Albury City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Albury City Council

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

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Overview

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

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

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

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

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

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

(iv) These financial statements were authorised for issue by the Council on 28 October 2013. Council has the power to amend and reissue these financial statements.

Albury City Council

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

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 28 October 2013.

Kevin Mack
MAYOR

Henk van de Ven
COUNCILLOR

Frank Zaknich
GENERAL MANAGER

Mal Dunstone
RESPONSIBLE ACCOUNTING OFFICER

Albury City Council

Income Statement
for the financial year ended 30 June 2013

Budget 2013 (1)	$ '000	Notes	Actual 2013	Actual 2012
	Income from Continuing Operations			
	Revenue:			
51,074	Rates & Annual Charges	3a	48,963	45,098
29,582	User Charges & Fees	3b	36,388	30,276
2,016	Interest & Investment Revenue	3c	2,412	1,894
2,103	Other Revenues	3d	1,876	2,686
9,004	Grants & Contributions provided for Operating Purposes	3e,f	9,207	12,360
2,819	Grants & Contributions provided for Capital Purposes	3e,f	9,850	4,556
	Other Income:			
1,435	Net gains from the disposal of assets	5	-	-
	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	15	3
98,033	Total Income from Continuing Operations		108,711	96,873
	Expenses from Continuing Operations			
33,547	Employee Benefits & On-Costs	4a	32,173	32,587
3,892	Borrowing Costs	4b	3,968	3,321
22,221	Materials & Contracts	4c	22,664	23,270
26,870	Depreciation & Amortisation	4d	25,615	25,759
	Impairment	4d	55	98
12,675	Other Expenses	4e	14,665	11,616
733	Net Losses from the Disposal of Assets	5	191	203
99,938	Total Expenses from Continuing Operations		99,331	96,854
(1,905)	Operating Result from Continuing Operations		**9,380**	**19**
(1,905)	Net Operating Result for the Year		9,380	19
(1,905)	**Net Operating Result attributable to Council**		9,380	19
	Net Operating Result attributable to Non-controlling Interests		-	-
(4,724)	**Net Operating Result for the year before Grants and Contributions provided for Capital Purposes**		(470)	(4,537)

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

Albury City Council

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

$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		**9,380**	**19**
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	25,551	13,403
Other Movements in reserves (Water Licence)	20b (ii)	22	-
Total Other Comprehensive Income for the year		**25,573**	**13,403**
Total Comprehensive Income for the Year		34,953	13,422
Total Comprehensive Income attributable to Council		34,953	13,422

Albury City Council

Statement of Financial Position
as at 30 June 2013

$ '000	Notes	Actual 2013	Actual 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	40,049	28,829
Investments	6b	102	2,405
Receivables	7	21,170	19,246
Inventories	8	4,995	4,096
Other	8	164	157
Total Current Assets		**66,480**	**54,733**
Non-Current Assets			
Investments	6b	-	62
Receivables	7	312	422
Infrastructure, Property, Plant & Equipment	9	956,943	930,716
Investments accounted for using the equity method	19	1,119	1,187
Intangible Assets	25	1,845	1,823
Total Non-Current Assets		**960,219**	**934,210**
TOTAL ASSETS		1,026,699	988,943
LIABILITIES			
Current Liabilities			
Payables	10	9,317	8,393
Borrowings	10	2,927	3,127
Provisions	10	9,564	9,553
Total Current Liabilities		**21,808**	**21,073**
Non-Current Liabilities			
Borrowings	10	48,925	49,452
Provisions	10	6,244	3,649
Total Non-Current Liabilities		**55,169**	**53,101**
TOTAL LIABILITIES		76,977	74,174
Net Assets		949,722	914,769
EQUITY			
Retained Earnings	20	634,971	625,591
Revaluation Reserves	20	314,751	289,178
Total Equity		949,722	914,769

Albury City Council

Statement of Changes in Equity
for the financial year ended 30 June 2013

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		625,591	289,178	**914,769**	-	**914,769**
a. Correction of Prior Period Errors	20 (c)	-	-	**-**		**-**
b. Changes in Accounting Policies (prior year effects)	20 (d)	-		**-**		**-**
Revised Opening Balance (as at 1/7/12)		**625,591**	**289,178**	**914,769**	**-**	**914,769**
c. Net Operating Result for the Year		**9,380**		**9,380**	**-**	**9,380**
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)		25,551	**25,551**		**25,551**
- Revaluations: Other Reserves	20b (ii)		-	**-**		**-**
- Transfers to Income Statement	20b (ii)		-	**-**		**-**
- Impairment (loss) reversal relating to I,PP&E	20b (ii)		-	**-**		**-**
- Other Movements (Water Licence)	20b (ii)		22	**22**		**22**
Other Comprehensive Income		**-**	**25,573**	**25,573**	**-**	**25,573**
Total Comprehensive Income (c&d)		**9,380**	**25,573**	**34,953**	**-**	**34,953**
e. Distributions to/(Contributions from) Non-controlling Interests				**-**	-	**-**
f. Transfers between Equity		-	-	**-**		**-**
Equity - Balance at end of the reporting period		**634,971**	**314,751**	**949,722**	**-**	**949,722**

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		625,572	275,775	**901,347**	-	**901,347**
a. Correction of Prior Period Errors	20 (c)	-	-	**-**	-	**-**
Revised Opening Balance (as at 1/7/11)		**625,572**	**275,775**	**901,347**	**-**	**901,347**
c. Net Operating Result for the Year		19	-	**19**	-	**19**
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	13,403	**13,403**	-	**13,403**
- Revaluations: Other Reserves	20b (ii)	-	-	**-**	-	**-**
- Transfers to Income Statement	20b (ii)	-	-	**-**	-	**-**
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	**-**	-	**-**
- Other Movements	20b (ii)	-	-	**-**	-	**-**
Other Comprehensive Income		**-**	**13,403**	**13,403**	**-**	**13,403**
Total Comprehensive Income (c&d)		**19**	**13,403**	**13,422**	**-**	**13,422**
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	**-**	-	**-**
f. Transfers between Equity		-	-	**-**	-	**-**
Equity - Balance at end of the reporting period		**625,591**	**289,178**	**914,769**	**-**	**914,769**

Albury City Council

Statement of Cash Flows
for the financial year ended 30 June 2013

Budget 2013	$ '000	Notes	Actual 2013	Actual 2012
	Cash Flows from Operating Activities			
	Receipts:			
51,074	Rates & Annual Charges		48,945	45,034
29,480	User Charges & Fees		36,269	30,234
2,016	Investment & Interest Revenue Received		1,768	1,924
11,823	Grants & Contributions		12,987	15,345
	Bonds, Deposits & Retention amounts received		152	7
2,204	Other		5,364	7,789
	Payments:			
(32,661)	Employee Benefits & On-Costs		(32,267)	(32,601)
(22,642)	Materials & Contracts		(25,652)	(24,005)
(3,892)	Borrowing Costs		(3,555)	(3,259)
(13,199)	Other		(14,135)	(23,745)
24,203	**Net Cash provided (or used in) Operating Activities**	11b	29,876	16,723
	Cash Flows from Investing Activities			
	Receipts:			
1,145	Sale of Investment Securities		2,995	1,030
588	Sale of Real Estate Assets		355	275
	Sale of Infrastructure, Property, Plant & Equipment		541	536
	Distributions Received from Joint Ventures & Associates		82	63
	Payments:			
	Nil			
	Purchase of Investment Securities		-	(30)
(22,814)	Purchase of Infrastructure, Property, Plant & Equipment		(20,869)	(25,554)
(875)	Purchase of Real Estate Assets		(1,033)	(7)
(21,956)	**Net Cash provided (or used in) Investing Activities**		(17,929)	(23,687)
	Cash Flows from Financing Activities			
	Receipts:			
5,400	Proceeds from Borrowings & Advances		2,400	11,450
	Payments:			
(3,368)	Repayment of Borrowings & Advances		(3,127)	(2,920)
	Repayment of Finance Lease Liabilities		-	(115)
2,032	**Net Cash Flow provided (used in) Financing Activities**		(727)	8,415
4,279	**Net Increase/(Decrease) in Cash & Cash Equivalents**		11,220	1,451
33,333	plus: **Cash & Cash Equivalents - beginning of year**	11a	28,829	27,378
37,612	**Cash & Cash Equivalents - end of the year**	11a	40,049	28,829

Please refer to Note 6 for information on the following:
- Full detail of Council's cash and investments, including restrictions

Please refer to Note 11 for information on the following:
- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

Albury City Council

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

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Albury City Council

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

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background
These financial statements are general purpose financial statements which have been prepared in accordance with;

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

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

(ii) Compliance with International Financial Reporting Standards (IFRSs)
Because AASBs are sector neutral, some standards either:

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

(b) specifically exclude application by Not for Profit entities.

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

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

(iii) Basis of Accounting
These financial statements have been prepared under the **historical cost convention** except for:

(i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets,

(ii) the write down of any Asset on the basis of Impairment (if warranted) and

(iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

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

(iv) Changes in Accounting Policies
Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated.

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

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

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

In particular, the valuation of collateralised debt obligations (CDOs) is subject to the difficulties set out in Appendix B to the Review of NSW Local Government Investments (Cole Inquiry Report). Valuations were provided by the promoters or distributors of the product, and largely represent an estimate of the market price.

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

The valuations adopted for the purposes of these financial statements are consistent with the information contained within the Cole Inquiry Report and other information subsequently obtained by Council.

