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Goulburn Mulwaree Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2019



General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

Goulburn Mulwaree Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

184-194 Bourke Street
Goulburn NSW 2580

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.goulburn.nsw.gov.au.

Goulburn Mulwaree Council

General Purpose Financial Statements

for the year ended 30 June 2019

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 and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and 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 and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and 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 value of Council's Infrastructure, property, plant and equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "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 five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven 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.

General Purpose Financial Statements

for the year ended 30 June 2019

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

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

- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- 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 03 September 2019.

Cr Bob Kirk
Mayor
03 September 2019

Cr Peter Walker
Councillor
03 September 2019

Warwick Bennett
General Manager
03 September 2019

Brendan Hollands
Responsible Accounting Officer
03 September 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 ¹
Income from continuing operations				
<u>Revenue:</u>				
34,281	Rates and annual charges	3a	35,206	33,991
14,405	User charges and fees	3b	15,073	14,763
1,390	Interest and investment revenue	3c	2,446	2,442
1,157	Other revenues	3d	1,922	1,375
8,847	Grants and contributions provided for operating purposes	3e, 3f	10,395	11,390
14,942	Grants and contributions provided for capital purposes	3e, 3f	12,660	33,414
75,022	Total income from continuing operations		77,702	97,375
Expenses from continuing operations				
24,315	Employee benefits and on-costs	4a	24,586	22,428
1,460	Borrowing costs	4b	1,551	2,217
11,268	Materials and contracts	4c	11,676	11,295
18,101	Depreciation and amortisation	4d	17,589	16,990
6,202	Other expenses	4e	5,597	4,979
–	Net losses from the disposal of assets	5	255	2,323
–	Fair value decrement on investment properties	11	128	62
61,346	Total expenses from continuing operations		61,382	60,294
13,676	Operating result from continuing operations		16,320	37,081
13,676	Net operating result for the year		16,320	37,081
13,676	Net operating result attributable to council		16,320	37,081
(1,266)	Net operating result for the year before grants and contributions provided for capital purposes		3,660	3,667

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		16,320	37,081
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	261	20,421
Total items which will not be reclassified subsequently to the operating result		261	20,421
Total other comprehensive income for the year		261	20,421
Total comprehensive income for the year		16,581	57,502
Total comprehensive income attributable to Council		16,581	57,502

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018 ¹
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	8,589	5,971
Investments	6(b)	80,012	58,871
Receivables	7	7,417	7,615
Inventories	8a	273	241
Other	8b	330	420
Current assets classified as 'held for sale'	9i	1,004	1,004
Total current assets		<u>97,625</u>	<u>74,122</u>
Non-current assets			
Investments	6(b)	5,000	24,000
Receivables	7	101	97
Infrastructure, property, plant and equipment	10(a)	972,440	958,902
Investment property	11a	4,300	4,150
Total non-current assets		<u>981,841</u>	<u>987,149</u>
TOTAL ASSETS		<u>1,079,466</u>	<u>1,061,271</u>
LIABILITIES			
Current liabilities			
Payables	12	7,944	6,033
Income received in advance	12	1,305	1,301
Borrowings	12	1,693	1,629
Provisions	13	7,073	6,188
Total current liabilities		<u>18,015</u>	<u>15,151</u>
Non-current liabilities			
Borrowings	12	19,129	20,821
Provisions	13	7,411	6,969
Total non-current liabilities		<u>26,540</u>	<u>27,790</u>
TOTAL LIABILITIES		<u>44,555</u>	<u>42,941</u>
Net assets		<u>1,034,911</u>	<u>1,018,330</u>
EQUITY			
Accumulated surplus	14a	385,654	369,334
Revaluation reserves	14a	649,257	648,996
Council equity interest		<u>1,034,911</u>	<u>1,018,330</u>
Total equity		<u>1,034,911</u>	<u>1,018,330</u>

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2019

\$ '000	Notes	2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		369,334	648,996	1,018,330	332,253	628,575	960,828
Restated opening balance		369,334	648,996	1,018,330	332,253	628,575	960,828
Net operating result for the year		16,320	–	16,320	37,081	–	37,081
Restated net operating result for the period		16,320	–	16,320	37,081	–	37,081
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10(a)	–	261	261	–	20,421	20,421
Other comprehensive income		–	261	261	–	20,421	20,421
Total comprehensive income		16,320	261	16,581	37,081	20,421	57,502
Equity – balance at end of the reporting period		385,654	649,257	1,034,911	369,334	648,996	1,018,330

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
<u>Receipts</u>				
34,281	Rates and annual charges		35,171	33,492
14,652	User charges and fees		15,007	15,483
1,390	Investment and interest revenue received		2,622	2,635
23,789	Grants and contributions		25,424	32,338
–	Bonds, deposits and retention amounts received		305	420
909	Other		(327)	6,558
<u>Payments</u>				
(24,315)	Employee benefits and on-costs		(23,612)	(22,443)
(11,268)	Materials and contracts		(11,824)	(14,559)
(1,460)	Borrowing costs		(1,557)	(2,222)
–	Bonds, deposits and retention amounts refunded		–	(269)
(6,202)	Other		(5,002)	(8,918)
31,776	Net cash provided (or used in) operating activities	15b	36,207	42,515
Cash flows from investing activities				
<u>Receipts</u>				
–	Sale of investment securities		85,902	75,806
2,451	Sale of infrastructure, property, plant and equipment		1,584	412
<u>Payments</u>				
–	Purchase of investment securities		(88,041)	(71,857)
–	Purchase of investment property		(278)	(112)
(59,163)	Purchase of infrastructure, property, plant and equipment		(31,128)	(37,541)
(56,712)	Net cash provided (or used in) investing activities		(31,961)	(33,292)
Cash flows from financing activities				
<u>Receipts</u>				
14,760	Proceeds from borrowings and advances		–	–
<u>Payments</u>				
(1,629)	Repayment of borrowings and advances		(1,628)	(9,949)
13,131	Net cash flow provided (used in) financing activities		(1,628)	(9,949)
(11,805)	Net increase/(decrease) in cash and cash equivalents		2,618	(726)
6,697	Plus: cash and cash equivalents – beginning of year	15a	5,971	6,697
(5,108)	Cash and cash equivalents – end of the year	15a	8,589	5,971
Additional Information:				
–	plus: Investments on hand – end of year	6(b)	85,012	82,871
(5,108)	Total cash, cash equivalents and investments		93,601	88,842

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 03/09/2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note - Changes to Accounting policies due to adoption of new Accounting Standards

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the 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 include:

- estimated fair values of investment properties
- estimated fair values of infrastructure, property, plant and equipment – refer Note 10
- estimated tip remediation provisions
- employee benefit provisions

Significant judgements in applying the council's accounting policies

- Impairment of receivables

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Council has made a significant judgement about the impairment of a number of its receivables – refer [Note 7](#).

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), 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.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations
- Domestic Waste Management Fund
- Water Supply Fund
- Sewerage service Fund
- !

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (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 reports.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

Council needs to enter custom text here : Pre-amble !

Notes to the Financial Statements
for the year ended 30 June 2019

Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Civic Leadership	26,850	26,019	14,910	11,135	11,940	14,884	5,174	5,227	–	52,405
Community	1,581	5,375	9,040	9,260	(7,459)	(3,885)	2,611	3,433	–	59,111
Economy	264	327	2,394	1,843	(2,130)	(1,516)	49	–	–	3,315
Environment	10,378	13,308	8,858	9,668	1,520	3,640	1,222	674	–	77,480
Infrastructure	25,836	52,346	26,881	28,388	(1,045)	23,958	3,604	10,543	–	868,960
Other	–	–	–	–	–	–	–	(489)	1,079,466	–
Total functions and activities	64,909	97,375	62,083	60,294	2,826	37,081	12,660	19,388	1,079,466	1,061,271

Notes to the Financial Statements

for the year ended 30 June 2019

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:

Civic Leadership

Our Leadership - Council administration including executive management, Councillor expenses, human resources, financial services, organisational overheads and oncosts, information and technology, customer service and administrative support. Governance such as access to information, code of conduct, legal services, insurances and policies and procedures.

Community

Our Community - Community services and education, including development, youth services, aged and disabled services; Community amenities such as public cemeteries, public conveniences and street lighting; Recreation and cultural services including, public library, art gallery and museums, community halls, sporting grounds and venues, swimming pool, parks and gardens, and other sport and recreation.

Economy

Our Economy - Economic affairs including marketing, visitor information and events, strategic planning and property management.

Environment

Our Environment - Activities such as public health, noxious plants and animal control, solid waste management, street cleaning, drainage and stormwater management, other environmental protection activities.

Infrastructure

Our Infrastructure - Includes the following networks; sewerage services, water supplies, bridges, footpaths, parking areas, sealed and unsealed roads, urban street, rural and regional roads.

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	12,972	12,386
Farmland	2,486	2,424
Business	4,505	4,418
Less: pensioner rebates (mandatory)	(447)	(448)
Rates levied to ratepayers	19,516	18,780
Pensioner rate subsidies received	244	242
Total ordinary rates	19,760	19,022
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	3,729	3,453
Water supply services	2,358	2,228
Sewerage services	9,148	9,121
Waste management services (non-domestic)	417	362
Less: pensioner rebates (mandatory)	(452)	(442)
Annual charges levied	15,200	14,722
Pensioner subsidies received:		
– Water	91	93

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
– Sewerage	88	90
– Domestic waste management	67	64
Total annual charges	15,446	14,969
TOTAL RATES AND ANNUAL CHARGES	35,206	33,991

Council has used 01/07/2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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.

