacement in 2016.		(14)	-
- Stoney Creek Bridge subject to load and speed restrictions. Due for replacement in 2016.		(9)	-
- Green Gully Truss Bridge subject to load and speed restrictions. Due for replacement in 2016.		(11)	-
- Mudgee Water Treatment Plant clarifying tank subsidence		(500)	-
- Church Street Water Reservoir has vertical leak		(223)	-
- Charbon Water Reservoir has minor leak		(3)	-
Total Impairment Losses		(924)	-
<u>IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)</u>	20 (ii)	<u>(924)</u>	<u>-</u>

Mid-Western Regional 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		2,821	-	3,286	-
Goods & Services - capital expenditure		2,043	-	947	-
Payments Received In Advance		679	-	530	-
Accrued Expenses:					
- Borrowings		210	-	225	-
- Salaries & Wages		518	-	452	-
Security Bonds, Deposits & Retentions		1,008	-	934	-
ATO - Net GST Payable		-	-	7	-
Other		44	-	41	-
Total Payables		7,323	-	6,422	-
Borrowings					
Loans - Secured ¹		1,405	17,754	1,328	19,157
Government Advances		5	5	5	11
Total Borrowings		1,410	17,759	1,333	19,168
Provisions					
Employee Benefits;					
Annual Leave		1,298	-	1,298	-
Sick Leave		1,248	-	1,134	-
Long Service Leave		3,060	400	2,800	375
Sub Total - Aggregate Employee Benefits		5,606	400	5,232	375
Asset Remediation/Restoration (Future Works) ²⁶		177	822	50	1,095
Other		-	-	280	-
Total Provisions		5,783	1,222	5,562	1,470
Total Payables, Borrowings & Provisions		14,516	18,981	13,317	20,638

(i) Liabilities relating to Restricted Assets

	2015		2014	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Water	738	3,096	768	3,489
Sewer	860	9,262	634	9,587
Domestic Waste Management	368	706	222	1,235
Trust Deposits	1,008	-	934	-
Liabilities relating to externally restricted assets	2,974	13,064	2,558	14,311
Internally Restricted Assets				
Employee Leave Entitlements	2,295	-	2,375	-
Community Plan	280	-	280	-
Liabilities relating to internally restricted assets	2,575	-	2,655	-
Total Liabilities relating to restricted assets	5,549	13,064	5,213	14,311
Total Liabilities relating to Unrestricted Assets	8,967	5,917	8,104	6,327
TOTAL PAYABLES, BORROWINGS & PROVISIONS	14,516	18,981	13,317	20,638

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.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Actual 2015	Actual 2014
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(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	4,558	4,201
	4,558	4,201

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	1,298	1,334	(1,335)	1	-	1,298
Sick Leave	1,134	171	(95)	38	-	1,248
Long Service Leave	3,175	534	(371)	122	-	3,460
Asset Remediation	1,145	250	(21)	22	(397)	999
Other	280	-	(280)	-	-	-
TOTAL	7,032	2,289	(2,102)	183	(397)	7,005

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. 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.

Mid-Western Regional 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	1,581	9,894
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		1,581	9,894
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		16,610	5,192
Adjust for non cash items:			
Depreciation & Amortisation		16,078	14,947
Net Losses/(Gains) on Disposal of Assets		3,230	1,492
Non Cash Capital Grants and Contributions		-	(196)
Investment Income relating to "Available for Sale" Investments sold		-	13
Unwinding of Discount Rates on Reinstatement Provisions		28	36
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(1,470)	883
Increase/(Decrease) in Provision for Doubtful Debts		(8)	(2)
Decrease/(Increase) in Inventories		(125)	54
Decrease/(Increase) in Other Assets		(48)	(11)
Increase/(Decrease) in Payables		(465)	405
Increase/(Decrease) in accrued Interest Payable		(15)	(13)
Increase/(Decrease) in other accrued Expenses Payable		66	8
Increase/(Decrease) in Other Liabilities		219	(286)
Increase/(Decrease) in Employee Leave Entitlements		399	25
Increase/(Decrease) in Other Provisions		(454)	(16)
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		34,045	22,531

Mid-Western Regional Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-Cash Investing & Financing Activities			
Other Dedications		-	196
Total Non-Cash Investing & Financing Activities		-	196
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		700	700
Credit Cards / Purchase Cards		200	200
Operating Lease Facility		600	600
Total Financing Arrangements		1,500	1,500
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		1	8
- Operating Lease Facility		272	221
Total Financing Arrangements Utilised		273	229

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.

Mid-Western Regional 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		225	24
Plant & Equipment		175	3,227
Other Structures		-	51
Drainage		316	-
Other Assets		3	8
Recreational Facilities		6	-
Roads & Transport		992	540
Sewerage Network		451	705
Water Supply Network		1	80
Land Development		32	-
Cemeteries		14	-
Waste assets		10	-
Total Commitments		2,225	4,635
These expenditures are payable as follows:			
Within the next year		2,225	4,635
Total Payable		2,225	4,635
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		70	42
Future Grants & Contributions		985	478
Sect 64 & 94 Funds/Reserves		26	47
Unexpended Grants		-	214
Externally Restricted Reserves		450	578
Internally Restricted Reserves		694	3,276
Total Sources of Funding		2,225	4,635

Details of Capital Commitments

The capital commitments recognised above are capital works projects underway as at 30 June 2015 that will be continued into and completed in 2015/16. They typically relate to construction of new or renewal of existing public infrastructure.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) Finance Lease Commitments			
Nil			
(c) Operating Lease Commitments (Non Cancellable)			
a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:			
Within the next year		156	232
Later than one year and not later than 5 years		78	113
Total Non Cancellable Operating Lease Commitments		234	345

b. Non Cancellable Operating Leases include the following assets:

Motor Vehicles, Computers and Other Office Equipment.

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to Operating Leases:

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

(d) Investment Property Commitments

Nil

Mid-Western Regional Council

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

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	<u>3,556</u>	5.87%	-6.84%	2.07%
Total continuing operating revenue ⁽¹⁾ (excl. Capital Grants & Contributions)	60,577			
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(excl. ALL Grants & Contributions)</u>	<u>48,192</u>	62.70%	68.44%	60.22%
Total continuing operating revenue ⁽¹⁾	76,861			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	<u>21,304</u>	3.01x	3.43	3.09
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	<u>7,084</u>			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	<u>20,924</u>	7.98x	4.86	3.90
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	<u>2,622</u>			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	<u>919</u>	3.42%	4.07%	5.25%
Rates, Annual and Extra Charges Collectible	<u>26,879</u>			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	<u>47,881</u>	12.26	10.98	9.19
Payments from cash flow of operating and financing activities	<u>3,904</u>	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

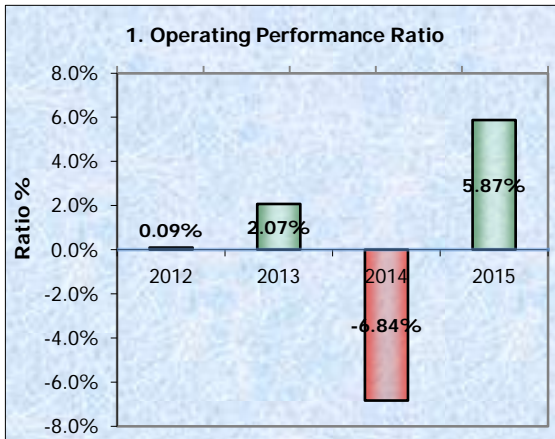
(3) Refer to Note 10(a).

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

Mid-Western Regional Council

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

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



Purpose of Operating Performance Ratio

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



Commentary on 2014/15 Result

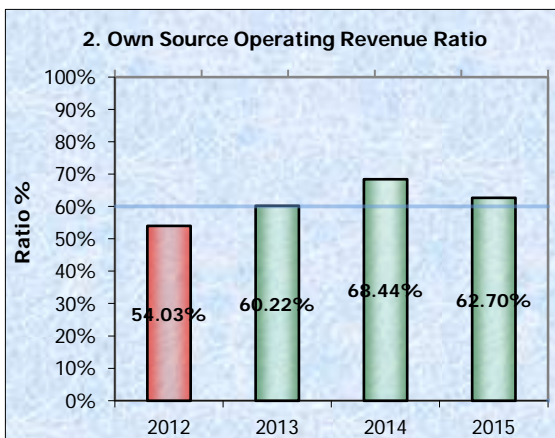
2014/15 Ratio 5.87%

The improved Operating Performance Ratio is largely attributable to increases in revenue streams from Rates; RMS Contract Works; and receipt of a full annual allocation of Financial Assistance Grant within the 14/15 year.

Benchmark: ——— Minimum $\geq 0.00\%$

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

 Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Own Source Operating Revenue Ratio

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



Commentary on 2014/15 Result

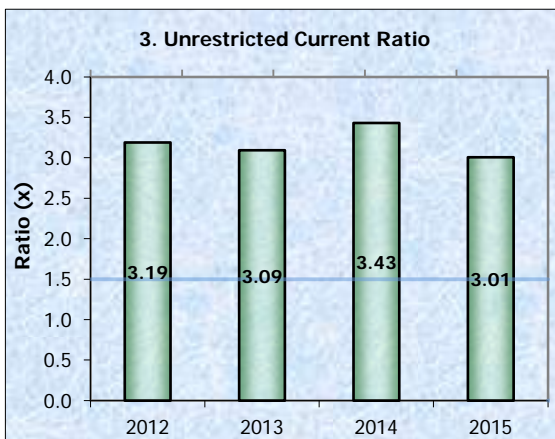
2014/15 Ratio 62.70%

MWRC continues to be very successful in obtaining grants and contributions. A significant increase in Grants & Contributions in 2014/15 compared to 2013/14 has resulted in a deterioration in the ratio this period.

Benchmark: ——— Minimum $\geq 60.00\%$

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

 Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Unrestricted Current Ratio

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



Commentary on 2014/15 Result

2014/15 Ratio 3.01x

MWRC's Unrestricted Current Ratio remains relatively consistent from year to year, and continues to exceed the benchmark of 1.5x.

Benchmark: ——— Minimum ≥ 1.50

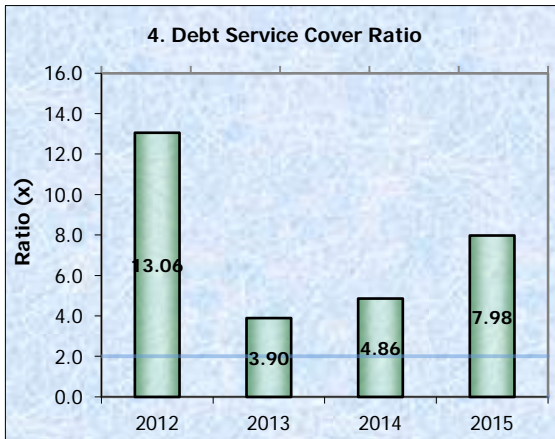
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

 Ratio is within Benchmark
 Ratio is outside Benchmark

Mid-Western Regional Council

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

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



Purpose of Debt Service Cover Ratio

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

Commentary on 2014/15 Result

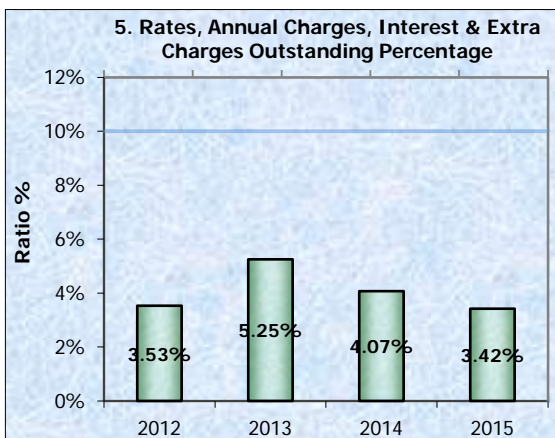
2014/15 Ratio 7.98x

Debt servicing costs have remained relatively stable across recent years, however a significant improvement in Operating Result prior to capital items and excluding interest and depreciation has resulted in an improved Debt Service Cover Ratio.

Benchmark: Minimum ≥ 2.00

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

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Rates & Annual Charges Outstanding Ratio

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

Commentary on 2014/15 Result

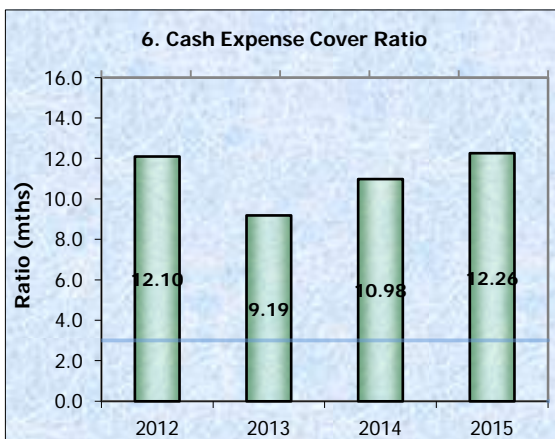
2014/15 Ratio 3.42%

MWRC continues to implement effective controls over the collection of outstanding Rates, Annual Charges, Interest and Extra Charges.

Benchmark: Maximum $< 10.00\%$

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

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Cash Expense Cover Ratio

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

Commentary on 2014/15 Result

2014/15 Ratio 12.26 mths

MWRC monthly payments from cash flow of operating and financing activities have remained relatively consistent across 2014/15 compared to prior years, however a higher cash and investments portfolio balance has contributed to an improved Cash Expense Cover Ratio.

Benchmark: Minimum ≥ 3.00

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

Ratio is within Benchmark
 Ratio is outside Benchmark

Mid-Western Regional 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>	7.76%	5.80%	5.62%
Total continuing operating revenue ⁽¹⁾			
(excl. Capital Grants & Contributions)	prior period: 13.05%	5.81%	-11.86%
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. ALL Grants & Contributions)</u>	84.20%	88.05%	57.41%
Total continuing operating revenue ⁽¹⁾			
	prior period: 83.11%	69.53%	65.74%
3. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions ⁽²⁾</u>	9.01x	7.78x	3.01x
Current Liabilities less Specific Purpose Liabilities ^(3, 4)			
	prior period: 7.48	8.67	3.43
4. Debt Service Cover Ratio			
<u>Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation</u>	4.27x	2.83x	14.74x
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)			
	prior period: 4.36	2.43	7.32
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>	2.70%	2.44%	3.69%
Rates, Annual and Extra Charges Collectible			
	prior period: 3.74%	3.21%	4.28%
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents + All Term Deposits	24.40	27.33	9.27
Payments from cash flow of operating and financing activities	mths	mths	mths
	prior period: 19.96	20.21	8.80

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.

Mid-Western Regional 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	1,581	9,894	1,581	9,894
Investments				
- "Loans & Receivables"	46,300	30,550	46,300	30,550
Receivables	8,573	7,155	8,573	7,150
Total Financial Assets	56,454	47,599	56,454	47,594
Financial Liabilities				
Payables	6,644	5,892	6,644	5,892
Loans / Advances	19,169	20,501	20,550	21,609
Total Financial Liabilities	25,813	26,393	27,194	27,501

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

Mid-Western Regional 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 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.

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 1% movement in Interest Rates	479	479	(479)	(479)
2014				
Possible impact of a 1% movement in Interest Rates	404	404	(404)	(404)

Mid-Western Regional 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.

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 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	66%	67%	46%	89%
Overdue	34%	33%	54%	11%
	100%	100%	100%	100%

		2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(ii) Ageing of Receivables - value					
Rates & Annual Charges	Other Receivables				
Current	Current	531	5,248	423	5,656
< 1 year overdue	0 - 30 days overdue	87	1,301	255	231
1 - 2 years overdue	30 - 60 days overdue	86	448	112	251
2 - 5 years overdue	60 - 90 days overdue	93	671	101	43
> 5 years overdue	> 90 days overdue	3	212	21	177
		800	7,880	912	6,358

(iii) Movement in Provision for Impairment of Receivables

	2015	2014
Balance at the beginning of the year	115	117
+ new provisions recognised during the year	125	50
- amounts already provided for & written off this year	(71)	(25)
- amounts provided for but recovered during the year	(62)	(27)
Balance at the end of the year	107	115

Mid-Western Regional 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	1,008	5,636	-	-	-	-	-	6,644	6,644
Loans & Advances	-	2,614	2,614	2,608	2,608	2,826	15,619	28,889	19,169
Total Financial Liabilities	1,008	8,250	2,614	2,608	2,608	2,826	15,619	35,533	25,813
2014									
Trade/Other Payables	934	4,958	-	-	-	-	-	5,892	5,892
Loans & Advances	-	2,614	2,614	2,614	2,608	2,608	18,341	31,399	20,501
Total Financial Liabilities	934	7,572	2,614	2,614	2,608	2,608	18,341	37,291	26,393

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	6,644	0.0%	5,892	0.0%
Loans & Advances - Fixed Interest Rate	19,169	6.6%	20,501	6.6%
	<u>25,813</u>		<u>26,393</u>	

Mid-Western Regional 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	25,755	25,591	(164)	(1%) U
User Charges & Fees	12,047	18,190	6,143	51% F
Council received an additional \$6.1m income from RMS works on State Roads compared to Original Budget. The most significant project for 2014/15 was Springfield Widening, which generated \$5.2m of income.				
Interest & Investment Revenue	1,208	1,621	413	34% F
Across the course of the financial year, Council's investment portfolio balance was significantly higher than projected in the Original Budget, attributable largely to the timing of spend on major projects.				
Other Revenues	2,423	2,790	367	15% F
Council received additional revenue from diesel fuel rebate \$70,000; insurance reimbursements; \$83,000; recovery of legal fees \$46,000; and property rental \$55,000. In 2015, Council also recognised a reversal of prior period decrements in relation to its waste and gravel remediation assets of \$180,000.				
Operating Grants & Contributions	12,068	12,385	317	3% F
Capital Grants & Contributions	14,815	16,284	1,469	10% F
Council's favourable result is largely attributable to higher than anticipated income from Section 64 and Section 94 Developer Contributions \$783,000; receipt of contributions under the Ulan Road Strategy earlier than originally anticipated \$525,000; contributions to works not included in the Original Budget schedule \$1,407,000; and successful application for grant funding for Caravan Parks \$157,000 and Footpaths \$150,000. These favourable variations were partially offset by lower than anticipated S93F Voluntary Planning Agreement income, due to changes in the timing of major developments.				
Net Gains from Disposal of Assets	1,441	-	(1,441)	(100%) U
The unfavourable result from Disposal of Assets is primarily attributable to the scrapping of infrastructure replaced during the course of 2014/15 \$3.0 million; and a deferral of planned land sales until such time as local property market conditions improve.				

Mid-Western Regional 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	21,397	20,028	1,369	6%	F
Borrowing Costs	1,303	1,290	13	1%	F
Materials & Contracts	10,091	13,497	(3,406)	(34%)	U
An increase in actual expenditure beyond Original Budget projections has largely been driven by the awarding of additional contract works on State Roads by RMS \$3.3 million. Refer to User Charges and Fees above. Further, Council's Plant Operations activities have performed favourably compared to Original Budget \$705,000.					
Depreciation & Amortisation	15,116	16,078	(962)	(6%)	U
Other Expenses	5,730	6,128	(398)	(7%)	U
Net Losses from Disposal of Assets	-	3,230	(3,230)	0%	U
The unfavourable result from Disposal of Assets is primarily attributable to the scrapping of infrastructure replaced during the course of 2014/15 \$3.0 million; and a deferral of planned land sales until such time as local property market conditions improve.					

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

Cash Flows from Operating Activities	30,243	34,045	3,802	12.6%	F
Council received an additional net \$1.3M due to additional contract works on State Roads. Council also received an additional \$284k in interest income due to a higher than anticipated portfolio balance and \$1.9M savings in employee costs due to vacancies across Council for 2014/15.					
Cash Flows from Investing Activities	(31,734)	(41,026)	(9,292)	29.3%	U
Cashflows from the outflow of investments were lower than budgeted by \$15.75M, due to the fact that Council's portfolio balance increased in 2014/15. Anticipated property sales did not go ahead \$0.977M, due to a low market. Sale of infrastructure, property, plant & equipment was higher than anticipated due to additional sales by (\$274k). And capital investment was down by (\$7.285M) due to delayed timing of works.					
Cash Flows from Financing Activities	(1,379)	(1,332)	47	(3.4%)	F
Small variation to anticipated loan repayments, \$47k.					

Mid-Western Regional 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	
Drainage	10	62	-	1	(6)	-	67	600	(1,310)	(643)	-
Open Space	887	742	-	31	(296)	-	1,364	1,870	(2,506)	728	-
Community Facilities	410	93	-	13	(11)	-	505	232	(1,302)	(565)	-
Transport Management	1,018	216	-	23	(1)	-	1,256	507	(1,901)	(138)	-
Car Parking	234	-	-	6	-	-	240	-	-	240	-
Administration	188	95	-	6	(6)	-	283	270	(438)	115	-
Civic Improvements	(5)	-	-	-	-	-	(5)	-	(4,100)	(4,105)	-
S94 Contributions - under a Plan	2,742	1,208	-	80	(320)	-	3,710	3,479	(11,557)	(4,368)	-
S94A Levies - under a Plan	368	75	-	10	-	-	453				-
Total S94 Revenue Under Plans	3,110	1,283	-	90	(320)	-	4,163				-
S93F Planning Agreements	842	574	-	19	(544)	-	891				
S64 Contributions	4,603	1,794	-	144	(6)	-	6,535				
Total Contributions	8,555	3,651	-	253	(870)	-	11,589	3,479	(11,557)	(4,368)	-

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN: MID-WESTERN REGIONAL 2005 - 2021

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	10	62	-	1	(6)	-	67	600	(1,310)	(643)	-
Open Space	887	742	-	31	(296)	-	1,364	1,870	(2,506)	728	-
Community Facilities	410	93	-	12	(11)	-	504	232	(1,302)	(566)	-
Transport Management	1,018	216	-	23	(1)	-	1,256	507	(1,901)	(138)	-
Car Parking	234	-	-	6	-	-	240	-	-	240	-
Administration	188	95	-	6	(6)	-	283	270	(438)	115	-
Civic Improvements	(5)	-	-	-	-	-	(5)	-	(4,100)	(4,105)	-
Total	2,742	1,208	-	79	(320)	-	3,709	3,479	(11,557)	(4,369)	-

S94A LEVIES - UNDER A PLAN

CONTRIBUTION PLAN: MID-WESTERN REGIONAL 2005 - 2021

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	
Transport Management	368	75	-	10	-	-	453	-	-	-	-
Total	368	75	-	10	-	-	453				-

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Mid-Western Regional 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.

ASSETS NOT RECOGNISED:

(i) 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.

(ii) Bank Guarantees

Council holds a number of bank guarantees to the value of \$604,821. Some of these guarantees are provided by various developers across the Mid-Western Region to secure performance of conditions of consent in relation to approved Developer Applications.

The guarantees will be returned once the associated conditions of consent have been satisfied.

Other guarantees relate to work performed for Council by contractors, such as construction works. The guarantees will be returned once the conditions of the contract have been satisfied.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities

\$ '000

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

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

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

Controlled Entities (Subsidiaries)

Note 19(a)

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

Joint Ventures & Associates

Note 19(b)

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

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

Joint Operations

Note 19(c)

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

Unconsolidated Structured Entities

Note 19(d)

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

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

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

(b) Joint Ventures and Associates

Council has no interest in any Joint Ventures or Associates.

(c) Joint Operations

Council has no interest in any Joint Operations.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(d) Unconsolidated Structured Entities

1. Mudgee Region Tourism Inc

Mudgee Region Tourism Inc (MRTI) is a not-for-profit independent incorporated tourism body funded by the Mid-Western Region Council and its members. Our region encompasses the towns of Mudgee, Gulgong, Rylstone and Kandos (and small villages in between).

Nature of Risks relating to the Unconsolidated Structured Entity

Council and MRTI hold a three year contract, from 1 July 2013 to 30 June 2016 whereby Council will contribute a set monthly. Members of MRTI also provide financial support through membership payments.

Losses of the entity would be borne by the entity or its members, with no set agreement in place for Council to fund losses.

	2015	2014
Losses (or expenses) incurred by Council relating to the Structured Entity	372,451	-
Income received by Council relating to the Structured Entity		
- Rental Income - Other Council Properties	456	-

Non Contractual financial support provided

Nil

Current Intention to provide financial support

The current intention is to continue to support MRTI with monthly contributions to promote tourism within the LGA.

2. Fly Pelican

FlyPelican is a regional airline and aircraft charter company based in Newcastle on the east coast of Australia operating a fleet of 19 seat British Aerospace Jetstream 32 aircraft. Currently operating regular scheduled passengers services between Newcastle and Canberra, Sydney and Mudgee and Newcastle and Sydney.

Nature of Risks relating to the Unconsolidated Structured Entity

Council has a contract in place to provide support to Fly Pelican in order to establish an airline service from Mudgee to Sydney. This contract agreement runs from and includes initial start up support of \$195,000; monthly support payments of \$15,000 per month for 12 months; provision of ground handling staff; marketing and advertising (in-house) and waiver of landing fees for 12 months.

Losses of the company would be borne by Fly Pelican and there is no agreement in place to provide additional support or cover any amount of loss from providing the airline service from Mudgee. There is a risk that the company will fail or the service will cease to be profitable, but if this occurs contributions to the service from Council would cease.

	2015	2014
Losses (or expenses) incurred by Council relating to the Structured Entity	216,200	-

Non Contractual financial support provided

Nil

Current Intention to provide financial support

Council intends to continue to support Fly Pelican through the terms of the contract only, which ceases in June 2017.

Mid-Western Regional 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
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		325,931	319,305
a. Net Operating Result for the Year		16,610	5,192
b. Transfers between Equity		-	1,434
Balance at End of the Reporting Period		342,541	325,931
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		517,835	242,554
Total		517,835	242,554
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		242,554	241,073
- Revaluations for the year	9(a)	276,205	2,915
- (Impairment of revalued assets) / Impairment reversals	9(a),(c)	(924)	-
- Transfer to Retained Earnings for Asset disposals		-	(1,434)
- Balance at End of Year		517,835	242,554
"Available for Sale" Financial Investments Revaluation Reserve			
- Opening Balance		-	(13)
- Transfer of "Available for Sale" values to the P&L for disposals		-	13
- Balance at End of Year		-	-
TOTAL VALUE OF RESERVES		517,835	242,554

(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.

"Available for Sale" Financial Investments Revaluation Reserve

- The "Available for Sale" Financial Investments Revaluation Reserve is used to account for the Fair Value movements in all financial assets so classified that remain on hand at year end.

Upon sale, amounts in Reserves are recognised in the Income Statement (in full) by way of transfer from the Reserve.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

(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 has previously shown Property Rental expenses at Note 4 (e) Other Expenses. To provide more relevant information this has now been voluntarily changed to report at Note 4 (c) Material & Contracts, Operating Lease Rentals: Minimum Lease Payments. Property Rental expense reported in Note 4 (e) in 2014 was \$42,000.