During the current financial year the Council re-evaluated the useful lives and residual value on major plant, hire vehicles and lease vehicles. The effect of a change in an accounting estimate recognised prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or the period of the change and future periods, if the change affects both. This change in accounting estimate is adjusted in the current and future periods. There is no impact on retained earnings. Council has disclosed the significant and critical accounting estimates and assumptions used in calculating the useful lives and residual values in Note 1 (j).

Note 1 (p) outlines the estimation involved in the future restoration of tips and quarries.

Note 1 (w) outlines the uncertainty regarding any carbon tax provisions.

(b) Revenue recognition

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

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.
Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions
Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.
Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

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

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

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

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

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

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

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.
Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

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

Council received payment of the Financial Assistance grant of $3.3 million in advance during

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

2012-13. This payment was due in 2014; accordingly future budgeted revenue will be reduced by this amount.

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

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

Sale of Infrastructure, Property, Plant and Equipment
The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

This is primarily when the purchaser takes delivery of the asset. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

Interest and Rents
Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is ex-dividend date.

(c) Principles of Consolidation

These financial statements incorporate **(i)** the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30 June 2013) and **(ii)** all the related operating results (for the financial year ended the 30th June 2013).

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

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

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

The General Purpose financial report of Council incorporates all commercial and non-business operations which the council controls, either directly or through the operations of controlled entities.

Besides the Table Top Community Centre Management Committee, Council has no other committees pursuant to Section 355 of the Local Government Act. The Table Top Community Centre Management Committee has not been included in the consolidated accounts on the basis that its revenue and expenditure from continuing operations is immaterial.

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

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these statements.
A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) Joint Ventures
Jointly Controlled Assets & Operations
The proportionate interests in the assets, liabilities and expenses of a Joint Venture Activity have been incorporated throughout the financial statements under the appropriate headings.
Jointly Controlled Entities
Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the balance sheet.

Land holdings for the Thurgoona Industrial Estate Joint Venture were revalued at 30/06/2013 by Cosgraves Property Valuers which identified a decrease in value by $414K, each party to the joint venture has taken up an impairment in their accounts for their proportion of this reduction. AlburyCity has recognized an impairment of $55K.

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

Such entities are usually termed Associates.

(v) Additional Information
Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(d) Leases

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

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

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

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

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

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.
Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

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

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

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

(g) Fair value estimation

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

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

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

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.
Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.
If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

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

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

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

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

(h) Receivables

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

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

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

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

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

Impairment losses are recognised in the Income Statement within other expenses.
When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods
Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and current replacement cost.

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

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

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.

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

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

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

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

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

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

- **Land Improvements**
  (as approximated by depreciated historical cost)

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

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

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

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

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

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

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

Asset Revaluations (including Indexation)
In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

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

- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.

- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

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

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

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

Capitalisation Thresholds
Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds $5000.

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

Land is not depreciated.

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

Buildings	13 – 60 years (1.7% - 7.7%)
Plant and equipment	3 - 20 years (3.0% - 20.0%)
Office equipment	4 -10 years (10.0% to 25.0%
Furniture and fittings	7 - 33 years (3% - 15%)
Land improvements (depreciable)	33 years (3.0%)
Library Books	10 years (10%)

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

Other assets	7 – 20 years (5% - 15%)
Other structures	10 years (10%)
Roads, bridges & footpaths	5 – 100 years (1% - 20%)
Stormwater drainage	100 Years (1%)
Water supply network	15 – 100 yrs (1% - 6.67%)
Sewerage network	20 – 100 years (15 – 5%)

Council has this year introduced residual values as follows;

- Major Plant 30%
- Hire Vehicles 40%
- Lease Vehicles 50%

These percentages have been based on historic transactions.
All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each balance sheet date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(q) on Asset Impairment.

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

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

(k) Land

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

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

(l) Land under roads

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

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

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

(m) Intangible Assets

Council's High Security Water Licence is recognised as an Intangible asset and is tradable on the open water licence sales market. The licence valuation is based on estimated market values as at balance date. No amortisation costs are applicable, as this asset has an indefinite life.

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

continue to account for these assets as it has been doing in previous years, which is to exclude the assets, their values and depreciation charges from these financial statements.

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

In accordance with the Council's published environmental policy and applicable legal requirements, a provision for site restoration and environmental clean-up costs is recognised.
Provision has been made in full at the reporting date based on current estimates of costs to remediate the Albury Landfill site. The cost to remediate the Landfill site has been discounted to present value.

Significant uncertainty exists as to the amount of restoration obligations which will be incurred due to the impact of changes in environmental legislative requirements, the extent of site disturbance and the emergence of new restoration techniques. The amount of the provision relating to the restoration of waste disposal sites is recognised as a non-current liability together with a corresponding asset.

At each reporting date restoration costs are assessed in line with changes in discount rates, and the timing or amount of the costs to be incurred. Changes in the liability relating to site restoration obligations are added to or deducted from related assets, other than the unwinding of the discount which is recognised as a finance cost in the income statement as it occurs.

(q) Impairment of assets

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.
The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.
Value in use in respect of not-for-profit entities is represented by the depreciated replacement cost when future economic benefits of the asset are not primarily dependent on the asset's ability to generate cash inflows, i.e. Infrastructure, property, plant and equipment.

(r) Payables

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

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

(s) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

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.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Council's outstanding borrowings during the year.

(t) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

(u) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.
Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables..
These provisions are measured at the amounts expected to be paid when the liabilities are settled.

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

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

Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

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

(ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.
These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

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

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

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

(iii) Retirement benefit obligations
All employees of the Council are entitled to benefits on retirement, disability or death.

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

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

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

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

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"
This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

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

The last valuation of the Scheme was performed by Mr Martin Stevenson Bsc, FIA, FIAA on 20/02/2013 and covers the period ended 30/06/2013.

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

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2013 was $1,203,633.

The amount of additional contributions included in the total employer contribution advised above is $483,687.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of $ 2,248,829 as at 30 June 2013.

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

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

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

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

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

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

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

Exceptions
In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

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

(w) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.
Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.
Investing and Financing cash flows are treated on a net basis (where recoverable form the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.
Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

Carbon Tax Provision

AlburyCity Council has been identified by the Clean Energy Regulator as a 'liable entity' under the Commonwealth government's Clean Energy Act 2011 due to the operation of the Albury Landfill. A provision for carbon tax liability is recognised and is based on current estimates of costs to discharge the carbon tax liability. The discharge of the carbon tax liability will take place over a number of decades as the waste decomposes, therefore the cost to discharge the carbon tax liability has been discounted to present value.
Significant uncertainty exists as to the amount of obligations which will be incurred, including but not limited to the impact of changes in legislative requirements, carbon market price volatility during the floating price period and the emergence of new carbon abatement techniques. The majority of the provision relating to the discharge of the carbon tax liability is recognised as non-current (with a minor amount due to be paid in the 2013-14 financial year), together with a corresponding asset.

At each reporting date the amounts required to discharge the carbon tax liability are assessed in line with changes in discount rates, and the timing or amount of the costs expected to be incurred.

(x) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2013.
Council has not adopted any of these standards early.
Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

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

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

The standard is not applicable until 1 January 2015 but is available for early adoption.
When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other

Albury City Council

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

Note 1. Summary of Significant Accounting Policies

comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 *(effective 1 January 2013)*
AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.
Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.
Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(y) Rounding of amounts

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

(z) Comparative Figures

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

(aa) Disclaimer

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

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

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

$ '000	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
Functions/Activities	**Income from Continuing Operations**			**Expenses from Continuing Operations**			**Operating Result from Continuing Operations**			**Grants included in Income from Continuing Operations**		**Total Assets held (Current & Non-current)**	
	Original Budget 2013	**Actual 2013**	Actual 2012	**Original Budget 2013**	**Actual 2013**	Actual 2012	**Original Budget 2013**	**Actual 2013**	Actual 2012	**Actual 2013**	Actual 2012	**Actual 2013**	Actual 2012
Governance	-	-	-	690	593	616	(690)	(593)	(616)	155	-	-	-
Administration	(1,036)	(1,861)	(1,286)	12,685	11,532	13,260	(13,721)	(13,393)	(14,546)	83	502	66,795	47,457
Public Order & Safety	1,117	829	1,359	2,236	1,672	2,031	(1,119)	(843)	(672)	220	945	5,576	5,448
Health	104	115	117	308	266	295	(204)	(151)	(178)	-	-	-	-
Environment	12,163	13,800	11,032	11,940	14,172	11,128	223	(372)	(96)	133	183	-	-
Community Services & Education	3,029	3,092	3,100	4,371	4,670	4,362	(1,342)	(1,578)	(1,262)	370	473	9,441	9,833
Housing & Community Amenities	1,664	1,709	1,691	4,991	4,878	4,944	(3,327)	(3,169)	(3,253)	294	274	96,013	93,297
Water Supplies	10,965	14,546	10,152	10,469	10,601	9,985	496	3,945	167	158	147	212,888	204,281
Sewerage Services	14,787	17,203	13,854	11,716	11,982	11,141	3,071	5,221	2,713	160	153	179,254	171,264
Recreation & Culture	3,387	3,939	3,756	18,258	17,410	17,516	(14,871)	(13,471)	(13,760)	884	521	120,884	131,934
Mining, Manufacturing & Construction	745	833	732	4,903	5,266	5,134	(4,158)	(4,433)	(4,402)	30	-		-
Transport & Communication	9,680	13,849	11,773	14,041	14,339	13,589	(4,361)	(490)	(1,816)	826	1,012	333,754	322,429
Economic Affairs	1,925	510	869	3,330	1,950	2,853	(1,405)	(1,440)	(1,984)	39	355	975	1,813
Total Functions & Activities	**58,530**	**68,564**	**57,149**	**99,938**	**99,331**	**96,854**	**(41,408)**	**(30,767)**	**(39,705)**	**3,352**	**4,565**	**1,025,580**	**987,756**
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	15	3	-	-	-	-	15	3	-	-	1,119	1,187
General Purpose Income [1]	39,503	40,132	39,721	-	-	-	39,503	40,132	39,721	6,570	8,471	-	-
Operating Result from Continuing Operations	**98,033**	**108,711**	**96,873**	**99,938**	**99,331**	**96,854**	**(1,905)**	**9,380**	**19**	**9,922**	**13,036**	**1,026,699**	**988,943**