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
<small>(per s.502 - specific 'actual use' charges)</small>		
Water supply services	6,950	6,566
Sewerage services	1,896	1,877
Waste management services (non-domestic)	1,346	1,244
Total specific user charges	10,192	9,687
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building regulation	227	355
Planning and building regulation	765	1,064
Private works – section 67	112	175
Regulatory/ statutory fees	118	97
Section 10.7 certificates (EP&A Act)	76	52
Section 603 certificates	59	52
Total fees and charges – statutory/regulatory	1,357	1,795
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	251	285
Library and art gallery	44	47
Swimming centres	537	514
Waste disposal tipping fees	2,140	1,841
Aged and disabled services	215	181
Hire of council properties	101	94
Sports stadium/recreation facilities	104	114
Animal Impounding	16	23
Other	116	182
Total fees and charges – other	3,524	3,281
TOTAL USER CHARGES AND FEES	15,073	14,763

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

(c) Interest and investment revenue (including losses)**Interest on financial assets measured at amortised cost**

– Overdue rates and annual charges (incl. special purpose rates)	77	76
– Cash and investments	2,366	2,357
Fair value adjustments		
– Movements in investments at fair value through profit and loss	3	6
– Movements in investments (other)	1	4
Amortisation of premiums and discounts		
– ‘Held to maturity’ investments	(1)	(1)
TOTAL INTEREST AND INVESTMENT REVENUE	2,446	2,442

Interest revenue is attributable to:**Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	34	35
General Council cash and investments	406	648

Restricted investments/funds – external:

Development contributions		
– Section 7.11	166	165
– Section 64	212	209
Water fund operations	743	673
Sewerage fund operations	798	647
Domestic waste management operations	87	65
Total interest and investment revenue	2,446	2,442

Accounting policy for interest and investment revenue

Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

\$ '000	Notes	2019	2018
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(d) Other revenues

Rental income – investment property	11	246	208
Rental income – other council properties		117	76
Fines – parking		115	26
Fines – other		7	2
Legal fees recovery – rates and charges (extra charges)		117	139
Commissions and agency fees		5	7
Diesel rebate		111	104
Insurance claims recoveries		13	2
Sales – general		779	412
Insurance rebates		111	108
Southern phone dividend		31	31
Employee contributions		132	130
Gravel pit royalties		–	31
Other		138	99

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2019	2018
TOTAL OTHER REVENUE		1,922	1,375

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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

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

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance	2,538	2,440	–	–
Payment in advance - future year allocation				
Financial assistance	2,631	2,504	–	–
Total general purpose	5,169	4,944	–	–
Specific purpose				
Water supplies	85	–	–	–
Sewerage services	–	–	–	6,000
Bushfire and emergency services	181	146	–	–
Community care	176	176	–	129
Economic development	–	30	–	–
Employment and training programs	5	12	–	–
Environmental programs	254	294	198	–
Heritage and cultural	104	101	975	394
Library – per capita	88	114	–	–
LIRS subsidy	74	88	–	–
Noxious weeds	491	109	–	–
Recreation and culture	159	33	1,646	2,258
Street lighting	157	157	–	–
Transport (roads to recovery)	503	2,213	–	–
Transport (other roads and bridges funding)	62	–	2,285	2,139
Road safety initiatives	48	51	–	–
Total specific purpose	2,387	3,524	5,104	10,920

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000		Operating 2019	Operating 2018	Capital 2019	Capital 2018
Total grants		7,556	8,468	5,104	10,920
Grant revenue is attributable to:					
– Commonwealth funding		5,750	5,115	1,694	6,065
– State funding		1,709	3,306	3,410	4,855
– Other funding		97	47	–	–
		7,556	8,468	5,104	10,920
\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		1,072	895	332	885
S 7.12 – fixed development consent levies		390	624	–	–
S 64 – water supply contributions		–	–	1,063	2,976
S 64 – sewerage service contributions		–	–	1,757	3,904
S 64 – stormwater contributions		–	–	252	(42)
Total developer contributions – cash		1,462	1,519	3,404	7,723
Non-cash contributions					
S 7.11 – contributions towards amenities/services		–	–	1,188	5,681
S 64 – water supply contributions		–	–	415	2,069
S 64 – sewerage service contributions		–	–	577	3,344
S 64 – stormwater contributions		–	–	1,497	3,391
Total developer contributions non-cash		–	–	3,677	14,485
Total developer contributions	22	1,462	1,519	7,081	22,208
Other contributions:					
Cash contributions					
Heritage/cultural		106	123	16	–
Other councils – joint works/services		17	17	–	–
Recreation and culture		6	–	–	20
Roads and bridges		–	–	55	–
RMS contributions (regional roads, block grant)		519	599	–	–
Sewerage (excl. section 64 contributions)		–	–	35	–
Water supplies (excl. section 64 contributions)		–	–	369	266
Other		65	79	–	–
Veolia host fee		664	585	–	–
Total other contributions – cash		1,377	1,403	475	286
Total other contributions		1,377	1,403	475	286
Total contributions		2,839	2,922	7,556	22,494
TOTAL GRANTS AND CONTRIBUTIONS		10,395	11,390	12,660	33,414

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

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 un-discharged at reporting date, the unused grant or contribution is disclosed above.

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon 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 liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

\$ '000	2019	2018
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(g) Unspent grants and contributions**Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:****Operating grants**

Unexpended at the close of the previous reporting period	561	549
Add: operating grants recognised in the current period but not yet spent	1,144	435
Add: operating grants received for the provision of goods and services in a future period	–	–
Less: operating grants recognised in a previous reporting period now spent	(206)	(423)
Unexpended and held as restricted assets (operating grants)	1,499	561

Control over operating grants is normally obtained up their receipt and is valued at the fair value of the grant at the date of the transfer.

Capital grants

Unexpended at the close of the previous reporting period	3,035	1,223
Add: capital grants recognised in the current period but not yet spent	1,811	2,781
Add: capital grants received for the provision of goods and services in a future period	–	–
Less: capital grants recognised in a previous reporting period now spent	(704)	(969)
Unexpended and held as restricted assets (capital grants)	4,142	3,035

Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular asset and those conditions were un-discharged at reporting date, the unused grant is disclosed above.

Contributions

Unexpended at the close of the previous reporting period	16,996	16,031
Add: contributions recognised in the current period but not yet spent	5,239	9,273
Add: contributions received for the provision of goods and services in a future period	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–
	(2,350)	(8,308)

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
Less: contributions recognised in a previous reporting period now spent	(2,350)	(8,308)
Unexpended and held as restricted assets (contributions)	<u>19,885</u>	<u>16,996</u>

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

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	17,703	18,180
Travel expenses	22	12
Employee leave entitlements (ELE)	4,513	2,028
Superannuation	2,144	2,039
Workers' compensation insurance	862	665
Fringe benefit tax (FBT)	69	81
Payroll tax	144	143
Training costs (other than salaries and wages)	368	251
Protective clothing	101	94
Recruitment	161	137
Other	85	68
Total employee costs	<u>26,172</u>	<u>23,698</u>
Less: capitalised costs	(1,586)	(1,270)
TOTAL EMPLOYEE COSTS EXPENSED	<u>24,586</u>	<u>22,428</u>
Number of 'full-time equivalent' employees (FTE) at year end	290	267

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

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.

Superannuation 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.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 19 for more information.

\$ '000	Notes	2019	2018
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(b) Borrowing costs**(i) Interest bearing liability costs**

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
Interest on loans		1,453	2,119
Total interest bearing liability costs expensed		1,453	2,119
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	13	98	98
Total other borrowing costs		98	98
TOTAL BORROWING COSTS EXPENSED		1,551	2,217

Accounting policy for borrowing costs

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

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	3,734	3,405
Contractor and consultancy costs	7,071	7,460
Auditors remuneration ²	65	77
Legal expenses:		
– Legal expenses: planning and development	392	118
– Legal expenses: debt recovery	119	146
– Legal expenses: other	126	86
Operating leases:		
– Operating lease rentals: minimum lease payments ¹	169	3
Total materials and contracts	11,676	11,295
TOTAL MATERIALS AND CONTRACTS	11,676	11,295

Accounting policy for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee 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.

1. Operating lease payments are attributable to:

Buildings	148	–
Other	21	3
	169	3

2. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:**Total Auditor-General remuneration**

–	–
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Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Audit and review of financial statements	65	77
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
Remuneration for audit and other assurance services	65	77
Total remuneration of non NSW Auditor-General audit firms	65	77
Total Auditor remuneration	65	77

\$ '000	Notes	2019	2018
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(d) Depreciation, amortisation and impairment of intangible assets and IPP&E

Depreciation and amortisation

Plant and equipment		972	958
Office equipment		597	521
Furniture and fittings		54	42
Land improvements (depreciable)		63	53

Infrastructure:

– Buildings – non-specialised		1,584	1,345
– Other structures		173	153
– Roads		7,199	7,040
– Bridges		443	430
– Footpaths		203	186
– Stormwater drainage		941	904
– Water supply network		3,146	3,058
– Sewerage network		1,605	1,729
– Swimming pools		54	43
– Other open space/recreational assets		198	140

Other assets:

– Library books		147	183
– Other		19	13

Reinstatement, rehabilitation and restoration assets:

– Tip assets	10(a),13	184	184
– Quarry assets	10(a),13	7	8

Total gross depreciation and amortisation costs

		17,589	16,990
Total depreciation and amortisation costs		17,589	16,990

TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E

		17,589	16,990
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Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets.

Impairment of non-financial assets

Other assets are tested 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

\$ '000	2019	2018
(e) Other expenses		
Advertising	223	204
Bad and doubtful debts	62	–
Bank charges	175	169
Contributions/levies to other levels of government		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	41	17
– NSW fire brigade levy	109	110
– NSW rural fire service levy	301	309
Councillor expenses – mayoral fee	43	42
Councillor expenses – councillors' fees	178	174
Councillors' expenses (incl. mayor) – other (excluding fees above)	15	19
Donations, contributions and assistance to other organisations (Section 356)	226	360
Electricity and heating	1,413	1,050
Insurance	1,125	1,023
Postage	121	137
Printing and stationery	174	154
Street lighting	691	557
Subscriptions and publications	170	148
Telephone and communications	264	239
Valuation fees	124	134
Other	142	133
Total other expenses	5,597	4,979
TOTAL OTHER EXPENSES	5,597	4,979

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		1,276	–
Less: carrying amount of property assets sold/written off		(410)	(341)
Net gain/(loss) on disposal		866	(341)
Plant and equipment			
Proceeds from disposal – plant and equipment	10(a)	308	412
Less: carrying amount of plant and equipment assets sold/written off		(268)	(206)
Net gain/(loss) on disposal		40	206

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Infrastructure	10(a)		
Less: carrying amount of infrastructure assets sold/written off		(1,160)	(2,188)
Net gain/(loss) on disposal		<u>(1,160)</u>	<u>(2,188)</u>
Investments	6(b)		
Proceeds from disposal/redemptions/maturities – investments		85,902	75,806
Less: carrying amount of investments sold/redeemed/matured		(85,903)	(75,806)
Net gain/(loss) on disposal		<u>(1)</u>	<u>–</u>
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		<u>(255)</u>	<u>(2,323)</u>

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	1,939	2,220
Cash-equivalent assets		
– Deposits at call	6,650	3,751
Total cash and cash equivalents	<u>8,589</u>	<u>5,971</u>

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	2,012	–	2,011	–
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	78,000	5,000	56,860	24,000
Total Investments	<u>80,012</u>	<u>5,000</u>	<u>58,871</u>	<u>24,000</u>
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	<u>88,601</u>	<u>5,000</u>	<u>64,842</u>	<u>24,000</u>

Financial assets at fair value through the profit and loss

NCD's, FRN's (with maturities > 3 months)	2,012	–	2,011	–
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total	2,012	–	2,011	–
Financial assets at amortised cost / held to maturity (2018)				
Long term deposits	78,000	5,000	56,852	24,000
Other long term financial assets	–	–	8	–
Total	78,000	5,000	56,860	24,000

	Fair value at 30/06/19	Dividend income recognised during 1/7/18 – 30/6/19
Total	–	–

Financial assets designated as at fair value through other comprehensive income

At 1 July 2018, Council designated the investments shown below as financial assets as at fair value through other comprehensive income because these financial assets represent investments that the Council intends to hold for the long-term for strategic purposes. In 2018, these investments were classified as available for sale.