Mid-Western Regional 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	Actual 2015
Continuing Operations	Waste	Water	Sewer	General¹
Income from Continuing Operations				
Rates & Annual Charges	3,524	1,193	4,683	16,191
User Charges & Fees	750	5,209	647	11,584
Interest & Investment Revenue	121	243	233	1,024
Other Revenues	631	2	38	4,259
Grants & Contributions provided for Operating Purposes	298	54	59	11,974
Grants & Contributions provided for Capital Purposes	71	1,193	701	14,319
Total Income from Continuing Operations	5,395	7,894	6,361	59,351
Expenses from Continuing Operations				
Employee Benefits & on-costs	2,008	1,430	1,013	15,577
Borrowing Costs	46	239	636	369
Materials & Contracts	1,797	1,477	599	9,624
Depreciation & Amortisation	252	1,584	1,877	12,365
Impairment	-	-	-	-
Other Expenses	596	1,427	1,190	5,055
Net Losses from the Disposal of Assets	-	12	328	2,890
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-	-
Total Expenses from Continuing Operations	4,699	6,169	5,643	45,880
Operating Result from Continuing Operations	696	1,725	718	13,471
Discontinued Operations				
Net Profit/(Loss) from Discontinued Operations	-	-	-	-
Net Operating Result for the Year	696	1,725	718	13,471
Net Operating Result attributable to each Council Fund	696	1,725	718	13,471
Net Operating Result attributable to Non-controlling Interests	-	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	625	532	17	(848)

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

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

Mid-Western Regional 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	Actual 2015
ASSETS	Waste	Water	Sewer	General¹
Current Assets				
Cash & Cash Equivalents	130	325	278	848
Investments	4,000	9,537	8,164	24,599
Receivables	124	1,038	696	6,655
Inventories	-	243	16	868
Other	-	-	-	59
Non-current assets classified as 'held for sale'	-	-	-	-
Total Current Assets	4,254	11,143	9,154	33,029
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	60
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	5,565	62,124	70,487	697,648
Investments Accounted for using the equity method	-	-	-	-
Investment Property	-	-	-	-
Intangible Assets	9	3	-	397
Total Non-Current Assets	5,574	62,127	70,487	698,105
TOTAL ASSETS	9,828	73,270	79,641	731,134
LIABILITIES				
Current Liabilities				
Payables	178	345	533	6,267
Borrowings	88	393	327	602
Provisions	101	-	-	5,682
Total Current Liabilities	367	738	860	12,551
Non-Current Liabilities				
Payables	-	-	-	-
Borrowings	301	3,096	9,262	5,100
Provisions	405	-	-	817
Total Non-Current Liabilities	706	3,096	9,262	5,917
TOTAL LIABILITIES	1,073	3,834	10,122	18,468
Net Assets	8,755	69,436	69,519	712,666
EQUITY				
Retained Earnings	6,958	52,364	46,539	236,680
Revaluation Reserves	1,797	17,072	22,980	475,986
Total Equity	8,755	69,436	69,519	712,666

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

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

Mid-Western Regional 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".

Mid-Western Regional Council

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

Note 25. Intangible Assets

\$ '000	Actual 2015	Actual 2014
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	1,030	709
Accumulated Amortisation (1/7)	(600)	(433)
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	430	276
Movements for the year		
- Purchases	128	321
- Amortisation charges	(149)	(167)
Closing Values:		
Gross Book Value (30/6)	1,158	1,030
Accumulated Amortisation (30/6)	(749)	(600)
Accumulated Impairment (30/6)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>409</u>	<u>430</u>

¹ The Net Book Value of Intangible Assets represent:

- Software	409	430
	409	430

Mid-Western Regional 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
Waste Transfer Stations & Tips - Region Wide	2016 - 2019	749	896
Gravel Pits	2016 - 2050	250	249
Balance at End of the Reporting Period	10(a)	999	1,145

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.

Specific uncertainties relating to the final costs and the assumptions made in determining the amounts of provisions include:

- the exact timing of when remediation works will be carried out

Reconciliation of movement in Provision for year:

Balance at beginning of year	1,145	1,034
Amounts capitalised to new or existing assets:		
- Waste Transfer Stations	-	32
Effect of a change in discount rates used in PV calculations	6	11
Effect of a change in other calculation estimates used	(153)	57
Amortisation of discount (expensed to borrowing costs)	22	25
Expenditure incurred attributable to Provisions	(21)	(14)
Total - Reinstatement, rehabilitation and restoration provision	999	1,145

Mid-Western Regional 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

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:

2015	Date of latest Valuation	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Infrastructure, Property, Plant & Equipment					
Work In Progress	30/06/15	-	-	7,867	7,867
Plant & Equipment	30/06/13	-	-	15,953	15,953
Office Equipment	30/06/11	-	-	44	44
Furniture & Fittings	30/06/11	-	-	239	239
Operational Land	30/06/13	-	-	30,242	30,242
Community Land	30/06/11	-	-	10,924	10,924
Land Under Roads	30/06/14	-	-	1,302	1,302
Land Improvements - non depreciable		-	-	1,444	1,444
Land Improvements - depreciable		-	-	233	233
Buildings - Market Value/Income Approach	30/06/13	-	4,231	-	4,231
Buildings - Replacement Cost	30/06/13	-	-	46,413	46,413
Other Structures	30/06/11	-	-	6,673	6,673
Roads	30/06/15	-	-	215,156	215,156
Bridges	30/06/15	-	-	56,037	56,037
Footpaths	30/06/15	-	-	4,433	4,433
Bulk Earthworks	30/06/15	-	-	278,794	278,794
Stormwater Drainage	30/06/15	-	-	17,374	17,374
Water Supply Network	30/06/12	-	-	60,072	60,072
Sewerage Network	30/06/12	-	-	65,905	65,905
Swimming Pools	30/06/11	-	-	3,300	3,300
Other Open Space/Recreational Assets	30/06/11	-	-	8,233	8,233
Library Books	30/06/11	-	-	585	585
Tip Assets	30/06/14	-	-	289	289
Quarry Assets	30/06/14	-	-	81	81
Total Infrastructure, Property, Plant & Equipment		-	4,231	831,593	835,824

Mid-Western Regional 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					
Infrastructure, Property, Plant & Equipment					
Work In Progress	30/06/14	-	-	4,285	4,285
Plant & Equipment	30/06/13	-	-	13,148	13,148
Office Equipment	30/06/11	-	-	50	50
Furniture & Fittings	30/06/11	-	-	297	297
Operational Land	30/06/13	-	-	30,055	30,055
Community Land	30/06/11	-	-	10,773	10,773
Land Under Roads	30/06/14	-	-	1,269	1,269
Land Improvements - non depreciable	-	-	-	1,444	1,444
Land Improvements - depreciable	-	-	-	246	246
Buildings - Market Value/Income Approach	30/06/13	-	4,292	-	4,292
Buildings - Replacement Cost	30/06/13	-	-	46,495	46,495
Other Structures	30/06/11	-	-	5,814	5,814
Roads	30/06/10	-	-	178,796	178,796
Bridges	30/06/10	-	-	30,176	30,176
Footpaths	30/06/10	-	-	5,378	5,378
Bulk Earthworks	30/06/10	-	-	75,281	75,281
Stormwater Drainage	30/06/10	-	-	6,275	6,275
Water Supply Network	30/06/12	-	-	60,776	60,776
Sewerage Network	30/06/12	-	-	66,347	66,347
Swimming Pools	30/06/11	-	-	3,330	3,330
Other Open Space/Recreational Assets	30/06/11	-	-	7,605	7,605
Library Books	30/06/11	-	-	606	606
Tip Assets	30/06/14	-	-	420	420
Quarry Assets	30/06/14	-	-	88	88
Total Infrastructure, Property, Plant & Equipment		-	4,292	548,954	553,246

(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.

Council's policy for determining transfers between Fair Value hierarchies is:

- at the end of the reporting period.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

(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:

Financial Assets

Loans & Receivables - term deposits valued at cost

Valuation Technique: At Cost

Inputs Used (Level 2): Original Investment Value

Cash and Short Term Deposits – Cash and short term deposits valued at fair value

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Original investment value

Financial Liabilities

Payables – Outstanding creditor payments, security bonds & deposits

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Cost of product or service.

Loans/Advances – Outstanding bank loans

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Loan borrowing amount

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

Infrastructure, Property, Plant & Equipment

Plant & Equipment, Office Equipment and Furniture & Fittings – Level 3

Valuation Techniques – Depreciated historic cost. The nature and value of plant and equipment recognises that depreciated historic cost is a representation of fair value.

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life and residual value.

Operational, Community Land and Land Under Roads – Level 2

Valuation Techniques – Market value direct comparison. This method involves the analysis of sales evidence of other properties within the region, and adjusted for differences between key attributes of the properties.

Observable inputs - Sales evidence of price per square metre of land.

Land Improvements - Level 3

Valuation Techniques – Depreciated historic cost. The nature and value of plant and equipment recognises that depreciated historic cost is a representation of fair value.

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life and residual value.

Buildings Market Value/Income Approach– Level 2

Valuation Techniques – Market Value. This method involves the analysis of sales evidence and comparison with the subject taking into account matters such as method of construction, size, condition, age, land area and location. The land value is subtracted from the Market Value of the whole property to measure the asset's fair value. Five buildings were assessed using this technique.

Observable inputs - Inspection and analysis of sales evidence involving comparable assets.

Valuation Techniques – Income Approach. This method is applied to income producing properties and includes capitalising the estimated net income of the property at an appropriate rate that has been determined through the analysis of sales evidence. Cash flows are discounted to arrive at a present value. Two buildings were assessed using this technique.

Observable inputs- Cash flows reflecting current market evidence.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

Buildings Replacement Costs – Level 3

Valuation Techniques – Depreciated Replacement Cost.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The cost approach has been adopted for those buildings and deemed level 3. This involves the following process:

- The fair value is a reflection of gross value less accumulated depreciation. Published project and cost data applied to the asset's attributes is used to determine the gross value (replacement cost)
- A condition assessment is applied to determine the level of depreciation
- Major assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives). Residual value is also factored which is the value at the time the asset is considered to be no longer available.

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life, condition and residual value.

Other Structures, Swimming Pools, Other Open Space/Recreational Assets – Level 3

Valuation Techniques – Depreciated Replacement Cost.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The cost approach has been adopted for other structures and deemed level 3. This involves the following process:

- The fair value is a reflection of gross value less accumulated depreciation. Published project and cost data applied to the asset's attributes is used to determine the gross value (replacement cost)
- Age and asset condition is applied to determine the level of depreciation
- Major assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives).

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life, condition and residual value.

Roads, Bridges, Footpaths, Bulk Earthworks, Stormwater – Level 3

Valuation Techniques – Depreciated Replacement Cost.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The cost approach has been adopted for Council Roads and deemed level 3 and were last valued at 30 June 2015. This involves the following process:

- The fair value is a reflection of gross value (replacement cost) less accumulated depreciation.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

- Actual construction cost data was used to establish unit rates and applied to the asset's attributes to determine the gross value
- A sample of roads were inspected to arrive at a condition score. This is applied along with the road age to determine the remaining useful life.
- Roads were categorised into appropriate groupings such as:

- * Sealed/Unsealed

- * Urban/Local/Regional

- * Urban major/Urban minor/collector

- The network was broken into segments linked to defining geographical features

- Assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives) i.e. seal, pavement, subbase, earthworks.

Observable inputs- Construction costs used to assess the replacement cost of the asset. For example Seal cost per m2, Pavement construction per m2, gravel cost

Unobservable inputs - Estimates of useful life, condition and residual value.

Water Supply Network and Sewerage Network – Level 3

Valuation Techniques – Depreciated Replacement Cost.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The cost approach has been adopted for Council Water and Sewer deemed level 3 and was applied as part of 30 June 2012 fair value process. This involves the following process:

- The fair value is a reflection of gross value (replacement cost) less accumulated depreciation.
- Council used data published in the NSW Reference Rates Manual for Valuation of Water & Sewerage Assets to establish unit rates and applied to the asset's attributes to determine the gross value
- A physical inspection of underground assets was impractical, therefore reference manual useful life was applied.
- A sample of aboveground assets were inspected to arrive at a condition score, with desktop assessments of other assets. This assessment was applied along with the reference manual average to determine the remaining useful life.

Water Supply Network and Sewerage Network – Level 3 (continued)

- Assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives) i.e. civil/structural, electrical, mechanical
- Residual value is applied to sewer mains to reflect that ability to renew service capacity for less than replacement. Sewer relining avoids the need for excavation and backfill associated with reconstructing a shallow sewer.

Observable inputs are reference rate costs used to assess the replacement cost of the asset. For example \$/m for reticulation mains

Unobservable inputs include estimates of useful life, condition and residual value.

Mid-Western Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

Library Books

Valuation Techniques – Depreciated historic cost. The nature and value of library books recognises that depreciated historic cost is a representation of fair value.

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life and residual value.

Tip & Quarry Assets – Reinstatement, rehabilitation and restoration

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

In the event that Council close a quarry or tip site, there are immense on-going costs associated with the rehabilitation of the land.

Mid-Western Regional 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.

	Work in Progress	Plant & Equipment	Office Equipment	Furniture & Fittings	Total
Opening Balance - 1/7/13	18,720	14,301	9	359	33,389
Transfers from/(to) another asset class	(16,651)	10	-	-	(16,641)
Purchases (GBV)	2,409	605	48	-	3,062
Disposals (WDV)	-	(252)	-	-	(252)
Depreciation & Impairment	-	(1,524)	(9)	(58)	(1,591)
Rounding	(1)	8	2	(4)	5
Other movement	(192)	-	-	-	(192)
Closing Balance - 30/6/14	4,285	13,148	50	297	17,780
Transfers from/(to) another asset class	(2,499)	-	-	-	(2,499)
Purchases (GBV)	6,201	5,092	5	-	11,298
Disposals (WDV)	-	(449)	-	-	(449)
Depreciation & Impairment	-	(1,837)	(8)	(60)	(1,905)
Rounding	(9)	(1)	-	-	(10)
Other movement	(111)	-	-	-	(111)
Closing Balance - 30/6/15	7,867	15,953	47	237	24,104

	Operational Land	Community Land	Land under roads	Land Improv'mnt Non-Deprec	Total
Opening Balance - 1/7/13	29,759	10,669	1,203	1,442	43,073
Transfers from/(to) another asset class	38	-	54	-	92
Purchases (GBV)	258	102	4	-	364
Rounding	-	2	-	2	4
Revaluation Increment to ARR	-	-	8	-	8
Closing Balance - 30/6/14	30,055	10,773	1,269	1,444	43,541
Transfers from/(to) another asset class	-	-	22	-	22
Purchases (GBV)	187	151	11	-	349
Closing Balance - 30/6/15	30,242	10,924	1,302	1,444	43,912

Mid-Western Regional 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)

	Land Improv'mnt Depreciable	Buildings Replace- ment Cost	Other Structures	Roads	Total
Opening Balance - 1/7/13	261	48,796	16,988	213,064	279,109
Transfers from/(to) another asset class	(10)	77	(12,108)	(34,358)	(46,399)
Purchases (GBV)	7	701	1,190	7,666	9,564
Disposals (WDV)	-	(1,224)	-	(1,013)	(2,237)
Depreciation & Impairment	(12)	(1,885)	(295)	(6,559)	(8,751)
Rounding	-	-	4	(4)	-
Reinstatement costs for impaired assets	-	30	35	-	65
Closing Balance - 30/6/14	246	46,495	5,814	178,796	231,351
Transfers from/(to) another asset class	-	1,021	-	753	1,774
Purchases (GBV)	-	1,198	1,176	9,217	11,591
Disposals (WDV)	-	(298)	-	(2,432)	(2,730)
Depreciation & Impairment	(13)	(2,003)	(324)	(6,787)	(9,127)
FV Gains - Other Comprehensive Income	-	-	-	35,609	35,609
Rounding	-	-	6	-	6
Closing Balance - 30/6/15	233	46,413	6,672	215,156	268,474

	Bulk Earthworks	Stormwater Drainage	Water Supply Network	Sewerage Network	Total
Opening Balance - 1/7/13	74,670	5,573	59,577	49,204	189,024
Transfers from/(to) another asset class	-	191	124	15,675	15,990
Purchases (GBV)	612	660	1,018	1,659	3,949
Disposals (WDV)	-	(12)	(30)	(156)	(198)
Depreciation & Impairment	-	(133)	(1,511)	(1,343)	(2,987)
Rounding	(1)	(4)	(1)	-	(6)
Revaluation Increment to ARR	-	-	1,599	1,308	2,907
Closing Balance - 30/6/14	75,281	6,275	60,776	66,347	208,679
Transfers from/(to) another asset class	417	-	38	248	703
Purchases (GBV)	421	-	685	477	1,583
Disposals (WDV)	-	-	(12)	(328)	(340)
Depreciation & Impairment	-	(157)	(2,306)	(1,807)	(4,270)
FV Gains - Other Comprehensive Income	202,675	11,256	891	968	215,790
Closing Balance - 30/6/15	278,794	17,374	60,072	65,905	422,145

Mid-Western Regional 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)

	Bridges	Library Books	Tip Reinstatement Asset	Quarry Reinstatement Asset	Total
Opening Balance - 1/7/13	-	605	375	96	1,076
Transfers from/(to) another asset class	30,371	-	-	-	30,371
Purchases (GBV)	473	77	120	-	670
Depreciation & Impairment	(668)	(77)	(74)	(6)	(825)
Rounding	-	1	(1)	(2)	(2)
Closing Balance - 30/6/14	30,176	606	420	88	31,290

Purchases (GBV)	462	64	-	-	526
Depreciation & Impairment	(690)	(85)	(51)	(5)	(831)
FV Gains - Other Comprehensive Income	26,089	-	-	-	26,089
Other movement (reversal prior year decrement)	-	-	(80)	(2)	(82)
Closing Balance - 30/6/15	56,037	585	289	81	56,992

	Footpaths	Swimming Pools	Other Open Space/ Recreational	Total
Transfers from/(to) another asset class	5,308	3,472	7,807	16,587
Purchases (GBV)	202	10	94	306
Depreciation & Impairment	(132)	(152)	(296)	(580)
Closing Balance - 30/6/14	5,378	3,330	7,605	16,313
Purchases (GBV)	490	121	966	1,577
Depreciation & Impairment	(152)	(151)	(338)	(641)
FV Gains - Other Comprehensive Income	(1,283)	-	-	(1,283)
Closing Balance - 30/6/15	4,433	3,300	8,233	15,966

Mid-Western Regional Council

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

Note 27. Fair Value Measurement

b. The Valuation Process for Level 3 Fair Value Measurements

Class	Valuation processes	Description of the process	How (& by who) the valuation processes are decided	How (& by who) analyses the level 3 fair value movement post valuation	Who undertakes the valuations
Plant & Equipment	Depreciated historic cost	Review of asset register and useful life of assets	Council	Council	Council
Office Equipment	Depreciated historic cost	Review of asset register and useful life of assets	Council	Council	Council
Furniture & Fittings	Depreciated historic cost	Review of asset register and useful life of assets	Council	Council	Council
Operational Land	Market Approach	Comparison with other property sales	Council and External valuer	Council	External Valuer
Community Land	Market Approach	Comparison with other property sales	Council	Council	Valuer General
Land Under Roads	Market Approach	Comparison with other property sales	Council	Council	Council
Land Improvements – non depreciable	Depreciated historic cost	Review of asset register and useful life of assets	Council	Council	Council
Land Improvements – depreciable	Depreciated historic cost	Review of asset register and useful life of assets	Council	Council	Council
Buildings – Replacement Cost	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition.	Council and External valuer	Council	External valuer
Other Structures	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition.	Council	Council	Council

Mid-Western Regional Council

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

Note 27. Fair Value Measurement

Class	Valuation processes	Description of the process	How (& by who) the valuation processes are decided	How (& by who) analyses the level 3 fair value movement post valuation	Who undertakes the valuations
Roads, Bridges, Footpaths	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition. Sampling of road condition and costing of examples of actual construction.	Council	Council	Council
Bulk Earthworks	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition. Sampling of condition and costing of examples of actual construction.	Council	Council	Council
Stormwater Drainage	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition. Sampling of condition and costing of examples of actual construction.	Council	Council	Council
Water Supply Network	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition. Sampling of condition and costing of examples of actual construction.	Council	Council	Council

Mid-Western Regional Council

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

Note 27. Fair Value Measurement

Class	Valuation processes	Description of the process	How (& by who) the valuation processes are decided	How (& by who) analyses the level 3 fair value movement post valuation	Who undertakes the valuations
Sewerage Network	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition. Sampling of condition and costing of examples of actual construction.	Council	Council	Council
Swimming Pools	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition.	Council	Council	Council
Other Open Space/Recreational Assets	Depreciated Replacement Cost	Analysis of data and physical inspection of assets to review condition.	Council	Council	Council
Library Books	Depreciated historic cost	Review of asset register and useful life of assets	Council	Council	Council
Tip and Quarry Reinstatement Assets	Cost estimate of future liability	Estimate remaining life and future reinstatement costs discounted back to present value	Council	Council	Council

(5). Highest and best use

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

Mid-Western Regional Council

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

Note 28. Council Information & Contact Details

Principal Place of Business:

86 Market Street
Mudgee NSW 2850

Contact Details

Mailing Address:

PO Box 156
Mudgee NSW 2850

Opening Hours:

Mudgee, Gulgong & Rylstone Administration Centres
8:00am to 4:30pm
Monday to Friday

Telephone: 02 6378 2850

Facsimile: 02 6378 2815

Internet: www.midwestern.nsw.gov.au

Email: council@midwestern.nsw.gov.au

Officers

GENERAL MANAGER

Mr Brad Cam

RESPONSIBLE ACCOUNTING OFFICER

Mrs Leonie Johnson

PUBLIC OFFICER

Mr Simon Jones

AUDITORS

Intentus Chartered Accountants
14 Sale Street
Orange NSW 2800

Elected Members

MAYOR

Mr Des Kennedy

COUNCILLORS

Clr Paul Cavalier
Clr Esme Martens
Clr Peter Shelley
Clr Percy Thompson
Clr John Weatherley
Clr John Webb
Clr Max Walker
Clr Lucy White

Other Information

ABN: 96 149 391 332

**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL
ON THE GENERAL PURPOSE FINANCIAL STATEMENTS OF
MID-WESTERN REGIONAL COUNCIL**

Report on the Financial Statements

We have audited the accompanying general purpose financial statements of Mid-Western Regional Council for the financial year ended 30 June 2015. The financial statements comprise the Statement by Councillors and Management, Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Financial Statements.

Councils' Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the original budget figures included in the Income Statement and Statement of Cash Flows, the original budget disclosures in Notes 2(a) and 16, nor the projected revenue and expenditure of developer contributions reported in Note 17 and accordingly, we express no opinion on them. 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.

Independence

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the general purpose financial statements of Mid-Western Regional Council (Council) for the year ended 30 June 2015 included on Council's web site. Council is responsible for the integrity of their web site. We have not been engaged to report on the integrity of the 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.

Audit Opinion

In our opinion:

- (a) Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993* (NSW), Chapter 13, Part 3, Division 2;
- (b) Council's financial statements:
 - i. have been prepared in accordance with the requirements of this Division;
 - ii. are consistent with Council's accounting records;
 - iii. present fairly Council's financial position, the results of its operations and cashflows; and
 - iv. are in accordance with applicable Australian Accounting Standards
- (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 have come to light in the course of the audit.



intentus



John O'Malley
Director

14 Sale Street
Orange, NSW
Dated: 29 October, 2015

29 October 2015

The Mayor
Councillor Des Kennedy
Mid-Western Regional Council
PO Box 156
MUDGEE NSW 2850

Dear Mr Mayor

**INDEPENDENT AUDITOR'S REPORT ON THE CONDUCT OF THE AUDIT OF
MID-WESTERN REGIONAL COUNCIL FOR THE YEAR ENDED 30 JUNE 2015**

We advise having completed our audit of the financial statements of Mid-Western Regional Council for the financial year ended 30 June 2015. Our audit resulted in the issuing of an unmodified audit report on both the general purpose and special purpose financial statements of Council.

In accordance with Section 417 of the *Local Government Act 1993* (NSW) we submit our report on the conduct of the audit of Mid-Western Regional Council for the year ended 30 June 2015. Our audit reports on the general purpose financial statements of Council and the special purpose financial statements on Council's business units outline the legislative framework of our audit and should be referred to in order to establish the context in which our comments are made.

Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

The following comments are provided in accordance with Section 417(3) of the *Local Government Act 1993* (NSW) and Regulation 227 of the *Local Government (General) Regulation 2005* (NSW) to assist in the understanding of the financial statements and our reports.

Review of Financial Results

(a) Operating Result

As disclosed in Council's Income Statement the year's operations resulted in a net operating result of \$16,610,000 (2014 – \$5,192,000). Selected items of note in the operating statement include:

Revenue

- The operating result from ordinary activities *before* capital amounts was a surplus of \$326,000 (2014 deficit – \$5,021,000).
- User charges and fees increased \$3,417,000 (23.1%) to \$18,190,000 (2014 – \$14,773,000). The increase was mainly attributable to increased works performed for Roads and Maritime Services on State owned roads, in particular the Springfield road widening project.
- Operating grants and contributions were \$3,086,000 up on the prior year. Whilst 2013/14 saw a reduction in FAG funds received due to the timing of payments received (Council received only two (2) payments), payments normalised in 2014/15, with Council receiving the standard four (4) payments under this program.
- Capital grants and contributions were also up by \$6,071,000 (59.4%) to \$16,284,000 (2014 – \$10,213,000). This was largely driven by Restart NSW monies received for road upgrade projects related to Ulan Road, Cope Road and Fairydale Lane, as well as over \$1.5m for the upgrade of Mudgee Airport.

Expenditure

- Depreciation expense increased \$1,131,000 to \$16,078,000 (2014 – \$14,947,000). The increase follows the commissioning of over \$15m in sewerage assets which were depreciated for a full year for the first time in 2014/15. The balance of the increase was due to replacement of plant & equipment and other assets.
- Net losses on the disposal of assets grew by \$1,738,000 (116.5%) to \$3,230,000 (2014 – \$1,492,000). The increase is largely due to an increase in the value of road and sewer assets written off. These assets were written off due to their total replacement / upgrade (e.g. Ulan and Cope Roads are in the process of being fully upgraded).

Council's other major items of income and expenditure were relatively consistent with the prior period.