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

Albury City Council

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

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

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

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

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

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

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

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

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

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

WATER SUPPLIES
SEWERAGE SERVICES

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

FUEL & ENERGY - Gas Supplies

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

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

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

Albury City Council

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

Note 3. Income from Continuing Operations

$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		22,593	21,312
Farmland		522	477
Business		8,711	8,008
Other		-	-
Total Ordinary Rates		**31,826**	**29,797**
Special Rates			
Parking		442	428
Promotional Levy		132	128
Total Special Rates		**574**	**556**
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		3,762	2,999
Stormwater Management Services		146	117
Water Supply Services		2,129	2,138
Sewerage Services		10,526	9,491
Total Annual Charges		**16,563**	**14,745**
TOTAL RATES & ANNUAL CHARGES		48,963	45,098

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

Albury City Council

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

Note 3. Income from Continuing Operations (continued)

$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		9,058	5,720
Sewerage Services		2,973	2,300
Drainage Services		550	434
Waste Management Services (non-domestic)		6,972	7,033
Total User Charges		**19,553**	**15,487**
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Planning & Building Regulation		1,174	1,069
Private Works - Section 67		402	809
Section 603 Certificates		93	91
Total Fees & Charges - Statutory/Regulatory		**1,669**	**1,969**
(ii) Fees & Charges - Other (incl. General User Charges (per s.608)			
Aerodrome		5,963	5,976
Cemeteries		942	832
Child Care		2,013	2,055
Community Centres		2,036	2,085
Leaseback Fees - Council Vehicles		167	157
Sporting Grounds Fees		200	162
Swimming Centres		121	132
Water Sales & Charges		844	715
Other (Carbon Tax)		2,108	-
Other		772	706
Total Fees & Charges - Other		**15,166**	**12,820**
TOTAL USER CHARGES & FEES		36,388	30,276

Albury City Council

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

Note 3. Income from Continuing Operations (continued)

$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		156	141
- Interest earned on Investments (interest & coupon payment income)		1,626	1,783
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		630	(30)
TOTAL INTEREST & INVESTMENT REVENUE		2,412	1,894
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		156	141
General Council Cash & Investments		1,536	1,392
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		50	56
- Section 64		41	49
Water Fund Operations		182	104
Sewerage Fund Operations		447	152
Total Interest & Investment Revenue Recognised		**2,412**	**1,894**
(d) Other Revenues			
Rental Income - Other Council Properties		591	698
Ex Gratia Rates		44	61
Fines - Parking		198	914
Fines - Other		29	15
Legal Fees Recovery - Rates & Charges (Extra Charges)		183	244
Sales - General		831	754
TOTAL OTHER REVENUE		1,876	2,686

Albury City Council

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

Note 3. Income from Continuing Operations (continued)

$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	5,013	6,522	-	-
Financial Assistance - Local Roads Component	1,174	1,561	-	-
Pensioners' Rates Subsidies - General Component	383	388	-	-
Total General Purpose	**6,570**	**8,471**	**-**	**-**
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	158	147	-	-
- Sewerage	160	153	-	-
- Domestic Waste Management	85	74	-	-
Community Centres	161	411	-	-
Employment & Training Programs	150	159	-	-
Heritage & Cultural	177	106	820	425
Street Lighting	156	152	-	-
Transport (Other Roads & Bridges Funding)	73	75	618	967
Other	659	1,395	135	501
Total Specific Purpose	**1,779**	**2,672**	**1,573**	**1,893**
Total Grants	**8,349**	**11,143**	**1,573**	**1,893**
Grant Revenue is attributable to:				
- Commonwealth Funding	6,195	8,083	1,314	938
- State Funding	1,674	2,225	134	814
- Other Funding	480	835	125	141
	8,349	**11,143**	**1,573**	**1,893**

Albury City Council

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

Note 3. Income from Continuing Operations (continued)

$ '000		2013 Operating	2012 Operating	2013 Capital	2012 Capital
(f) Contributions					
Developer Contributions:					
(s93 & s94 - EP&A Act, s64 of the LGA):					
S 94 - Contributions towards amenities/services		-	-	547	463
S 64 - Water Supply Contributions		-	-	500	290
S 64 - Sewerage Service Contributions		-	-	1,101	398
Total Developer Contributions	17	**-**	**-**	**2,148**	**1,151**
Other Contributions:					
Dedications (other than by S94)		-	-	6,085	1,472
Roads & Bridges		-	-	-	40
RMS Contributions (Regional Roads, Block Grant)		626	818	13	-
Other		232	399	31	-
Total Other Contributions		**858**	**1,217**	**6,129**	**1,512**
Total Contributions		858	1,217	8,277	2,663
TOTAL GRANTS & CONTRIBUTIONS		9,207	12,360	9,850	4,556

(g) Restrictions relating to Grants and Contributions

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

Unexpended at the Close of the Previous Reporting Period	2,498	3,740
add: Grants & contributions recognised in the current period but not yet spent:	2,925	1,484
less: Grants & contributions recognised in a previous reporting period now spent:	(2,302)	(2,726)
Net Increase (Decrease) in Restricted Assets during the Period	**623**	**(1,242)**
Unexpended and held as Restricted Assets	3,121	2,498
Comprising:		
- Specific Purpose Unexpended Grants	712	268
- Developer Contributions	2,409	2,230
	3,121	**2,498**

Albury City Council

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

Note 4. Expenses from Continuing Operations

$ '000	Notes	Actual 2013	Actual 2012
(a) Employee Benefits & On-Costs			
Salaries and Wages		26,378	25,719
Travelling		106	107
Employee Leave Entitlements (ELE)		3,029	2,821
Superannuation - Defined Contribution Plans		2,459	2,375
Superannuation - Defined Benefit Plans		795	1,013
Workers' Compensation Insurance		268	1,424
Fringe Benefit Tax (FBT)		201	198
Payroll Tax		177	167
Training Costs (other than Salaries & Wages)		755	731
Total Employee Costs		**34,168**	**34,555**
less: Capitalised Costs		(1,995)	(1,968)
TOTAL EMPLOYEE COSTS EXPENSED		32,173	32,587
Number of "Equivalent Full Time" Employees at year end		**460**	**466**
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		3,555	3,257
Charges relating to Finance Leases		-	2
Total Interest Bearing Liability Costs		**3,555**	**3,259**
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		**3,555**	**3,259**
(ii) Other Borrowing Costs			
- Remediation Liabilities	26	413	62
Total Other Borrowing Costs		**413**	**62**
TOTAL BORROWING COSTS EXPENSED		3,968	3,321

Albury City Council

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

Note 4. Expenses from Continuing Operations (continued)

$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		12,431	13,258
Contractor & Consultancy Costs		8,089	7,465
Auditors Remuneration [1]		54	54
Legal Expenses:			
- Legal Expenses: Planning & Development		18	124
- Legal Expenses: Other		198	237
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments [2]		492	439
Other - Internal Audit		45	41
Other		1,337	1,652
Total Materials & Contracts		**22,664**	**23,270**
TOTAL MATERIALS & CONTRACTS		22,664	23,270

1. Auditor Remuneration

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

(i) Audit and Other Assurance Services		
- Audit & review of financial statements: Council's Auditor	54	54
Remuneration for audit and other assurance services	**54**	**54**
Total Auditor Remuneration	**54**	**54**

2. Operating Lease Payments are attributable to:

Buildings	55	54
Computers	437	385
	492	**439**

Albury City Council

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

Note 4. Expenses from Continuing Operations (continued)

$ '000	Notes	Impairment Costs Actual 2013	Impairment Costs Actual 2012	Depreciation/Amortisation Actual 2013	Depreciation/Amortisation Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	1,459	2,157
Office Equipment		-	-	327	446
Furniture & Fittings		-	-	336	391
Land Improvements (depreciable)		-	-	852	806
Buildings - Non Specialised		-	-	4,200	4,125
Other Structures		-	-	382	284
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	7,599	7,337
- Stormwater Drainage		-	-	1,146	1,128
- Water Supply Network		-	-	5,381	5,438
- Sewerage Network		-	-	3,719	3,463
Other Assets					
- Library Books		-	-	168	156
- Other		55	98	21	4
Asset Reinstatement Costs	9 & 26	-	-	25	24
Total Depreciation & Impairment Costs		**55**	**98**	**25,615**	**25,759**
less: Capitalised Costs		-	-	-	-
less: Impairments (to)/from ARR [Equity]	9a	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		55	98	25,615	25,759

Albury City Council

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

Note 4. Expenses from Continuing Operations (continued)