Total	–	–
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Council needs to enter custom text here : Details !

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

(b) Held to maturity investments

Council needs to enter custom text here : (b) Held to maturity investments !

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Impairment of financial assets

Council assesses at the end of each reporting period 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Impairment of available for sale investments

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	88,601	5,000	64,842	24,000
attributable to:				
External restrictions	70,355	5,000	44,295	24,000
Internal restrictions	17,220	–	15,667	–
Unrestricted	1,026	–	4,880	–
	88,601	5,000	64,842	24,000

\$ '000	2019	2018
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended loans – water	138	938
Employee leave entitlements – domestic waste	276	226
Employee leave entitlements – sewerage	605	717
Employee leave entitlements – water	649	534
External restrictions – included in liabilities	1,668	2,415

External restrictions – other

Developer contributions – general	6,507	6,150
Developer contributions – water fund	7,404	6,567
Developer contributions – sewer fund	5,974	4,279
Specific purpose unexpended grants	4,835	3,321
Specific purpose unexpended grants-water fund	85	–
Water supplies	20,568	18,195
Water supplies – incomplete works	1,566	499
Sewerage services	17,457	14,625
Sewerage services – incomplete works	7,372	10,213
Domestic waste management	1,198	1,756
Specific purpose unexpended grants – DWM	721	275
External restrictions – other	73,687	65,880

Total external restrictions

	75,355	68,295
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Internal restrictions

Plant and vehicle replacement	2,134	2,014
Employees leave entitlement	1,066	1,066
Asset management	60	145
Bridges	963	933
Buildings	(53)	189
Cemeteries	51	6
Collex/Veolia host fee	911	631

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details (continued)

\$ '000	2019	2018
Community assistance scheme	230	286
Election reserve	80	40
Energy efficiency	5	5
Environment	1,001	873
Fife place foot	–	90
Financial Assistance Grant	2,632	2,504
Gallery	96	138
Insurance rebates	137	160
Library development	346	361
Local roads/infrastructure	1,579	1,854
Marulan hall	138	138
Museums	1,343	1,104
Outdoor pool renewal	1,078	373
Performing arts	885	452
Proceeds from land sales	120	–
Public entertainment venue	509	280
Risk management	200	139
Social plan	61	73
Special projects	25	129
Strategic planning	308	374
Technology	93	92
Tip replacement	263	188
Tourism	100	145
Training	131	158
Seiffert Oval Pavillion	400	400
Landscaped Areas	278	102
Wollondilly Walking Track	–	175
Other	50	50
Total internal restrictions	17,220	15,667
TOTAL RESTRICTIONS	92,575	83,962

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	976	98	920	86
Interest and extra charges	26	3	34	11
User charges and fees	1,062	–	973	–
Accrued revenues				
– Interest on investments	880	–	1,043	–
– Other income accruals	3,253	–	1,841	–
Government grants and subsidies	–	–	2,369	–
Net GST receivable	1,234	–	422	–
Other debtors	52	–	16	–
Total	7,483	101	7,618	97
Less: provision of impairment				
Rates and annual charges	(33)	–	–	–
User charges and fees	(19)	–	–	–

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Other debtors	(14)	–	(3)	–
Total provision for impairment – receivables	(66)	–	(3)	–
TOTAL NET RECEIVABLES	7,417	101	7,615	97

Externally restricted receivables**Water supply**

– Rates and availability charges	97	4	97	8
– Other	1,529	34	1,594	24

Sewerage services

– Rates and availability charges	356	14	338	32
– Other	602	28	633	7

Domestic waste management	72	5	97	4
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Total external restrictions	2,656	85	2,759	75
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Unrestricted receivables	4,761	16	4,856	22
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TOTAL NET RECEIVABLES	7,417	101	7,615	97
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\$ '000	2019	2018
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Movement in provision for impairment of receivables

Balance at the beginning of the year (calculated in accordance with AASB 139)	3	3
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Balance at the end of the period	3	3
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Accounting policy for receivables**Recognition and measurement**

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment**Accounting policy under AASB 9 applicable from 1 July 2018**

Council needs to enter custom text here : Accounting policy under AASB 9 applicable from 1 July 2018 !

Accounting policy under AASB 139 – applicable for 2018 comparatives only

For 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.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable 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.

Rates and annual charges outstanding are secured against the property.

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	273	–	238	–
Trading stock	–	–	3	–
Total inventories at cost	273	–	241	–
TOTAL INVENTORIES	273	–	241	–

(b) Other assets

Prepayments	330	–	419	–
Other	–	–	1	–
TOTAL OTHER ASSETS	330	–	420	–

Externally restricted assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Sewerage				
Trading stock	–	–	3	–
Prepayments	58	942	–	–
Total sewerage	58	942	3	–

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total externally restricted assets	58	942	3	–
Total internally restricted assets	–	–	–	–
Total unrestricted assets	545	(942)	658	–
TOTAL INVENTORIES AND OTHER ASSETS	603	–	661	–

(i) Other disclosures

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets (continued)

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

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

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

—	—
---	---

Accounting policy for inventories and other assets**Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any 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.

Note 9. Non-current assets classified as held for sale

(i) Non-current assets and disposal group assets

\$ '000	Current 2019	Current 2018	Non-current 2019	Non-current 2018
Non-current assets 'held for sale'				
Land	855	855	—	—
Buildings	149	149	—	—
Total non-current assets 'held for sale'	<u>1,004</u>	<u>1,004</u>	<u>—</u>	<u>—</u>
Disposal group assets 'held for sale'				
a. Name of disposal group here ...				
b. Name of disposal group here ...				
Total disposal groups 'held for sale'	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'	<u>1,004</u>	<u>1,004</u>	<u>—</u>	<u>—</u>

(ii) Details of assets and disposal groups

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Non-current assets classified as held for sale (continued)

Comprising of old Nursery and Depot in Dossie Street, property to be presented to market during 2019 financial year.

(iii) Disposal group liabilities

\$ '000	Current 2019	Current 2018	Non-current 2019	Non-current 2018
Disposal group related liabilities 'held for sale'				
a. Name of disposal group here ...				
b. Name of disposal group here ...				
Total disposal groups liabilities 'held for sale'	–	–	–	–

(iv) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations

\$ '000	Assets 'held for sale' 2019	Assets 'held for sale' 2018
Opening balance	1,004	–
Balance still unsold after 12 months:	1,004	–
<u>Plus new transfers in:</u>		
– Assets 'held for sale'	–	1,004
Closing balance of 'held for sale' non-current assets and operations	1,004	1,004

(v) Reconciliation of discontinued operations related liabilities

Reconciliation of discontinued operations related liabilities is NIL. Council can choose to print NIL lines or make this note not applicable.

To print NIL lines, add some N/A text or to EXCLUDE this Note completely, just go to the **Home** page & choose one of the alternatives for this Note.

Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period							as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Tfrs from/(to) investment properties	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	28,831	–	28,831	–	9,863	–	–	(26,336)	–	–	12,358	–	12,358
Plant and equipment	18,103	(10,686)	7,417	1,456	53	(267)	(972)	–	–	–	18,154	(10,467)	7,687
Office equipment	4,285	(2,274)	2,011	547	266	(1)	(597)	–	–	–	4,053	(1,827)	2,226
Furniture and fittings	1,263	(877)	386	21	10	–	(54)	–	–	–	363	–	363
Land:													
– Operational land	22,105	–	22,105	–	–	(340)	–	–	–	–	21,765	–	21,765
– Community land	18,859	–	18,859	–	–	(69)	–	–	(110)	–	18,680	–	18,680
– Land under roads (post 30/6/08)	83	–	83	–	–	–	–	–	–	–	83	–	83
Land improvements – depreciable	2,190	(466)	1,724	–	–	–	(63)	–	–	–	2,190	(529)	1,661
Infrastructure:													
– Buildings – non-specialised	82,987	(39,009)	43,978	517	295	(233)	(1,584)	14	–	–	83,213	(40,226)	42,987
– Other structures	5,318	(1,671)	3,647	82	246	–	(173)	60	–	–	5,706	(1,844)	3,862
– Roads	575,236	(154,772)	420,464	–	7,893	(777)	(7,199)	2,223	–	(2,922)	578,627	(158,945)	419,682
– Bridges	44,157	(14,151)	30,006	–	1,193	–	(443)	967	–	–	46,316	(14,593)	31,723
– Footpaths	16,006	(2,606)	13,400	–	186	(12)	(203)	–	–	(4)	16,169	(2,802)	13,367
– Stormwater drainage	94,994	(30,138)	64,856	–	305	–	(941)	–	–	–	95,299	(31,079)	64,220
– Water supply network	304,045	(97,137)	206,908	2,748	415	(9)	(3,146)	–	–	2,824	310,845	(101,105)	209,740
– Sewerage network	166,939	(79,230)	87,709	5,395	827	(129)	(1,605)	23,055	–	363	182,807	(67,192)	115,615
– Swimming pools	1,302	(506)	796	28	–	–	(54)	–	–	–	1,331	(561)	770
– Other open space/recreational assets	3,808	(1,510)	2,298	80	166	–	(198)	17	–	–	4,070	(1,707)	2,363
Other assets:													
– Library books	967	(540)	427	110	–	–	(147)	–	–	–	1,076	(686)	390
– Other	344	(63)	281	47	64	–	(19)	–	–	–	455	(82)	373
Reinstatement, rehabilitation and restoration assets (refer Note 14):													
– Tip assets	4,538	(1,903)	2,635	–	–	–	(184)	–	–	–	4,538	(2,087)	2,451
– Quarry assets	150	(69)	81	–	–	–	(7)	–	–	–	150	(76)	74
Total Infrastructure, property, plant and equipment	1,396,510	(437,608)	958,902	11,031	21,782	(1,837)	(17,589)	–	(110)	261	1,408,248	(435,808)	972,440

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

	as at 30/6/2017	Asset movements during the reporting period	as at 30/6/2018
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment (continued)