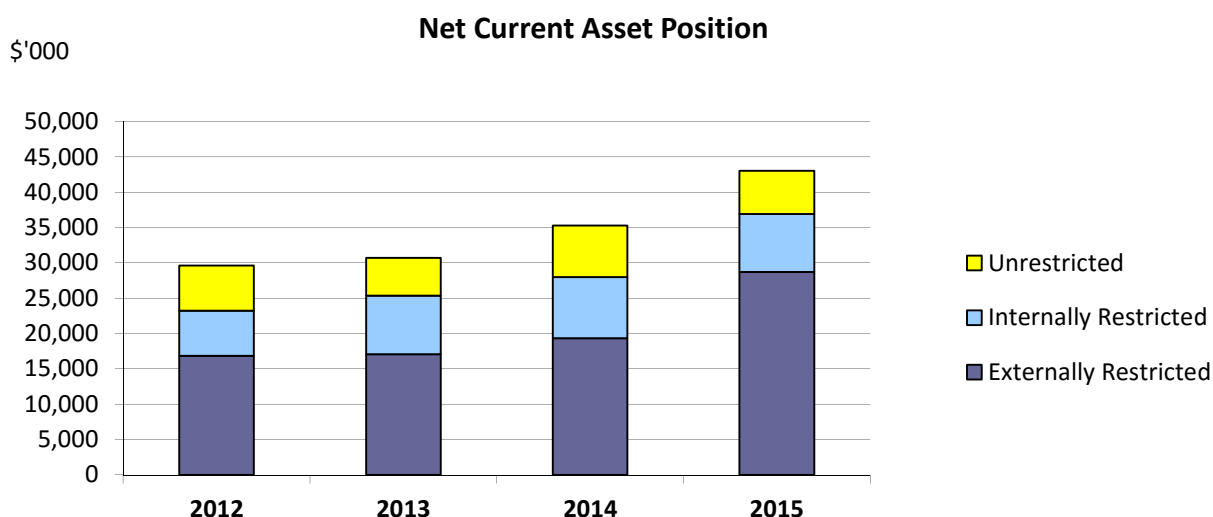
(b) Financial Position

The Statement of Financial Position discloses that for the year ended 30 June 2015 Council’s net assets stood at \$860,376,000 (2014 – \$568,485,000), which represents an increase of \$291,891,000. That movement is comprised of the net operating surplus after capital amounts of \$16,610,000 combined with the net asset revaluation increment of \$276,205,000 relating to the revaluation of Council’s roads (including bulk earthworks), bridges, footpaths and stormwater drainage assets. There was also an impairment loss of \$924,000 recorded directly against equity related to assets where Council have identified “indicators of impairment” and have seen fit to write-down their value.

To assess the health of Council’s net current asset position (available working capital) it is necessary to review the level of restrictions placed against the use of Council’s assets. The notes to the financial statements indicate clearly where restrictions exist, and the effect of the restrictions is summarised as follows: -

	2015	2014
	\$'000	\$'000
Net Current Assets	43,064	35,327
Less: Amounts externally restricted for special purposes (refer Notes 6; 7; & 8 of financial statements)	(36,276)	(26,143)
Less: Council internally imposed restrictions (refer Note 6 of financial statements)	(8,202)	(8,631)
Add: Applicable current liabilities refer Note 10		
- Water	738	768
- Sewerage	860	634
- Domestic Waste Management	368	222
- Other (Trust Deposits)	1,008	934
Add: Employee Leave Entitlements to be paid > 12 months	4,558	4,201
	<hr/>	<hr/>
Unrestricted net current asset surplus/(deficit)	6,118	7,312
Unrestricted net current assets comprise: -		
Assets		
Cash	9,606	7,861
Receivables	2,569	5,113
Inventories	927	896
Less: General Purpose Liabilities	(11,542)	(10,759)
Plus: Employee Leave Entitlements to be paid > 12 months	4,558	4,201
	<hr/>	<hr/>
Unrestricted net current asset surplus/(deficit)	6,118	7,312

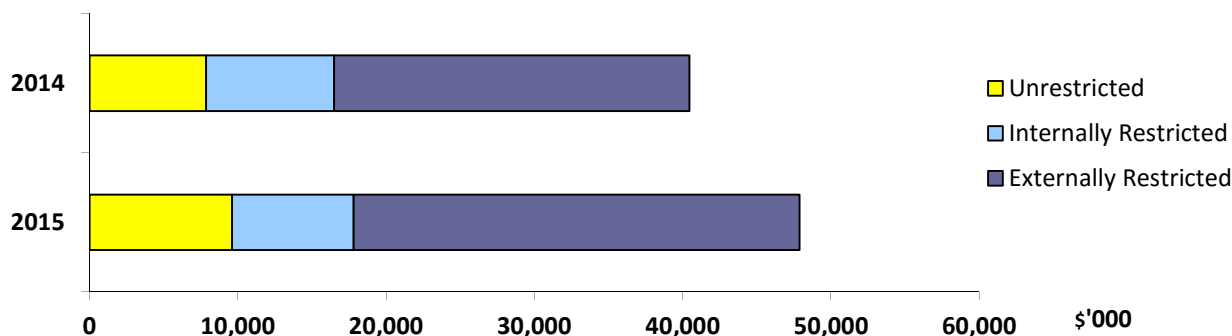
Council’s continues to enjoy a surplus of net current assets to cover the restrictions placed on those assets.



Cash & Investments

Note 6 to the accounts discloses total cash and investments of \$47,881,000 (2014 – \$40,444,000), of this amount \$30,073,000 (2014 – \$23,952,000) is subject to external restrictions requiring Council to commit those funds to the purposes for which they were provided and \$8,202,000 (2014 – \$8,631,000) is subject to internal restrictions agreed upon by Council for designated purposes. These internal restrictions may be altered at the discretion of Council, consistent with its operational / delivery plan.

The unrestricted balance of \$9,606,000 (2014 – \$7,861,000) represents liquid assets available to cover non-budgeted discretionary expenditure and meet short-term cash flow requirements. The extent of unrestricted cash and investments speaks to Council's strong financial position.



Whilst the consolidated financial statements displays healthy levels of cash and investments, we remind the reader that the consolidated data is not necessarily reflective of the position of the individual funds (General, Water & Sewer) and this is equally applicable when reviewing the performance indicators considered below. General information on the financial position and performance by fund is provided in Note 21 to the financial statements.

(c) Performance Indicators

Note 13 to the Financial Statements provides a measure of Council's performance using a number of selected ratios:

Operating Performance Ratio

This ratio expresses council's ability to keep operating expenses, including depreciation, within its continuing operating revenue. The outcome of 5.87% (2014 – negative 6.84%) indicates that Council has successfully contained its operating expenditure for the year within the constraints of its operating revenue. The sharp jump in this ratio has several contributors, but in particular the timing of FAG payments received in 2013/14 (Council received only two (2) payments), compared to the subsequent normalisation of payments in 2014/15 has driven this.

Unrestricted Current Ratio

The Unrestricted Current Ratio is a measure of Council's liquidity that demonstrates its ability to satisfy obligations out of short-term and immediate asset balances. Council's ratio of 3.01:1 indicates that it is comfortably able to settle its debts as and when they fall due.

Debt Service Cover Ratio

This ratio measures the ability of council to service debt by expressing that capacity as a multiple of the operating result from continuing operations, excluding capital items and depreciation / impairment, over the principal and interest costs.

At 7.98 times (2014 – 4.86) Mid-Western Regional Council's ratio indicates that it can comfortably meet its current levels of debt.

Rates & Annual Charges, Interest & Extra Charges Outstanding Ratio

The ratio is a measure of management efficiency. Whilst prevailing economic conditions may influence Council's ability to collect revenue, the efficiency and application of collection procedures are still the largest determinant of this ratio.

Mid-Western Regional Council's rates and annual charges outstanding percentage of 3.42% (2014 – 4.07%) continues to indicate very effective debtor management.

(d) Cash Flow Statement

The Statement of Cash Flows provides information regarding the movement in cash and cash-equivalents, which are only those highly liquid investments that have an original term to maturity of less than three months. The current year reports a net decrease in cash assets held of \$8,313,000 (2014 – decrease \$11,601,000) as follows:

	2015 \$'000	2014 \$'000	Movement \$'000
Cash flow provided by / (used in)			
Operating activities	34,045	22,531	11,514
Investing activities	(41,026)	(32,873)	(8,153)
Financing activities	(1,332)	(1,259)	(73)
Net increase / (decrease) in cash held	(8,313)	(11,601)	3,288

Cash flows from operating activities

The cashflows from operating activities have increased in response to a full year of FAG payments being received in 2014/15 as opposed to only half (i.e. two (2)) being received in 2013/14. In addition, Council has seen a large inflow of RMS money with relation to such large (i.e. \$5m +) projects as the Springfield road widening.

Cash flows from investing activities

Cash outflows related to the net acquisition of \$15,750,000 in investments coupled with acquisitions of infrastructure, property, plant and equipment that were up by \$7,760,000 accounting for the majority of the increase in the amount of funds used for investing activities.

Cash flows from financing activities

The net cash flow used in financing activities was \$1,332,000 (2014 outflow – \$1,259,000), which related solely to the repayment of borrowings during the year.

(e) Comparison of Actual and Budgeted Performance

Council's operating result from continuing operations of \$16,610,000 was \$490,000 more than Council's original estimates.

It is beyond the purpose of this report to provide a detailed analysis of individual budget variations. Note 16 to Council's financial statements addresses the contributing factors to these variations in detail.

(f) Other Matters

National Competition Policy

In accordance with the requirements of National Competition Policy guidelines, Mid-Western Regional Council has prepared special purpose financial statements on its business units for the year ended 30 June 2015. Council has determined that it has four business units within its operations: Water Supply, Sewerage Services, Private Works and Sale Yards.

The Office of Local Government's July 1997 guidelines 'Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality' outlines the process for identifying and allocating costs of activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business units and dividends paid.

An unmodified audit report on the special purpose statements for the year ended 30 June 2015 has been issued.

Management Letters

Our most recent management letter was issued on 19 June 2015. Matters raised via management letters have been satisfactorily addressed.

(g) Progress of Asset Revaluation Program

Council's asset revaluation program is in compliance with the timetable established by the Office of Local Government.

(h) Legislative compliance

As a result of our audit we advise that there are no material deficiencies in the accounting records or financial statements that have come to our attention during the conduct of the audit and that Mid-Western Regional Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993* (NSW) and regulations.

Breach of requirement to invite tenders

In the course of conducting our audit, we did identify one instance of legislative non-compliance. Under the *Local Government Act 1993* (NSW), Council are required to invite tenders before entering into specific contracts, including for the provision of services, goods or materials to the Council (Sections 55(1)(e) and 55(1)(f)). The *Local Government (General) Regulation 2005* (NSW) stipulates that this requirement applies for all contracts of \$150,000 or more (Section 163(2)). Section 178(1) of the *Local Government (General) Regulation 2005* (NSW) also states that after considering the tenders submitted for a proposed contract, Council must either accept or decline the tenders.

During the 2014/15 financial year, Council entered into a contract for the reconstruction of fire damaged facilities at the Glen Willow Regional Sporting Complex. A tender was accepted for the sum of \$784,871.98. Whilst a tender process was undertaken in accordance with the *Local Government Act 1993* (NSW) and the *Local Government (General) Regulation 2005* (NSW), acceptance of this tender was not submitted to Council. That is, the requirements of Section 178 of the *Local Government (General) Regulation 2005* (NSW) were not complied with.

(i) Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of Mid-Western Regional Council (Council) for the year ended 30 June 2015 included on Council's web site. Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the 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.

Conclusion

- (a) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the general purpose financial statements and allowed proper and effective audit of these statements;
- (b) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the special purpose financial statements and allowed proper and effective audit of these statements; and
- (c) all information relevant to the conduct of the audit has been obtained.



intertus

14 Sale Street
Orange, NSW
Dated: 29 October, 2015



John O'Malley
Director

Mid-Western Regional Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2015

*“a prosperous and progressive
community that we proudly call home”*



Mid-Western Regional Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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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).

Mid-Western Regional 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 16 September 2015.



Mr Des Kennedy
MAYOR



Mr Paul Cavalier
COUNCILLOR



Mr Simon Jones
ACTING GENERAL MANAGER



Mrs Leonie Johnson
RESPONSIBLE ACCOUNTING OFFICER

Mid-Western Regional 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	1,193	1,118
User charges	5,209	5,260
Fees	-	-
Interest	243	275
Grants and contributions provided for non capital purposes	54	67
Profit from the sale of assets	-	-
Other income	2	2
Total income from continuing operations	6,701	6,722
Expenses from continuing operations		
Employee benefits and on-costs	1,430	1,338
Borrowing costs	239	262
Materials and contracts	1,477	1,234
Depreciation and impairment	1,584	1,517
Water purchase charges	-	-
Loss on sale of assets	12	30
Calculated taxation equivalents	24	37
Debt guarantee fee (if applicable)	-	-
Other expenses	1,427	1,457
Total expenses from continuing operations	6,193	5,875
Surplus (deficit) from Continuing Operations before capital amounts	508	847
Grants and contributions provided for capital purposes	1,193	1,285
Surplus (deficit) from Continuing Operations after capital amounts	1,701	2,132
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	1,701	2,132
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(152)	(254)
SURPLUS (DEFICIT) AFTER TAX	1,549	1,878
plus Opening Retained Profits	50,603	48,417
plus/less: Other Adjustments - Disposals transfer from ARR	36	13
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	24	37
- Debt guarantee fees	-	-
- Corporate taxation equivalent	152	254
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	52,364	50,603
Return on Capital %	1.2%	1.8%
Subsidy from Council	1,129	1,127
Calculation of dividend payable:		
Surplus (deficit) after tax	1,549	1,878
less: Capital grants and contributions (excluding developer contributions)	(1,193)	(1,285)
Surplus for dividend calculation purposes	356	593
Potential Dividend calculated from surplus	178	296

Mid-Western Regional 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	4,683	4,267
User charges	647	651
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	233	190
Grants and contributions provided for non capital purposes	59	60
Profit from the sale of assets	-	-
Other income	38	31
Total income from continuing operations	5,660	5,199
Expenses from continuing operations		
Employee benefits and on-costs	1,013	1,086
Borrowing costs	636	654
Materials and contracts	599	613
Depreciation and impairment	1,877	1,356
Loss on sale of assets	328	156
Calculated taxation equivalents	17	-
Debt guarantee fee (if applicable)	-	-
Other expenses	1,190	1,188
Total expenses from continuing operations	5,660	5,053
Surplus (deficit) from Continuing Operations before capital amounts	-	146
Grants and contributions provided for capital purposes	701	2,192
Surplus (deficit) from Continuing Operations after capital amounts	701	2,338
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	701	2,338
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	(44)
SURPLUS (DEFICIT) AFTER TAX	701	2,294
plus Opening Retained Profits	44,104	41,249
plus/less: Prior Period Adjustments	(1)	6
plus/less: Other Adjustments - Disposals Transfer from ARR	1,718	511
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	17	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	44
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	46,539	44,104
Return on Capital %	0.9%	1.1%
Subsidy from Council	1,493	1,719
Calculation of dividend payable:		
Surplus (deficit) after tax	701	2,294
less: Capital grants and contributions (excluding developer contributions)	(701)	(2,192)
Surplus for dividend calculation purposes	-	102
Potential Dividend calculated from surplus	-	51

Mid-Western Regional Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2015

\$ '000	Private Works		Saleyards	
	Category 2		Category 2	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Income from continuing operations				
Access charges	-	-	-	-
User charges	172	293	377	302
Fees	-	-	-	-
Interest	2	2	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	-	-	20	22
Total income from continuing operations	174	295	397	324
Expenses from continuing operations				
Employee benefits and on-costs	41	49	94	99
Borrowing costs	-	-	3	3
Materials and contracts	120	131	66	45
Depreciation and impairment	-	-	162	163
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	-	-	105	101
Total expenses from continuing operations	161	180	430	411
Surplus (deficit) from Continuing Operations before capital amounts	13	115	(33)	(87)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	13	115	(33)	(87)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	13	115	(33)	(87)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(4)	(35)	-	-
SURPLUS (DEFICIT) AFTER TAX	9	81	(33)	(87)
plus Opening Retained Profits	215	100	233	323
plus/less: Prior Period Adjustments	-	-	1	(3)
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	4	35	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	228	215	201	233
Return on Capital %	n/a	n/a	-0.5%	-1.5%
Subsidy from Council	-	-	197	285

Mid-Western Regional 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	325	1,890
Investments	9,537	5,839
Receivables	1,038	1,009
Inventories	243	249
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	11,143	8,987
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	62,124	62,813
Investment property	-	-
Intangible Assets	-	3
Other	3	-
Total non-Current Assets	62,127	62,816
TOTAL ASSETS	73,270	71,803
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	345	399
Interest bearing liabilities	393	369
Provisions	-	-
Total Current Liabilities	738	768
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	3,096	3,489
Provisions	-	-
Total Non-Current Liabilities	3,096	3,489
TOTAL LIABILITIES	3,834	4,257
NET ASSETS	69,436	67,546
EQUITY		
Retained earnings	52,364	50,603
Revaluation reserves	17,072	16,943
Council equity interest	69,436	67,546
Non-controlling equity interest	-	-
TOTAL EQUITY	69,436	67,546

Mid-Western Regional 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	278	1,609
Investments	8,164	4,972
Receivables	696	699
Inventories	16	17
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	9,154	7,297
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	70,487	70,758
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
Total non-Current Assets	70,487	70,758
TOTAL ASSETS	79,641	78,055
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	533	323
Interest bearing liabilities	327	311
Provisions	-	-
Total Current Liabilities	860	634
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	9,262	9,587
Provisions	-	-
Total Non-Current Liabilities	9,262	9,587
TOTAL LIABILITIES	10,122	10,221
NET ASSETS	69,519	67,834
EQUITY		
Retained earnings	46,539	44,104
Revaluation reserves	22,980	23,730
Council equity interest	69,519	67,834
Non-controlling equity interest	-	-
TOTAL EQUITY	69,519	67,834

Mid-Western Regional Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

\$ '000	Private Works		Saleyards	
	Category 2		Category 2	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
ASSETS				
Current Assets				
Cash and cash equivalents	280	168	(759)	(887)
Investments	-	-	-	-
Receivables	-	47	3	33
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	280	215	(756)	(854)
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	-	-	5,514	5,643
Investment property	-	-	-	-
Intangible Assets	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	-	-	5,514	5,643
TOTAL ASSETS	280	215	4,758	4,789
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	52	-	23	14
Interest bearing liabilities	-	-	9	8
Provisions	-	-	-	-
Total Current Liabilities	52	-	32	22
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	28	37
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	28	37
TOTAL LIABILITIES	52	-	60	59
NET ASSETS	228	215	4,698	4,730
EQUITY				
Retained earnings	228	215	201	233
Revaluation reserves	-	-	4,497	4,497
Council equity interest	228	215	4,698	4,730
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	228	215	4,698	4,730

Mid-Western Regional Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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3	Sewerage Business Best Practice Management disclosure requirements	15

Mid-Western Regional 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. Mid-Western Regional Council Water Supply

Comprising the activities and net assets of the water supply operations servicing the towns of Mudgee, Gulgong, Rylstone, and Kandos.

b. Mid-Western Regional Council Waste Water Services

Comprising the activities and net assets of the sewerage reticulation and treatment operations servicing the towns of Mudgee, Gulgong, Rylstone, and Kandos.

Category 2

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

a. Mid-Western Regional Council Private Works

Comprising the whole of the activities and net assets utilised in providing Private Works to the public and other agencies.

b. Mid-Western Regional Council Saleyards

Comprising the whole of the activities and net assets utilised in providing a facility for the conduct of livestock sales.

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

Mid-Western Regional Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

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

(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

Mid-Western Regional Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

borrowing costs in line with private sector competitors.

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

(ii) Subsidies

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

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

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.

Mid-Western Regional Council

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

Note 2. Water Supply Business Best Practice Management disclosure requirements

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

2015

1. Calculation and Payment of Tax-Equivalents

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

(i)	Calculated Tax Equivalents	24,000
(ii)	No of assessments multiplied by \$3/assessment	25,380
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	24,000
(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]	177,800
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	229,800
(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	2,038,900

2015 Surplus	355,600	2014 Surplus	592,900	2013 Surplus	1,090,400
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	177,800
(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]	NO
	- Complying charges [Item 2(b) in Table 1]	NO
	- 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	NO

Mid-Western Regional Council

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

Note 2. Water Supply Business Best Practice Management disclosure requirements (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	7,683
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)]	%	80.08%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	62,124
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	4,337
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	725
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)]	%	2.84%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

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

Mid-Western Regional 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	17,000
(ii)	No of assessments multiplied by \$3/assessment	22,035
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	17,000
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	203,350
(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	656,600

2015 Surplus	-	2014 Surplus	102,200	2013 Surplus	554,400
		2014 Dividend	-	2013 Dividend	-

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

3. Required outcomes for 4 Criteria

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

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	NO
	Complying charges	
	(a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	YES
	(c) Trade Waste [Item 2(d) in Table 1]	NO
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	NO
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	NO

Mid-Western Regional 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	6,045
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	70,487
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	2,712
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	723
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)]	%	2.07%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	100

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	13,388
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	0.84%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	1,448
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)]	%	2.43%
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%

Mid-Western Regional 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	<p>Net Debt to Equity (Water & Sewerage)</p> <p>Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]</p>	%	-3.76%
NWI F23	<p>Interest Cover (Water & Sewerage)</p> <p>Earnings before Interest & Tax (EBIT) divided by Net Interest</p> <p>Earnings before Interest & Tax (EBIT): 3,219</p> <p>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)</p> <p>Net Interest: 438</p> <p>Interest Expense (w4a + s4a) - Interest Income (w9 + s10)</p>		7
NWI F24	<p>Net Profit After Tax (Water & Sewerage)</p> <p>Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))</p>	\$'000	2,343
NWI F25	<p>Community Service Obligations (Water & Sewerage)</p> <p>Grants for Pensioner Rebates (w11b + s12b)</p>	\$'000	113

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

**INDEPENDENT AUDITOR'S REPORT
ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF
MID-WESTERN REGIONAL COUNCIL**

Report on the Financial Statements

We have audited the special purpose financial statements of Mid-Western Regional Council for the year ended 30 June 2015, comprising the Statement by Council, Income Statement by Business Activities, Statement of Financial Position by Business Activities, and accompanying Notes to the Financial Statements. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and accordingly we express no opinion on them.

Councils' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council. 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 the Council as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the special purpose financial statements of Mid-Western Regional Council (Council) for the year ended 30 June 2015 included on Council's web site. Council is responsible for the integrity of their web site. We have not been engaged to report on the integrity of the 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.

Audit Opinion

In our opinion, the special purpose financial statements of Mid-Western Regional Council are presented fairly in accordance with the requirements of those applicable accounting policies detailed in Note 1, the accounting requirements of the *Local Government Act 1993* (NSW) and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statement, which describes the basis of accounting. The special purpose financial statements have been prepared for distribution to the Council and the Office of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. As a result, the financial statements may not be suitable for another purpose. 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 Office of Local Government or for any purpose other than for which the statements were prepared.



intentus



John O'Malley
Director

14 Sale Street
Orange, NSW
Dated: 29 October, 2015

Mid-Western Regional Council

SPECIAL SCHEDULES

for the year ended 30 June 2015

*“a prosperous and progressive
community that we proudly call home”*



Mid-Western Regional Council

Special Schedules

for the financial year ended 30 June 2015

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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.

Mid-Western Regional 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	407	1	-	(406)
Administration	7,436	1,153	1,754	(4,529)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,049	465	25	(559)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	184	36	-	(148)
Other	134	109	-	(25)
Total Public Order & Safety	1,367	610	25	(732)
Health	37	22	-	(15)
Environment				
Noxious Plants and Insect/Vermin Control	863	138	-	(725)
Other Environmental Protection	206	23	-	(183)
Solid Waste Management	4,194	5,302	71	1,179
Street Cleaning	223	-	-	(223)
Drainage	705	46	-	(659)
Stormwater Management	-	-	-	-
Total Environment	6,191	5,509	71	(611)
Community Services and Education				
Administration & Education	386	131	-	(255)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	812	878	-	66
Children's Services	900	907	-	7
Total Community Services & Education	2,098	1,916	-	(182)
Housing and Community Amenities				
Public Cemeteries	350	238	-	(112)
Public Conveniences	30	-	-	(30)
Street Lighting	309	34	-	(275)
Town Planning	1,391	622	-	(769)
Other Community Amenities	33	55	3	25
Total Housing and Community Amenities	2,113	949	3	(1,161)
Water Supplies	5,420	6,259	1,293	2,132
Sewerage Services	4,880	5,683	745	1,548

Mid-Western Regional 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	1,233	279	-	(954)
Museums	26	3	-	(23)
Art Galleries	-	-	-	-
Community Centres and Halls	433	78	-	(355)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	2,213	392	66	(1,755)
Swimming Pools	1,137	155	-	(982)
Parks & Gardens (Lakes)	1,067	(4)	54	(1,017)
Other Sport and Recreation	-	-	-	-
Total Recreation and Culture	6,109	903	120	(5,086)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	506	185	-	(321)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	506	185	-	(321)
Transport and Communication				
Urban Roads (UR) - Local	2,031	128	552	(1,351)
Urban Roads - Regional	22	-	-	(22)
Sealed Rural Roads (SRR) - Local	3,590	73	814	(2,703)
Sealed Rural Roads (SRR) - Regional	4,911	2,511	6,844	4,444
Unsealed Rural Roads (URR) - Local	2,760	16	1,407	(1,337)
Unsealed Rural Roads (URR) - Regional	156	338	-	182
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	445	-	7	(438)
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	317	45	-	(272)
Parking Areas	475	28	-	(447)
Footpaths	230	15	149	(66)
Aerodromes	546	186	1,531	1,171
Other Transport & Communication	6,814	9,528	-	2,714
Total Transport and Communication	22,297	12,868	11,304	1,875
Economic Affairs				
Camping Areas & Caravan Parks	55	134	157	236
Other Economic Affairs	1,335	1,120	812	597
Total Economic Affairs	1,390	1,254	969	833
Totals – Functions	60,251	37,312	16,284	(6,655)
General Purpose Revenues ⁽²⁾		23,265		23,265
Share of interests - joint ventures & associates using the equity method	-	-	-	-
NET OPERATING RESULT ⁽¹⁾	60,251	60,577	16,284	16,610

(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

Mid-Western Regional 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	5	10	15	-	5	-	-	1	5	5	10
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	1,328	19,158	20,486	-	1,327	-	-	1,267	1,405	17,754	19,159
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	1,333	19,168	20,501	-	1,332	-	-	1,268	1,410	17,759	19,169
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	1,333	19,168	20,501	-	1,332	-	-	1,268	1,410	17,759	19,169

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).

Mid-Western Regional 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	333	309
b. Engineering and Supervision	694	938
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	40	-
- Mains		
c. Operation expenses	-	-
d. Maintenance expenses	1,213	783
- Reservoirs		
e. Operation expenses	148	105
f. Maintenance expenses	93	164
- Pumping Stations		
g. Operation expenses (excluding energy costs)	68	80
h. Energy costs	142	138
i. Maintenance expenses	267	57
- Treatment		
j. Operation expenses (excluding chemical costs)	736	747
k. Chemical costs	253	280
l. Maintenance expenses	261	321
- Other		
m. Operation expenses	-	-
n. Maintenance expenses	-	-
o. Purchase of water	89	115
3. Depreciation expenses		
a. System assets	1,583	1,517
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	239	262
b. Revaluation Decrements	-	-
c. Other expenses	4	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	6,163	5,816

Mid-Western Regional 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)	930	1,122
b. Usage charges	3,739	3,866
7. Non-residential charges		
a. Access (including rates)	269	-
b. Usage charges	1,347	1,212
8. Extra charges	26	42
9. Interest income	217	233
10. Other income	125	188
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	-	600
b. Grants for pensioner rebates	54	66
c. Other grants	-	1
12. Contributions		
a. Developer charges	1,193	685
b. Developer provided assets	-	-
c. Other contributions	-	-
13. Total income	7,900	8,015
14. Gain (or loss) on disposal of assets	(12)	(30)
15. Operating Result	1,725	2,169
15a. Operating Result (less grants for acquisition of assets)	1,725	1,569

Mid-Western Regional 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	-	-
b. New Assets for Growth	725	105
c. Renewals	-	976
d. Plant and equipment	-	-
17. Repayment of debt		
a. Loans	310	347
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	1,035	1,428
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)	6,858	6,687
b. Residential (unoccupied, ie. vacant lot)	612	629
c. Non-residential (occupied)	915	799
d. Non-residential (unoccupied, ie. vacant lot)	75	133
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount of pensioner rebates (actual dollars)	\$ 114,734	\$ 119,887

Mid-Western Regional 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"/>	<input type="checkbox"/> NO	
If Yes, go to 28a. If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/> YES	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 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"/> YES	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2014/15 (page 47 of Guidelines)			<input type="text" value="684,936"/>
** 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="684,936"/>

* 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.