$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		320	325
Bad & Doubtful Debts		(10)	229
Contributions/Levies to Other Levels of Government		-	-
- NSW Fire Brigade Levy		400	398
- NSW Rural Fire Service Levy		237	164
- Other Contributions/Levies		66	85
Councillor Expenses - Mayoral Fee		52	47
Councillor Expenses - Councillors' Fees		150	148
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		26	25
Conferences & Seminars		122	137
Donations, Contributions & Assistance to other organisations (Section 356)		796	641
Election Expenses		(87)	80
Electricity & Heating		5,774	4,517
Equipment Purchases		505	427
Insurance		1,013	986
Interest on Deposits		44	54
Marketing		566	760
Postage		104	109
Rent & Hire Charges		226	226
Street Lighting		1,283	1,075
Subscriptions & Publications		215	185
Telephone & Communications		284	301
Vehicle Registrations		186	151
Other - Carbon Tax		2,108	-
Other		285	546
Total Other Expenses		**14,665**	**11,616**
TOTAL OTHER EXPENSES		14,665	11,616

Albury City Council

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

Note 5. Gains or Losses from the Disposal of Assets

$ '000	Notes	Actual 2013	Actual 2012
Property (excl. Investment Property)			
Proceeds from Disposal - Property		-	-
less: Carrying Amount of Property Assets Sold / Written Off		-	(1)
Net Gain/(Loss) on Disposal		**-**	**(1)**
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		541	536
less: Carrying Amount of P&E Assets Sold / Written Off		(378)	(279)
Net Gain/(Loss) on Disposal		**163**	**257**
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(599)	(637)
Net Gain/(Loss) on Disposal		**(599)**	**(637)**
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		355	275
less: Carrying Amount of Real Estate Assets Sold / Written Off		(110)	(97)
Net Gain/(Loss) on Disposal		**245**	**178**
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		2,995	1,000
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(2,995)	(1,000)
Net Gain/(Loss) on Disposal		**-**	**-**
Non Current Assets Classified as "Held for Sale"			
Proceeds from Disposal - Non Current Assets "Held for Sale"		-	-
less: Carrying Amount of 'Held for Sale' Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		**-**	**-**
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(191)	(203)
*** Financial Assets disposals / redemptions include:**			
- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"		(560)	(72)
- Net Gain/(Loss) from Financial Instruments designated "Available for Sale"		560	72
Net Gain/(Loss) on Disposal of Financial Instruments		**-**	**-**

Albury City Council

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

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

$ '000	Notes	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		941	-	2,761	-
Cash-Equivalent Assets[1]					
- Short Term Deposits		39,108	-	26,068	-
Total Cash & Cash Equivalents		**40,049**	**-**	**28,829**	**-**
Investments (Note 6b)					
- NCD's, FRN's (with Maturities > 3 months)		-	-	2,405	-
- CDO's		102	-	-	62
Total Investments		**102**	**-**	**2,405**	**62**
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		40,151	-	31,234	62

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

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

Cash & Cash Equivalents					
a. "At Fair Value through the Profit & Loss"		**40,049**	**-**	**28,829**	**-**
Investments					
a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	102	-	-	2,467
b. "Held to Maturity"	6(b-ii)	-	-	2,405	(2,405)
Investments		**102**	**-**	**2,405**	**62**

Note 6(b-i)
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"

Balance at the Beginning of the Year	-	2,467	928	2,569
Revaluations (through the Income Statement)	630	-	72	(102)
Additions	-	-	-	-
Disposals (sales & redemptions)	(2,995)	-	(1,000)	-
Transfers between Current/Non Current	102	(102)	-	-
Transfers from/(to) "At Fair Value through the Profit & Loss"	2,365	(2,365)	-	-
Balance at End of Year	**102**	**-**	**-**	**2,467**
Comprising:				
- NCD's, FRN's (with Maturities > 3 months)	-	-	2,405	-
- CDO's	102	-	-	62
Total	**102**	**-**	**2,405**	**62**

Albury City Council

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

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

$ '000	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Total Cash, Cash Equivalents and Investments	40,151	-	31,234	62
attributable to:				
External Restrictions (refer below)	12,488	-	4,273	2,467
Internal Restrictions (refer below)	8,752	-	6,337	-
Unrestricted	18,911	-	20,624	(2,405)
	40,151	**-**	**31,234**	**62**

2013 $ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Details of Restrictions				
External Restrictions - Included in Liabilities				
Nil				
External Restrictions - Other				
Developer Contributions - General (D)	1,180	2,195	(2,058)	1,317
Developer Contributions - Water Fund (D)	128	6	-	133
Developer Contributions - Sewer Fund (D)	922	37	-	959
Specific Purpose Unexpended Grants (F)	268	444	-	712
Water Supplies (G)	619	2,449	-	3,068
Sewerage Services (G)	3,616	2,676	-	6,292
Other	7	-	-	7
External Restrictions - Other	6,740	7,807	(2,058)	12,488
Total External Restrictions	**6,740**	**7,807**	**(2,058)**	**12,488**

Albury City Council

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

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

2013 $ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Employees Leave Entitlement	2,263	-	(9)	2,254
Deposits, Retentions & Bonds	667	137	-	804
Other - Prepaid Burial Contributions	900	222	-	1,122
Other - Elections	353	-	(302)	51
Other - Land Remediation	1,555	39	-	1,594
Other - Tabletop Community Centre	4	-	-	4
Other - Development Fund	107	-	(107)	-
Other - Community Fund	488	60	-	548
Other - Carbon Tax	-	2,375	-	2,375
Total Internal Restrictions	**6,337**	**2,833**	**(418)**	**8,752**
TOTAL RESTRICTIONS	13,077	10,640	(2,476)	21,240

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

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

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

Albury City Council

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

Note 7. Receivables

$ '000	Notes	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Purpose					
Rates & Annual Charges		1,189	-	1,171	-
User Charges & Fees		12,801	-	10,582	-
Private Works		32	-	-	-
Accrued Revenues					
- Interest on Investments		146	-	132	-
- Other Income Accruals		1,040	-	1,012	-
Government Grants & Subsidies		561	-	713	-
Other Debtors		5,545	426	5,718	670
Total		**21,314**	**426**	**19,328**	**670**
less: Provision for Impairment					
User Charges & Fees		(144)	(114)	(82)	(248)
Total Provision for Impairment - Receivables		**(144)**	**(114)**	**(82)**	**(248)**
TOTAL NET RECEIVABLES		21,170	312	19,246	422
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		154	-	140	-
- Rates & Availability Charges		2	-	2	-
- Other		4,987	50	3,518	-
Sewerage Services					
- Specific Purpose Grants		156	-	153	-
- Rates & Availability Charges		8	-	8	-
- Other		5,593	-	4,857	-
Total External Restrictions		**10,900**	**50**	**8,678**	**-**
Unrestricted Receivables		**10,270**	**262**	**10,568**	**422**
TOTAL NET RECEIVABLES		21,170	312	19,246	422

Notes on Debtors above:

(i) Rates & Annual Charges Outstanding are secured against the property.

(ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding. An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.

(iii) Interest was charged on overdue rates & charges at 10.00% (2012 11.00%). Generally all other receivables are non interest bearing.

(iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Albury City Council

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

Note 8. Inventories & Other Assets

$ '000	Notes	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Inventories					
Real Estate for resale (refer below)		4,374	-	3,451	-
Stores & Materials		605	-	608	-
Other		16	-	37	-
Total Inventories		**4,995**	**-**	**4,096**	**-**
Other Assets					
Prepayments		164	-	157	-
Total Other Assets		**164**	**-**	**157**	**-**
TOTAL INVENTORIES / OTHER ASSETS		5,159	-	4,253	-
Externally Restricted Assets					
Water					
Stores & Materials		292	-	302	-
Total Water		**292**	**-**	**302**	**-**
Sewerage					
Stores & Materials		16	-	13	-
Total Sewerage		**16**	**-**	**13**	**-**
Domestic Waste Management					
Nil					
Total Externally Restricted Assets		308	-	315	-
Total Unrestricted Assets		4,851	-	3,938	-
TOTAL INVENTORIES & OTHER ASSETS		**5,159**	**-**	**4,253**	**-**

Albury City Council

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

Note 8. Inventories & Other Assets (continued)

$ '000		2013 Current	2013 Non Current	2012 Current	2012 Non Current
(i) Other Disclosures					
(a) Details for Real Estate Development					
Residential		768	-	330	-
Industrial/Commercial		3,606	-	3,121	-
Total Real Estate for Resale		**4,374**	**-**	**3,451**	**-**
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition Costs		3,776	-	2,841	-
Development Costs		598	-	610	-
Total Costs		**4,374**	**-**	**3,451**	**-**
Total Real Estate for Resale		**4,374**	**-**	**3,451**	**-**
Movements:					
Real Estate assets at beginning of the year		3,451	-	3,545	-
- Purchases and other costs		1,033	-	3	-
- WDV of Sales (exp)	5	(110)	-	(97)	-
Total Real Estate for Resale		**4,374**	**-**	**3,451**	**-**