\$ '000	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Tfrs from/(to) 'held for sale' category	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	13,225	–	13,225	17,353	1,963	–	–	(3,710)	–	–	28,831	–	28,831
Plant and equipment	17,735	(11,079)	6,656	1,898	18	(197)	(958)	–	–	–	18,103	(10,686)	7,417
Office equipment	4,261	(2,670)	1,591	684	266	(9)	(521)	–	–	–	4,285	(2,274)	2,011
Furniture and fittings	1,142	(844)	298	56	74	–	(42)	–	–	–	1,263	(877)	386
Land:													
– Operational land	17,941	–	17,941	–	–	–	–	–	(855)	5,019	22,105	–	22,105
– Community land	18,859	–	18,859	–	–	–	–	–	–	–	18,859	–	18,859
– Land under roads (post 30/6/08)	83	–	83	–	–	–	–	–	–	–	83	–	83
Land improvements – depreciable	1,713	(413)	1,300	30	447	–	(53)	–	–	–	2,190	(466)	1,724
Infrastructure:													
– Buildings – non-specialised	78,086	(45,555)	32,531	625	724	(341)	(1,345)	2,413	(149)	9,520	82,987	(39,009)	43,978
– Other structures	4,843	(1,517)	3,326	297	177	–	(153)	–	–	–	5,318	(1,671)	3,647
– Roads	565,948	(149,764)	416,184	4,848	6,914	(1,624)	(7,040)	1,182	–	–	575,236	(154,772)	420,464
– Bridges	43,008	(13,725)	29,283	556	486	(4)	(430)	115	–	–	44,157	(14,151)	30,006
– Footpaths	14,545	(2,424)	12,121	15	1,472	(22)	(186)	–	–	–	16,006	(2,606)	13,400
– Stormwater drainage	91,603	(29,233)	62,370	24	3,366	–	(904)	–	–	–	94,994	(30,138)	64,856
– Water supply network	294,860	(92,229)	202,631	1,210	2,112	(181)	(3,058)	–	–	4,194	304,045	(97,137)	206,908
– Sewerage network	160,434	(77,006)	83,428	1,293	3,386	(357)	(1,729)	–	–	1,688	166,939	(79,230)	87,709
– Swimming pools	1,207	(480)	727	112	–	–	(43)	–	–	–	1,302	(506)	796
– Other open space/recreational assets	2,567	(1,371)	1,196	68	1,174	–	(140)	–	–	–	3,808	(1,510)	2,298
Other assets:													
– Library books	920	(458)	462	139	9	–	(183)	–	–	–	967	(540)	427
– Other	279	(50)	229	–	65	–	(13)	–	–	–	344	(63)	281
Reinstatement, rehabilitation and restoration assets (refer Note 14):													
– Tip assets	4,538	(1,719)	2,819	–	–	–	(184)	–	–	–	4,538	(1,903)	2,635
– Quarry assets	150	(61)	89	–	–	–	(8)	–	–	–	150	(69)	81
Total Infrastructure, property, plant and equipment	1,337,947	(430,598)	907,349	29,208	22,653	(2,735)	(16,990)	–	(1,004)	20,421	1,396,510	(437,608)	958,902

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW).

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		Stormwater assets	
Water and sewer assets		Drains	80 to 100
Dams and reservoirs	80 to 100	Culverts	50 to 80
Bores	20 to 40	Flood control structures	80 to 100
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	20
Sealed roads: surface	20	Swimming pools	50
Sealed roads: structure	50	Unsealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	40		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

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.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment (continued)

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

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

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting 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 firefighting equipment has been purchased or constructed". Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land, buildings, plant and vehicles.

Note 10(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	2019			2018		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
Plant and equipment	–	–	–	511	394	117
Office equipment	–	–	–	7	7	–
Furniture and fittings	–	–	–	4	4	–
Land						
– Operational land	–	–	–	2,137	–	2,137
– Improvements – depreciable	–	–	–	397	114	283
Buildings	–	–	–	1,310	923	387
Other structures	–	–	–	18	12	6
Infrastructure	–	–	–	304,045	97,137	206,908
Total water supply	–	–	–	308,429	98,591	209,838
Sewerage services						
WIP	–	–	–	23,118	–	23,118
Plant and equipment	–	–	–	356	299	57
Furniture and fittings	–	–	–	5	5	–
Land						
– Operational land	–	–	–	6,645	–	6,645
– Community land	–	–	–	143	–	143
Buildings	–	–	–	1,992	1,586	406
Other structures	–	–	–	35	23	12
Infrastructure	–	–	–	166,939	79,230	87,709
Total sewerage services	–	–	–	199,233	81,143	118,090
Domestic waste management						
Plant and equipment	–	–	–	8	8	–
Other structures	–	–	–	29	10	19
Total DWM	–	–	–	37	18	19
TOTAL RESTRICTED I,PP&E	–	–	–	507,699	179,752	327,947

Note 10(c). Infrastructure, property, plant and equipment – current year impairments

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(c). Infrastructure, property, plant and equipment – current year impairments

\$ '000	Notes	2019	2018
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Infrastructure, property, plant and equipment – current year impairments is NIL. Council can choose to print NIL lines or make this note not applicable.

To print NIL lines, add some N/A text or to EXCLUDE this Note completely, just go to the **Home** page & choose one of the alternatives for this Note.

Note 11. Investment property

\$ '000	2019	2018
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(a) Investment property at fair value

Investment property on hand	4,300	4,150
Reconciliation of annual movement:		
Opening balance	4,150	4,100
– Capitalised expenditure – this year	168	112
– Net gain/(loss) from fair value adjustments	(128)	(62)
– Transfers from/(to) owner occupied (Note 10)	110	–
CLOSING BALANCE – INVESTMENT PROPERTY	4,300	4,150

(b) Valuation basis

The basis of valuation of investment property is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2019 revaluations were based on independent assessments made by: Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton. FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.

(d) Leasing arrangements – Council as lessor

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	172	215
Later than 1 year but less than 5 years	748	756
Later than 5 years	204	260
Total minimum lease payments receivable	1,124	1,231

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Investment property (continued)

\$ '000	2019	2018
(e) Investment property income and expenditure – summary		
Rental income from investment property:		
– Minimum lease payments	246	208
Net revenue contribution from investment property	246	208
plus:		
Fair value movement for year	(128)	(62)
Total income attributable to investment property	118	146

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

Note 12. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	570	–	686	–
Goods and services – capital expenditure	2,284	–	708	–
Accrued expenses:				
– Borrowings	184	–	190	–
– Salaries and wages	326	–	581	–
– Other expenditure accruals	3,390	–	2,523	–
Security bonds, deposits and retentions	1,189	–	884	–
Subsidised scheme	–	–	36	–
Other	1	–	425	–
Total payables	7,944	–	6,033	–
Income received in advance				
Payments received in advance	1,305	–	1,301	–
Total income received in advance	1,305	–	1,301	–
Borrowings				
Loans – secured ¹	1,693	19,129	1,629	20,821
Total borrowings	1,693	19,129	1,629	20,821
TOTAL PAYABLES AND BORROWINGS	10,942	19,129	8,963	20,821

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Payables and borrowings relating to restricted assets				
Externally restricted assets				
Water	1,991	13,102	1,068	13,579
Sewer	1,369	3,434	611	3,941
Domestic waste management	56	–	29	–
Payables and borrowings relating to externally restricted assets	3,416	16,536	1,708	17,520
Total payables and borrowings relating to restricted assets	3,416	16,536	1,708	17,520
Total payables and borrowings relating to unrestricted assets	7,526	2,593	7,255	3,301
<u>TOTAL PAYABLES AND BORROWINGS</u>	10,942	19,129	8,963	20,821

\$ '000	2019	2018
(b) Current payables and borrowings not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	884	705
Total payables and borrowings	884	705

(c) Changes in liabilities arising from financing activities

\$ '000	as at 30/6/2018	Non-cash changes				as at 30/6/2019
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance
Loans – secured	22,450	(1,628)	–	–	–	20,822
TOTAL	22,450	(1,628)	–	–	–	20,822

\$ '000	as at 30/6/2017	Non-cash changes				as at 30/6/2018
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance
Loans – secured	32,399	(9,949)	–	–	–	22,450
TOTAL	32,399	(9,949)	–	–	–	22,450

\$ '000	2019	2018
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

\$ '000	2019	2018
(d) Financing arrangements		
(i) Unrestricted access was available at balance date to the following lines of credit:		
Credit cards/purchase cards	110	110
Total financing arrangements	110	110
Undrawn facilities as at balance date:		
– Credit cards/purchase cards	110	110
Total undrawn financing arrangements	110	110

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

Payables

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

Note 13. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	2,060	–	1,760	–
Sick leave	43	–	59	–
Long service leave	4,941	674	4,347	330
Other leave	29	–	22	–
Sub-total – aggregate employee benefits	7,073	674	6,188	330
Asset remediation/restoration:				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions (continued)

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Goulburn tip	–	6,435	–	6,341
Gravel pits	–	302	–	298
Sub-total – asset remediation/restoration	–	6,737	–	6,639
TOTAL PROVISIONS	7,073	7,411	6,188	6,969

(a) Provisions relating to restricted assets

Externally restricted assets

Water	584	64	675	42
Sewer	550	55	507	27
Domestic waste management	251	25	214	12
Provisions relating to externally restricted assets	1,385	144	1,396	81
Total provisions relating to restricted assets	1,385	144	1,396	81
Total provisions relating to unrestricted assets	5,688	7,267	4,792	6,888
TOTAL PROVISIONS	7,073	7,411	6,188	6,969

\$ '000	2019	2018
---------	------	------

(b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	4,881	3,591
	4,881	3,591

(c) Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	Other employee benefits	
2019					
At beginning of year	1,760	59	4,677	22	6,518
Other	300	(16)	938	8	1,230
Total ELE provisions at end of period	2,060	43	5,615	30	7,748
2018					
At beginning of year	1,794	56	4,812	14	6,676
Additional provisions	1,307	3	388	7	1,705
Amounts used (payments)	(1,373)	(1)	(555)	–	(1,929)
Remeasurement effects	32	1	32	–	65
Other	–	–	–	1	1
Total ELE provisions at end of period	1,760	59	4,677	22	6,518

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions (continued)

\$ '000	Other provisions	
	Asset remediation	Total
2019		
At beginning of year	6,639	6,639
Other	98	98
Total other provisions at end of period	6,737	6,737
2018		
At beginning of year	6,541	6,541
Unwinding of discount	98	98
Total other provisions at end of period	6,639	6,639

Nature and purpose of non-employee benefit provisions

Council needs to enter custom text here : Nature and purpose of non-employee benefit provisions !

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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.

Employee benefits**Short-term obligations**

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions (continued)

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries

	Provision \$000	Years to remediation
Goulburn Tip	\$5,549	14
Marulan Tip	\$792	32
Gravel Pits	\$298	11

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and 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. The 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, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

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 reporting 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 reporting 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.

Other movements in the provisions for close-down and restoration 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.

Close-down and restoration 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.

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves**Infrastructure, property, plant and equipment revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Fair value through other comprehensive income reserve (FVOCI)

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

Available for sale investments revaluation reserve (2018 only)

Changes in fair value are taken to the available-for-sale investments revaluation reserve, amounts are recognised in profit and loss when the associated assets are sold or impaired.

Other reserves

Council needs to enter custom text here : Other reserves !

(b) Correction of errors relating to a previous reporting period

Nature of prior-period error

Council needs to enter custom text here : Nature of prior-period error !

Council needs to enter custom text here : PLUS EITHER: !