Mid-Western Regional 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	4,491	-	4,491
b. Special purpose grants	1	-	1
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	5,370	-	5,370
31. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	30	-	30
c. User Charges	1,002	-	1,002
d. Other	6	-	6
32. Inventories	243	-	243
33. Property, plant and equipment			
a. System assets	-	62,124	62,124
b. Plant and equipment	-	-	-
34. Other assets	-	3	3
35. Total assets	11,143	62,127	73,270
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	345	-	345
38. Borrowings			
a. Loans	393	3,096	3,489
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	738	3,096	3,834
41. NET ASSETS COMMITTED	10,405	59,031	69,436
EQUITY			
42. Accumulated surplus			52,364
43. Asset revaluation reserve			17,072
44. TOTAL EQUITY			69,436
Note to system assets:			
45. Current replacement cost of system assets			106,954
46. Accumulated current cost depreciation of system assets			(44,830)
47. Written down current cost of system assets			62,124

Mid-Western Regional 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	483	346
b. Engineering and Supervision	708	798
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	502	543
- Pumping Stations		
c. Operation expenses (excluding energy costs)	128	131
d. Energy costs	117	92
e. Maintenance expenses	63	59
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	263	553
g. Chemical costs	81	47
h. Energy costs	154	180
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	213	208
- Other		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	1,877	1,356
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	636	654
b. Revaluation Decrements	-	-
c. Other expenses	94	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	5,319	4,967

Mid-Western Regional 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)	4,406	4,273
7. Non-residential charges		
a. Access (including rates)	282	-
b. Usage charges	651	620
8. Trade Waste Charges		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	13	14
10. Interest income	220	176
11. Other income	33	126
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	100	1,715
b. Grants for pensioner rebates	59	60
c. Other grants	-	-
13. Contributions		
a. Developer charges	601	477
b. Developer provided assets	-	-
c. Other contributions	-	-
14. Total income	6,365	7,461
15. Gain (or loss) on disposal of assets	(328)	(156)
16. Operating Result	718	2,338
16a. Operating Result (less grants for acquisition of assets)	618	623

Mid-Western Regional 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	-	-
b. New Assets for Growth	723	2,179
c. Renewals	-	404
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	369	297
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	1,092	2,880
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)	6,083	5,866
b. Residential (unoccupied, ie. vacant lot)	639	580
c. Non-residential (occupied)	555	615
d. Non-residential (unoccupied, ie. vacant lot)	68	84
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 107,895	\$ 108,850

Mid-Western Regional 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"/>	<input type="checkbox"/> NO	
If Yes, go to 29a. If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/> YES	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> YES	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2014/15 (page 47 of Guidelines)			<input type="text" value="476,612"/>
** 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="476,612"/>

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

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

Mid-Western Regional 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	2,037	-	2,037
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	6,405	-	6,405
32. Receivables			
a. Specific purpose grants	425	-	425
b. Rates and Availability Charges	125	-	125
c. User Charges	146	-	146
d. Other	-	-	-
33. Inventories	16	-	16
34. Property, plant and equipment			
a. System assets	-	70,487	70,487
b. Plant and equipment	-	-	-
35. Other assets	-	-	-
36. Total Assets	9,154	70,487	79,641
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	533	-	533
39. Borrowings			
a. Loans	327	9,262	9,589
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	860	9,262	10,122
42. NET ASSETS COMMITTED	8,294	61,225	69,519
EQUITY			
42. Accumulated surplus			46,539
44. Asset revaluation reserve			22,980
45. TOTAL EQUITY			69,519
Note to system assets:			
46. Current replacement cost of system assets			105,309
47. Accumulated current cost depreciation of system assets			(34,822)
48. Written down current cost of system assets			70,487

Mid-Western Regional 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.

Mid-Western Regional 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	120	125	147	6,399	70%	0%	24%	5%	1%
	Council Works Depot	152	74	63	8,004	10%	61%	27%	1%	1%
	Council Public Halls	535	113	86	4,766	20%	24%	52%	2%	2%
	Council Houses	85	36	22	5,584	3%	48%	41%	8%	0%
	Museum	-	23	18	648	100%				0%
	Libraries	-	42	59	3,862	100%				0%
	Childcare Centres	17	8	10	916		100%			0%
	Amenities/Toilets	885	202	226	18,273	61%	12%	15%	12%	0%
	Rural Fire Service	35	-	-	2,192	43%	32%	21%	4%	0%
	sub total	1,829	623	631	50,644	45.4%	24.7%	23.0%	6.4%	0.5%
Other Structures	Other Structures	207	54	54	6,673	22%	25%	6%	48%	0%
	sub total	207	54	54	6,673	21.7%	24.5%	5.8%	48.0%	0.0%

Mid-Western Regional 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)				
Roads	Sealed Roads Surface	11,749	1,350	967	122,111	28%	35%	25%	12%	1%
	Unsealed Roads	3,917	1,980	1,570	27,946	20%	25%	30%	20%	5%
	Bridges	1,632	58	57	31,607	4%	25%	67%	4%	1%
	Footpaths	1,743	75	54	4,434	21%	30%	27%	21%	0%
	Kerb and Gutter	1,139	20	14	9,006	21%	22%	53%	3%	0%
	Parking Areas	4	25	5	1,713	51%	23%	22%	5%	0%
	Culverts & Causeways	487	-	11	4,937	21%	16%	34%	21%	9%
	RMS Regional Roads	9,044	890	740	49,410	18%	27%	35%	19%	1%
	RMS Regional Bridges	1,642	44	9	24,464	1%	21%	73%	3%	2%
	sub total	31,357	4,442	3,427	275,626	20.0%	29.0%	37.3%	12.2%	1.4%

Mid-Western Regional 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	Dams/Weirs	30	-	-	5,962	16%	84%			0%
	Reservoirs	150	38	51	8,605	46%	44%	4%	6%	0%
	Pumping Station/s	-	-	42	3,135	45%	44%	10%		1%
	Treatment	1,644	526	513	13,616		41%	59%		0%
	Bores	30	92	103	320			100%		0%
	Reticulation Mains	-	956	1,006	28,408	51%	15%	31%	0%	3%
	Mains Delivery	-	-	-	26	73%	7%	19%		1%
sub total	1,854	1,612	1,715	60,072	34.7%	33.3%	29.7%	0.9%	1.5%	
Sewerage Network	Pumping Station/s	420	165	137	5,758	56%	30%	12%	2%	0%
	Treatment	15	513	391	16,245	71%	22%	6%	1%	0%
	Reticulation Mains	16,104	356	321	34,785	36%	12%	12%	33%	7%
	Rising Mains	133	-	-	9,117	81%	7%	9%	3%	0%
sub total	16,672	1,034	849	65,905	52.6%	15.3%	10.1%	18.3%	3.7%	
Stormwater Drainage	Drainage Infrastructure	946	350	350	6,118		60%	30%	5%	5%
	Other	-	-	-	11,256					100%
	sub total	946	350	350	17,374	0.0%	21.1%	10.6%	1.8%	66.5%
Open Space/ Recreational Assets	Swimming Pools	400	358	358	3,300	15%	46%	6%	34%	0%
	Other Recreational/Open Space	240	1,305	1,305	8,233	73%	9%	11%	2%	5%
	sub total	640	1,663	1,663	11,533	56.2%	19.8%	9.4%	11.2%	3.4%

Mid-Western Regional 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)				
	TOTAL - ALL ASSETS	53,505	9,778	8,689	487,827	29.0%	26.7%	29.2%	11.1%	4.0%

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

Mid-Western Regional Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued) for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods	
			2014	2013
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures Renewals Ratio				
Asset Renewals (Building, Infrastructure & Other Structures) ⁽¹⁾	10,946	73.99%	71.51%	143.90%
Depreciation, Amortisation & Impairment	14,794			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	53,505	10.96%	19.14%	17.03%
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	488,060			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	8,689	0.89	0.82	0.95
Required Asset Maintenance	9,778			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	23,423	1.46	1.02	2.37
Annual Depreciation	16,078			

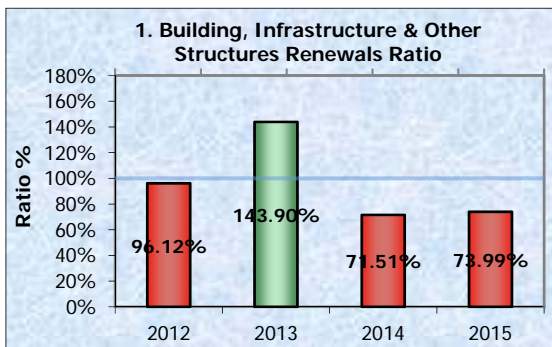
Notes

⁽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

Mid-Western Regional Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued) for the financial year ended 30 June 2015



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.

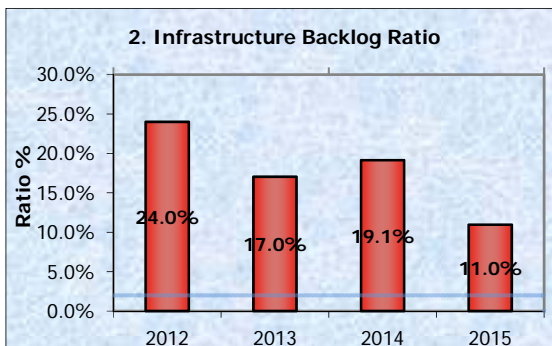
Commentary on 2014/15 Result

2014/15 Ratio 73.99%

This financial year shows a continued lower ratio due to new and increased capacity infrastructure construction, required to accommodate growth in the region. These major projects include Airport upgrades, playground, shared pathways and road improvements.

Benchmark: ——— Minimum $\geq 100.00\%$
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

■ Ratio is within Benchmark
■ Ratio is outside Benchmark



Purpose of Infrastructure Backlog Ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

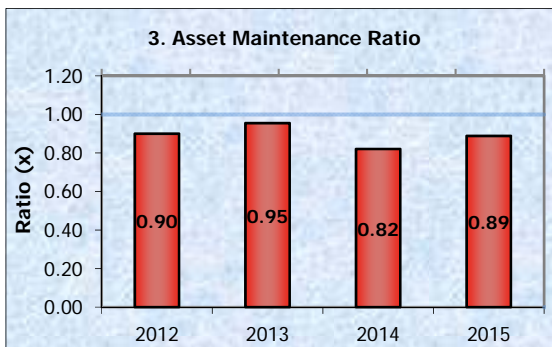
Commentary on 2014/15 Result

2014/15 Ratio 10.96%

Water Supply has seen a significant decrease in the estimated cost to bring up to a satisfactory standard. Other infrastructure asset classes have also seen a small decrease, as renewals continue on roads and sewer. A large increase in the fair value of Councils roads infrastructure after revalu this financial year has seen this ratio drop further.

Benchmark: ——— Maximum < 0.02
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

■ Ratio is within Benchmark
■ Ratio is outside Benchmark



Purpose of Asset Maintenance Ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

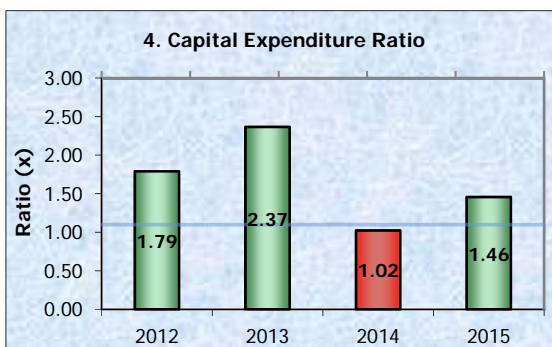
Commentary on 2014/15 Result

2014/15 Ratio 0.89 x

Actual asset maintenance continues to increase, leading to a small increase in this ratio. The largest gap is within roads based on the large level of maintenance grading required in unsealed roads and the large road network maintained for sealed roads .

Benchmark: ——— Minimum > 1.00
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

■ Ratio is within Benchmark
■ Ratio is outside Benchmark



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 1.46 x

Completion of a large-scale capital program this year has seen this ratio increase back above the Tcorp benchmark of 1.10.

Benchmark: ——— Minimum > 1.10
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

■ Ratio is within Benchmark
■ Ratio is outside Benchmark

Mid-Western Regional 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⁾	22.81%	24.18%	93.47%
Depreciation, Amortisation & Impairment			
prior period:	61.02%	92.99%	70.21%
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	3.09%	25.30%	9.66%
prior period:	34.83%	27.07%	14.02%
3. Asset Maintenance Ratio			
Actual Asset Maintenance			
Required Asset Maintenance	1.06	0.82	0.86
prior period:	0.86	0.69	0.84
4. Capital Expenditure Ratio			
Annual Capital Expenditure			
Annual Depreciation	0.46	0.39	1.74
prior period:	0.71	1.90	0.96

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

Mid-Western Regional 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	17,805	16,604
Plus or minus Adjustments ⁽²⁾	b	(1,763)	255
Notional General Income	c = (a + b)	16,042	16,859
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d		0.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f		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	369	405
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	16,411	17,264
plus (or minus) last year's Carry Forward Total	l	-	(0)
less Valuation Objections claimed in the previous year	m	-	(193)
sub-total	n = (l + m)	-	(193)
Total Permissible income	o = k + n	16,411	17,071
less Notional General Income Yield	p	16,604	17,075
Catch-up or (excess) result	q = o - p	(193)	(4)
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	193	4
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.

**INDEPENDENT AUDITOR'S REPORT
PERMISSIBLE GENERAL INCOME OF MID-WESTERN REGIONAL COUNCIL**

Scope

We have audited the special purpose financial report comprising the reconciliation of total permissible general income of Mid-Western Regional Council for 2014/15.

The Council is responsible for the preparation and presentation of the report in accordance with a directive of the Chief Executive, Local Government, Department of Premier and Cabinet. We have conducted an independent audit of the report in order to express an opinion on its preparation and presentation.

The report has been prepared for the Division of Local Government in the Department of Premier and Cabinet for the purpose of ensuring compliance by the Council with its financial reporting requirements under the *Local Government Act 1993* (NSW).

Our audit has been conducted in accordance with Australian Auditing Standards so as to provide reasonable assurance as to whether the report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the report. We have not examined forecasts of expenditure or the impact of present or future policy decisions on the report. These procedures have been undertaken to form an opinion as to whether, in all material respects, the report is presented fairly in accordance with the requirements of the Chief Executive, Local Government.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the reconciliation of Council's total permissible general income which shows a carry forward catch-up total for 2014/15 of **four thousand dollars (\$4,000)** is properly drawn up in accordance with the requirements of the Chief Executive, Local Government and in accordance with the books and records of the Council.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the fact that the reconciliation of total permissible general income is a special purpose financial report which has been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of the directive of the Chief Executive, Local Government, Department of Premier and Cabinet. As a result, the financial report may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the financial report was prepared.

intentus

intentus



John O'Malley
Director

14 Sale Street
Orange
Dated: 29 October, 2015

*Good
Government*

QUARTERLY BUDGET REVIEW

SEPTEMBER 2015

ATTACHMENTS

5 NOVEMBER 2015



MID-WESTERN REGIONAL COUNCIL
CORPORATE: FINANCE

■ ■ ■ ■ ■ TOWARDS 2030



THIS DOCUMENT HAS BEEN PREPARED BY LEONIE JOHNSON, CHIEF FINANCIAL OFFICER FOR MID-WESTERN REGIONAL COUNCIL.

ANY QUESTIONS IN RELATION TO THE CONTENT OF THIS DOCUMENT SHOULD BE DIRECTED TO:
LEONIE.JOHNSON@MIDWESTERN.NSW.GOV.AU OR (02) 6378 2850

DATE OF PUBLICATION: 5 NOVEMBER 2015

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1. Proposed Budget Variations

COMMUNITY PLAN THEME	VARIATION	AMOUNT	
GENERAL FUND			
Positive Variations			
Connecting our Region	Employee costs - savings in employee costs due to restructure August 2015 (see negative variations for additional costs).	187,200	F
Good Government	General Insurance - reduce insurance premiums, industrial risk insurance re-allocated to Saleyards Fund	16,177	F
Connecting our Region	Drainage Maintenance - reduce Culvert Replacements, savings proposed to fund Spring Ridge Road Culvert replacement (see negative variations)	85,000	F
Total Positive Variations		288,377	
Negative Variations			
Good Government	New IT Network upgrade budget for installation of fibre optic cable between Mudgee Administration and Mudgee Depot. Total budget \$300k funded from Capital Reserve \$198.8k and \$101.2k unrestricted cash.	(101,200)	U
Good Government	Mudgee Administration Building - furniture, partitioning, wiring and construction of new office. Total budget \$37.3k, funded \$12.3k from asset replacement reserves and \$25k unrestricted cash.	(25,000)	U
Looking after our Community	Vendor Panel procurement program - \$10k software annual licence and \$12k for mobile devices	(22,000)	U
Good Government	Corporate budget software - increase consultant costs to update Power Budget software	(4,000)	U
Looking after our Community	Mudgee Showground capital - Dining room works at the Mudgee Showground have exceeded estimates and additional budget is required to complete the original scope of capital works. The remaining approved items are pigeon proofing the new stable block and livestock shed. Works no longer included in the 2015/16 year include replace gutter/downpipes at Cattle Pavilion, replace fittings Pony Club Shed and painting Gatehouse.	(4,000)	U
Looking after our Community	Additional capital works are proposed at Mudgee Showground as follows: - Replace flooring in caretakers cottage (\$3k) - Fit electricity monitors on all buildings for use with new fees (\$2k)	(5,000)	U
Looking after our Community	Demolition of Mudgee Showground building as follows: - Old Stables	(7,000)	U
Good Government	Asbestos Register - Increase consultant costs Survey of Council buildings to determine if there is asbestos containing material present.	(25,000)	U
Good Government	Employee Costs - Increase to Employee Leave Entitlement budget due to restructure August 2015 (see positive variations for savings).	(187,000)	U
Looking after our Community	Gulgong Pool Operations - increase contractors heater repairs required	(16,500)	U
Looking after our Community	Gulgong Pool Capital - blanket rollers require replacement	(18,000)	U
Good Government	Stores Employee Costs - Increase to Stores casual wages to cover additional programs and workload	(23,000)	U
Good Government	Financial Assistance Grants - reduce general component, actual grant funding lower than estimates	(67,856)	U

COMMUNITY PLAN THEME	VARIATION	AMOUNT	
Connecting our Region	Financial Assistance Grants - reduce roads component, actual grant funding lower than estimates	(13,686)	U
Protecting our Natural Environment	Council contribution to Rylstone Kandos Flood Study (Grant income \$3k, Council contribution \$1.5k)	(1,500)	U
Protecting our Natural Environment	Drainage Capital - Increase expenditure for replacement of Spring Creek culvert. See positive variations, savings in Drainage Maintenance Culvert Replacement to offset.	(85,000)	U
Connecting our Region	Cudgegong Road Evans Crossing - additional expenditure required to complete scope of works from 14/15	(120,000)	U
Good Government	Future Fund Reserve - transfer from unrestricted cash to Future Fund	(300,000)	U
Looking after our Community	Gulgong Doctors - rent assistance for 2 x new doctors	(10,000)	U
Total Negative Variations		(1,035,742)	

Contra Variations			
Good Government	IT Network Upgrades - reduce IT Corporate Software allocation, redirected to Network upgrades (Capital Reserve funded)	198,800	C
Good Government	IT Network Upgrades - allocate funding for Mudgee depot link (Capital Reserve funded). See negative variations for full cost of works, \$300k.	(198,800)	C
Good Government	Mudgee Administration building upgrades - reduce Corporate Buildings Upgrade Budget Only (Asset Replacement Reserve)	12,356	C
Good Government	Mudgee Administration building upgrades - Allocate budget for Mudgee Administration upgrades (Asset Replacement Reserve). See negative variations for whole project allocation of \$37.3k	(12,356)	C
Looking after our Community	Mudgee Showground capital - Reduce contractors expenditure for capital work revote. Work was complete and funding claimed in 2014/15 (grant and capital reserve funded)	31,100	C
Looking after our Community	Mudgee Showground capital - Reduce transfer from Capital Reserve (\$21.1K) and reduce Grant Income (\$10k)	(31,100)	C
Looking after our Community	Public Toilet Percy Nott Park - Correction of revote for contractors unspent budget from 14/15 (Asset Replacement Reserve)	(37,500)	C
Looking after our Community	Public Toilet Percy Nott Park - Increase transfer from Asset Replacement Reserve	37,500	C
Good Government	Developer Contributions - Revise downwards expected interest income on Section 94 and Voluntary Planning Agreement restricted funds	(47,405)	C
Good Government	Developer Contributions - Decrease transfer to Section 94 restricted funds	7,523	C
Good Government	Developer Contributions - Decrease transfer to Voluntary Planning Agreement restricted funds	39,882	C
Good Government	Developer Contributions - Revise downwards expected Voluntary Planning Agreement income due to deferred commencement of development	(339,211)	C
Good Government	Developer Contributions - Decrease transfer to Voluntary Planning Agreement restricted funds	339,211	C
Good Government	Workplace Health and Safety program - increase contractors to cover approved program costs	(14,294)	C
Good Government	Workplace Health and Safety program - Increase to Workplace Health and Safety Incentive Funds receivable from State Cover Mutual	14,294	C
Good Government	Remote Communications Facilities - Increase contractors for repair work and ongoing maintenance (funded by Water and Sewer Funds due to infrastructure use of communications links)	(12,000)	C

COMMUNITY PLAN THEME	VARIATION	AMOUNT	
Good Government	Remote Communications Facilities - Contributions from Water (\$6k)and Sewer (\$6k) Funds	12,000	C
Connecting our Region	Wollar Road Seal Extension - Defer part of seal extension works to 16/17 (Restart grant funded)	8,353,733	C
Connecting our Region	Wollar Road Seal Extension - Defer Restart grant funding income to match project delivery timeline	(8,353,733)	C
Connecting our Region	Local Urban Road Reseals - Wenonah Street (Mayne to end) reseal (Asset Replacement reserve funded)	(17,700)	C
Connecting our Region	Local Urban Road Reseals - Defer Lynne Street reseal in order to coincide with sewer main replacement (Asset Replacement reserve funded). Replace with Wenonah Street (Mayne to end) reseal	17,700	C
Connecting our Region	Sealed Regional Roads - Reduce Regional Road REPAIR program budget	100,000	C
Connecting our Region	Sealed Regional Roads - Reduce REPAIR funding by \$100k (RMS approved \$300k)	(100,000)	C
Connecting our Region	Regional Bridges - Allocate REPAIR expenditure budget to McDonalds Creek Bridge Replacement	(700,000)	C
Connecting our Region	Regional Bridges - Allocate regional roads and REPAIR funding to McDonalds Creek Bridge Replacement	700,000	C
Connecting our Region	Blackspot Lue Road - Administrative change to correct project from sealed regional roads to sealed local roads	1,146,500	C
Connecting our Region	Blackspot Lue Road - Administrative change to correct project from sealed regional roads to sealed local roads	(1,146,500)	C
Connecting our Region	Glen Willow Cricket Wicket - amended location transferred from Victoria Park.	(30,000)	C
Connecting our Region	Glen Willow Cricket Wicket - Reduce Victoria Park upgrades budget for cricket wicket to Glen Willow	30,000	C
Connecting our Region	Additional 2014/15 Roads to Recovery Funding - allocate new works budget for Pyramul Road Seal Extension	(547,000)	C
Connecting our Region	Additional 2014/15 Roads to Recovery Funding - allocate new works budget for Black Springs Road Seal Extension	(285,314)	C
Connecting our Region	Additional 2014/15 Roads to Recovery Funding - allocate new works budget for Inglis Street Kerb & Gutter	(20,000)	C
Connecting our Region	Additional 2014/15 Roads to Recovery Funding - Increase Roads to Recovery grant funding	852,314	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Midblock 19.999 to 22.215	(5,000)	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Wollar Road Intersection	(8,000)	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Mt Pleasant Lane to Buckaroo Lane	(650,000)	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Church Lane to overtaking lane 14.5	(1,600,000)	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Cope Road to UCML mine entrance	(15,000)	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Wattlegrove Lane to midblock 19.999	(10,000)	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Wyaldra Lane to quarry entrance 27.783	(35,000)	C
Connecting our Region	Ulan Road Upgrade - Allocate expenditure budget for Winchester Crescent to midblock 31.103	(2,500,000)	C
Connecting our Region	Ulan Road Upgrade - budget only, allocate to individual works for Ulan Road	4,558,345	C

COMMUNITY PLAN THEME	VARIATION	AMOUNT	
Connecting our Region	Ulan Road Upgrade - Amend grant funding (\$271,748) and mine contributions (\$-7,093) to reflect proposed works schedule	264,655	C
Connecting our Region	Cope Road Upgrade - Allocate expenditure budget for Milestone 1	(100,000)	C
Connecting our Region	Cope Road Upgrade - Allocate expenditure budget for Milestone 2	(50,000)	C
Connecting our Region	Cope Road Upgrade - Allocate expenditure budget for Milestone 3	(1,061,927)	C
Connecting our Region	Cope Road Upgrade - Allocate expenditure budget for Milestone 4	(1,045,000)	C
Connecting our Region	Cope Road Upgrade - Allocate expenditure budget for Milestone 5	(500,000)	C
Connecting our Region	Cope Road Upgrade - Allocate expenditure budget for conforming reseals	(150,000)	C
Connecting our Region	Cope Road Upgrade - budget only, allocate to individual works for Cope Road	2,844,293	C
Connecting our Region	Cope Road Upgrade - Amend grant funding to reflect proposed works schedule	62,634	C
Connecting our Region	Unsealed Road Maintenance - Water licences required for resheeting and grading	(20,500)	C
Connecting our Region	Unsealed Road Maintenance - Reduce Local Road Grading budget to fund water licences required	20,500	C
Looking after our Community	Rural Halls Upgrade budget redirected to Council owned halls.	25,000	C
Looking after our Community	Rural Halls Upgrade budget - Reduce transfer from Asset Replacement Reserve	(25,000)	C
Connecting our Region	Seal Extension Mt Pleasant Lane - allocate expenditure budget for 300 mtr seal extension	(10,000)	C
Connecting our Region	Seal Extension Mt Pleasant Lane - Capital contribution from private party	10,000	C
Connecting our Region	Mudgee Showground dining hall - capital contribution from private party towards installation of air conditioners	8,500	C
Connecting our Region	Mudgee Showground dining hall - increase contractors budget to partially cover installation of air conditioners	(8,500)	C
Total Contra Variations		0	
TOTAL GENERAL FUND		(747,365)	
<i>Non-cash variations</i>		0	
<i>Unrestricted cash variations</i>		(747,365)	
WATER FUND			
Negative Variations			
Protecting our Natural Environment	Remote Communications Facilities - Contribution from Water Fund to General Fund for remote communications repair work and ongoing maintenance due to water infrastructure use of communications links.	(6,000)	U
Total Negative Variations		(6,000)	
Contra Variations			
Protecting our Natural Environment	Water Augmentation Mudgee Headworks - Deferral of project costs until the development triggering this work progresses.	2,535,000	C
Protecting our Natural Environment	Water Augmentation Mudgee Headworks - Decrease transfers from S64 (\$2.195M) and water reserves (\$340k)	(2,535,000)	C
Protecting our Natural Environment	Water Mains - Allocate Budget to Water Mains Herbert Street (water reserve funded)	(48,000)	C