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

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

	2013	2012
Real Estate for Resale	4,145	2,751
	4,145	**2,751**

(d) Inventory Write Downs

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

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

Note 9a. Infrastructure, Property, Plant & Equipment

$ '000	as at 30/6/2012					Asset Movements during the Reporting Period							as at 30/6/2013				
	At Cost	At Fair Value	Accumulated Dep'n	Accumulated Impairment	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated Dep'n	Accumulated Impairment	Carrying Value
Capital Work in Progress	6,258	-	-	-	6,258	5,236			(3,405)				8,089	-	-	-	8,089
Plant & Equipment	-	19,988	14,304	-	5,684	2,096	(378)	(1,459)					-	20,803	14,860	-	5,943
Office Equipment	-	4,963	3,503	-	1,460	314		(327)	218				-	5,495	3,830	-	1,665
Furniture & Fittings	-	3,860	1,952	-	1,908	463		(336)	7				-	4,330	2,288	-	2,042
Land:																	
- Operational Land	-	36,934	-	-	36,934	172				(80)	(1,079)		-	35,947	-	-	35,947
- Community Land	-	32,126	-	-	32,126					(431)	(951)		-	30,744	-	-	30,744
- Land under Roads (post 30/6/08)	-	147	-	-	147								-	147	-	-	147
Land Improvements - non depreciable	-	589	-	-	589	158							-	747	-	-	747
Land Improvements - depreciable	-	30,834	11,934	-	18,900	287		(852)	1,015				-	32,139	12,789	-	19,350
Buildings - Non Specialised	-	162,489	69,924	-	92,565	734		(4,200)	82			1,742	-	166,526	75,603	-	90,923
Other Structures	-	7,142	2,195	-	4,947	268		(382)	47				-	7,457	2,577	-	4,880
Infrastructure:																	
- Roads, Bridges, Footpaths	-	494,686	201,630	-	293,056	11,349	(587)	(7,599)	805	(584)		10,141	-	520,125	213,544	-	306,581
- Stormwater Drainage	-	114,915	29,575	-	85,340	2,026		(1,146)	31	480		2,749	-	121,130	31,650	-	89,480
- Water Supply Network	-	355,207	160,065	-	195,142	2,669	(12)	(5,381)	737	58		7,171	-	370,388	170,004	-	200,384
- Sewerage Network	-	288,793	136,477	-	152,316	1,950		(3,719)	429	(1)		5,778	-	301,061	144,308	-	156,753
Other Assets:																	
- Library Books	-	2,118	755	-	1,363	100		(168)					-	2,218	923	-	1,295
- Other	-	3,770	2,599	-	1,171	37		(21)					-	3,808	2,621	-	1,187
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)																	
- Tip Asset	-	1,621	811	-	810			(25)					-	1,621	835	-	786
- Quarry Asset	-	-	-	-	-								-	-	-	-	-
- Other Assets	-	-	-	-	-			-					-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	**6,258**	**1,560,182**	**635,724**	**-**	**930,716**	**27,859**	**(977)**	**(25,615)**	**(34)**	**(558)**	**(2,030)**	**27,581**	**8,089**	**1,624,686**	**675,832**	**-**	**956,943**

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals ($16,096) and New Assets ($4,669).
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Albury City Council

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

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

$ '000	Actual 2013				Actual 2012			
Class of Asset	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
WIP		279		**279**	-	942	-	**942**
Plant & Equipment		454	454	**-**	-	-	-	**-**
Office Equipment		9	9	**-**	-	9	5	**4**
Land								
- Operational Land		1,121		**1,121**	-	1,155	-	**1,155**
- Community Land		441		**441**	-	455	-	**455**
Buildings		1,085	782	**303**	-	981	739	**242**
Infrastructure		370,388	170,004	**200,384**	-	355,207	160,065	**195,142**
Total Water Supply	**-**	**373,777**	**171,249**	**202,528**	**-**	**358,749**	**160,809**	**197,940**
Sewerage Services								
WIP		1,662		**1,662**	-	1,314	-	**1,314**
Plant & Equipment		95	57	**38**	-	95	38	**57**
Office Equipment		58	58	**-**	-	58	58	**-**
Land								
- Operational Land		5,590		**5,590**	-	5,765	-	**5,765**
- Community Land		1,188		**1,188**	-	1,224	-	**1,224**
- Improvements - depreciable		114	5	**109**	-	79	3	**76**
Buildings		1,957	1,148	**809**	-	1,912	1,069	**843**
Other Structures		110	30	**80**	-	110	27	**83**
Infrastructure		301,061	144,308	**156,753**	-	288,793	136,478	**152,315**
Total Sewerage Services	**-**	**311,835**	**145,606**	**166,229**	**-**	**299,350**	**137,673**	**161,677**
TOTAL RESTRICTED I,PP&E	**-**	**685,612**	**316,855**	**368,757**	**-**	**658,099**	**298,482**	**359,617**

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

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

Albury City Council

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

Note 10a. Payables, Borrowings & Provisions

$ '000	Notes	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Payables					
Goods & Services - operating expenditure		5,468	-	4,502	-
Payments Received In Advance		1,368	-	1,208	-
Accrued Expenses:					
- Other Expenditure Accruals		1,661	-	2,015	-
Security Bonds, Deposits & Retentions		820	-	668	-
Total Payables		**9,317**	**-**	**8,393**	**-**
Borrowings					
Loans - Secured [1]		2,927	48,925	3,127	49,452
Total Borrowings		**2,927**	**48,925**	**3,127**	**49,452**
Provisions					
Employee Benefits;					
Annual Leave		2,824	-	2,880	-
Long Service Leave		6,740	383	6,673	408
Sub Total - Aggregate Employee Benefits		**9,564**	**383**	**9,553**	**408**
Asset Remediation/Restoration (Future Works)	26	-	3,506	-	3,093
Carbon Tax		-	2,152	-	-
Other (under recovery of Real Estate)		-	203	-	148
Total Provisions		**9,564**	**6,244**	**9,553**	**3,649**
Total Payables, Borrowings & Provisions		21,808	55,169	21,073	53,101

(i) Liabilities relating to Restricted Assets

	2013 Current	2013 Non Current	2012 Current	2012 Non Current
Externally Restricted Assets				
Water	524	-	597	-
Sewer	1,785	13,196	1,660	14,471
Liabilities relating to externally restricted assets	2,309	13,196	2,257	14,471
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	2,309	13,196	2,257	14,471
Total Liabilities relating to Unrestricted Assets	19,499	41,973	18,816	38,630
TOTAL PAYABLES, BORROWINGS & PROVISIONS	21,808	55,169	21,073	53,101

[1] Loans are secured over the Income of Council

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

Albury City Council

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

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

$ '000	Actual 2013	Actual 2012
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	7,354	7,277
	7,354	**7,277**

Note 10b. Description of and movements in Provisions

Class of Provision	2012	2013				
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/13
Annual Leave	2,880	1,863	(1,919)	-	-	**2,824**
Long Service Leave	7,081	553	(511)	-	-	**7,123**
Asset Remediation	3,093	413	-	-	-	**3,506**
Carbon Tax	-	2,152	-	-	-	**2,152**
Other	148	55	-	-	-	**203**
TOTAL	**13,202**	**5,036**	**(2,430)**	**-**	**-**	**15,808**

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

b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.

c. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

d. Other Provisions represent the impairment in the value of land held in the Thurgoona Industrial Estate as per the latest land valuation carried by Cosgraves Valuers.

Albury City Council

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

Note 11. Statement of Cash Flows - Additional Information

$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	40,049	28,829
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		**40,049**	**28,829**
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		**9,380**	**19**
Adjust for non cash items:			
Depreciation & Amortisation		25,615	25,759
Net Losses/(Gains) on Disposal of Assets		191	203
Non Cash Capital Grants and Contributions		(6,453)	(10,195)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(630)	30
- Other (Contractual Debtor Re-valuation)		-	-
Unwinding of Discount Rates on Reinstatement Provisions		413	62
Share of Net (Profits) or Losses of Associates/Joint Ventures		(15)	(3)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(1,742)	6,713
Increase/(Decrease) in Provision for Doubtful Debts		(72)	220
Decrease/(Increase) in Inventories		24	(1)
Decrease/(Increase) in Other Assets		(7)	(16)
Increase/(Decrease) in Payables		966	1,267
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		(354)	(7,632)
Increase/(Decrease) in Other Liabilities		312	71
Increase/(Decrease) in Employee Leave Entitlements		(14)	128
Increase/(Decrease) in Other Provisions		2,207	98
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		**29,876**	**16,723**

Albury City Council

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

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

$ '000	Notes	Actual 2013	Actual 2012
(c) Non-Cash Investing & Financing Activities			
S94 Contributions "in kind"		4,571	1,021
S64 Contributions "in kind"		1,882	408
Total Non-Cash Investing & Financing Activities		**6,453**	**1,429**
(d) Financing Arrangements			
Nil			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities [1]		1,000	1,000
Credit Cards / Purchase Cards		300	300
Total Financing Arrangements		**1,300**	**1,300**
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		-	-
- Other		-	-
Total Financing Arrangements Utilised		**-**	**-**

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future revenue only.

(e) Net Cash Flows Attributable to Discontinued Operations

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

Albury City Council

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

Note 12. Commitments for Expenditure

$ '000	Notes	Actual 2013	Actual 2012
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Other Structures		662	130
Total Commitments		**662**	**130**
These expenditures are payable as follows:			
Within the next year		662	130
Total Payable		**662**	**130**
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		662	130
Total Sources of Funding		**662**	**130**

Albury City Council

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

Note 12. Commitments for Expenditure (continued)

$ '000	Notes	Actual 2013	Actual 2012

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

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

Within the next year	452	363
Later than one year and not later than 5 years	1,144	988
Total Non Cancellable Operating Lease Commitments	**1,596**	**1,351**

b. Non Cancellable Operating Leases include the following assets:
Carpark lease, Computer Equipment and Office Rentals
Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to Operating Leases:

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

Albury City Council

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

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

$ '000	Amounts 2013	Indicator 2013	Prior Periods 2012	2011
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions [1]	38,639	3.18 : 1	3.15	1.46
Current Liabilities less Specific Purpose Liabilities [2,3]	12,145			
2. Debt Service Ratio				
Debt Service Cost	6,682	6.94%	7.06%	7.05%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	96,224			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	48,963	45.04%	39.65%	38.99%
Income from Continuing Operations	108,711			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	1,189	2.36%	2.93%	2.94%
Rates, Annual & Extra Charges Collectible	50,473			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals[4]	16,096	73.01%	70.02%	35.81%
Depreciation, Amortisation & Impairment	22,045			

Notes

[1] Refer Notes 6-8 inclusive.
Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

[2] Refer to Note 10(a).