Changes to the opening Statement of Financial Position at 1 July 2017

Statement of Financial Position

Adjustments to the comparative figures for the year ended 30 June 2018

Statement of Financial Position

Income Statement

Statement of Comprehensive Income

(c) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income – equity instruments

Measurement of equity instruments

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Adjustments to the current year figures for the year ended 30 June 2019**Statement of Financial Position****Transition adjustments**

The impacts to reserves and retained earnings on adoption of AASB 9 at 1 July 2018 are shown below:

Council needs to enter custom text here :
 Explanations for all significant transition adjustments
 in the table above !

Transition adjustments

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at 1 July 2018.

\$ '000	Classific- ation under AASB 139	Classific- ation under AASB 9	Carrying amount under AASB 139	Reclassi- fication	Remeasu- rements	Carrying amount under AASB 9
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Notes to the table above**Reclassify investments from 'available for sale' to FVOCI–equity**

Council needs to enter custom text here : Reclassify investments from 'available for sale' to FVOCI–equity !

Reclassification from FVTPL to FVOCI–equity

Council needs to enter custom text here : Reclassification from FVTPL to FVOCI–equity !

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Reclassification from 'held to maturity' to 'amortised cost'

Council needs to enter custom text here : Reclassification from 'held to maturity' to 'amortised cost' !

(d) Changes in accounting policies due to adoption of new accounting standards (retrospective)

Changes in accounting policies due to adoption of new accounting accounting standard (retrospective)

Council needs to enter custom text here : Changes in accounting policies due to adoption of new accounting accounting standard (retrospective) !

Council needs to enter custom text here : PLUS EITHER: !

Changes to the opening Statement of Financial Position at 1 July 2017

Statement of Financial Position

Adjustments to the comparative figures for the year ended 30 June 2018

Statement of Financial Position

Income Statement

Statement of Comprehensive Income

(e) Voluntary changes in accounting policies

Nature of changes in accounting policies

Council needs to enter custom text here : Nature of changes in accounting policies !

Council needs to enter custom text here : PLUS EITHER: !

Changes to the opening Statement of Financial Position at 1 July 2017

Statement of Financial Position

Adjustments to the comparative figures for the year ended 30 June 2018

Statement of Financial Position

Income Statement

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Statement of Comprehensive Income

(f) Changes in accounting estimates

Nature and effect of changes in accounting estimates on current year

Provide details of the accounting estimate change/s here and the dollar effect/s on the current year.

Nature and effect of changes in accounting estimates on future years

Provide details of the accounting estimate change/s impact/s on future years.

Note 15. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	8,589	5,971
Balance as per the Statement of Cash Flows		8,589	5,971
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		16,320	37,081
Adjust for non-cash items:			
Depreciation and amortisation		17,589	16,990
Net losses/(gains) on disposal of assets		255	2,323
Non-cash capital grants and contributions		–	(14,485)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		(4)	(10)
– investment property		128	62
Amortisation of premiums, discounts and prior period fair valuations			
– Financial assets at amortised cost / held to maturity (2018)		1	1
Unwinding of discount rates on reinstatement provisions		–	98
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		131	2,143
Increase/(decrease) in provision for impairment of receivables		63	–
Decrease/(increase) in inventories		(32)	(22)
Decrease/(increase) in other current assets		90	(82)
Increase/(decrease) in payables		(116)	(2,112)
Increase/(decrease) in accrued interest payable		(6)	(103)
Increase/(decrease) in other accrued expenses payable		612	224
Increase/(decrease) in other liabilities		(151)	565
Increase/(decrease) in provision for employee benefits		1,229	(158)
Increase/(decrease) in other provisions		98	–
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		36,207	42,515

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Statement of cash flows - additional information (continued)

\$ '000	2019	2018
(c) Non-cash investing and financing activities		
Developer contributions 'in kind'	–	14,485
Total non-cash investing and financing activities	–	14,485

(d) Net cash flows attributable to discontinued operations

Please refer to Note 22 for details of cash flows that relate to discontinued operations

Note 16. Commitments

\$ '000	2019	2018
(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 and equipment		
Buildings	1,695	901
Other structures	468	2,023
Plant and equipment	2,394	387
Roads infrastructure	1,419	2,871
Waste water infrastructure	589	3,322
Water infrastructure	334	708
Investment property		
– Buildings	–	114
Total commitments	6,899	10,326
These expenditures are payable as follows:		
Within the next year	6,899	10,326
Total payable	6,899	10,326
Sources for funding of capital commitments:		
Unrestricted general funds	1,459	2,682
Future grants and contributions	–	2,000
Unexpended grants	4,068	923
Externally restricted reserves	1,294	2,031
Internally restricted reserves	78	2,690
Total sources of funding	6,899	10,326

Details of capital commitments

Council has a number of capital projects that have been commenced but not completed. The funding for these projects has been allocated and the majority will be completed within the 2019/20.

(b) Finance lease commitments**(ii) Finance lease liability recognised represent:**

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Commitments (continued)

Total finance lease liabilities disclosed	—	—
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(iii) General details

Council leases the following property, plant and equipment under finance leases:

\$ '000	Term	Option to	Contingent	2019	2018
	(years)	purchase	rent		
	2019	2019	clauses		
Computers – carrying value	–	y/n	y/n	–	–
Motor vehicles – carrying value	–	y/n	y/n	–	–
Heavy plant – carrying value	–	y/n	y/n	–	–
Other equipment/assets	–	y/n	y/n	–	–
Total carrying value at period end				–	–

Additional details

Council needs to enter custom text here : Additional details !

(c) Operating lease commitments (non-cancellable)**a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:**

Total non-cancellable operating lease commitments	—	—
--	---	---

b. Non-cancellable operating leases include the following assets:

Council needs to enter custom text here : Assets leased and lease terms !

Conditions relating to finance and operating leases:

- All finance 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

Non-capital expenditure on investment properties committed for at the reporting date but not recognised in the financial statements as liabilities:

(e) Investment in joint operations – commitments

For capital commitments and other commitments relating to investments in joint operations, refer to Note 17 (c)

Note 17. Contingencies and other assets/liabilities not recognised

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Contingencies and other assets/liabilities not recognised (continued)

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2018 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2018.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$ 399,986.75. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2018, and covers the period ended 30 June 2018.

Council's expected contribution to the plan for the next annual reporting period is \$371,724.28.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Contingencies and other assets/liabilities not recognised (continued)

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

* excluding member accounts and reserves in both assets and liabilities.

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$xx as at 30 June 2019.

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 Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75 per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

(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.

2. Other liabilities

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Contingencies and other assets/liabilities not recognised (continued)

(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) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

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

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

(iii) Upper Lachlan Council asset transfers

In accordance with the proclamation by the Minister for Local Government on 7th September 2006, in the event of the sale of the former Mulwaree Shire Council administration building in Clinton Street, Goulburn, 'Upper Lachlan Council is to be reimbursed 24.22% of the net profit.'

(iv) Legal liabilities

Council has no known contingent liabilities re legal cases at this time.

ASSETS NOT RECOGNISED

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

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

Note 18. 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Financial risk management (continued)

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	8,589	5,971	–	5,971
Receivables	7,518	7,712	–	7,712
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	83,000	80,860	–	80,860
Fair value through profit and loss				
Investments				
– 'Held for trading'	2,012	2,011	–	2,011
Total financial assets	101,119	96,554	–	96,554
Financial liabilities				
Payables	7,944	6,033	–	6,033
Loans/advances	20,822	22,450	–	22,450
Total financial liabilities	28,766	28,483	–	28,483

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) 'at fair value through profit and 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.

Council needs to enter custom text here : Summary !

(a) Market risk – price risk and interest rate risk

The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2018				
Possible impact of a 10% movement in market values	201	201	(201)	(201)
Possible impact of a 1% movement in interest rates	869	869	(869)	(869)

(b) Credit risk

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Credit risk profile

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Financial risk management (continued)

Receivables – rates and annual charges

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 and annual charges at higher than market rates which further encourages the payment of debt.

	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	1,074	–	–	–	–	1,074
2018						
Gross carrying amount	64	705	78	82	77	1,006

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	6,510	–	–	–	–	6,510
Expected loss rate (%)	–	–	–	–	–	–
2018						
Gross carrying amount	6,156	355	92	45	61	6,709
Expected loss rate (%)	–	–	–	–	–	–

(c) Liquidity risk

Payables and 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 and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Financial risk management (continued)

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2019							
Trade/other payables	–	1,189	–	–	–	1,189	7,944
Loans and advances	–	–	–	–	–	–	20,822
Total financial liabilities		1,189	–	–	–	1,189	28,766
2018							
Trade/other payables	–	884	5,149	–	–	6,033	6,033
Loans and advances	–	–	1,629	6,201	14,620	22,450	22,450
Total financial liabilities		884	6,778	6,201	14,620	28,483	28,483

Loan agreement breaches

Detail here any breaches to loan agreements which have occurred during the reporting year.

Note 19. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 05/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 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.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance* -----	
REVENUES				
Rates and annual charges	34,281	35,206	925	3% F
User charges and fees	14,405	15,073	668	5% F
Interest and investment revenue	1,390	2,446	1,056	76% F
Council maintains a conservative approach to budgeting for revenues from investments.				
Other revenues	1,157	1,922	765	66% F
Operating grants and contributions	8,847	10,395	1,548	17% F
This variation is primarily due to a number of operating grants that were awarded to Council during the year including				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Material budget variations (continued)

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance* -----	
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a weeds grant of \$411k. Council also received additional grant funding for roads, and other smaller community projects through programs such as Stronger Country Communities. The annual Financial Assistance Grant exceeded the budgeted amount by \$235k. s94 Maintenance contributions also exceeded the original budget by \$817k.

Capital grants and contributions	14,942	12,660	(2,282)	(15)%	U
----------------------------------	--------	--------	---------	-------	---

This result is primarily due to the deferral of a number of grant funded projects including the Goulburn Performing Arts Centre, Goulburn Aquatic Centre and the North Goulburn Business Precinct (Growing Local Economies Fund). These have been partially offset by a number of smaller grants received throughout the year and also through bringing to account developer contributed assets as a result of released subdivisions during the year.

EXPENSES

Employee benefits and on-costs	24,315	24,586	(271)	(1)%	U
Borrowing costs	1,460	1,551	(91)	(6)%	U
Materials and contracts	11,268	11,676	(408)	(4)%	U
Depreciation and amortisation	18,101	17,589	512	3%	F
Other expenses	6,202	5,597	605	10%	F
Net losses from disposal of assets	–	255	(255)	∞	U
Fair value decrement on investment property	–	128	(128)	∞	U

STATEMENT OF CASH FLOWS

Net cash provided from (used in) operating activities	31,776	36,207	4,431	14%	F
Net cash provided from (used in) investing activities	(56,712)	(31,961)	24,751	(44)%	F
Net cash provided from (used in) financing activities	13,131	(1,628)	(14,759)	(112)%	U

Note 20. Fair Value Measurement

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

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets

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).