COMMUNITY PLAN THEME	VARIATION	AMOUNT	
Protecting our Natural Environment	Water Mains - Allocate Budget to Water Mains Medley Street (water reserve funded)	(29,000)	C
Protecting our Natural Environment	Water Mains - Allocate Budget to Water Mains Wenona Street (water reserve funded)	(60,000)	C
Protecting our Natural Environment	Water Mains - Allocate Budget to Water Mains Rouse Street (water reserve funded)	(88,000)	C
Protecting our Natural Environment	Water Mains - Project savings Water Mains Saleyards Lane Extension (water reserve funded)	15,000	C
Protecting our Natural Environment	Water Mains - Project savings Water Mains Gulgong WTP process (water reserve funded)	11,000	C
Protecting our Natural Environment	Water Mains - Reduce Water Mains Capital Budget Only (water reserve funded)	179,600	C
Protecting our Natural Environment	Water Mains - Increase transfer from Water Reserve to fund above water main projects	19,400	C
Protecting our Natural Environment	Water Reservoirs - Allocate budget to reservoir water quality works required at Gulgong and Kandos (water reserve funded)	(75,000)	C
Protecting our Natural Environment	Water Reservoirs - Project savings water reservoir Flirtation Hill Mudgee (water reserve funded)	75,000	C
Protecting our Natural Environment	Water Pump Stations - Allocate Budget to mechanical refurbishment of Mudgee River water pump station (water reserve funded)	(16,000)	C
Protecting our Natural Environment	Water Pump Stations - Allocate Budget to mechanical refurbishment of Rylstone reservoir water pump station (water reserve funded)	(50,000)	C
Protecting our Natural Environment	Water Pump Stations - Reduce Water Pump Station Capital Budget Only (water reserve funded)	66,000	C
Protecting our Natural Environment	Developer Contributions - Increase expected interest income on S64 restricted funds as a result of deferral of Water Augmentation Works	50,000	C
Protecting our Natural Environment	Developer Contributions - Increase transfer to S64	(50,000)	C
Total Contra Variations		0	
TOTAL WATER FUND		(6,000)	
		<i>Non-cash variations</i>	0
		<i>Unrestricted cash variations</i>	(6,000)
SEWER FUND			
Positive Variations			
Protecting our Natural Environment	Remote Communications Facilities - Contribution from Sewer Fund to General Fund for remote communications repair work and ongoing maintenance, due to sewer infrastructure use of communications links.	(6,000)	U
Total Positive Variations		(6,000)	
Negative Variations			
Protecting our Natural Environment			
Protecting our Natural Environment			
Total Negative Variations		0	
Contra Variations			

COMMUNITY PLAN THEME	VARIATION	AMOUNT	
Protecting our Natural Environment	Sewer Pump Stations - Allocate Budget to Sewer Pump replacement Gulgong Hospital (sewer reserve funded)	(12,500)	C
Protecting our Natural Environment	Sewer Pump Stations - Reduce Sewer Pump Station Capital Budget Only (sewer reserve funded)	12,500	C
Total Contra Variations		0	
TOTAL SEWER FUND		(6,000)	
	<i>Non-cash variations</i>		0
	<i>Unrestricted cash variations</i>	(6,000)	
WASTE FUND			
Contra Variations			
Protecting our Natural Environment			
Total Contra Variations		0	
TOTAL WASTE FUND		0	
	<i>Non-cash variations</i>		0
	<i>Unrestricted cash variations</i>		0
SALEYARDS FUND			
Negative Variations			
Building a Strong Local Economy	Increase insurance premium, corrected allocation from General Fund to Saleyards Fund	(16,177)	U
Total Negative Variations		(16,177)	
TOTAL SALEYARDS FUND		(16,177)	
	<i>Non-cash variations</i>		(16,177)
	<i>Unrestricted cash variations</i>		0
PRIVATE WORKS FUND			
Contra Variations			
Nil			
Total Contra Variations		0	
TOTAL PRIVATE WORKS FUND		0	
MUDGEES SPORTS COUNCIL			
Contra Variations			
Nil			
Total Contra Variations		0	
TOTAL MUDGEES SPORTS COUNCIL FUND		0	
Code			
U - Unfavourable			
F - Favourable			
C - Contra			

2. Developer Contributions – Section 64, 94 and 93F

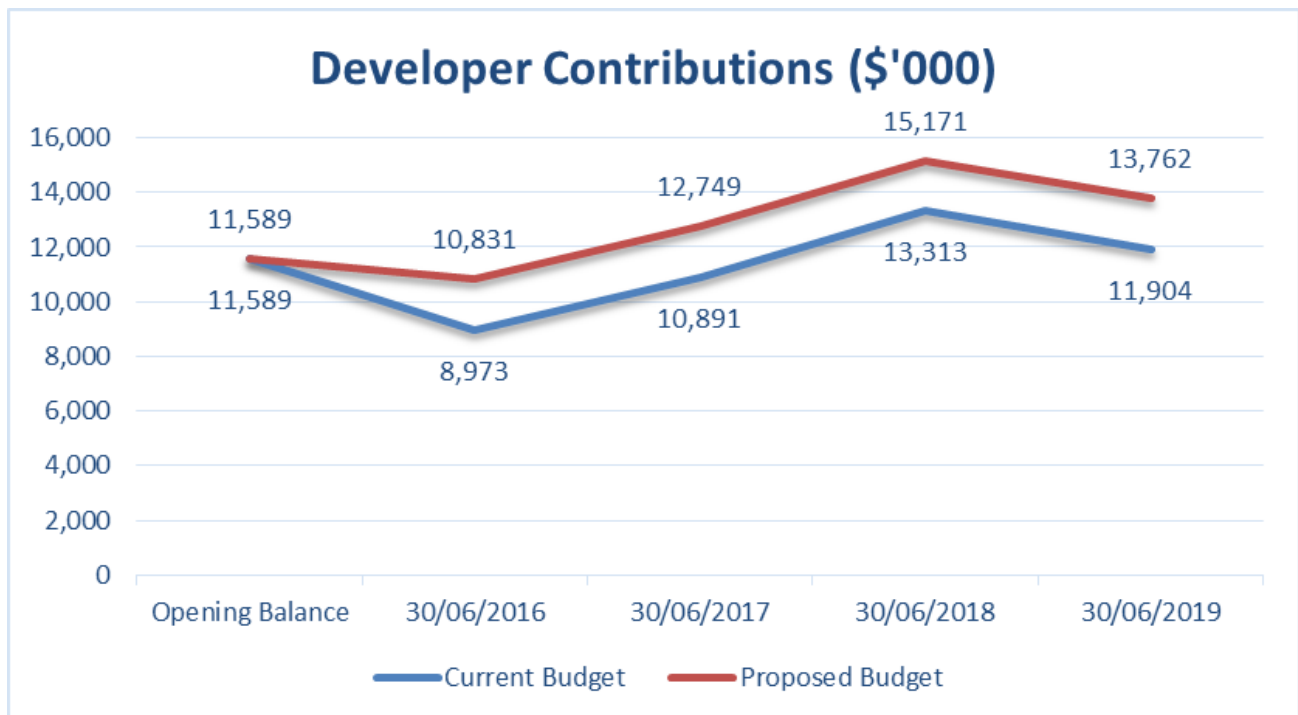
Council finished the 2015 financial year with a Developer Contributions balance of \$11.589 million. Council's Original Budget estimated a decrease in Developer Contributed reserves of \$2.087 million to \$9.502 million. Council has since adopted the following variations:

VARIATION	AMOUNT (\$'000)	MOVEMENT
Original Budget	(2,087)	Decrease
Revotes	(203)	Decrease
Council minutes July-October	(326)	Decrease
September QBR Proposed variations	1,858	Increase
Estimated movement to 30 June 2016	(758)	Decrease
Projected balance at 30 June 2016	10,831	

A major increase this quarter is the deferral of the Water Augmentation Mudgee Headworks, which is primarily funded \$2.195 million from S64 Water Contributions. This project is deferred until the development triggering the need for this work progresses.

A decrease of \$379k to budgeted Voluntary Planning Agreement income is recognised due to deferred development

The following chart shows the projected balances over a four year period.



Detailed Section 64, 94 & 93F movements and current balances are as follows:

S94/64 Plan Item	opening balance	budget transfers to	budget transfers from	budget closing balance
Traffic Management	1,256	105	914	447
Open Space	1364	344	275	1,433
Community Facilities	506	51	11	546
Administration	281	51	45	287
Civic Improvements	-4	0	0	-4
Car Parking	241	6	0	247
S94A Levies	451	28	0	479
Drainage – 2A	67	102	115	54
Total S94 Contributions	4,162	687	1,360	3,489
S64 Sewer	2,037	592	368	2,261
S64 Water	4,499	1,162	1,797	3,864
Voluntary Planning Agreements	891	604	278	1,217
Total Developer Contributions	11,589	3,045	3,803	10,831

3. Loan Borrowings

Council's Original 2015/16 Operational Plan does not include any borrowings.

PROJECT	FUND	ORIGINAL BUDGET \$'000	REVISED BUDGET \$'000	PROPOSED VARIATIONS \$'000	PROPOSED BUDGET \$'000	ACTUAL YTD \$'000
Nil	NA	0	0	0	0	0
Total		0	0	0	0	0

4. Reserves

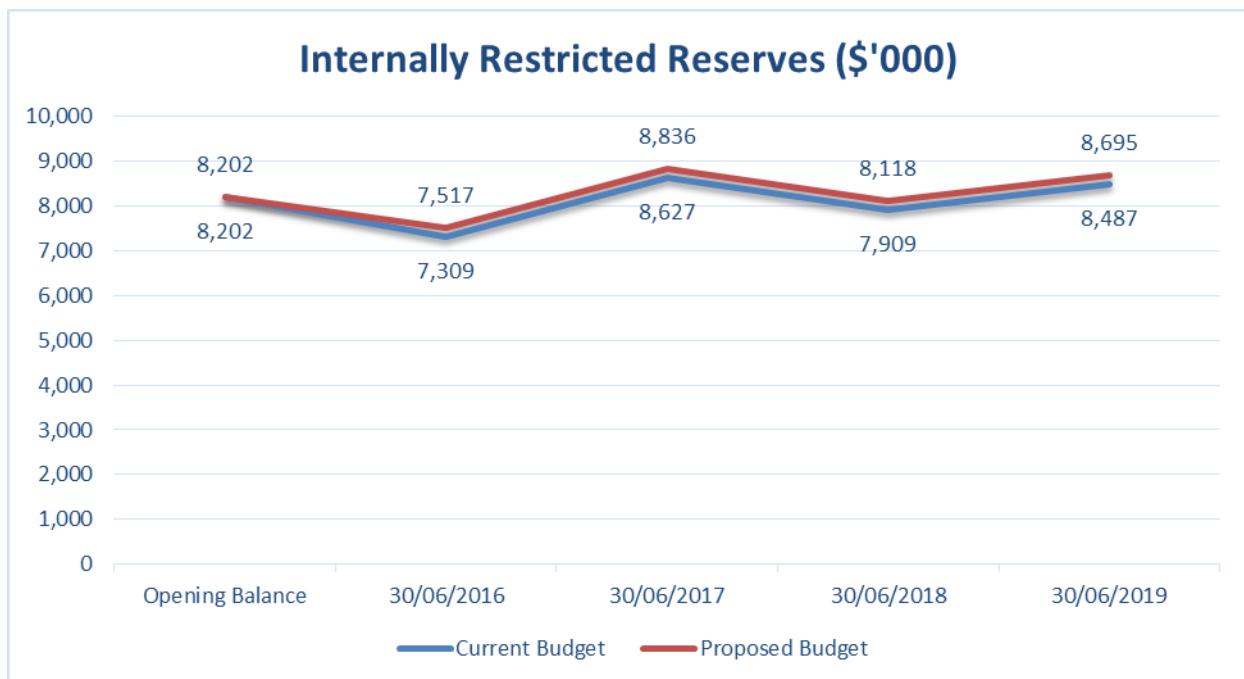
4.1 Internally Restricted Reserves

Council finished the 2015 financial year with an Internally Restricted Reserve balance of \$8.202 million. Council's Original 2015/16 budget estimated a decrease in Internally Restricted Reserves of \$0.629 million to \$7.573 million.

Council has since adopted the following variations:

VARIATION	AMOUNT (\$'000)	MOVEMENT
Original Budget	(629)	Decrease
Revotes	(260)	Decrease
Council minutes – July to October	(5)	Decrease
September QBR	209	Increase
Estimated movement to 30 June 2016	(685)	Decrease
Projected balance at 30 June 2016	7,517	

The following chart shows the projected balances over a four year period



Major variations this quarter includes a transfer to Future Fund of \$300k to ensure Council continues to set aside funds to support future economic growth strategies.

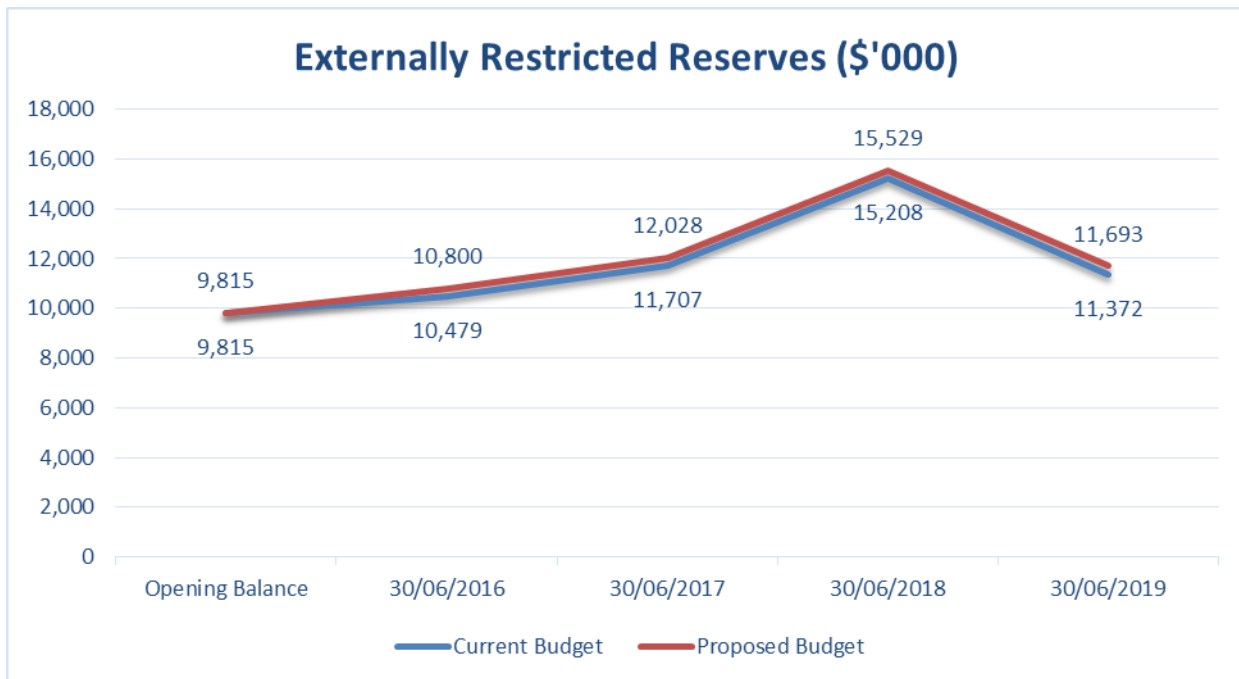
4.2 Externally Restricted Reserves

Council finished the 2015 financial year with an Externally Restricted Reserve balance of \$9.815 million. Council's Original 2015/16 budget estimated an increase in Externally Restricted Reserves of \$1.002 million to \$10.817 million.

Council has since adopted the following variations:

VARIATION	AMOUNT (\$'000)	MOVEMENT
Original Budget	1,002	Increase
Revotes	(237)	Decrease
Council minutes – July to October	(101)	Decrease
September QBR	321	Increase
Estimated movement to 30 June 2016	985	Increase
Projected balance at 30 June 2016	10,800	

The following chart shows the projected balances over a four year period



The only variation this quarter in externally restricted reserves is a reduction in the transfer from Water Reserves. This is due to the deferral of the Water Augmentation Mudgee Headworks, which is partly funded \$321k from S64 Water Contributions. This project is deferred until the development triggering the need for this work progresses

Detailed budgeted reserve movements, current balances, and unaudited closing balances are included in the following table.

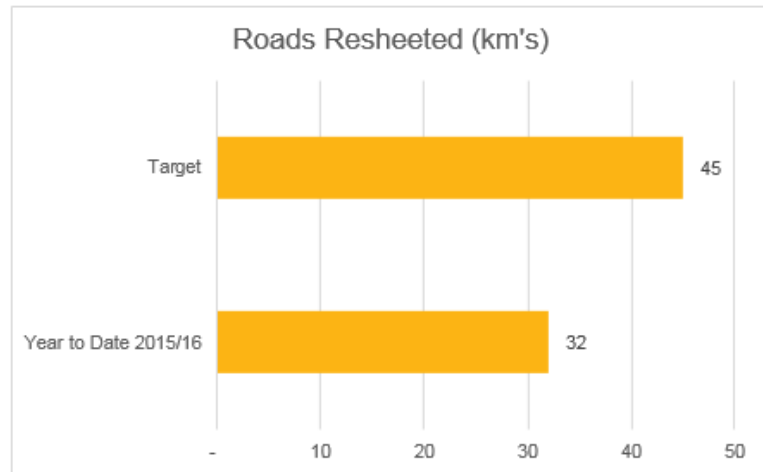
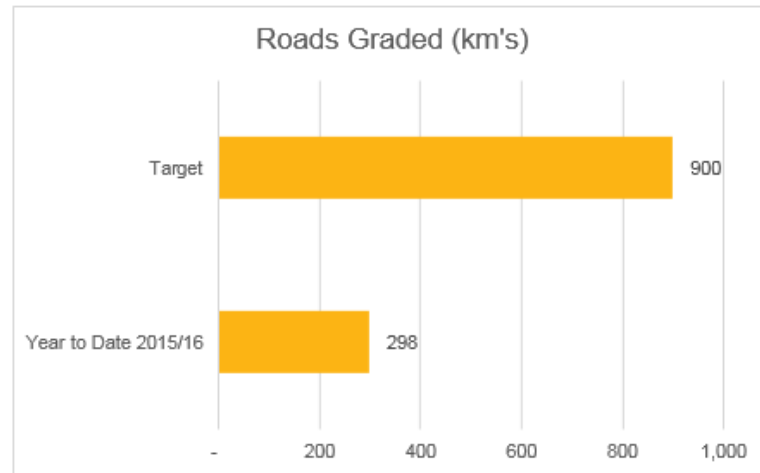
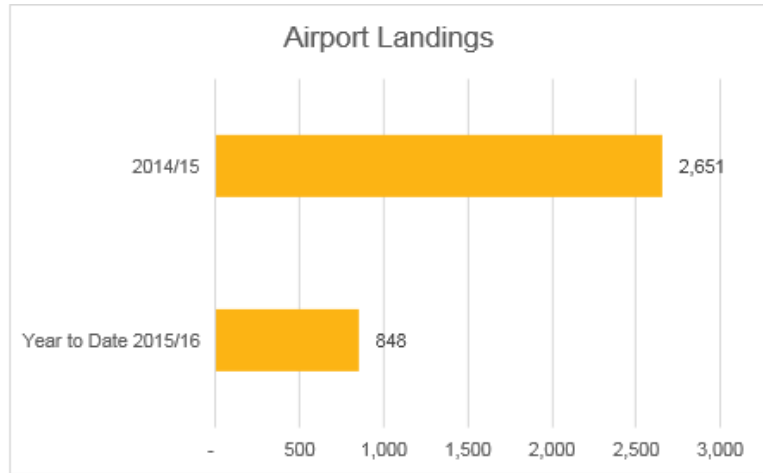
Internally Restricted Reserves	opening balance	budget transfers to	budget transfers from	budget closing balance
Employee Leave Entitlements	2,295,184	0	0	2,295,184
Emergency	200,254	0	0	200,254
Land Development	633,429	31,800	354,956	310,273
Airport Development	(234,956)	234,956	0	(0)
Election	194,870	60,000	0	254,870
Plant Replacement	2,045,102	3,070,077	2,877,000	2,238,179
Asset Replacement	1,439,054	1,162,490	2,102,019	499,525
Capital Program	870,291	700,000	914,758	655,533
Livestock Exchange	39,555	15,000	10,000	44,555
Mudgee Ceramic Art Collection	0	0	0	0
State Roads Warranty	200,000	0	0	200,000
Rylstone Children's Creative Arts	6,060	0	0	6,060
Kandos Museum	0	0	0	0
Community Plan	312,723	0	0	312,723
Future Fund	200,000	300,000	0	500,000
Airline Support	0	0	0	0
Total Internal Reserves	8,201,565	5,574,323	6,258,733	7,517,155
Externally Restricted Reserves				
Waste	2,827,077	900,000	924,800	2,802,277
Sewer	3,783,764	3,700,000	2,423,189	5,060,575
Water	2,271,943	1,500,000	1,744,711	2,027,232
Childcare Centre	(0)	0	0	(0)
Community Services	77,382	0	0	77,382
Community Tenancy Scheme - Walter & Denison St Units	63,909	0	16,100	47,809
Family Day Care	90,522	0	0	90,522
Section 355 Committees - Crown Reserves Only	(0)	0	0	(0)

Bequest - Simpkins Park	98,253	0	0	98,253
Bequest - Kandos Museum	32,751	0	0	32,751
Community Transport Vehicle Replacement	130,037	38,000	45,000	123,037
Ulan Road Strategy	439,804	0	0	439,804
Total External Reserves	9,815,441	6,138,000	5,153,800	10,799,641
TOTAL RESERVES	18,017,006	11,712,323	11,412,533	18,316,796

5. Budget Summary

5.1 Connecting Our Region

Key Performance Indicators



Significant Operating Expenditure

\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
Connecting our Region					
LOCAL UNSEALED ROADS GRADING PROGRAM	1,297	1,276	361	0	Works have been progressing well in the first quarter of the year.

Significant Capital Projects

\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
Connecting our Region					
FAIRY DALE LANE UPGRADE	3,178	3,178	661	439	Works have been focused on the Saleyards Lane part of the project. The earthworks and drainage has been completed and the pavement works are 50% complete. The power pole relocations have been completed. The old causeway has been removed and the construction of the new box culverts has commenced. The project will be completed by Christmas. Fairydale works are currently being planned with completion due in July 16.
RURAL REHAB - LUE RD PART SEG 190, 180	524	524	0	0	The project is currently being scoped for environmental assessments to be carried out. Construction works are planned to commence in December 2015 with completion in March 2016.
RURAL SEALED REGIONAL ROAD REPAIR PROGRAM	800	0	13	0	The repair project this year is for the replacement of McDonalds Creek Bridge. A contractor for the

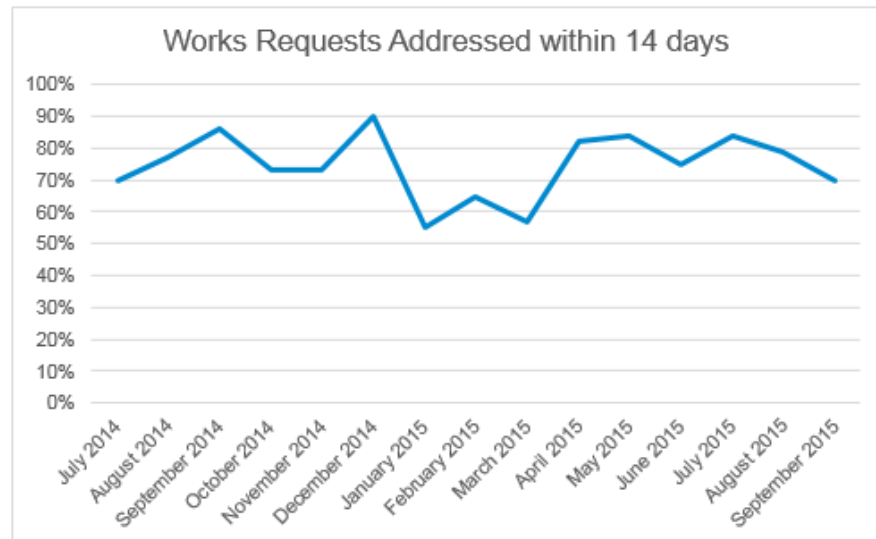
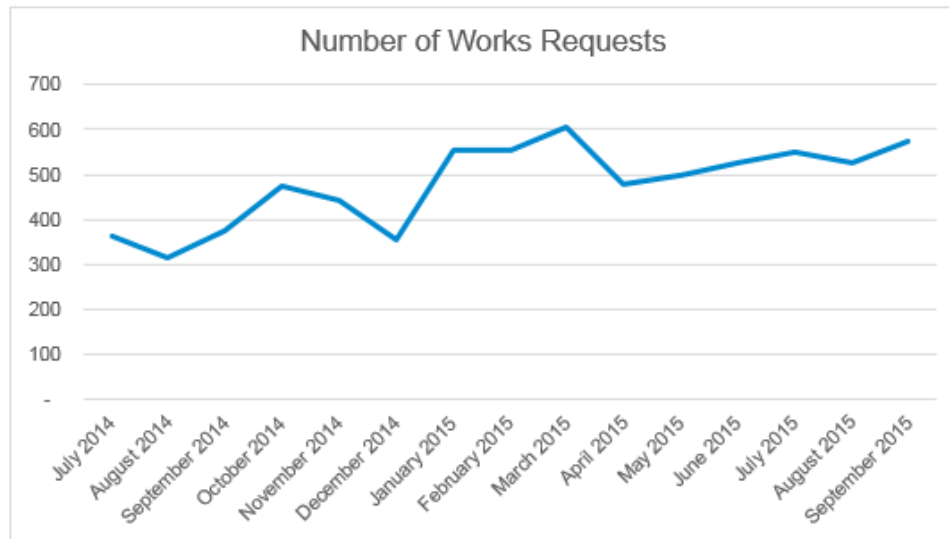
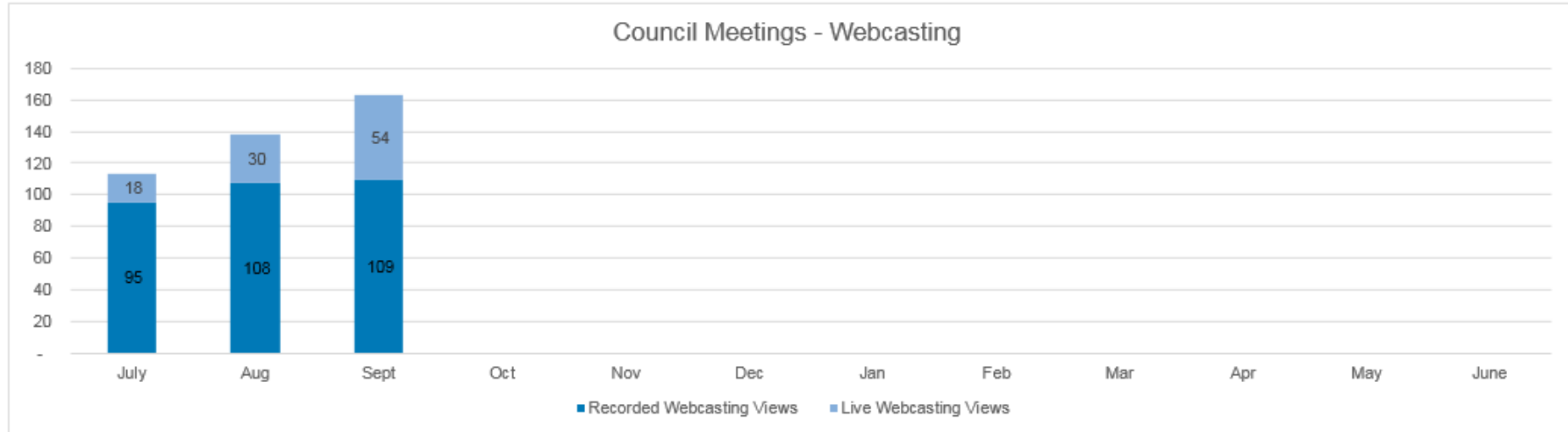
\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
					replacement of four bridges was appointed at Council in October 2015.
REHAB COPE ROAD UPGRADE – MILESTONE 1	0	100	3	0	Final seal in 2015/16
REHAB COPE ROAD UPGRADE - CONFORMING RESEALS	0	150	0	0	Reseal in segments 3090 to 3100
REHAB COPE ROAD UPGRADE – MILESTONE 2	0	50	3	36	Final seal in 2015/16
REHAB COPE ROAD UPGRADE – MILESTONE 3	0	1,062	420	39	Works in milestone 3 are on program to be completed in Christmas 2015.
REHAB COPE ROAD UPGRADE – MILESTONE 4	0	1,045	0	0	Works in milestone 4 are planned to be started in January 2016 and completed in June 2016.
REHAB COPE ROAD UPGRADE – MILESTONE 5	0	500	0	0	Programmed to commence in June 2016.
BLACKSPOT LUE ROAD SHOULDER WIDENING	1,147	1,147	94	6	The first of the 4 blackspot projects has commenced. This was the one at Milroy which should be completed by the end of October 2015.
RESHEETING - BUDGET ONLY	1,443	1,443	564	7	Works have been progressing well in the first quarter of the year.
SEAL EXTENSION - WOLLAR ROAD	10,270	1,916	2	0	A recommendation has been reported to Council in October following the tender evaluation for the design works. Budgets will be adjusted in September QBR to reflect works planned for 2015/16.