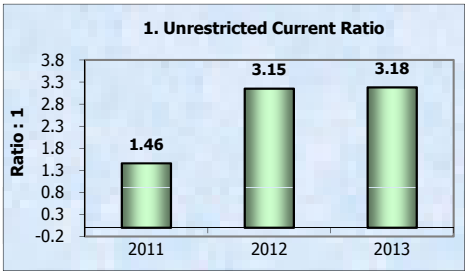
[3] Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

[4] Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

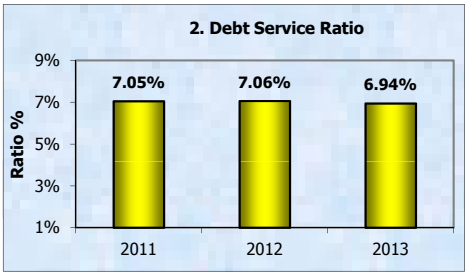
Albury City Council

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

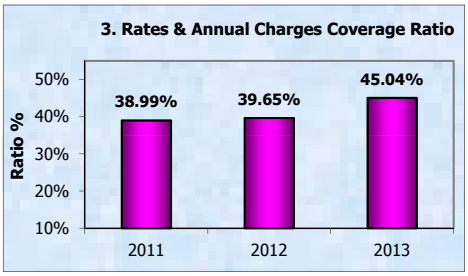
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



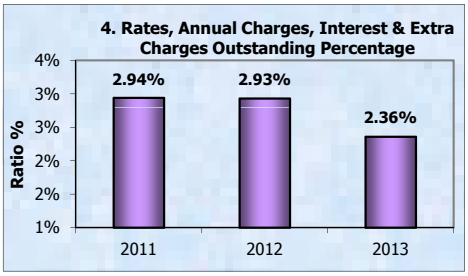
Purpose of Unrestricted Current Ratio	Commentary on 2012/13 Result
To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	**2012/13 Ratio 3.18 : 1** This ratio has stayed in line with previous years results. A ratio of 1.5:1 is considered appropriate.



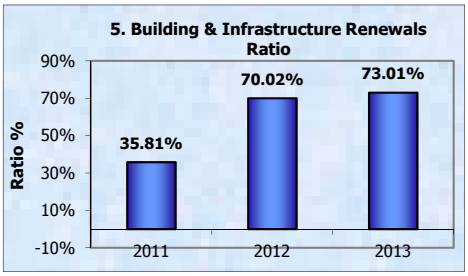
Purpose of Debt Service Ratio	Commentary on 2012/13 Result
To assess the impact of loan principal & interest repayments on the discretionary revenue of council.	**2012/13 Ratio 6.94%** The Division of Local Government considers a ratio of less than 10% for a developing city like Albury as satisfactory. Albury remains well below the recommended threshold at 6.94%. Councils ten year operating plan assumes further borrowing to carryout needed capital works. Councils forward plan sets out ratio levels of under, or close to,10%.



Purpose of Rates & Annual Charges Coverage Ratio	Commentary on 2012/13 Result
To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.	**2012/13 Ratio 45.04%** AlburyCity's reliance on rates and annual charges has increased due to an increase in Water and Sewer access charges. Close reviews of fees & charges for Council services are anticipated to continue increasing this ratio over time.



Purpose of Rates & Annual Charges Outstanding Ratio	Commentary on 2012/13 Result
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	**2012/13 Ratio 2.36%** AlburyCity retains one of the lowest ratio's for receivables in New South Wales. The Division of Local Government recommends a ratio of less that 10% for rural councils.



Purpose of Asset Renewals Ratio	Commentary on 2012/13 Result
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	**2012/13 Ratio 73.01%** Council reviews it's capital expenditure in line with the ALGA National Road Data System definitions for "maintenance", "renewal" and "upgrade". As such each expenditure item is reviewed and an overall percentage allocated to renewal. There is currently no published recommended level for renewals. Council's published ratio will vary annually depending on it's budgeted capital works program.

Albury City Council

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

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

$ '000		Water 2013	Sewer 2013	General[1] 2013
Local Government Industry Indicators - by Fund				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions [1] / Current Liabilities less Specific Purpose Liabilities [2,3]		**16.23 : 1**	**6.76 : 1**	**3.18 : 1**
	prior period:	7.67:1	5.21:1	2.49:1
2. Debt Service Ratio				
Debt Service Cost / Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)		**0.00%**	**7.41%**	**8.06%**
	prior period:	0.00%	7.50%	7.88%
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges / Income from Continuing Operations		**12.49%**	**61.43%**	**47.08%**
	prior period:	22.81%	20.43%	45.36%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding / Rates, Annual & Extra Charges Collectible		**0.12%**	**0.08%**	**3.08%**
	prior period:	0.09%	0.29%	3.32%
5. Building & Infrastructure Renewals Ratio				
Asset Renewals (Building & Infrastructure assets) / Depreciation, Amortisation & Impairment		**45.62%**	**66.04%**	**86.40%**
	prior period:	41.21%	109.76%	71.53%

Notes

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

Note 14. Investment Properties

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

Albury City Council

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

Note 15. Financial Risk Management

$ '000

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	40,049	28,829	40,049	28,829
Investments				
- "Held for Trading"	102	2,467	102	2,467
Receivables	21,482	19,668	21,482	19,668
Total Financial Assets	**61,633**	**50,964**	**61,633**	**50,964**
Financial Liabilities				
Bank Overdraft	-	-		-
Payables	7,949	7,185	7,949	7,185
Loans / Advances	51,852	52,579	51,852	52,579
Total Financial Liabilities	**59,801**	**59,764**	**59,801**	**59,764**

Fair Value is determined as follows:

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

Albury City Council

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

Note 15. Financial Risk Management (continued)

$ '000

(a) Fair Value Measurements

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

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Arriving at fair values for financial assets & liabilities can be broken up into 3 distinct measurement hierarchies:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the financial assets and financial liabilities that have been measured & recognised at fair values:

2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments				
- "Held for Trading"	-	-	102	102
Total Financial Assets	**-**	**-**	**102**	**102**
Financial Liabilities				
- Other (Loans - Secured)	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**

2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments				
- "Held for Trading"	2,405	-	62	2,467
Total Financial Assets	**2,405**	**-**	**62**	**2,467**
Financial Liabilities				
- Other (Loans - Secured)	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**

The following table presents the movement in Level 3 financial instruments

	Liabilities 2013	**Liabilities 2012**	**Assets 2013**	**Assets 2012**
Opening Balance (of Level 3 fair values)	-	-	62	1,214
Transfer to/(from) Level 3	-	-	-	-
Gains/(Losses) recognised in the Income Statement	-	-	40	(152)
Disposals	-	-	-	(1,000)
Closing Balance	**-**	**-**	**102**	**62**

Albury City Council

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

Note 15. Financial Risk Management (continued)

$ '000

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

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

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

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
2013	**Profit**	**Equity**	**Profit**	**Equity**
Possible impact of a 10% movement in Market Values	10	10	(10)	(10)
Possible impact of a 1% movement in Interest Rates	400	400	(400)	(400)
2012				
Possible impact of a 10% movement in Market Values	247	247	(247)	(247)
Possible impact of a 1% movement in Interest Rates	288	288	(288)	(288)

Albury City Council

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

Note 15. Financial Risk Management (continued)

$ '000

(c) Receivables

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

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

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

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

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

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

(i) Ageing of Receivables	**2013 Rates & Annual Charges**	**2013 Other Receivables**	**2012 Rates & Annual Charges**	**2012 Other Receivables**
Current (not yet overdue)	-	18,015	-	15,840
Past due by up to 30 days	-	597	-	563
Past due between 31 and 180 days	-	1,744	-	2,105
Past due between 181 and 365 days	1,189	-	1,171	-
Past due by more than 1 year	-	195	-	319
	1,189	**20,551**	**1,171**	**18,827**

(ii) Movement in Provision for Impairment of Receivables	**2013**	**2012**
Balance at the beginning of the year	330	110
+ new provisions recognised during the year	118	248
- amounts already provided for & written off this year	(184)	-
- amounts provided for but recovered during the year	(5)	(28)
- previous impairment losses reversed	(1)	-
Balance at the end of the year	**258**	**330**

Albury City Council

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

Note 15. Financial Risk Management (continued)

$ '000

(d) Payables & Borrowings

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

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

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

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

$ '000	Subject to no maturity	payable in: ≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	Total Cash Outflows	Actual Carrying Values
2013									
Trade/Other Payables	820	7,130						7,950	**7,949**
Loans & Advances		6,332	6,227	6,279	6,279	7,918	46,103	79,138	**51,852**
Total Financial Liabilities	**820**	**13,462**	**6,227**	**6,279**	**6,279**	**7,918**	**46,103**	**87,088**	**59,801**
2012									
Trade/Other Payables	668	6,517	-	-	-	-	-	7,185	**7,185**
Loans & Advances	-	6,119	6,070	6,070	6,070	6,070	51,941	82,340	**52,579**
Total Financial Liabilities	**668**	**12,636**	**6,070**	**6,070**	**6,070**	**6,070**	**51,941**	**89,525**	**59,764**

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

The following interest rates were applicable to Council's Borrowings at balance date:	2013 Carrying Value	2013 Average Interest Rate	2012 Carrying Value	2012 Average Interest Rate
Bank Overdraft	-	0.0%	-	0.0%
Trade/Other Payables	7,949	0.0%	7,185	0.0%
Loans & Advances - Fixed Interest Rate	51,852	6.9%	52,579	6.9%
Loans & Advances - Variable Interest Rate		0.0%		0.0%
Lease Liabilities	-	0.0%	-	0.0%
	59,801		59,764	

Albury City Council

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

Note 16. Material Budget Variations

$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 28 May 2012.