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

(1) Assets and liabilities that have been measured and recognised at fair values

2019	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Other financial assets		-	-	-	-
Other (enter details here)		-	-	-	-
Investments					
- 'Held for trading'		-	-	-	-
- 'Designated at fair value on initial recognition'		-	-	-	-
- 'Financial assets at fair value through other comprehensive income'		-	-	-	-
Total financial assets		-	-	-	-
Financial liabilities					
Loans/advances		-	-	-	-
Lease liabilities		-	-	-	-
Other (enter details here)		-	-	-	-
Total financial liabilities		-	-	-	-
Investment property					
Investment property		-	-	-	-
Total investment property		-	-	-	-
Infrastructure, property, plant and equipment					
Plant and equipment		-	-	-	-
Office equipment		-	-	-	-
Furniture and fittings		-	-	-	-
Operational land		-	-	-	-
Community land		-	-	-	-
Land under roads (post 30/6/08)		-	-	-	-
Land improvements – depreciable		-	-	-	-
Buildings – non-specialised		-	-	-	-
Other structures		-	-	-	-
Roads		-	-	-	-
Bridges		-	-	-	-
Footpaths		-	-	-	-
Stormwater drainage		-	-	-	-
Water supply network		-	-	-	-
Sewerage network		-	-	-	-
Recreation and Open Space		-	-	-	-
Swimming Pools		-	-	-	-
Library books		-	-	-	-
Other		-	-	-	-
Tip assets		-	-	-	-
Quarry assets		-	-	-	-
Total infrastructure, property, plant and equipment		-	-	-	-
Non-recurring fair value measurements					
Discontinued operations					
Details here...		-	-	-	-
Total discontinued operations		-	-	-	-

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

2018	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					
Total infrastructure, property, plant and equipment		–	–	930,013	930,013
Non-recurring fair value measurements					
Discontinued operations					
Details here...		–	–	–	–
Total discontinued operations		–	–	–	–
Non-current assets classified as 'held for sale'					
Land held for sale	30/06/18	–	–	855	855
Buildings held for sale	30/06/18	–	–	149	149
Total NCA's classified as 'held for sale'		–	–	1,004	1,004

(2) Transfers between level 1 and level 2 fair value hierarchies

The following transfers occurred between level 1 and level 2 fair value hierarchies during the year:

\$ '000	2019	2019	2018	2018
	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs

Council's policy for determining transfers between fair value hierarchies is:

please choose one:

- at the date of the event or change in circumstances that caused the transfer,
- at the beginning of the reporting period.
- at the end of the reporting period.

Information relating to each level 1 and level 2 fair valuation hierarchy transfer is set out below:

For each individual FV hierarchy transfer between level 1 and level 2, please reference and list the details and reasons for the change here. NB. Transfers 'in' to a level are required to be detailed separately to transfers 'out'!

(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

Investments - At fair value through profit or loss are represented by Lehman Property Note and Elders Rural Bank Fixed Rate Transf. Deposits. The best evidence of fair value is the current price in an active market for similar assets. The market for the aforementioned investments, regardless of the robustness of the structure, is highly illiquid as a direct consequence of the global financial crisis. This has caused difficulties in valuing the security as there is limited "price discovery" in the market. At this stage, opportunistic bid for Lehman Property Note would be 6 cents per unit and Elders Rural Bank Fixed Rate Transf. Deposits would be 100 cents per unit respectively.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

Investment property

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The investment property valuation is included in level 2 of the hierarchy. The fair value of the investment property is determined by an independent, qualified valuer on an annual basis who has experience in the location of the property. Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2017 the valuation of the investment property was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144. There has been no change to the valuation process during the reporting period.

Infrastructure, property, plant and equipment (IPP&E)

Property, Plant & Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment: Trucks, tractors, ride-on mowers, street sweepers, earthmoving equipment and motor vehicles
- Office Equipment: Refrigerators, electronic whiteboards, flat-screen monitors and computer equipment.
- Furniture & Fittings: Chairs, desks and display systems

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2013 and was performed by Liquid Pacific Holding Pty Ltd, Martin Stansfeld Burns, Chartered Valuer.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

Community Land

Valuations of all Council's Community Land and Council managed land are based on either the land values provided by the Valuer-General or an average unit rate based on the land values for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3. While Community Land has been re-valued as at 30 June 2017 in line with the Valuer General, there has been no change to the valuation process during the reporting period.

Land under Roads

Council has elected to recognise Land under Roads where the road was acquired on or after 30/06/2008. 'Land under roads' have been valued using the square metres rates applicable for nearby or adjacent Community Land having regard to the highest and best use for this land. There has been no change to the valuation process during the reporting period.

Land Improvements - Depreciable

This asset class comprises land improvements such as spectator mounds, swales, berms, gardens, mulched areas, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves. 'Land Improvements' were valued in-house using the cost approach by experienced Council engineers and asset management staff.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Buildings – Non Specialised

Buildings – Non Specialised were valued by Liquid Pacific Holding Pty Ltd, Martin Stansfeld Burns, Chartered Valuer, in June 2013 using a combination of sales comparison approach, income capitalisation approach and cost approach. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs.

During the financial year Council completed the construction of Multi-purpose Venue in Goulburn Recreation Area. This building was valued in-house using the cost approach by experienced Council engineers and asset management staff. There has been no change to the valuation process during the reporting period.

Other Structure

This asset class comprises Boardwalks, Viewing platforms, Floodlighting Systems, Irrigation System, Pedestrian Bridges and Retaining Walls, Monuments, Statues, Fences, Wash bays, Cemetery walls and beams. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Roads

This asset class comprises the Road Carriageway, Kerb and Gutter, Signs, and Traffic facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter. Cost Approach using Level 3 inputs was used to value the road carriageway and other road infrastructure. Valuations for the road infrastructures were carried out by .

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Bridges

Bridges were valued by, using the cost approach. The approach estimated the replacement cost for each bridge by componentising the bridges into significant parts with different useful lives and taking into account a range of factors. The components included the Bridge Deck/Superstructure, Bridge Abutments/Foundations and Bridge rails/handrails Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Footpaths

Footpaths were valued, using the cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally mapped and condition assessed using a combination of video condition assessment and physical inspection. Condition information is updated as changes in the network are observed through regular inspections. There has been no change to the valuation process during the reporting period.

Stormwater Drainage

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The Level of componentisation adopted by Council is in accordance with DLG Circular 09-09. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Water Supply Network

Water Supply and Sewerage infrastructure assets were re-valued at fair value as at 30 June 2017. These assets are indexed each year in line with the Reference Rates Manual as published by the NSW Office of Water. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition. This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets (such as estimates of pattern of consumption, residual value, asset condition and useful life), that require significant professional judgement and are therefore unobservable. There has been no change to the valuation process during the reporting period.

Recreation and Open Space

This asset class comprises of Playground equipment, BBQ's, Shade shelters and Outdoor fitness facilities. These assets may be located on parks, reserves and also within road reserves. 'Recreation and Open Space' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. These assets have been transferred from other 'Depreciable Land' and 'Other Structures' at 30 June 2016. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Swimming Pool

This asset class comprises of Swimming pools only, it does not include related plant and equipment, buildings other structures and car parks. 'Swimming Pool' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. These assets have been transferred from 'Other Structures' at 30 June 2016. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Library Books

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

Other Assets

Assets within this class comprise of all assets not classified elsewhere such as artwork. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. There has been no change to the valuation process during the reporting period.

Reinstatement, Rehabilitation & Restoration Assets - Tips & Quarries

Council owns and manages tips and quarries in its local government area, and it has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site. Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. There has been no change to the valuation process during the reporting period.

(4) Fair value measurements using significant unobservable inputs (level 3)

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

\$ '000	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Community Land
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a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Community Land
2018					
Opening balance	6,656	1,591	298	17,941	18,859
Purchases (GBV)	1,916	950	130	–	–
Disposals (WDV)	(197)	(9)	–	–	–
Depreciation and impairment	(958)	(521)	(42)	–	–
Other movement (transfer to held for sale)	–	–	–	(855)	–
Revaluation increments to Equity	–	–	–	5,019	–
Closing balance	7,417	2,011	386	22,105	18,859
2019					
Opening balance	7,417	2,011	386	22,105	18,859
Closing balance	7,417	2,011	386	22,105	18,859

\$ '000	Land under Roads	Land improvement	Building non-specialised	Other structures	Roads
2018					
Opening balance	82	1,300	32,531	3,326	416,184
Purchases (GBV)	–	477	1,349	474	11,762
Disposals (WDV)	–	–	(341)	–	(1,625)
Depreciation and impairment	–	(53)	(1,345)	(153)	(7,039)
Other movement (transfer to held for sale)	–	–	(149)	–	–
Revaluation increments to Equity	–	–	9,520	–	–
Other movement (Tfr from WIP)	–	–	2,413	–	1,182
Closing balance	82	1,724	43,978	3,647	420,464
2019					
Opening balance	82	1,724	43,978	3,647	420,464
Other movement (Tfr from WIP)	–	–	14	60	2,223
Closing balance	82	1,724	43,992	3,707	422,687

\$ '000	Bridges	Footpaths	Stormwater drainage	Water supply network	Sewerage network
2018					
Opening balance	29,283	12,121	62,371	202,631	83,428
Purchases (GBV)	1,042	1,487	3,389	3,322	4,679
Disposals (WDV)	(4)	(22)	–	(181)	(357)
Depreciation and impairment	(430)	(186)	(904)	(3,060)	(1,729)
Revaluation increments to Equity	–	–	–	4,194	1,688
Other movement (Tfr from WIP)	115	–	–	–	–
Closing balance	30,006	13,400	64,856	206,906	87,709
2019					
Opening balance	30,006	13,400	64,856	206,906	87,709

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

\$ '000	Bridges	Footpaths	Stormwater drainage	Water supply network	Sewerage network
Other movement (Tfr from WIP)	967	–	–	–	23,055
Closing balance	30,973	13,400	64,856	206,906	110,764

\$ '000	Recreation and open space	Swimming pools	Library books	Other assets	Tip assets
2018					
Opening balance	1,196	727	462	229	2,819
Purchases (GBV)	1,242	112	148	65	–
Depreciation and impairment	(140)	(43)	(183)	(13)	(184)
Closing balance	2,298	796	427	281	2,635
2019					
Opening balance	2,298	796	427	281	2,635
Other movement (Tfr from WIP)	17	–	–	–	–
Closing balance	2,315	796	427	281	2,635

\$ '000	Quarry assets	Investment at fair value	Investment properties	NCA Held for sale	Total
2018					
Opening balance	89	2,253	4,100	–	900,477
Transfers from/(to) another asset class	–	–	–	1,004	1,004
Purchases (GBV)	–	–	112	–	32,656
Disposals (WDV)	–	–	–	–	(2,736)
Depreciation and impairment	(8)	–	–	–	(16,991)
FV gains – Income Statement ¹	–	6	(62)	–	(56)
Other movement (transfer to held for sale)	–	–	–	–	(1,004)
Revaluation increments to Equity	–	–	–	–	20,421
Other movement (Tfr from WIP)	–	–	–	–	3,710
Other movement	–	(248)	–	–	(248)
Closing balance	81	2,011	4,150	1,004	937,233
2019					
Opening balance	81	2,011	4,150	1,004	937,233
Other movement (Tfr from WIP)	–	–	–	–	26,336
Closing balance	81	2,011	4,150	1,004	963,569