\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
GREEN GULLY BRIDGE	652	652	11	2	A contractor for the replacement of four bridges was appointed at Council in October 2015.
BUTTER FACTORY BRIDGE	630	630	20	2	A contractor for the replacement of four bridges was appointed at Council in October 2015.
STONEY CREEK BRIDGE	820	820	1	0	A contractor for the replacement of four bridges was appointed at Council in October 2015.
ULAN ROAD STRATEGY – MIDBLOCK 19.999 TO 22.215	0	5	4	0	Works completed in 2014/15
ULAN ROAD STRATEGY – WOLLAR ROAD INTERSECTION	0	8	8	0	Works completed in 2014/15
ULAN ROAD STRATEGY – MT PLEASANT LN TO BUCKAROO LN	0	650	344	6	George Campbell Drive / Mt Pleasant / Ulan Road intersection was completed in September 2015. Asphalt works will be undertaken in late October at Buckeroo Lane intersection which will complete this project.
ULAN ROAD STRATEGY – CHURCH LN OVERTAKING TO 14.5	0	1,600	4	0	Survey and control points installed to confirm the limit of works for the development of the REF .
ULAN ROAD STRATEGY – COPE RD TO UCML MINE ENTRANCE	0	15	2	8	Survey and control points installed to confirm the limit of works for the development of the REF .
ULAN ROAD STRATEGY– WATTLEGROVE LN TO MIDBLOCK 19.999	0	10	4	5	Survey and control points installed to confirm the limit of works for the development of the REF .

\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
ULAN ROAD STRATEGY – WYALDRA LN TO QUARRY ENTRANCE 27.783	0	35	30	2	Materials have been purchased for this project and survey and control points have been installed.
ULAN ROAD STRATEGY – WINCHESTER CRES TO MIDBLOCK 31.103	0	2,500	449	43	The section 1km north of Winchester Cres will be sealed in October. Crews will move onto the next section, 1km south of Winchester in November.

5.2 Good Government

Key Performance Indicators

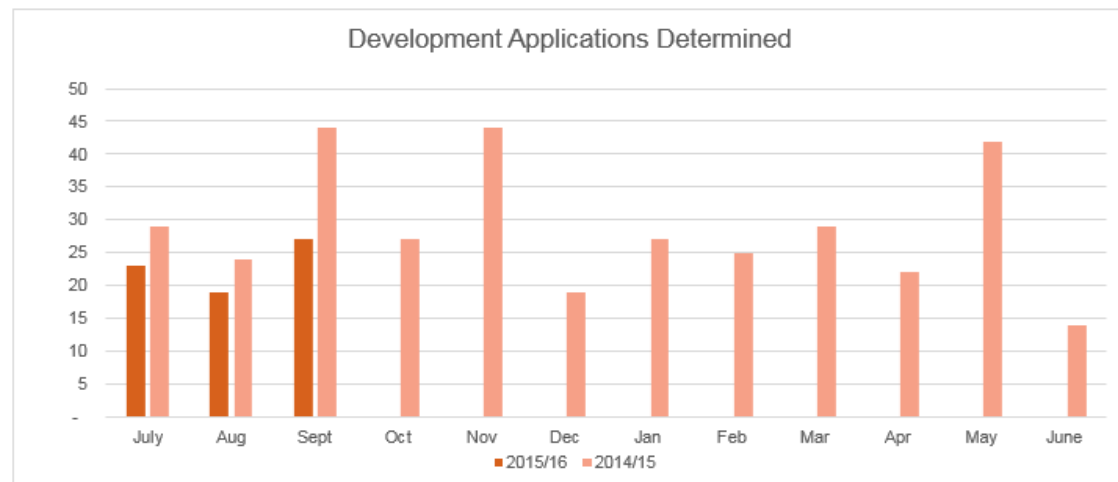
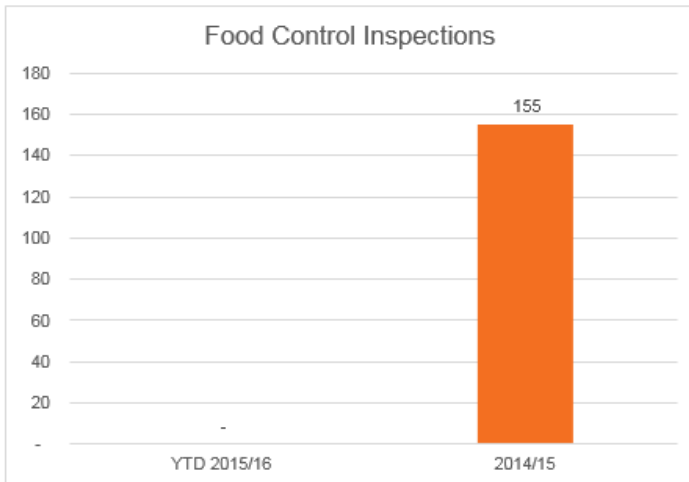
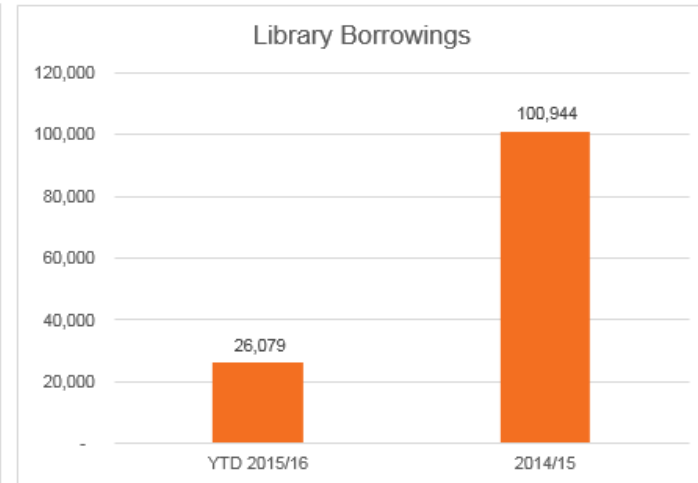
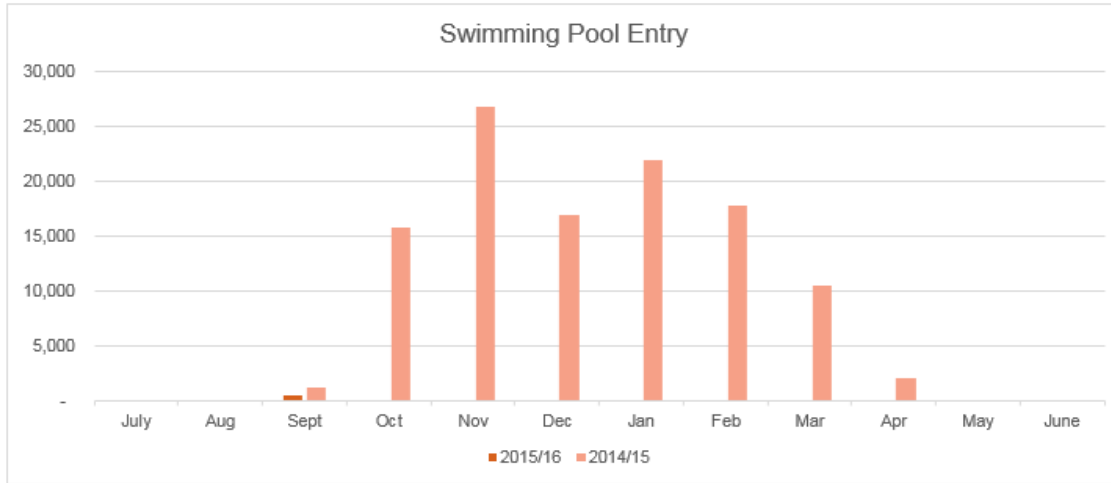


Significant Capital Projects

\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
Good Government					
TELEPHONE SYSTEM - VOIP	118	118	0	0	Specifications being finalised and reviewed. A new quote will be received from these tailored specifications.
IT CORPORATE SOFTWARE	230	31	0	0	Microsoft licensing review underway. Office 2013 implemented.
PLANT PURCHASES	3,692	3,692	248	140	Tenders have been released for waste transfer equipment and roads equipment with a recommendation expected to be presented to the December Council meeting. Further tenders for trucks will be released in November.

5.3 Looking after Our Community

Key Performance Indicators

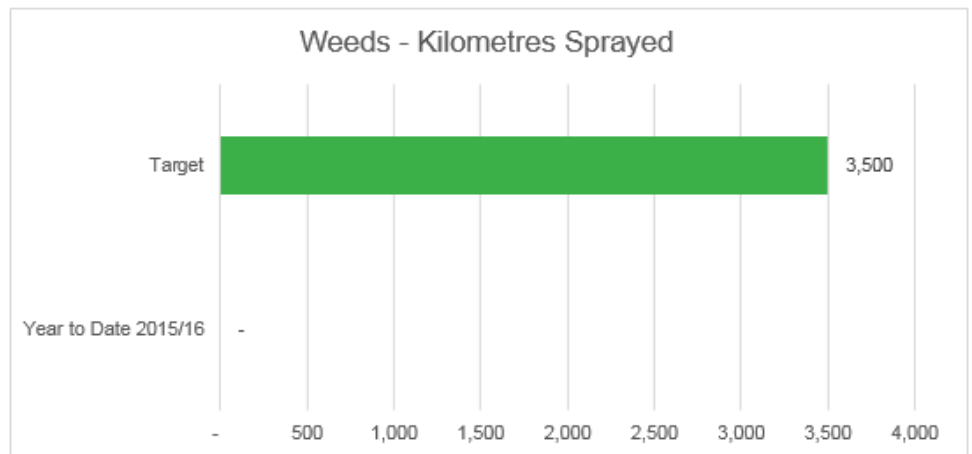
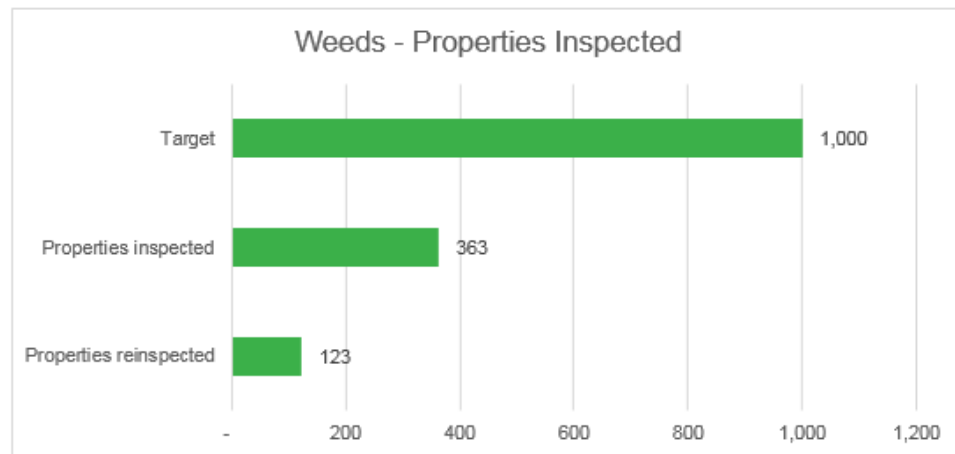
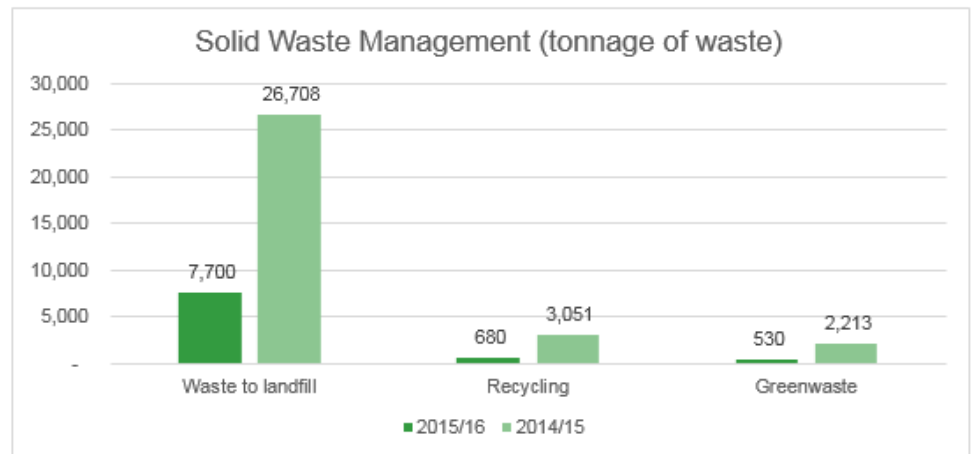
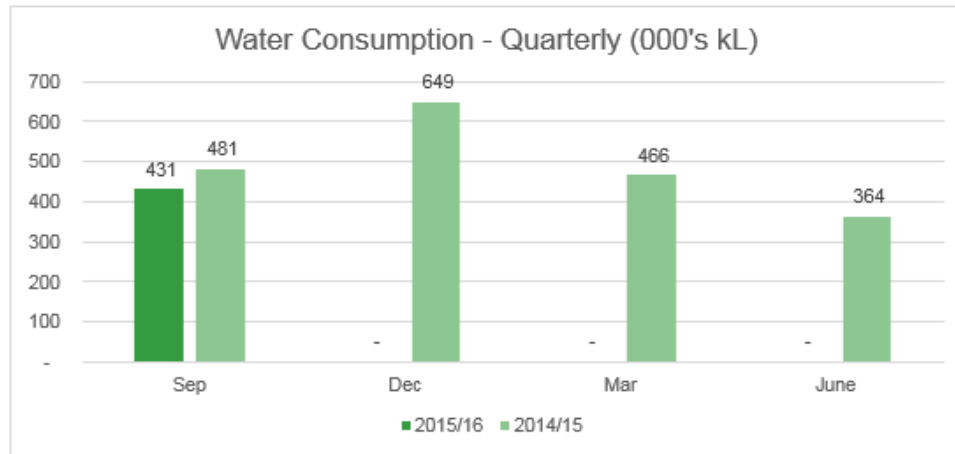


Significant Capital Projects

\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
Looking after our Community					
RURAL FIRE SERVICE - CUDGEGONG HERITAGE BUILDING	587	587	0	1	This project is currently on hold pending further funding input from the NSW RFS
PUBLIC TOILETS - PERCY NOTT PARK	206	244	59	163	Existing toilet has been demolished. The new toilet will be delivered and installed in early October 2015.
KANDOS POOL TILING	250	250	0	0	Tender documentation being finalised. Works will commence at end of pool season 2016
RED HILL RESERVE - TOURISM DEVELOPMENT INVESTIGATION	657	657	0	589	The development of the mining experience tourism facility at Red Hill is progressing well with a completion date expected in mid-December 2015.

5.4 Protecting our Natural Environment

Key Performance Indicators

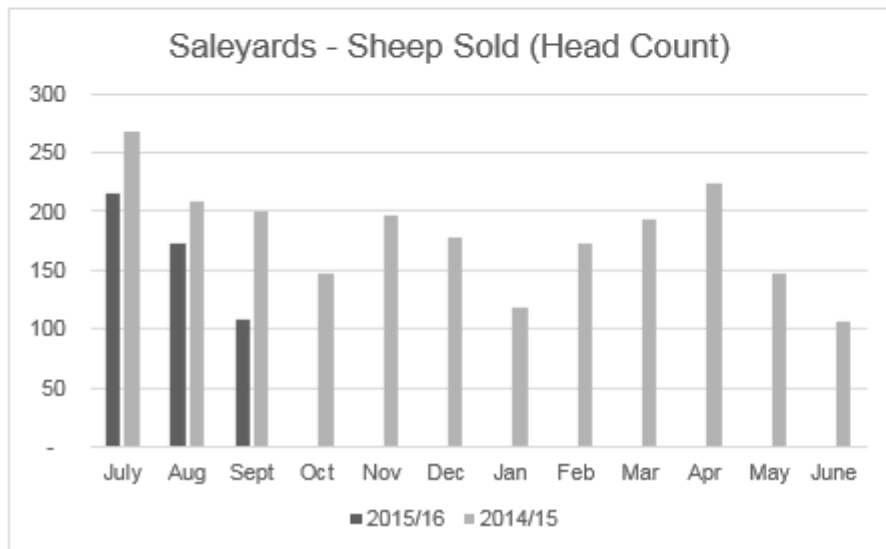
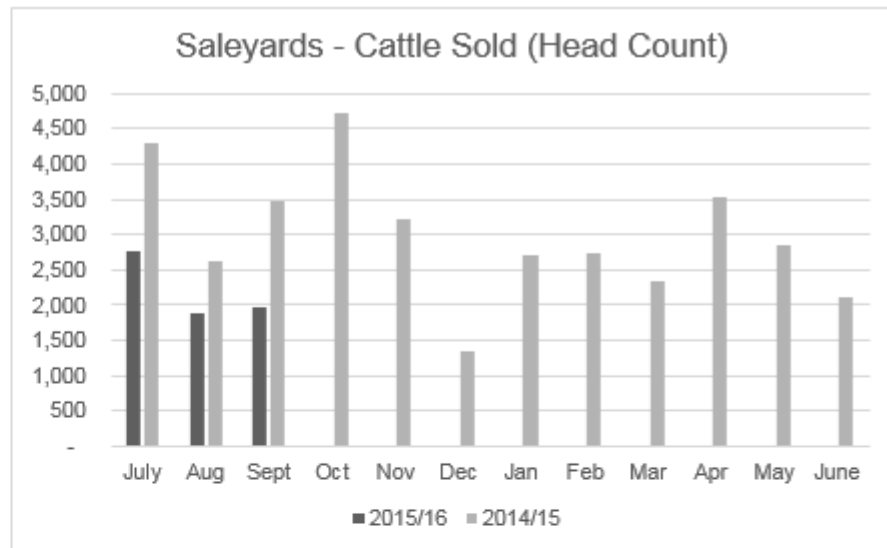
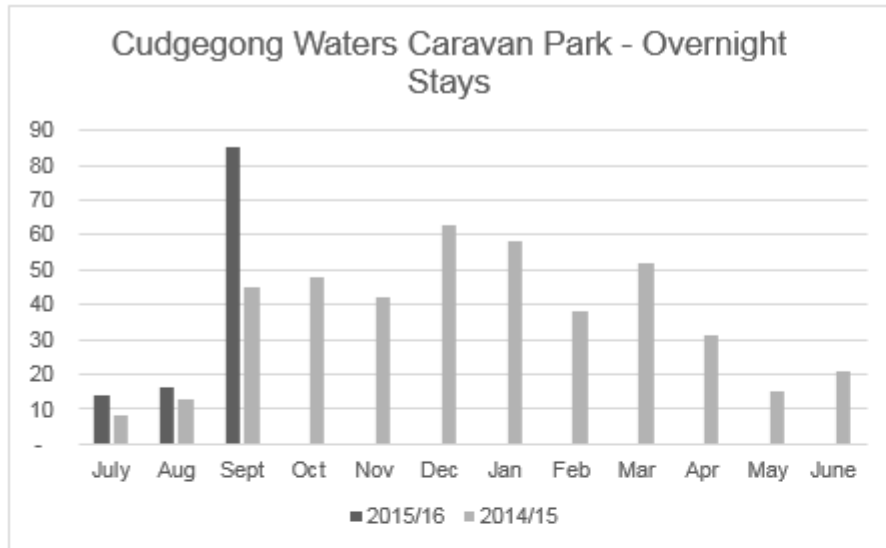


Significant Capital Projects

\$'000	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
Protecting our Natural Environment					
NEW RECYCLING PLANT	500	500	4	0	Designs and quotes being obtained to upgrade items of plant, provide a new paper press and create a single stream processing plant. The single stream processing option will only be considered should the kerb-side organics collection project proceed. Other items will be proceeded with this financial year.
HORATIO ST DETENTION BASIN	321	321	0	98	Contractor to commence 2 nd quarter with preliminary works.
WATER AUGMENTATION - MUDGEES HEADWORKS	2,535	0	0	3	Plant upgrade works required in association with Mudgee growth to be programmed associated with development progress.
WATER AUGMENTATION - WEST MUDGEES EXTENSION	967	967	1	0	Extension of trunk water main to service Caerleon and surrounding future developments. Tenders currently being assessed with the aim to award Contract in November 2015. Construction works scheduled for completion April 2016.
WATER AUGMENTATION - ULAN RD EXTENSION	1,600	1,600	0	0	Extension of trunk water main to service future development. Design works will be undertaken this financial year, with construction to be programmed associated with development commencement.
WATER MAINS - CAPITAL BUDGET ONLY	180	0	0	0	Capital budget only. Proposed allocation to projects in September Quarterly Budget Review including water main renewals in Herbert St, Medley St, Mayne St and Rouse St Gulgong; and, service replacement in Church St associated with road works.
SEWER AUGMENTATION - RYLSTONE & KANDOS	515	515	0	0	Land matters associated with Rylstone Kandos Sewerage Augmentation. Awaiting response from proposed STP site land owner.
SEWER MAINS RELINING	330	330	301	32	Sewer main relining works for 2015/16 completed in August 2015. Contract practically completed August 2015.

SEWER MAINS - RISING MAIN CAERLEON	821	821	0	9	Sewerage rising main to service Caerleon development. Tenders currently being assessed with the aim to award contract in November 2015. Construction works scheduled to be completed in April 2016.
SEWER PUMP STATION - CAERLEON	319	319	0	4	Sewage pumping station to service Caerleon development. Tenders currently being assessed with aim to award contract following November Council meeting. Construction works scheduled to be completed April 2016.

5.5 Building a Strong Local Economy

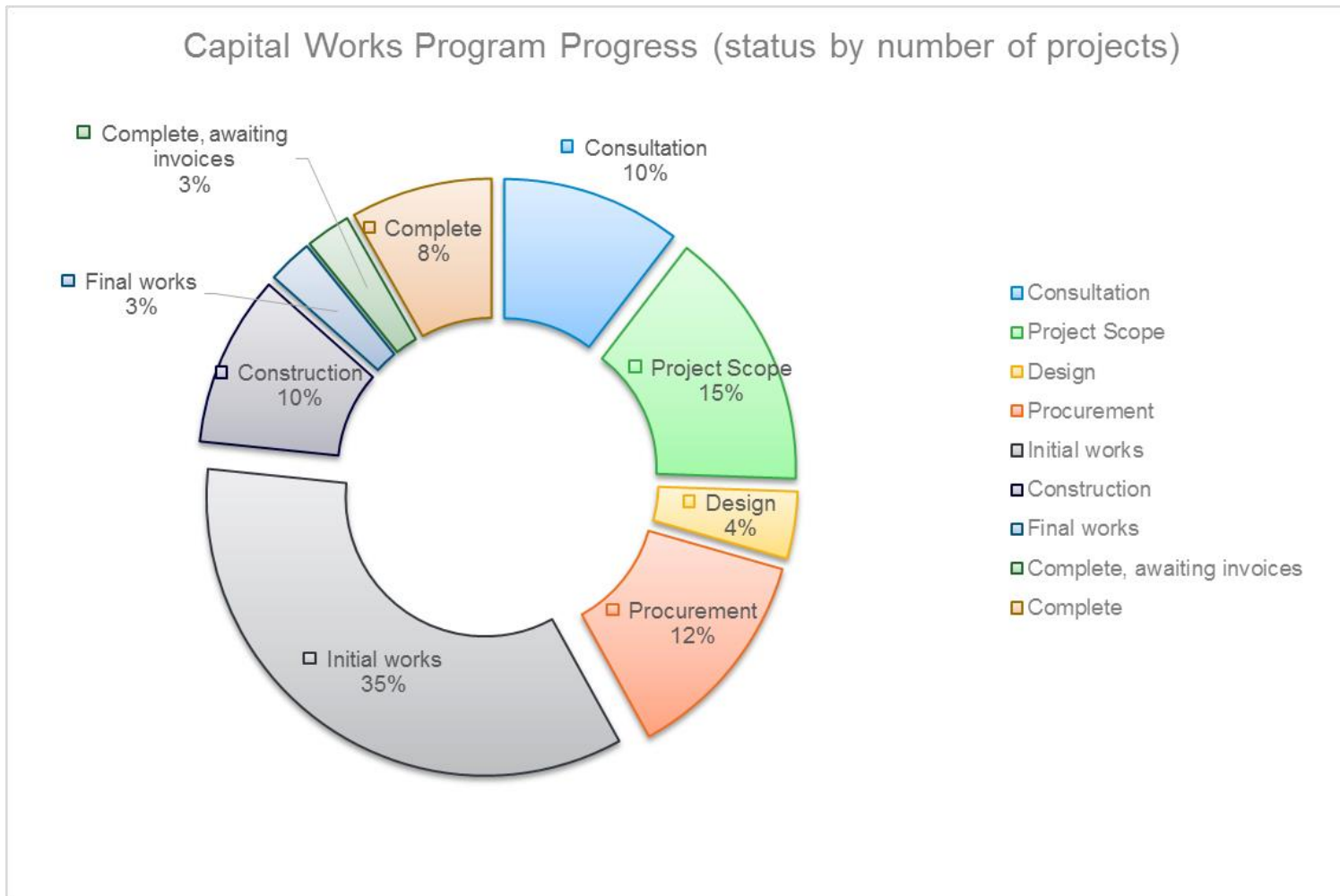


Significant Capital Projects

	CURRENT ANNUAL BUDGET	PROPOSED ANNUAL BUDGET	ACTUAL YTD	COMMITMENTS	COMMENT
\$'000					
Building a Strong Local Economy					
CUDEGONG WATER AMENITIES	140	140	0	0	New toilet block for Cudgegong Caravan Park - engaged a draftsman to provide preliminary design for review.
COMMERCIAL PROP – PRESCHOOL FACILITY	188	188	41	12	Building nearing completion. All internal works now finished. Landscaping and carpark still to be completed. Building scheduled for handover first week in November 2015.