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

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

Note that for Variations* of Budget to Actual :
Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.
F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

$ '000	2013 Budget	2013 Actual	2013 Variance*		
REVENUES					
Rates & Annual Charges	51,074	48,963	(2,111)	(4%)	U
User Charges & Fees	29,582	36,388	6,806	23%	F
Introduction of carbon tax $2,108K, Lower than anticipated utilisation of the Albury Entertainment Centre facilities ($216K), Higher than expected subdivision development applications $135K, Lower than anticipated passenger charges at the Airport ($370K), Higher than expected income from memorialisations, burials and cremations at Glenmorus Gardens $133K, Increase in greenwaste services for 2013 $144K, water consumption higher than budgeted $2,940K, trade waste original budget understated $185K and an increase in residential sewer connections $126K.					
Interest & Investment Revenue	2,016	2,412	396	20%	F
Higher than anticipated realisation of investments held for trading and an increase in investments held to maturity.					
Other Revenues	2,103	1,876	(227)	(11%)	U
Parking fine income lower than anticipated ($282K), Art Gallery Retail Shop income lower than expected ($21K), Council Admin Building lease income lower than anticipated due to tenancy vacancies ($32K), lower than anticipated kiosk takings at the Lauren Jackson Sports Stadium ($20K), lower than expected legal fees recovered ($23K). Higher than expected lease income at the Airport $36K, Higher than expected Family Day Care child care benefits $111K, Higher than expected child care rebate payments to Banjora $52K.					
Operating Grants & Contributions	9,004	9,207	203	2%	F
Capital Grants & Contributions	2,819	9,850	7,031	249%	F
Unbudgeted grants and contributions received during 2012-2013: Asset Dedications; $6,085K, Liveable Cities Program $135K, Strengthening Basin Communities $242K, Wagirra Trail $122K, Kremur St Boat Ramp $121K, Albury Regional Art Gallery $175K, V-Line Contribution for Railway Place Carpark $137K, $600K higher than anticipated S64 Contribution. Budgeted grants and contributions not received during 2012-2013: East Albury Tennis Club AlburyCity Community Fund $147K, Mungabareena Boat Ramp $43K, Moresby Park Pre-School $55K, Browns Lagoon shelter $15K, Road & Drain Rehab $242K.					
Net Gains from Disposal of Assets	1,435	-	(1,435)	(100%)	U
Real Estate sales not realised during 2012-2013 ($790K), Loss on disposal of infrastructure assets ($587K), lower than expected realisation on disposal of fleet ($170K).					
Share of Net Profits - Joint Ventures & Associates	-	15	15	0%	F

Albury City Council

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

Note 16. Material Budget Variations (continued)

$ '000	2013 Budget	2013 Actual	2013 Variance*		
EXPENSES					
Employee Benefits & On-Costs	33,547	32,173	1,374	4%	F
Borrowing Costs	3,892	3,968	(76)	(2%)	U
Materials & Contracts	22,221	22,664	(443)	(2%)	U
Depreciation & Amortisation	26,870	25,615	1,255	5%	F
Other Expenses	12,675	14,665	(1,990)	(16%)	U
Reduction in bad & doubtful debts $72K, higher than expected marketing expenses ($51K), AlburyCity Community Fund projects originally budgeted in Capital ($173K), introduction of the carbon tax expense ($2,108K), lower than expected costs associated with Albury Flood Risk Management Survey $103K, adjustment of election provision in line with actual costs $167K, higher than expected electricity and gas on street lighting and carpark ($191K), minor plant purchases originally budgeted in capital expenditure ($133K), Wagirra operational expenditure budget allocated across operating costs $60K.					
Net Losses from Disposal of Assets	733	191	542	74%	F
Real Estate sales not realised during 2012-2013 resulting in less cost of goods sold $589K, higher than anticipated realisation on disposal of leased fleet $75K.					
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	24,203	29,876	5,673	23.4%	F
The major movement in this area relates to higher than expected Water & Sewer usage as total Water consumption was 23% higher than budget $3.2M.					
Cash Flows from Investing Activities	(21,956)	(17,929)	4,027	(18.3%)	F
The major movement in this area related to works Infrastructure, Property, Plant & Equipment to be carried over to 2013-2014 $2M, another part of the movement relates to the sale of investment securities, in 2012-2013 CDO's held by Council were revalued and reached maturity $1.85M.					
Cash Flows from Financing Activities	2,032	(727)	(2,759)	(135.8%)	U
This variance relates to loans budgeted to be taken up in 2012-2013 but funds were not required.					

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

Note 17. Statement of Developer Contributions

$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	199	40	-	8	(40)	-	**207**	27	(230)	4	-
Roads	332	273	-	13	(275)	-	**343**	152	(500)	(5)	-
Parking	77	75	-	3	(75)	-	**80**	42	(120)	2	-
Open Space	248	69	-	10	(70)	-	**257**	39	(295)	1	-
Community Facilities	324	90	-	16	-	-	**430**	52	(480)	2	-
S94 Contributions - under a Plan	**1,180**	**547**	**-**	**50**	**(460)**	**-**	**1,317**	**312**	**(1,625)**	**4**	**-**
S94A Levies - under a Plan	**-**	**-**	**-**	**-**	**-**	**-**	**-**				**-**
Total S94 Revenue Under Plans	**1,180**	**547**	**-**	**50**	**(460)**	**-**	**1,317**				**-**
S64 Contributions	1,050	1,601		41	(1,600)		**1,092**				
Total Contributions	**2,230**	**2,148**	**-**	**91**	**(2,060)**	**-**	**2,409**	**312**	**(1,625)**	**4**	**-**

Note 17. Statement of Developer Contributions (continued)

$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - ALBURY

PURPOSE	Opening Balance	Contributions received during the Year Cash	Contributions received during the Year Non Cash	Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections Future income	Projections Exp still outstanding	Projections Over or (under) Funding	Cumulative Internal Borrowings due/(payable)
Drainage	199	40	-	8	(40)	-	**207**	27	(230)	4	-
Roads	332	273	-	13	(275)	-	**343**	152	(500)	(5)	-
Parking	77	75	-	3	(75)	-	**80**	42	(120)	2	-
Open Space	248	69	-	10	(70)	-	**257**	39	(295)	1	-
Community Facilities	324	90	-	16	-	-	**430**	52	(480)	2	-
Total	**1,180**	**547**	**-**	**50**	**(460)**	**-**	**1,317**	**312**	**(1,625)**	**4**	**-**

CONTRIBUTION PLAN HUME

PURPOSE	Opening Balance	Contributions received during the Year Cash	Contributions received during the Year Non Cash	Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections Future income	Projections Exp still outstanding	Projections Over or (under) Funding	Cumulative Internal Borrowings due/(payable)
Drainage	-	-	-	-	-	-	**-**	-	-	-	-
Roads	-	-	-	-	-	-	**-**	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	**-**	-	-	-	-
Parking	-	-	-	-	-	-	**-**	-	-	-	-
Open Space	-	-	-	-	-	-	**-**	-	-	-	-
Community Facilities	-	-	-	-	-	-	**-**	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Albury City Council

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

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

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

The Local Government Superannuation Scheme has provided Council with an estimate of $2.25M owed by Council as at 30 June 2013.
Council has not recorded any net liability from it's Defined Benefit Scheme obligations in accordance with AASB 119.

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

Albury City Council

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

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

$ '000

LIABILITIES NOT RECOGNISED (continued):

(iv) Council as Guarantor of Loan

AlburyCity is acting as guarantor of a commercial loan to the original principal value of $120,000 from the Bendigo Bank over a period of 15 years in relation to the North Street Building for Albury Wodonga Table Tennis Association (AWTTA).

(v) Landfill Aftercare

In addition to restoration costs, the landfill site may require additional after-care costs after the closure of the landfill site. After-care is defined as ongoing monitoring and rectification works associated with any identified site disturbance, problems or risks.

The ultimate cost of after-care is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the nature of site disturbance and future developments and the emergence of new remediation techniques. Furthermore, the after-care costs may continue for many years after the closure of the site, the timing of costs subject to a number of factors including the estimated life expectancy of the site. Best estimates suggest that the Landfill site has a residual life of approximately 40 years based on current waste volumes. Therefore, a liability for these contingent costs have not been recognised in the financial statements.

(vi) Council has provided no other Guarantees other than those listed above.

2. Other Liabilities

(i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services. Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

(ii) S94 Plans

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

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

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

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

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

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

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

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

Albury City Council

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

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

$ '000

ASSETS NOT RECOGNISED:

(i) Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/06/08.