(1) FV gains recognised in the Income Statement relating to assets still on hand at year end total

b. Information relating to the transfers into and out of the level 3 fair valuation hierarchy (as disclosed in the table above) includes:

Council needs to enter custom text here : Information relating to the transfers !

c. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving

Notes to the Financial Statements for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Financial assets		
At Fair Value through Profit or Loss	Level 3	Unit price
Investment properties		
Investment Property	Level 3	Rental yield and price per hectare
Infrastructure, property, plant and equipment		
Operational Land	Level 3	<ul style="list-style-type: none"> Gross replacement cost Remaining useful life Residual value
Community Land	Level 3	<ul style="list-style-type: none"> Gross replacement cost Remaining useful life Residual value
Land under Roads (post 30/6/08)	Level 3	<ul style="list-style-type: none"> Unimproved capital value (price per square metre)
Land Improvements - depreciable	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Buildings - Non Specialised	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Other Structures	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Roads	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Bridges	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Footpaths	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Stormwater Drainage	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Water Supply Network	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Sewerage Network	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Recreation and Open Space	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value

Notes to the Financial Statements
for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

	Valuation technique/s	Unobservable inputs
Swimming Pools	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Library Books	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Other	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Tip Assets	Level 3	<ul style="list-style-type: none"> • Discount Rate • CPI
Quarry Assets	Level 3	<ul style="list-style-type: none"> • Discount Rate • CPI
Plant and Equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Office Equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Furniture and Fittings	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Non-current assets classified as 'held for sale' 2 Dossie Street	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value

d. The valuation process for level 3 fair value measurements

Council needs to enter custom text here : Fair value measurements !

(5) Highest and best use

Either:

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

OR

The following non-financial assets of Council are being utilised at other than their highest and best use:

Asset description here.

Reasons why the asset is used in a manner that differs from its highest and best use...

Asset description here.

Reasons why the asset is used in a manner that differs from its highest and best use...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Fair Value Measurement (continued)

Asset description here.

Reasons why the asset is used in a manner that differs from its highest and best use...

Asset description here.

Reasons why the asset is used in a manner that differs from its highest and best use...

Asset description here.

Reasons why the asset is used in a manner that differs from its highest and best use...

DRAFT

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Related Party Transactions

(a) Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2019	2018
Compensation:		
Short-term benefits	1,076	1,079
Post-employment benefits	96	90
Termination benefits	–	142
Total	1,172	1,311

(b) Other transactions with KMP and their related parties

\$ '000	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
2019						
Supply of Recycling Contract	1	484	–	30 days	–	–
Supply of plant and road construction	2	5,377	–	30 days	–	–
Council employee wages	3	475	–	Award wages	–	–
Commercial Waste	4	218	–	30 days	–	–
Advertising	5	–	–	30 days	–	–
Donation	6	1	–	Donation policy	–	–
Donation – Fee waiver	7	7	–	Donation policy	–	–
Architecture and design	8	–	–	30 days	–	–
Tipping Fees	9	–	–	30 days	–	–
Development application fee	10	12	–	30 days	–	–
Hire of Sporting Facilities		1	–	30 days	–	–
2018						
Supply of Recycling Contract	1	313	27		–	–

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Related Party Transactions (continued)

\$ '000	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
Supply of plant and road construction	2	4,970	470		-	-
Council employee wages	3	463	-		-	-
Commercial Waste	4	243	8		-	-
Advertising	5	2	-		-	-
Donation	6	20	-		-	-
Donation – Fee waiver	7	2	-		-	-
Architecture and design	8	3	-		-	-
Development application fee	10	11	-		-	-
Hire of Sporting Facilities		2	-		-	-

1 Council has appointed its recycling contact to a company of which a Councillor is a board member, the Councillor has declared his involvement and is excluded from all meetings.

2 Council engages two local company for various plant hire and road making activities. The company directors are a related party to a Councillor, the Councillor has declared an interest and follow the code of conduct. All contracts are awarded through the tender process.

3 Four members of Council staff are related parties to KMP and Councillors. The interest is declared.

4 Council provides a debtor account for the purposes of a commercial waste service related parties of Councillors. Interest has been declared and all fees are charged. Payment terms are 30 days.

5 Councils Visitor Information Centre produces and distributes a bi-annual Goulburn Destination Guide in which one of the Councillor's has advertising of her local business. This is charged as per adopted fees and charges. Payment terms are 30 days.

6 Council provided a donations/sponsorship to several community groups where Councillors are related parties. Interest had been declared and payments made through executive donations procedure.

7 Council provided a donation to a charity group equal to the value of the Council facility hire fee. Interest was declared and payment was made through executive donations procedure.

8 Council has hire facilities to related parties during the year. All aharges are per the adopted fees and charges, where debtor accounts are provided 30 day payment terms are in place unless payment is required upon booking.

9 Council provides a debtor account at the waste management centre to business of related parties of Councillors. Interest has been declared and all fees as per adopted fees and charges. Payment terms are 30 days.

10 Council has received a development application where a Councillor is a member 10 of the organisation. Interest has been declared.

Notes to the Financial Statements
for the year ended 30 June 2019

Note 21. Related Party Transactions (continued)

(c) Other related party transactions

\$ '000	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
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Council needs to enter custom text here : Detail here any extra information for any other related party items listed above if needed !

Note 22. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

\$ '000	as at 30/6/2018						as at 30/6/2019	
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	1,623	252	1,497	41	(318)	-	1,598	-
Roads	116	60	-	3	-	-	179	-
Traffic facilities	(1,462)	254	1,068	6	(247)	-	(1,449)	-
Open space	1,114	11	-	20	(35)	-	1,110	-
Community facilities	73	4	-	2	-	-	79	-
Other	159	7	-	3	(5)	-	164	-
Urban and civic improvements	17	-	-	-	-	-	17	-

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Statement of developer contributions (continued)

\$ '000	as at 30/6/2018				as at 30/6/2019			
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Rural addressing	64	1	–	1	–	–	66	–
Rural waste	294	–	–	5	(6)	–	293	–
S7.11 contributions – under a plan	1,998	589	2,565	81	(611)	–	2,057	–
S7.12 levies – under a plan	1,323	390	120	28	(281)	–	1,460	–
Total S7.11 and S7.12 revenue under plans	3,321	979	2,685	109	(892)	–	3,517	–
S7.11 not under plans	2,829	1,067	–	57	(963)	–	2,990	–
S64 contributions	10,846	2,820	992	212	(500)	–	13,378	–
Total contributions	16,996	4,866	3,677	378	(2,355)	–	19,885	–

S7.11 Contributions – under a plan

CONTRIBUTION PLAN - New Mulwaree Plan

Drainage	100	30	–	2	–	–	132	–
Roads	116	60	–	3	–	–	179	–
Open space	72	–	–	1	–	–	73	–
Community facilities	1	–	–	–	–	–	1	–
Urban and civic improvements	17	–	–	–	–	–	17	–
Rural addressing	63	1	–	1	–	–	65	–
Rural waste	56	–	–	5	–	–	61	–
Other	159	7	–	3	(5)	–	164	–
Total	584	98	–	15	(5)	–	692	–

CONTRIBUTION PLAN - Old Mulwaree Plan

Rural addressing	1	–	–	–	–	–	1	–
Rural waste	238	–	–	–	(6)	–	232	–
Total	239	–	–	–	(6)	–	233	–

CONTRIBUTION PLAN - New Goulburn Citywide Plan

continued on next page ...

Notes to the Financial Statements
for the year ended 30 June 2019

Note 22. Statement of developer contributions (continued)

\$ '000	as at 30/6/2018		Contributions received during the year				as at 30/6/2019		
	Opening Balance	Cash	Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)	
Drainage	894	215	223	18	(288)	–	839	–	
Traffic facilities	198	16	162	4	–	–	218	–	
Open space	65	3	–	1	(35)	–	34	–	
Community facilities	72	4	–	2	–	–	78	–	
Total	1,229	238	385	25	(323)	–	1,169	–	
CONTRIBUTION PLAN - Marys Mount									
Drainage	996	2	1,238	18	(30)	–	986	–	
Traffic facilities	(483)	35	906	–	(134)	–	(582)	–	
Open space	961	8	–	18	–	–	987	–	
Total	1,474	45	2,144	36	(164)	–	1,391	–	
CONTRIBUTION PLAN - Ducks Lane									
Drainage	113	–	–	2	–	–	115	–	
Traffic facilities	(1,250)	12	–	–	(113)	–	(1,351)	–	
Total	(1,137)	12	–	2	(113)	–	(1,236)	–	
CONTRIBUTION PLAN - Clyde Street									
Drainage	(545)	5	36	–	–	–	(540)	–	
Traffic facilities	11	191	–	1	–	–	203	–	
Open space	6	–	–	–	–	–	6	–	
Total	(528)	196	36	1	–	–	(331)	–	
CONTRIBUTION PLAN - Common Street									
Drainage	65	–	–	1	–	–	66	–	
Traffic facilities	62	–	–	1	–	–	63	–	
Open space	10	–	–	–	–	–	10	–	
Total	137	–	–	2	–	–	139	–	

S7.12 Levies – under a plan

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Statement of developer contributions (continued)

\$ '000	as at 30/6/2018						as at 30/6/2019	
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
CONTRIBUTION PLAN - S94A Levies								
Roads	1,323	390	120	28	(281)	–	1,460	–
Total	1,323	390	120	28	(281)	–	1,460	–

S7.11 Contributions – not under a plan

S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

Roads	2,829	1,067	–	57	(963)	–	2,990	–
Total	2,829	1,067	–	57	(963)	–	2,990	–

S7.4 planning agreements

S7.4 planning agreements is NIL. Council can choose to print NIL lines or make this note not applicable.

To print NIL lines, add some N/A text or to EXCLUDE this Note completely, just go to the Home page & choose one of the alternatives for this Note.

S64 contributions

S64 contributions is NIL. Council can choose to print NIL lines or make this note not applicable.