6. Capital Works Program

Capital Program Status Summary



KEY

<u>Status</u>	<u>Description</u>
Consultation	Engaging with stakeholders for ideas and to determine viability and direction for the project.
Project Scope	Initial concept, business case and project plan development.
Design	Initial and detailed design.
Procurement	Tendering, sourcing quotes or suppliers.
Initial works	Early stages of project delivery.
Construction	Major project activities are in progress.
Final works	Project is in final stages of completion or awaiting minor items.
Complete, awaiting invoices	Project work is complete. Waiting on invoices from suppliers for financial completion.
Complete	Project work is complete and all costs have been allocated.

Detailed Capital Works

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
Looking after our Community								
RURAL FIRE SERVICE - CUDGEGONG HERITAGE BUILDING	544	587	0	587	0	0%	1	Project Scope
KANDOS POUND SHADE SAIL	3	3	0	3	0	0%	0	Procurement
CCTV CAMERA INSTALLATION	25	25	0	25	0	0%	0	Procurement
COMM. TRANSPORT- VEHICLE PURCHASE	72	72	0	72	22	31%	0	Initial works
AGED CARE UNITS - CAP - COOYAL/ANDERSON ST GULGONG	18	18	0	18	0	1%	0	Procurement
AGED CARE UNITS - CAP -LOUEE ST UNITS	7	7	0	7	0	1%	0	Initial works
LG HOUSING - CAP - WALTER STREET UNITS	12	12	0	12	0	1%	0	Consultation
GPS CEMETERY SITES	24	42	0	42	0	0%	14	Procurement
GULGONG LAWN CEMETERY EXTENSION	38	38	0	38	0	0%	11	Procurement
PUBLIC TOILETS - CAPITAL UPGRADES	11	11	0	11	0	0%	0	Project Scope
PUBLIC TOILETS - PERCY NOTT PARK	0	206	38	244	59	24%	163	Construction
PUBLIC TOILETS - APEX PARK GULGONG	7	7	0	7	0	0%	0	Initial works
PUBLIC TOILETS - BILLY DUNN PARK GULGONG	38	38	0	38	0	0%	0	Project Scope

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
LIBRARY BOOKS	70	70	0	70	50	72%	0	Construction
KANDOS MUSEUM - CAPITAL	0	5	0	5	4	93%	0	Complete
STABLES COMPLEX - CAPITAL	13	13	0	13	0	1%	2	Initial works
CAPITAL UPGRADE - RYLSTONE HALL	50	50	0	50	0	0%	0	Project Scope
CAP UPGRD-CLANDULLA FACILITIES	5	5	0	5	0	2%	0	Consultation
CAP UPGRD-COMMUNITY BLD-BUDGET ONLY	31	31	0	31	0	0%	0	Project Scope
RURAL HALLS UPGRADE	25	25	0	25	0	0%	0	Project Scope
KANDOS POOL TILING	250	250	0	250	0	0%	0	Procurement
POOL CLEANER REPLACEMENT	14	14	0	14	14	106%	0	Complete
MUDGEE POOL LANE ROPES	12	12	0	12	13	104%	0	Complete
GULGONG POOL BLANKET ROLLERS	0	0	18	18	0	0%	0	Project Scope
MUDGEE SHOWGROUNDS - REDEVELOPMENT	34	65	(22)	43	0	0%	0	Construction
GLENWILLOW SPORTS GROUND UPGRADES	42	42	0	42	25	60%	6	Final works
GLEN WILLOW CRICKET WICKET	0	0	30	30	0	0%	0	Consultation

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
GLEN WILLOW CARPARK	30	30	0	30	1	2%	1	Procurement
BILLY DUNN CARPARK	43	43	0	43	0	0%	0	Initial works
RYLSTONE SKATE PARK	125	125	0	125	0	0%	4	Design
VICTORIA PARK - GRANDSTAND REPAIRS	7	7	0	7	0	0%	0	Initial works
VICTORIA PARK UPGRADES	40	40	(30)	10	10	101%	0	Complete
PASSIVE PARKS - LANDSCAPING IMPROVEMENTS	5	5	0	5	2	34%	0	Initial works
RED HILL RESERVE - TOURISM DEVELOPMENT INVESTIGATION	230	657	0	657	0	0%	589	Construction
ROBERTSON PARK ROTUNDA	90	90	0	90	0	0%	0	Project Scope
PLAYGROUND EQUIPMENT UPGRADE	73	0	0	0	0	0%	0	Complete
SCULPTURES ACROSS THE REGION	30	30	0	30	0	0%	0	Procurement
AVISFORD RESERVE - CAPITAL	37	37	0	37	0	0%	5	Initial works
LAWSON PARK - LIGHTING	50	50	0	50	15	29%	14	Initial works
NEW PARK - MELTON ROAD	0	20	0	20	15	73%	5	Final works

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
PLAYGROUND SHADING PROGRAM	15	15	0	15	0	0%	0	Procurement
PATH BINS AND BAG DISPENSERS	10	10	0	10	0	0%	7	Procurement
PLAYGROUND RUBBER SOFTFALL PROGRAM	60	60	0	60	0	0%	0	Project Scope
PLAYGROUND EQUIPMENT - GILBEY PARK	37	37	0	37	0	0%	23	Initial works
PLAYGROUND EQUIPMENT - GEORGE CAMPBELL PARK	37	37	0	37	0	0%	31	Initial works
PLAYGROUND - BELLEVUE SALINITY RESERVE	200	200	0	200	0	0%	172	Procurement
ART GALLERY FACILITY	45	45	0	45	0	0%	0	Consultation
STREET SCAPE CAPITAL IMPROVEMENTS	13	13	0	13	2	17%	7	Construction
STREETSCAPE IMPROVEMENTS - BELLEVUE ESTATE	10	10	0	10	0	0%	2	Procurement
STREETSCAPE - BIN REPLACEMENT PROGRAM	12	12	0	12	0	0%	0	Procurement
STREETSCAPE - TREE PLANTING RYLSTONE/KANDOS	5	5	0	5	0	5%	3	Complete
Total	2,547	3,222	33	3,256	233	7%	1,060	

Protecting our Natural Environment

RURAL WASTE DEPOT UPGRADES	8	16	0	16	9	60%	0	Initial works
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\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
MUDGEES WASTE DEPOT UPGRADES	32	32	0	32	0	0%	2	Initial works
NEW TIP CONSTRUCTION	0	30	0	30	0	0%	0	Procurement
NEW RECYCLING PLANT	500	500	0	500	4	1%	0	Procurement
WTS - HOME RULE UPGRADE	30	30	0	30	0	0%	0	Procurement
WTS - LUE UPGRADE	20	20	0	20	0	0%	0	Initial works
WASTE SITE REHAB - PUTTA BUCCA	0	11	0	11	0	0%	0	Procurement
WASTE SITE REHAB - MUDGEES	50	0	0	0	0	0%	0	Complete
WASTE SITE REHAB - WINDEYER	0	0	0	0	1	0%	0	Complete
COMMUNITY RECYCLING CENTRE	69	69	0	69	0	0%	0	Design
WASTE SITE REHAB - HOME RULE	50	50	0	50	0	0%	6	Project Scope

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
SEDIMENT DAM	0	20	0	20	0	0%	0	Design
CULVERT INSTALLATIONS	56	56	0	56	38	67%	0	Construction
CAUSEWAY IMPROVEMENTS	60	60	0	60	0	0%	0	Project Scope
RIFLE RANGE ROAD CULVERT UPGRADE	115	115	0	115	0	0%	9	Design
DENISON ST DRAINAGE UPGRADE	150	150	0	150	0	0%	3	Project Scope
HORATIO ST DETENTION BASIN	321	321	0	321	0	0%	98	Initial works
SPRING CREEK CULVERT REPLACEMENT	0	0	85	85	0	0%	0	Consultation
ENV - PUTTA BUCCA WETLANDS CAPITAL	15	27	0	27	0	0%	6	Consultation
WATER NEW CONNECTIONS	135	135	0	135	26	19%	0	Construction
WATER AUGMENTATION - MUDGEE HEADWORKS	2,535	2,535	(2,535)	0	0	0%	3	Project Scope
WATER AUGMENTATION - WEST MUDGEE EXTENSION	470	967	0	967	1	0%	0	Procurement
WATER AUGMENTATION - ULAN RD EXTENSION	1,600	1,600	0	1,600	0	0%	0	Project Scope

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
WATER TELEMETRY - BUDGET ONLY	20	20	0	20	0	0%	4	Procurement
WATER MAINS - CAPITAL BUDGET ONLY	329	180	(180)	0	0	0%	0	Project Scope
WATER MAINS - ROUSE ST (WYNELLA TO STATION)	0	0	88	88	0	0%	0	Consultation
WATER MAINS - HERBERT ST (STATION TO ROUSE)	0	0	48	48	0	0%	0	Consultation
WATER MAINS - CHURCH ST SOUTH - MADERIA TO SPRING	0	55	0	55	0	0%	0	Project Scope
WATER MAINS - MEDLEY ST (HEBERT TO FISHER)	0	0	29	29	12	40%	0	Final works
WATER MAINS - BRUCE ROAD	0	220	0	220	0	0%	99	Design
WATER MAINS - GULGONG WTP PROCESS MAIN	21	21	(11)	10	3	32%	3	Construction
WATER MAINS - SALEYARDS LANE MAIN EXTENSION	80	80	(15)	65	44	67%	1	Construction
WATER MAINS - WENONAH ST	0	0	60	60	0	0%	0	Consultation
WATER PUMP STATION - CAPITAL BUDGET ONLY	66	66	(66)	0	0	0%	0	Project Scope
WATER PUMP STATION - MUDGEER RIVER INTAKE	0	0	16	16	0	0%	0	Consultation
WATER PUMP STATION - RYLSTONE RESERVOIR	0	0	50	50	0	0%	0	Consultation

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
WATER RESERVOIR - FLIRTATION HILL MUDGEE	99	99	(75)	24	0	0%	17	Initial works
RAW WATER SYSTEMS RENEWALS	15	15	0	15	0	0%	0	Project Scope
WATER RESERVOIR - WATER QUALITY WORKS	0	0	75	75	0	0%	0	Consultation
WATER TREATMENT PLANT - RENEWALS	85	85	0	85	0	0%	0	Project Scope
WATER METERS - BULK	115	115	0	115	17	15%	7	Construction
SEWER NEW CONNECTIONS	47	47	0	47	1	2%	0	Construction
SLUDGE DEWATERING MOBILE UNIT	0	42	0	42	3	6%	41	Complete, awaiting invoices
SEWER AUGMENTATION - RYLSTONE & KANDOS	515	515	0	515	0	0%	0	Consultation
SEWER AUGMENTATION - MUDGEE	0	24	0	24	(4)	-15%	12	Initial works
SEWER TELEMETRY	20	20	0	20	0	0%	0	Procurement
SEWER MAINS - CAPITAL BUDGET ONLY	6	0	0	0	0	0%	0	Complete

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
SEWER MAINS RELINING	330	330	0	330	301	91%	32	Complete, awaiting invoices
SEWER MAINS - BELLEVUE TO RIFLE RANGE ROAD	47	47	0	47	0	0%	0	Project Scope
SEWER MAINS - RISING MAIN CAERLEON	808	821	0	821	0	0%	9	Procurement
SEWER MAINS - BOMBIRA RISING MAIN	35	35	0	35	0	0%	0	Procurement
SEWER MAINS - SALEYARDS LANE EXTENSION	160	160	0	160	62	39%	0	Construction
SEWER MAINS - MACQUARIE DRIVE	0	12	0	12	0	0%	0	Project Scope
SEWER PUMP STATION - CAPITAL BUDGET ONLY	69	43	(13)	31	12	38%	0	Initial works
SEWER PUMP STATION - FLOW METERING	93	93	0	93	0	0%	0	Procurement
SEWER PUMP STATION - CAERLEON	304	319	0	319	0	0%	4	Procurement
GSTP EFFLUENT PS PUMP REFURBISH	0	26	0	26	26	100%	0	Complete
SEWER PUMP STATION - GULGONG HOSPITAL	0	0	13	13	0	0%	0	

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
DECOMMISSION MUDGEE STP PUTTA BUCCA	183	230	0	230	95	41%	9	Construction
SEWER TREATMENT WORKS - RENEWALS	45	45	0	45	7	16%	0	Project Scope
Total	9,708	10,508	(2,431)	8,078	657	8%	363	

Building a Strong Local Economy

CUDGEGONG WATERS AMENITIES	140	140	0	140	0	0%	0	Design
RYLSTONE CARAVAN PARK - CAPITAL	15	15	0	15	0	1%	0	Project Scope
SALEYARDS - POST AND RAIL REPLACEMENT	10	10	0	10	4	38%	0	Initial works
SALEYARDS - PARKING AREA ROAD WORKS	0	0	0	0	1	0%	0	Complete
PROPERTY - KANDOS SURPLUS LAND BLOCKS	5	5	0	5	0	6%	0	Complete, awaiting invoices
PROPERTY - EX SALEYARDS STAGE I	0	20	100	120	56	47%	34	Construction

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
COMMERCIAL PROP - PRESCHOOL FACILITY	162	188	0	188	41	22%	12	Final works
KANDOS POOL COTTAGE CAPITAL	11	11	0	11	0	0%	0	Project Scope
Total	343	389	100	489	103	21%	45	

Connecting our Region

URBAN RESEALS - HENBURY AVE KANDOS SEG 20	9	9	0	9	0	0%	0	Initial works
URBAN RESEALS - CHURCH ST MUDGEE SEG 70,80,90	55	55	0	55	0	0%	0	Initial works
URBAN RESEALS - FITZGERALD ST RYLSTONE SEG 10	12	12	0	12	0	0%	0	Initial works
URBAN RESEALS - HERBERT STREET	9	9	0	9	0	0%	0	Initial works
URBAN RESEALS - DANGAR ST KANDOS SEG 10	16	16	0	16	0	0%	0	Initial works
URBAN RESEALS - PERRY ST MUDGEE SEG 60	32	32	0	32	0	0%	0	Initial works
URBAN RESEALS - COURT ST MUDGEE SEG 50	17	17	0	17	0	0%	0	Initial works
URBAN RESEALS - LAHY CT MUDGEE SEG 10	14	14	0	14	0	0%	0	Initial works
URBAN RESEALS - TIP ROAD GULGONG SEG 10	11	11	0	11	0	0%	0	Initial works
URBAN RESEALS - GEORGE ST MUDGEE SEG 40	18	18	0	18	0	0%	0	Initial works
URBAN RESEALS - DENISON ST MUDGEE SEG 200	6	6	0	6	0	0%	0	Initial works
URBAN RESEALS - JULIA CT MUDGEE SEG 10	11	11	0	11	0	0%	0	Initial works
URBAN RESEALS - REDBANK ROAD SEG 10, 20, 40	26	26	0	26	0	1%	0	Initial works

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
URBAN RESEALS - MEDLEY ST GULGONG SEG 10	8	8	0	8	0	0%	0	Initial works
URBAN RESEALS - LYNNE ST GULGONG SEG 30,40,50	18	18	(18)	0	0	0%	0	Consultation
URBAN RESEALS - BRAEBURN PL MUDGEES SEG 10	4	4	0	4	0	0%	0	Initial works
URBAN RESEALS - MARKET STREET	15	15	0	15	0	0%	0	Initial works
URBAN RESEALS - GRATHLYN ST MUDGEES SEG 10	4	4	0	4	0	0%	0	Initial works
URBAN RESEALS - HAVILAH TERRACE MUDGEES SEG 10, 20	10	10	0	10	3	31%	0	Initial works
URBAN RESEALS - WANDOONA CT MUDGEES SEG 10	8	8	0	8	0	0%	0	Initial works
URBAN RESEALS - DAVIDSON ST GULGONG SEG 20	3	3	0	3	0	0%	0	Initial works
URBAN RESEALS - BASKERVILLE DR MUDGEES SEG 10	12	12	0	12	0	0%	0	Initial works
URBAN RESEALS - DEWHURST DR MUDGEES SEG 10, 20	41	41	0	41	0	0%	0	Initial works
URBAN RESEALS - WENONAH STREET	0	0	18	18	0	0%	0	Consultation
RESEAL - HENRY BAYLEY DRIVE SEG 40	5	5	0	5	0	0%	0	Initial works
RESEAL - LEWIS STREET SEG 90	17	17	0	17	0	0%	0	Initial works
URBAN RESEALS - DENISON STREET	65	65	0	65	0	0%	0	Initial works
URBAN ROADS KERB & GUTTER CAPITAL	23	23	0	23	20	85%	0	Construction

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
FAIRY DALE LANE UPGRADE	2,877	3,178	0	3,178	661	21%	439	Construction
REHAB - KELLET DR MUDGEE	80	80	0	80	0	0%	0	Initial works
REHAB - CHURCH ST SEG 100	115	115	0	115	13	12%	0	Initial works
REHAB - DANGAR ST KANDOS	62	62	0	62	0	0%	0	Project Scope
REHAB - JACQUES/DANGAR ST KANDOS	2	23	0	23	1	5%	0	Initial works
REHAB - JACQUES/RODGERS ST KANDOS	2	19	0	19	0	0%	0	Initial works
REHAB - FIRST ST MUDGEE SEG 10	0	22	0	22	0	0%	0	Initial works
REHAB - FITZGERALD ST RYLSTONE SEG 10	0	26	0	26	10	37%	0	Complete, awaiting invoices
REHAB - CUDGEGONG RD EVANS CROSSING	0	0	120	120	88	73%	13	Final works
RESHEETING - URBAN ROADS	14	14	0	14	7	50%	0	Construction

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
LEWIS & MORTIMER STREET INTERSECTION	186	186	0	186	0	0%	4	Design
SEALING MAINTAINED LANES IN GULGONG CBD	45	45	0	45	0	0%	0	Initial works
INGLIS STREET KERB AND GUTTER	0	0	20	20	0	0%	0	
FAIRYDALE LANE LAND MATTERS CAPITAL	0	114	0	114	2	2%	41	Initial works
URBAN ROADS LAND MATTERS CAPITAL	21	28	0	28	1	3%	0	Initial works
RURAL RESEAL - MAGPIE LN SEG 30, 40, 10, 20	132	132	0	132	33	25%	0	Initial works
RURAL RESEAL - SPRING FLAT RD SEG 10	50	50	0	50	2	4%	0	Initial works
RURAL RESEAL - NARRANGO RD SEG 30	30	30	0	30	0	0%	0	Initial works
RURAL RESEAL - TIP ROAD MUDGEES SEG 10	13	13	0	13	0	2%	0	Initial works
RURAL RESEAL - YARRABIN RD SEG 140	40	40	0	40	3	7%	0	Initial works
RURAL RESEAL - YARRABIN RD SEG 20, 30, 40	102	102	0	102	1	1%	0	Initial works
RURAL RESEAL - WINDEYER RD SEG 140, 150	82	82	0	82	0	1%	0	Initial works
RURAL RESEAL - BLACK SPRINGS RD SEG 30, 40, 50	86	86	0	86	23	27%	0	Initial works
RURAL RESEAL - BOCOBLE RD SEG 10, 20	118	118	0	118	6	5%	0	Initial works
RURAL RESEAL - LUE ROAD SEG 350	59	59	0	59	0	0%	0	Initial works
HEAVY PATCHING BUDGET	104	104	0	104	2	2%	0	Initial works

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
RURAL REHAB - LUE ROAD SEG 80 - 90	62	62	0	62	5	8%	0	Initial works
RURAL REHAB - NARRANGO RD SEG 20	300	300	0	300	0	0%	0	Initial works
RURAL REHAB - LUE RD PART SEG 190, 180	524	524	0	524	0	0%	0	Project Scope
BLACKSPOT LUE ROAD	0	0	1,147	1,147	0	0%	0	
FUTURE YRS REFS - BUDGET ONLY	5	5	0	5	0	3%	0	Initial works
RURAL SEALED ROAD LAND MATTERS	15	20	0	20	2	9%	0	Initial works
RURAL SEALED REGIONAL ROAD REPAIR PROGRAM	800	800	(800)	0	13	0%	0	Procurement
REHAB COPE ROAD UPGRADE BUDGET ONLY	2,844	2,844	(2,844)	0	0	0%	0	
BLACKSPOT LUE ROAD SHOULDER WIDENING	1,147	1,147	(1,147)	0	94	0%	6	Construction
REHAB COPE ROAD UPGRADE - MILESTONE 1	0	0	100	100	3	3%	0	Complete
REHAB COPE ROAD UPGRADE - CONFORMING RESEALS	0	0	150	150	0	0%	0	Consultation
REHAB COPE ROAD UPGRADE - MILESTONE 2	0	0	50	50	3	6%	36	Complete
REHAB COPE ROAD UPGRADE - MILESTONE 3	0	0	1,062	1,062	420	40%	39	Construction
REHAB COPE ROAD UPGRADE - MILESTONE 4	0	0	1,045	1,045	0	0%	0	Consultation
REHAB COPE ROAD UPGRADE - MILESTONE 5	0	0	500	500	0	0%	0	Consultation

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
ULAN WOLLAR ROAD UPGRADES	76	76	0	76	(1)	-2%	0	Project Scope
REG RESEAL - HILL END RD/CASTLEREAGH HWY INTERSECTION	100	100	0	100	10	10%	21	Initial works
REG RESEAL - BYLONG VALLEY WAY SEG 2225 TO 2260	351	351	0	351	27	8%	0	Initial works
RURAL SEALED REGIONAL ROAD LAND MATTERS CAPITAL	17	17	0	17	0	0%	0	Initial works
WIDEN AND SEAL MT VINCENT ROAD HILL	100	100	0	100	4	4%	0	Consultation
SEAL EXTENSION - PYRAMUL ROAD	0	0	547	547	0	0%	0	Consultation
SEAL EXTENSION - BLACK SPRINGS ROAD	0	0	285	285	0	0%	0	Consultation
SEAL EXTENSION - MT PLEASANT LANE	0	0	10	10	0	0%	0	Consultation
RESHEETING - BUDGET ONLY	1,443	1,443	0	1,443	509	35%	7	Construction
MURRAGAMBA RD - REALIGNMENT	0	337	0	337	82	24%	0	Complete
UNSEALED ROADS LAND MATTERS CAPITAL	5	5	0	5	0	0%	0	Initial works
SEAL EXTENSION - WOLLAR ROAD	10,270	10,270	(8,354)	1,916	2	0%	0	Design
GREEN GULLY BRIDGE	652	652	0	652	11	2%	2	Procurement

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
BUTTER FACTORY BRIDGE	630	630	0	630	16	3%	2	Design
CORICUDGY ROAD BRIDGE - REPAIR	53	53	0	53	0	0%	0	Initial works
STONEY CREEK BRIDGE	820	820	0	820	1	0%	0	Procurement
MACDONALDS CREEK BRIDGE REPLACEMENT	0	0	700	700	1	0%	0	Consultation
ULAN ROAD STRATEGY - CAPITAL BUDGET ONLY	4,558	4,558	(4,558)	0	0	0%	0	Complete
ULAN ROAD - MIDBLOCK 19.999 TO 22.215	0	0	5	5	4	89%	0	Complete
ULAN ROAD - WOLLAR RD INTERSECTION	0	0	8	8	8	95%	0	Complete
ULAN ROAD - MT PLEASANT LN TO BUCKAROO LN	0	0	650	650	344	53%	6	Construction
ULAN ROAD - CHURCH LN TO OVERTAKING LN 14.5	0	0	1,600	1,600	4	0%	0	Initial works
ULAN ROAD - COPE RD TO UCML MINE ENTRANCE	0	0	15	15	2	12%	8	Initial works
ULAN ROAD - WATTLEGROVE LN TO MIDBLOCK 19.999	0	0	10	10	4	42%	5	Initial works
ULAN ROAD - WYALDRA LN TO QUARRY ENTRANCE 27.783	0	0	35	35	30	85%	2	Initial works
ULAN ROAD - WINCHESTER CRES TO MIDBLOCK 31.106	0	0	2,500	2,500	449	18%	43	Construction
FOOTWAYS - CAPITAL BUDGET ONLY	120	120	0	120	10	8%	0	Initial works

\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
PEDESTRIAN - GLEN WILLOW WALKWAY	50	50	0	50	48	97%	0	Final works
GULGONG WALKWAY	80	80	0	80	0	0%	0	Initial works
PEDESTRIAN - RYLSTONE PEDESTRIAN BRIDGE	0	142	0	142	0	0%	0	Project Scope
ROBERTSON PARK PATHWAY	10	10	0	10	10	101%	0	Complete
ROBERTSON ROAD - GOLF COURSE FENCE	0	33	0	33	0	0%	0	Project Scope
AIRPORT - APPROACH LIGHTS	0	49	(16)	33	0	0%	33	Complete, awaiting invoices
AIRPORT - TERMINAL EXTENSION	220	294	16	309	94	31%	123	Construction
AIRPORT - CAPITAL UPGRADES	0	99	0	99	4	4%	10	Complete
AIRPORT - REALIGN AIRPORT ENTRY	0	17	0	17	13	81%	0	Complete, awaiting invoices
Total	29,938	31,201	(7,144)	24,057	3,103	13%	841	

Good Government

CORPORATE BUILDINGS UPGRADE BUDGET ONLY	12	12	(12)	0	0	0%	0	Project Scope
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\$'000	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET	COMMITMENTS	PROJECT STATUS
MUDGEES ADMINISTRATION BUILDING UPGRADE	0	0	37	37	1	3%	0	Project Scope
OLD POLICE STATION UPGRADE	10	10	0	10	3	29%	0	Initial works
TELEPHONE SYSTEM - VOIP	118	118	0	118	0	0%	0	Procurement
IT NETWORK UPGRADES	0	0	300	300	0	0%	0	Consultation
IT CORPORATE SOFTWARE	230	230	(199)	31	0	0%	0	Project Scope
SERVER RECONFIGURATION	32	32	0	32	0	0%	0	Project Scope
ASSET MANAGEMENT SYSTEM UPGRADES	0	24	0	24	3	12%	0	Project Scope
PLANT PURCHASES	3,692	3,692	0	3,692	248	7%	140	Procurement
MUDGEES DEPOT CAPITAL WORKS	191	191	0	191	0	0%	0	Project Scope
RYLSTONE DEPOT CAPITAL WORKS	67	67	0	67	0	0%	0	Initial works
Total	4,352	4,375	126	4,501	255	6%	140	