To print NIL lines, add some N/A text or to EXCLUDE this Note completely, just go to the Home page & choose one of the alternatives for this Note.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Financial result and financial position by fund

\$ '000	General ¹ 2019	Water 2019	Sewer 2019
Income Statement by fund			
Income from continuing operations			
Rates and annual charges	23,814	2,297	9,095
User charges and fees	5,463	7,564	2,046
Interest and investment revenue	693	869	884
Other revenues	1,708	95	119
Grants and contributions provided for operating purposes	10,131	176	88
Grants and contributions provided for capital purposes	8,445	1,846	2,369
Other income			
Net gains from disposal of assets	7	(7)	–
Total income from continuing operations	50,261	12,840	14,601
Expenses from continuing operations			
Employee benefits and on-costs	21,259	1,596	1,731
Borrowing costs	304	972	275
Materials and contracts	5,487	2,964	3,225
Depreciation and amortisation	12,762	3,187	1,640
Other expenses	4,647	333	617
Net losses from the disposal of assets	126	–	129
Fair value decrement on investment property	128	–	–
Total expenses from continuing operations	44,713	9,052	7,617
Operating result from continuing operations	5,548	3,788	6,984
Net operating result for the year	5,548	3,788	6,984
Net operating result attributable to each council fund	5,548	3,788	6,984
Net operating result for the year before grants and contributions provided for capital purposes	(2,897)	1,942	4,615

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

(1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Statement of Financial Position by fund

ASSETS**Current assets**

Cash and cash equivalents	2,917	2,790	2,882
Investments	27,168	25,996	26,848
Receivables	4,793	1,645	979
Inventories	273	–	–
Other	272	–	58
Non-current assets classified as 'held for sale'	1,004	–	–
Total current assets	36,427	30,431	30,767

Non-current assets

Investments	1,698	1,624	1,678
Receivables	61	19	21
Infrastructure, property, plant and equipment	636,034	213,211	123,195

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Financial result and financial position by fund (continued)

\$ '000	General ¹ 2019	Water 2019	Sewer 2019
Investment property	4,300	–	–
Other	(942)	–	942
Total non-current assets	641,151	214,854	125,836
TOTAL ASSETS	677,578	245,285	156,603
LIABILITIES			
Current liabilities			
Payables	5,988	1,094	862
Income received in advance	885	420	–
Borrowings	709	477	507
Provisions	5,939	584	550
Total current liabilities	13,521	2,575	1,919
Non-current liabilities			
Borrowings	2,593	13,102	3,434
Provisions	7,292	64	55
Total non-current liabilities	9,885	13,166	3,489
TOTAL LIABILITIES	23,406	15,741	5,408
Net assets	654,172	229,544	151,195
EQUITY			
Accumulated surplus	203,354	87,309	94,991
Revaluation reserves	450,818	142,235	56,204
Council equity interest	654,172	229,544	151,195
Total equity	654,172	229,544	151,195

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

Details of individual internal loans for the year ended 30 June 2019

(in accordance with s410(3) of the Local Government Act 1993)

Details of individual internal loans	Council ID / Ref
Borrower (by purpose)	Sewer Fund
Lender (by purpose)	General Fund
Date of minister's approval	8 July 2019
Date raised	30 June 2019
Term (years)	15
Dates of maturity	30 June 2034
Rate of interest	2.00%
Amount originally raised	\$1,000,000
Total repaid during year (principal and interest)	\$0
Principal outstanding at end of year	\$1,000,000

Note 24(a). Statement of performance measures – consolidated results

continued on next page ...

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 24(a). Statement of performance measures – consolidated results (continued)

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	4,039				
Total continuing operating revenue excluding capital grants and contributions ¹	65,038	6.21%	9.45%	7.86%	>0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	54,153				
Total continuing operating revenue ¹	77,698	69.70%	53.48%	60.96%	>60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions	24,556				
Current liabilities less specific purpose liabilities	7,449	3.3x	3.49x	3.56x	>1.5x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	23,179				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	3,179	7.29x	2.08x	5.7x	>2x
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	1,070				
Rates, annual and extra charges collectible	35,961	2.98%	3.02%	3.12%	<5.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	91,589				
Monthly payments from cash flow of operating and financing activities	3,635	25.19 mths	17.85 mths	24.5 mths	>3 mths

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

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24(b). Statement of performance measures – by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2019	2018	2019	2018	2019	2018	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(6.02)%	0.72%	17.66%	8.86%	37.73%	40.31%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	62.06%	52.90%	84.25%	65.94%	83.17%	46.99%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	3.3x	3.49x	11.82x	7.86x	16.03x	16.52x	>1.5x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	5.46x	7.68x	6.28x	1.21x	23.75x	1.17x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	2.44%	2.45%	4.40%	4.65%	4.06%	4.12%	<5.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	23.63	17.07	∞	∞	∞	∞	>3
Payments from cash flow of operating and financing activities	mths	mths					mths

Footnotes

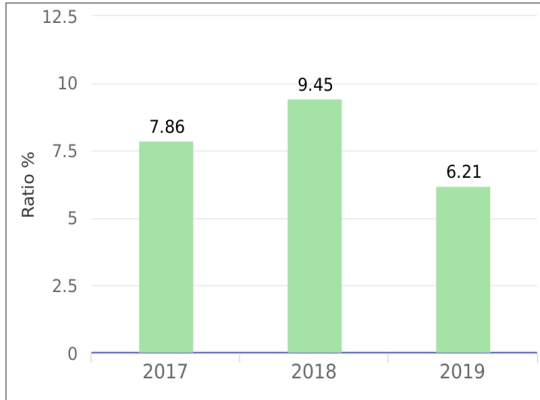
(1) - (2) Refer to Notes at Note 28a above.

(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Notes to the Financial Statements
for the year ended 30 June 2019

Note 24(c). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

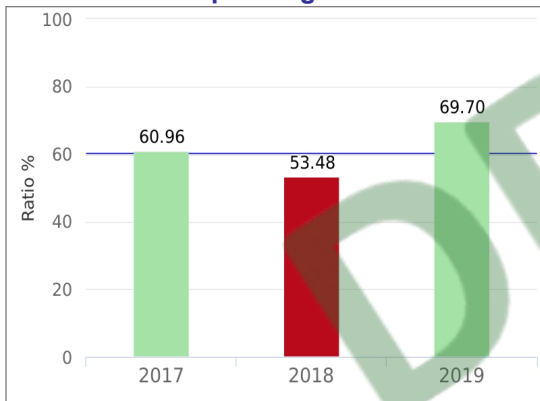
Commentary on 2018/19 result	
2018/19 ratio	6.21%

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark
Ratio is outside benchmark

2. Own source operating revenue ratio



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 and contributions.

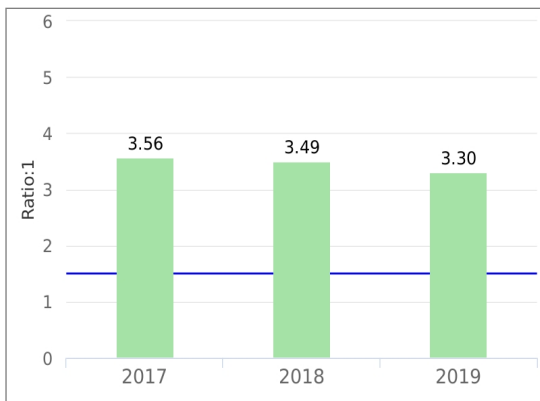
Commentary on 2018/19 result	
2018/19 ratio	69.70%

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark
Ratio is outside benchmark

3. Unrestricted current ratio



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 2018/19 result	
2018/19 ratio	3.3x

Benchmark: — > 1.5x

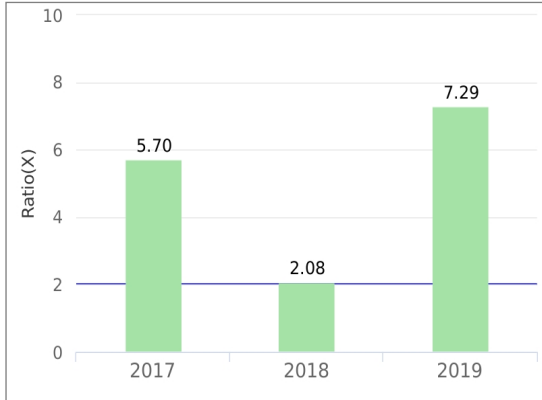
Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark
Ratio is outside benchmark

Notes to the Financial Statements
for the year ended 30 June 2019

Note 24(c). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

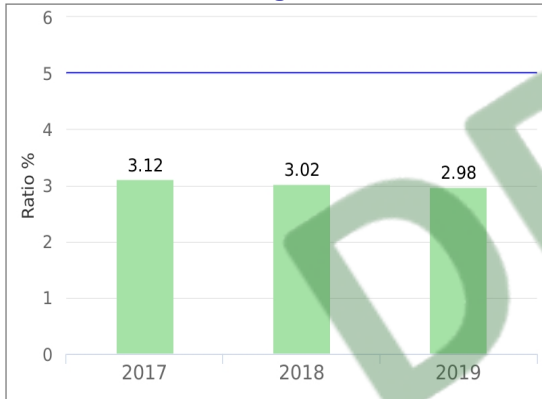
Commentary on 2018/19 result	
2018/19 ratio	7.29x

Benchmark: — > 2x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

- Ratio achieves benchmark
- Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

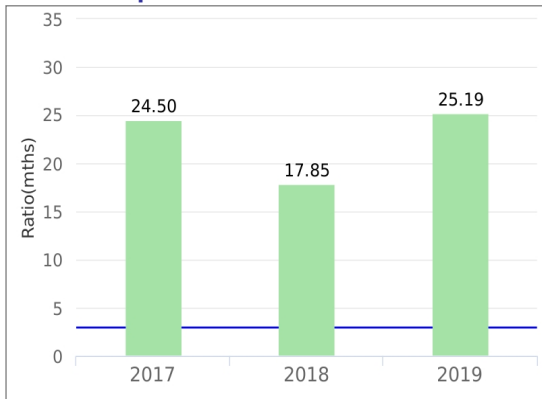
Commentary on 2018/19 result	
2018/19 ratio	2.98%

Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

- Ratio achieves benchmark
- Ratio is outside benchmark

6. Cash expense cover ratio



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 2018/19 result	
2018/19 ratio	25.19 mths

Benchmark: — > 3mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

- Ratio achieves benchmark
- Ratio is outside benchmark

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Council information and contact details

Principal place of business:

184-194 Bourke Street
Goulburn NSW 2580

Contact details

Mailing Address:

Locked Bag 22
Goulburn NSW 2580

Telephone: 02 4823 4444

Opening hours:

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

Internet: www.goulburn.nsw.gov.au

Email: council@goulburn.nsw.gov.au

Officers

General Manager

Warwick Bennett

Responsible Accounting Officer

Brendan Hollands

Auditors

Audit Office of NSW
15/1 Margaret Street
Sydney NSW 2000

Elected members

Mayor

Cr Bob Kirk

Councillors

Cr Andrew Banfield
Cr Leah Ferrara
Cr Carol James
Cr Margaret O'Neill
Cr Sam Rowland
Cr Denzil Sturgiss
Cr Alfie Walker
Cr Peter Walker



General Purpose Financial Statements
for the year ended 30 June 2019

Independent Auditor's Report

Please upift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

DRAFT

General Purpose Financial Statements
for the year ended 30 June 2019

Independent Auditor's Report

Please upift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

DRAFT