Total Capital Works Program

46,887	49,695	(9,315)	40,380	4,351	11%	2,450
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	ORIGINAL ANNUAL BUDGET	CURRENT ANNUAL BUDGET	PROPOSED VARIATIONS	PROPOSED ANNUAL BUDGET	ACTUAL YTD	ACTUAL YTD/ PROPOSED ANNUAL BUDGET
Capital Funding						
Capital Grants & Contributions	(26,594)	(27,930)	7,274	(20,656)	(1,785)	9%
External Restrictions						
S94 Developer Contributions - General	(1,181)	(1,314)	0	(1,314)	(270)	21%
S64 Developer Contributions - Water Fund	(3,580)	(3,992)	2,195	(1,797)	(1)	0%
S64 Developer Contributions - Sewer Fund	(355)	(368)	0	(368)	(0)	0%
S93F Developer Contributions	(293)	(220)	0	(220)	(14)	6%
Specific Purpose Unexpended Grants	(84)	(84)	0	(84)	0	0%
Reserves - Water	(1,855)	(2,065)	321	(1,745)	0	0%
Reserves - Sewerage Services	(2,260)	(2,369)	0	(2,369)	(548)	23%
Reserves - Domestic Waste Management	(690)	(709)	0	(709)	(68)	10%
Community Tenancy Scheme	(12)	(12)	0	(12)	0	0%
Community Transport Vehicle Replacement	(45)	(45)	0	(45)	(22)	49%
Other - Water	(135)	(135)	0	(135)	(32)	24%
Other - Sewerage Services	(47)	(47)	0	(47)	(1)	3%
Other - Waste Management	0	0	0	0	0	0%
Internal Restrictions		0		0		0%
Reserves - Plant & Vehicle Replacement	(2,877)	(2,877)	0	(2,877)	(296)	10%
Reserves - Asset Replacement	(1,605)	(1,811)	(38)	(1,849)	(292)	16%
Reserves - Capital Program	(903)	(936)	21	(915)	(115)	13%
Reserves - Land Development	0	(20)	(100)	(120)	(20)	17%
Reserves - Saleyards	(10)	(10)	0	(10)	(4)	38%
Income from Sale of Assets		0				
General Purpose Revenue	(4,362)	(4,751)	(358)	(5,109)	(883)	17%
Total Capital Funding	(46,887)	(49,695)	9,315	(40,380)	(4,351)	11%

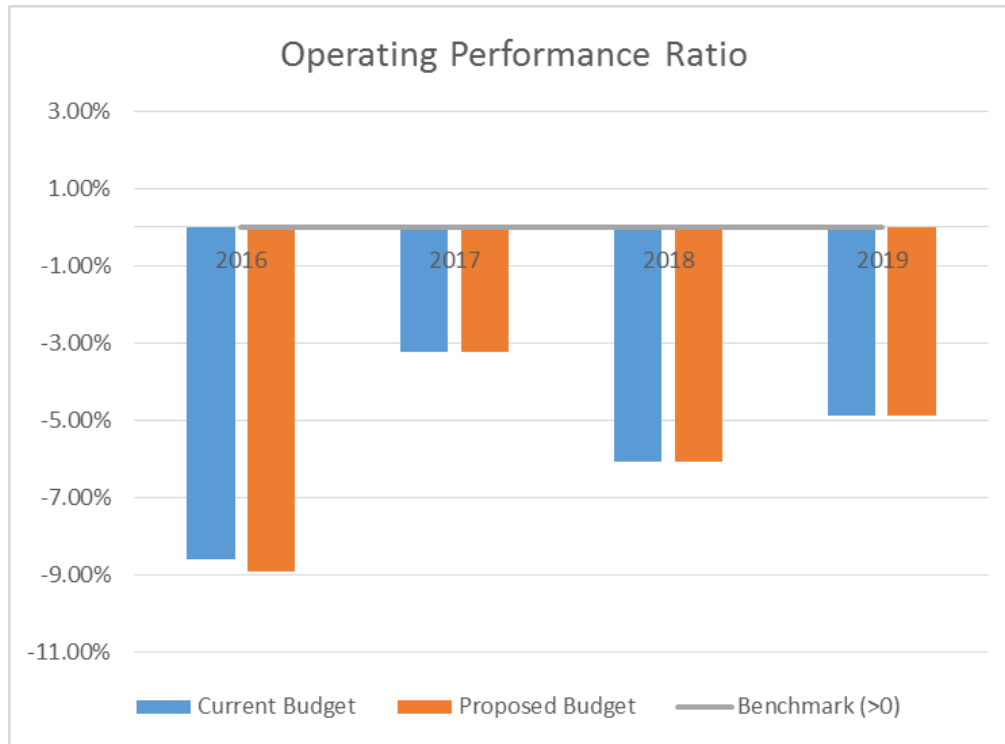
7. Consolidated Income Statement and Balance Sheet

\$'000	ORIGINAL ANNUAL BUDGET	APPROVED VARIATIONS	REVISED ANNUAL BUDGET	ACTUAL YTD	% REVISED BUDGET	PROPOSED VARIATIONS	PROJECTED ANNUAL BUDGET	% PROJECTED ANNUAL BUDGET
Income Statement - CONSOLIDATED								
INCOME								
Rates & Annual Charges	(26,831)	0	(26,831)	(26,718)	100%	0	(26,831)	100%
User Charges & Fees	(11,272)	(16)	(11,288)	(3,090)	27%	0	(11,288)	27%
Interest & Investment Revenue	(1,245)	0	(1,245)	(114)	9%	(3)	(1,248)	9%
Other Revenues	(2,107)	0	(2,107)	(598)	28%	0	(2,107)	28%
Grants & Contributions Operating	(12,370)	(10)	(12,380)	(5,160)	42%	49	(12,331)	42%
Grants & Contributions Capital	(29,718)	(1,336)	(31,054)	(3,160)	10%	7,613	(23,441)	13%
Total Income	(83,543)	(1,362)	(84,905)	(38,840)	46%	7,659	(77,246)	50%
EXPENDITURE								
Employee Benefits & Oncosts	22,354	54	22,408	6,136	27%	0	22,408	27%
Borrowing Costs	1,226	0	1,226	(210)	-17%	0	1,226	-17%
Materials & Contracts	9,520	128	9,648	3,421	35%	12	9,660	35%
Depreciation & Amortisation	16,276	0	16,276	0	0%	0	16,276	0%
Other Expenses	6,331	1	6,332	2,988	47%	31	6,363	47%
Loss on Disposal of Assets	1,001	0	1,001	(79)	0%	0	1,001	0%
Total Expenditure	56,708	183	56,891	12,256	22%	43	56,934	22%
Net Result	(26,835)	(1,179)	(28,014)	(26,584)		7,702	(20,312)	
Net Result before Capital Items	2,883	157	3,040	(23,424)		89	3,129	

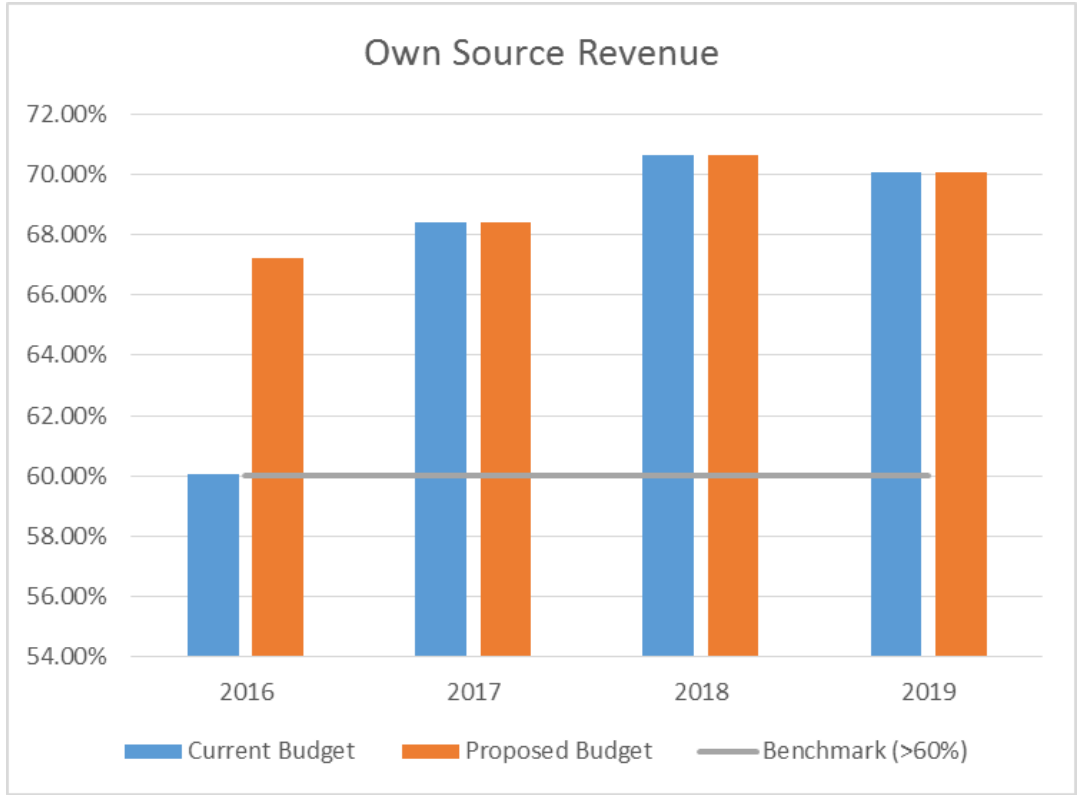
Balance Sheet

\$'000	ACTUAL YTD	ACTUAL 30 JUNE 2015
ASSETS		
<i>Current Assets</i>		
Cash & Cash Equivalents	390	1,581
Investments	52,000	46,300
Receivables	20,708	8,513
Inventories	1,153	1,127
Other	-	59
Total Current Assets	74,251	57,580
<i>Non-Current Assets</i>		
Investments	-	-
Receivables	60	60
Inventories	-	-
Infrastructure, Property, Plant & Equipment	841,820	835,824
Intangible Assets	409	409
Other	-	-
Total Non-Current Assets	842,289	836,293
TOTAL ASSETS	916,540	893,873
LIABILITIES		
<i>Current Liabilities</i>		
Payables	3,407	7,323
Borrowings	1,410	1,410
Provisions	5,783	5,783
Total Current Liabilities	10,600	14,516
<i>Non-Current Liabilities</i>		
Borrowings	17,759	17,759
Provisions	1,222	1,222
Total Non-Current Liabilities	18,981	18,981
Total LIABILITIES	29,581	33,497
Net Assets	886,959	860,376
EQUITY		
Retained Earnings	369,124	342,541
Revaluation Reserves	517,835	517,835
Total Equity	886,959	860,376

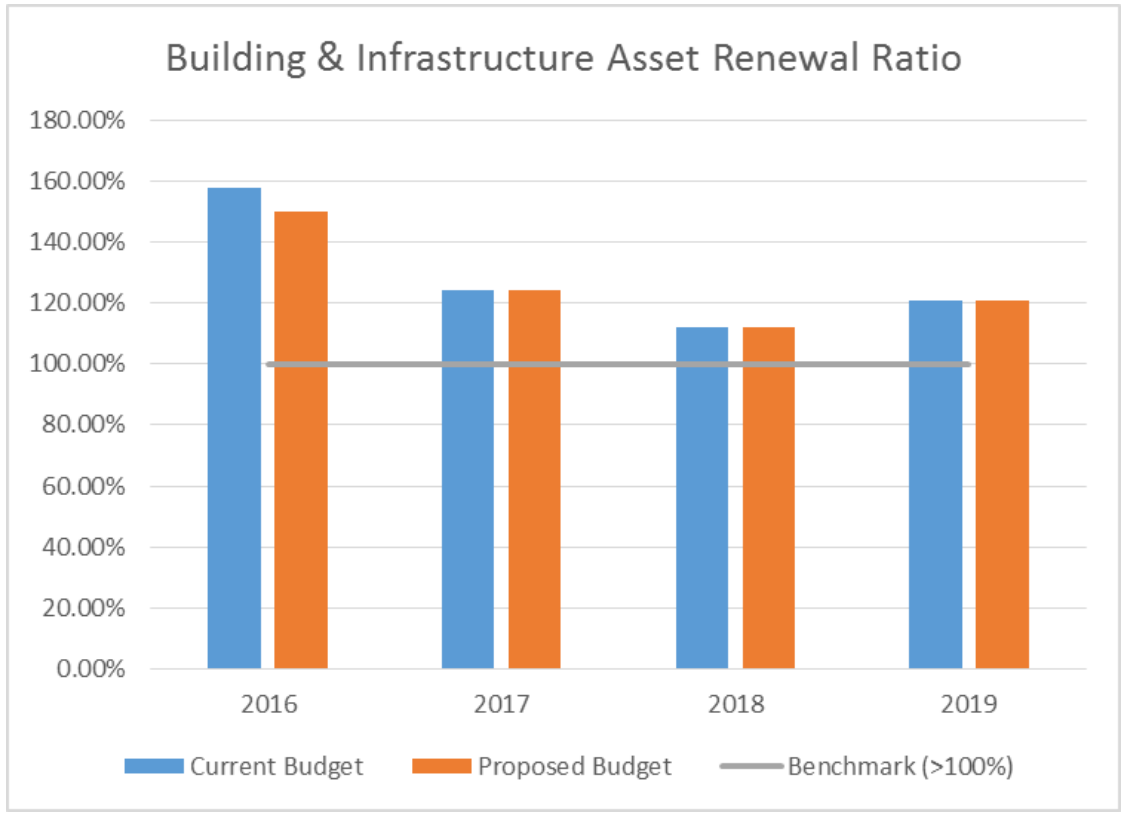
8. Key Financial Indicators



Measures Council's ability to keep operating expenses, including depreciation, within its continuing revenue.



Measures Council's degree of reliance on external funding.



The rate at which assets are being renewed against the rate of depreciation.

9. Contract, Legal Expenses & Consultancies

CONTRACTS > \$50,000

The following contracts with a value greater than \$50,000 were entered into during the period 1 July 2015 to 30 September 2015.

Note that individual Panel tender appointments are not included in the table below. For example, provision of general contractor services. Council creates panels of preferred suppliers from the tender responses received. Purchases are then made from the preferred supplier lists, and purchase decisions may vary for particular works depending upon availability and location.

CONTRACTOR	PURPOSE	VALUE (\$)	START DATE	DURATION MONTHS	BUDGETED
Moduplay Commercial Systems	Playground equipment Gilbey and George Campbell parks	51,120	26/08/2015	3	Y
Garaquip	Supply and install new hoist at Rylstone Depot	60,500	30/09/2015	3	Y

LEGAL EXPENSES

This financial year to date, Council has incurred \$80k of legal expenses. The primary areas of expenditure are:

- Development Control – DA's
- Employment matters
- Debt recovery

CONSULTANCIES

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by Management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.

This financial year to date, Council has incurred \$112k of consultancy expenses. The primary areas of expenditure are:

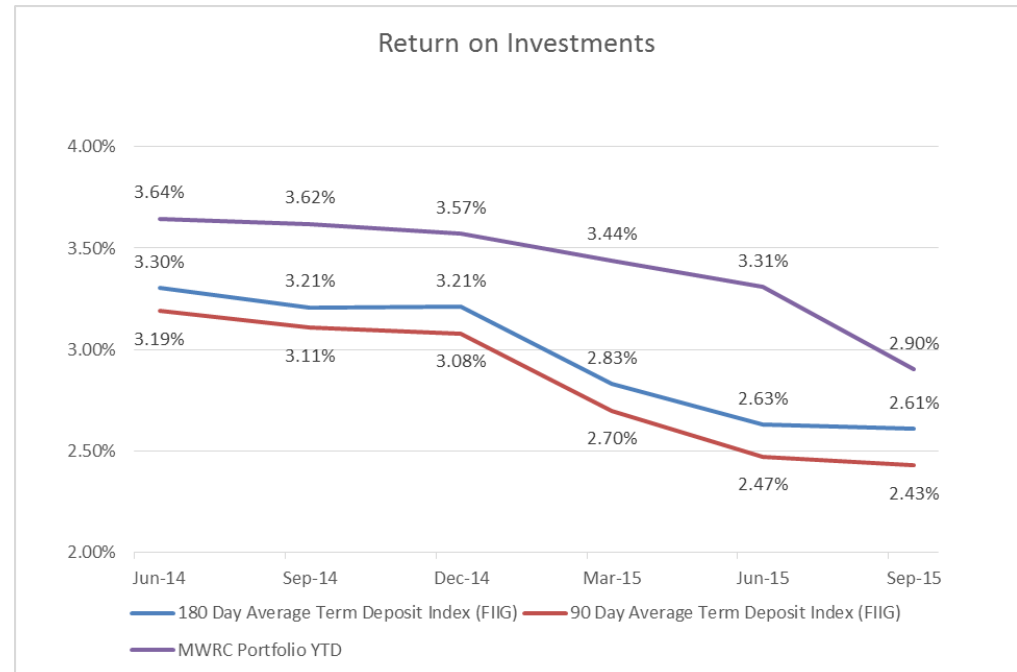
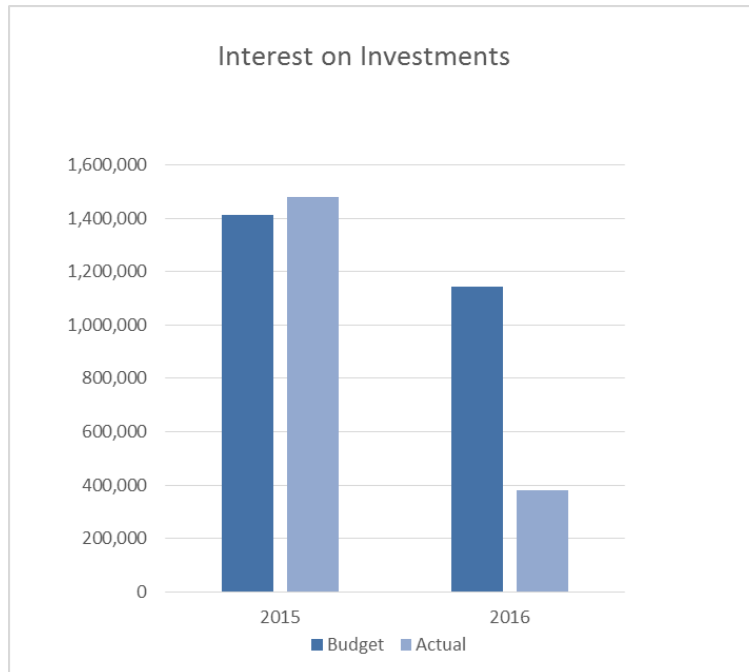
- Road Design
- Timber bridge assessments

- Procurement strategy
- Sewer management

10. Investment Portfolio Commentary

For the quarter ended 30 September 2015, Council’s return on investment portfolio of 2.90% exceeded the benchmark rates of 2.61% (180 Day Term Deposit Index) and 2.43% (90 Day Term Deposit Index). Deposits are currently being targeted at the 180 day and 1 year terms, which at present are offering the best interest rates whilst meeting Councils continual cash commitments.

The two graphs presented below demonstrate the performance of Council’s portfolio for the last twelve months against the benchmarks of budgeted interest income and the 90 – 180 Day Average Term Deposit Index.



Since 1 July 2014 the Reserve Bank of Australia (RBA) Cash Rate has decreased from 2.5% to 2%, with the most recent decrease being in May 2015. In Australia while economic growth remains below the long-term average, information suggests that moderate expansion in the economy continues.

In its most recent monetary policy statement the RBA notes that “Inflation is low and should remain so, with the economy likely to have a degree of spare capacity for some time yet. Inflation is forecast to be consistent with the target over the next one to two years, but a little lower than earlier expected”.

The cash rate is expected to remain around 2% in the medium term (1-2years). Some economists including TCorp are predicting a rate cut of 0.25% at the December Board meeting due to the recent increase in mortgage rates by the four major Australian banks and the potential impact on the housing market.

In view of this, the investment strategy is to continue targeting the majority of maturities at around a 6 month term, while maintaining capital security and sufficient cash flow to fund the large capital works program proposed in the Delivery Program. In order to reduce interest rate risk some investments are being targeted at the 1 year term.

Sources: Reserve Bank of Australia Media Release 2015-20, National Australia Bank Australian Markets Weekly – 2 November 2015, TCorp Economic Commentary October 2015.

11. Investment Portfolio Balances as at 30 September 2015

For the month ended: **30-Sep-15**

Bank Accounts	Opening Balance	Receipts	Payments	Closing Balance	Overdraft Limit
National Australia Bank	\$ 351,394	\$16,911,014	\$ 17,265,175	\$ (2,767)	\$ 700,000

The bank balance has been reconciled to the General Ledger as at 30/09/2015

Financial Claims Scheme

- 1 Guaranteed to \$250,000
- 2 Not Covered

Investments	Type	Amount \$'000	Yield %	Maturity Date	Term	Long Term Rating	Short Term Rating	Financial Claims Scheme
National Australia Bank	At Call	1,178	2.30%	N/A	At Call	AA	A-1+	1
National Australia Bank	Term Deposit	1,000	3.03%	7/10/2015	189	AA	A-1+	2
National Australia Bank	Term Deposit	1,000	3.00%	14/10/2015	168	AA	A-1+	2
National Australia Bank	Term Deposit	1,000	3.20%	28/10/2015	252	AA	A-1+	2
National Australia Bank	Term Deposit	1,000	3.00%	11/11/2015	195	AA	A-1+	2
National Australia Bank	Term Deposit	1,000	3.00%	20/01/2016	217	AA	A-1+	2
National Australia Bank	Term Deposit	1,600	3.02%	6/07/2016	364	AA	A-1+	2
National Australia Bank	Term Deposit	1,000	3.00%	17/02/2016	196	AA	A-1+	2
National Australia Bank	Term Deposit	2,000	2.95%	2/03/2016	195	AA	A-1+	2
National Australia Bank	Term Deposit	1,500	2.95%	30/03/2016	196	AA	A-1+	2
St George Bank	Term Deposit	1,000	2.80%	21/10/2015	204	AA	A-1+	1
St George Bank	Term Deposit	1,000	2.83%	6/01/2016	210	AA	A-1+	2
St George Bank	Term Deposit	1,500	2.80%	9/03/2016	189	AA	A-1+	2
St George Bank	Term Deposit	2,000	2.80%	16/03/2016	196	AA	A-1+	2
St George Bank	Term Deposit	2,500	2.79%	23/03/2016	196	AA	A-1+	2
Bankwest	Term Deposit	1,000	3.00%	26/10/2015	159	AA	A-1+	1
Bankwest	Term Deposit	2,000	2.85%	4/11/2015	182	AA	A-1+	2
Bankwest	Term Deposit	2,000	2.85%	18/11/2015	189	AA	A-1+	2
Bankwest	Term Deposit	2,000	2.95%	25/11/2015	189	AA	A-1+	2
Bankwest	Term Deposit	1,000	2.90%	27/01/2016	210	AA	A-1+	2
Bankwest	Term Deposit	1,000	2.90%	3/02/2016	210	AA	A-1+	2
Bankwest	Term Deposit	1,000	2.90%	10/02/2016	189	AA	A-1+	2
Bankwest	Term Deposit	2,300	2.85%	6/04/2016	189	AA	A-1+	2
ANZ	Term Deposit	1,000	3.00%	9/12/2015	189	AA	A-1+	1
ANZ	Term Deposit	1,300	3.00%	16/12/2015	196	AA	A-1+	2
ANZ	Term Deposit	1,500	2.79%	27/01/2016	203	AA	A-1+	2
ANZ	Term Deposit	1,000	2.82%	24/02/2016	203	AA	A-1+	2
ANZ	Term Deposit	1,500	2.80%	24/02/2016	196	AA	A-1+	2
AMP	Term Deposit	1,000	2.75%	9/12/2015	189	A+	A-1	1
AMP	Term Deposit	1,000	2.90%	10/02/2016	196	A+	A-1	2
AMP	Term Deposit	1,000	2.90%	17/02/2016	189	A+	A-1	2
AMP	Term Deposit	1,500	2.90%	17/02/2016	182	A+	A-1	2
Bank of Queensland	Term Deposit	2,000	2.95%	2/12/2015	189	A-	A-2	1
Bank of Queensland	Term Deposit	1,500	3.00%	13/01/2016	217	A-	A-2	2
Bank of Queensland	Term Deposit	1,300	2.85%	9/03/2016	191	A-	A-2	2
Bendigo & Adelaide Bank	Term Deposit	1,000	2.90%	16/12/2015	196	A-	A-2	1
Members Equity Bank	Term Deposit	2,000	2.98%	7/10/2015	105	BBB+	A-2	1
Members Equity Bank	Term Deposit	1,000	2.83%	3/02/2016	175	BBB+	A-2	2
Peoples Choice C/Union	Term Deposit	500	2.89%	25/11/2015	203	BBB+	A-2	1
Family First Credit Union	Term Deposit	500	3.10%	21/10/2015	175	Unrated	Unrated	1
Total Investments		53,178						

12. Councillor Fees Paid & Expenses Paid or Reimbursed as at 30 September 2015

Councillor Fees Paid & Expenses Paid or Reimbursed as at 30 September 2015											
	General Operations	Cr Cavalier	Cr Kennedy	Cr Martens	Cr Shelley	Cr Thompson	Cr Walker	Cr Weatherley	Cr Webb	Cr White	TOTAL
Councillor Fees	-	1,835.00	1,835.00	1,835.00	1,835.00	1,835.00	1,835.00	1,835.00	1,835.00	1,835.00	\$ 16,515.00
Mayoral Fees	-	-	4,005.00	-	-	-	-	-	-	-	\$ 4,005.00
Council Meeting Expenses (inc. accommodation, travel & meals)	1,326.74	-	-	421.14	-	-	-	-	407.74	103.70	\$ 2,259.32
Councillor Conferences, Seminars and Representational/Lobbying Expenses (inc. accommodation, travel, meals & out-of-pocket)	-	-	1,237.64	-	-	-	-	-	-	-	\$ 1,237.64
Provision of Vehicle	2,683.56	-	-	-	-	-	-	-	-	-	\$ 2,683.56
Memberships & Subscriptions	71,180.36	-	-	-	-	-	-	-	-	-	\$ 71,180.36
Miscellaneous expenses (meals, sundries, stationery, etc) but not associated with Conferences, Seminars & Training	178.19	-	10.95	136.36	-	-	-	-	225.45	-	\$ 550.95
Provision of office equipment, such as laptop computers, mobile telephones, landline telephones and facsimile machines installed in Councillors homes (including equipment and line rental costs and internet access costs but not including call costs)	139.72	80.58	230.12	349.05	-	-	214.90	116.40	497.07	516.15	\$ 2,143.99
Totals	\$ 75,508.57	\$ 1,915.58	\$ 7,318.71	\$ 2,741.55	\$ 1,835.00	\$ 1,835.00	\$ 2,049.90	\$ 1,951.40	\$ 2,965.26	\$ 2,454.85	\$ 100,575.82