Albury City Council

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

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

$ '000

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

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

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

Associated Entities & Joint Venture Entities ***Note 19(b)*** *(i)&(ii)*

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

Accounting Recognition:

Associated Entities and Joint Venture Entities as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method - and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Associated Entities	15	3	1,119	1,187
Total	**15**	**3**	**1,119**	**1,187**

Albury City Council

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

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

$ '000

(a) Subsidiaries (ie. Entities & Operations controlled by Council)

(b) Associated Entities & Joint Venture Entities

(i) ASSOCIATED ENTITIES

(a) Net Carrying Amounts - Council's Share

Name of Entity	Principal Activity	2013	2012
Hume Gardens Residential Development	Development of Residential Land	253	311
Thurgoona Industrial Estate	Development of Industrial Land	866	876
Total Carrying Amounts - Associated Entities		**1,119**	**1,187**

(b) Relevant Interests

	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
Name of Entity	2013	2012	2013	2012	2013	2012
Hume Gardens Residential Development	13.68%	14.00%	13.68%	14.00%	20%	20%
Thurgoona Industrial Estate	13.36%	13.52%	13.36%	13.52%	50%	50%

(c) Movement in Carrying Amounts of Council's Equity Interest

	Hume Gardens Residential Development		Thurgoona Industrial Estate	
	2013	2012	2013	2012
Opening Balance	311	362	876	885
Share in Operating Result	25	12	(10)	(9)
New Capital Contributions	-	-	-	-
Distributions Received	(83)	(63)	-	-
Adjustments to Equity	-	-	-	-
Council's Equity Share in the Associated Entity	**253**	**311**	**866**	**876**

(d) Summarised Financial Information of Associated Entities - Council's Share

2013	Assets	Liabilities	Net Assets	Revenues	Profit
Hume Gardens Residential Development	253	-	**253**	79	25
Thurgoona Industrial Estate	866	-	**866**	-	(10)
Totals	**1,119**	**-**	**1,119**	**79**	**15**

2012	Assets	Liabilities	Net Assets	Revenues	Profit
Hume Gardens Residential Development	311	-	**311**	60	12
Thurgoona Industrial Estate	876	-	**876**	-	(9)
Totals	**1,187**	**-**	**1,187**	**60**	**3**

Albury City Council

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

Note 20. Equity - Retained Earnings and Revaluation Reserves

$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		625,591	625,572
d. Net Operating Result for the Year		9,380	19
Balance at End of the Reporting Period		634,971	625,591
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		314,751	289,178
Total		**314,751**	**289,178**
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		289,178	275,775
- Revaluations for the year	9(a)	25,551	13,403
- Revaluation of Water Licence		22	-
- Balance at End of Year		**314,751**	**289,178**
TOTAL VALUE OF RESERVES		**314,751**	**289,178**

(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

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

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

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

Albury City Council

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

Note 21. Financial Result & Financial Position by Fund

$ '000

Income Statement by Fund $ '000	Actual 2013	Actual 2013	Actual 2013
Continuing Operations	**Water**	**Sewer**	**General**[1]
Income from Continuing Operations			
Rates & Annual Charges	1,688	10,526	36,749
User Charges & Fees	10,342	3,786	22,260
Interest & Investment Revenue	187	483	1,742
Other Revenues	90	113	1,673
Grants & Contributions provided for Operating Purposes	158	160	8,889
Grants & Contributions provided for Capital Purposes	1,048	2,066	6,736
Other Income			
Net Gains from Disposal of Assets	-	-	-
Share of interests in Joint Ventures & Associates	-	-	-
using the Equity Method	-	-	15
Total Income from Continuing Operations	**13,513**	**17,134**	**78,064**
Expenses from Continuing Operations			
Employee Benefits & on-costs	1,610	2,184	28,379
Borrowing Costs	-	1,117	2,851
Materials & Contracts	976	2,374	19,314
Depreciation & Amortisation	5,420	3,790	16,405
Impairment	-	-	55
Other Expenses	3,982	4,091	6,592
Interest & Investment Losses	-	-	-
Net Losses from the Disposal of Assets	12	-	179
Share of interests in Joint Ventures & Associates	-	-	-
using the Equity Method	-	-	-
Total Expenses from Continuing Operations	**12,000**	**13,556**	**73,775**
Operating Result from Continuing Operations	1,513	3,578	4,289
Net Operating Result for the Year	1,513	3,578	4,289
Net Operating Result attributable to each Council Fund	1,513	3,578	4,289
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	465	1,512	(2,447)

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

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

Albury City Council

Notes to the Financial Statements
as at 30 June 2013

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

$ '000

Statement of Financial Position by Fund $ '000	Actual 2013	Actual 2013	Actual 2013
ASSETS	**Water**	**Sewer**	**General**[1]
Current Assets			
Cash & Cash Equivalents	3,193	7,233	29,623
Investments	8	18	76
Receivables	5,193	5,757	10,220
Inventories	292	16	4,687
Other	-	-	164
Total Current Assets	8,686	13,024	44,770
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	312
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	202,528	166,229	588,186
Investments Accounted for using the equity method	-	-	1,119
Intangible Assets	1,673	-	172
Other	-	-	-
Total Non-Current Assets	204,201	166,229	589,789
TOTAL ASSETS	**212,887**	**179,253**	**634,559**
LIABILITIES			
Current Liabilities			
Payables	26	78	9,213
Borrowings	-	1,274	1,653
Provisions	498	433	8,633
Total Current Liabilities	524	1,785	19,499
Non-Current Liabilities			
Payables	-	-	-
Borrowings	-	13,196	35,729
Provisions	-	-	6,244
Investments Accounted for using the equity method	-	-	-
Total Non-Current Liabilities	-	13,196	41,973
TOTAL LIABILITIES	**524**	**14,981**	**61,472**
Net Assets	**212,363**	**164,272**	**573,087**
EQUITY			
Retained Earnings	152,857	124,947	357,167
Revaluation Reserves	59,506	39,325	215,920
Council Equity Interest	**212,363**	**164,272**	**573,087**
Total Equity	**212,363**	**164,272**	**573,087**

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

Albury City Council

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

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

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

Note 23. Events occurring after the Reporting Period

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

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

Accordingly, the "authorised for issue" date is 28/10/13.

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

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

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

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

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

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

Note 24. Discontinued Operations

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

Albury City Council

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

Note 25. Intangible Assets

$ '000	Actual 2013	Actual 2012

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

Intangible Assets are as follows;	Carrying Amount	Carrying Amount
Opening Values:		
Gross Book Value (1/7/12)	1,823	1,823
Net Book Value - Opening Balance	**1,823**	**1,823**
Movements for the year		
- Other Capitalised Costs (Revaluation)	22	-
Closing Values:		
Gross Book Value (30/6/13)	1,845	1,823
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE [1]	1,845	1,823
[1.] **The Net Book Value of Intangible Assets represent:**		
- Other Assets (Water Licence) Water Fund	1,673	1,652
- Other Assets (Water Licence) General Fund	172	171
	1,845	**1,823**
Restricted Intangible Assets:		
- Other Assets (Water Licence) Water Fund Restricted Asset	1,673	1,652

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Albury Landfill

The Albury Landfill site is anticipated to end its useful life in 2046, based on a consultants feasability study with an estimated cost of $5M in 2002 dollars ($17.3M in 2046).

Council currently holds a provision of $3.5M to offset this cost.

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

Asset/Operation	Estimated year of restoration		NPV of Provision 2013	NPV of Provision 2012
Albury Landfill	2046		3,506	3,093
Balance at End of the Reporting Period		10(a)	3,506	3,093

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

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

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	3,093	3,031
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	413	62
Total - Reinstatement, rehabilitation and restoration provision	**3,506**	**3,093**

Albury City Council

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

Note 27. Financial Commentary & Review (continued)

$ '000

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

Financial Performance Figures	**2013**	**2012**	2011	2010	2009
Inflows:					
Rates & Annual Charges Revenue	**48,963**	45,098	36,081	34,266	38,228
User Charges Revenue	**36,388**	30,276	34,150	34,099	20,303
Interest & Investment Revenue (Losses)	**2,412**	1,894	2,135	2,289	355
Grants Income - Operating & Capital	**9,922**	13,036	13,032	12,002	12,626
Total Income from Continuing Operations	**108,711**	96,873	92,536	97,810	83,494
Sale Proceeds from I,PP&E	**896**	811	825	1,040	1,336
New Loan Borrowings & Advances	**2,400**	11,450	8,020	6,458	12,980
Outflows:					
Employee Benefits & On-cost Expenses	**32,173**	32,587	33,517	32,350	29,425
Borrowing Costs	**3,968**	3,321	3,096	3,062	2,527
Materials & Contracts Expenses	**22,664**	23,270	22,937	18,834	20,838
Total Expenses from Continuing Operations	**99,331**	96,854	95,328	88,774	85,011
Total Cash purchases of I,PP&E	**20,869**	25,554	17,147	26,395	27,492
Total Loan Repayments (incl. Finance Leases)	**3,127**	3,035	2,918	2,814	2,275
Operating Surplus/(Deficit) (excl. Capital Income)	**(470)**	(4,537)	(10,031)	(2,761)	(10,852)

Financial Position Figures	**2013**	**2012**	2011	2010	2009
Current Assets	**66,480**	54,733	44,396	39,175	38,104
Current Liabilities	**21,808**	21,073	27,097	21,346	21,432
Net Current Assets	**44,672**	33,660	17,299	17,829	16,672
Available Working Capital (Unrestricted Net Current Assets)	**22,863**	26,242	4,901	7,937	10,185
Cash & Investments - Unrestricted	**18,911**	18,219	12,354	7,601	7,954
Cash & Investments - Internal Restrictions	**8,752**	6,337	8,224	7,760	7,839
Cash & Investments - Total	**40,151**	31,296	30,875	25,901	24,263
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	**51,852**	52,579	44,164	39,062	35,418
Total Value of I,PP&E (excl. Land & Earthworks)	**1,565,190**	1,496,644	1,441,527	1,391,651	1,321,906
Total Accumulated Depreciation	**675,832**	635,724	602,968	576,528	536,186
Indicative Remaining Useful Life (as a % of GBV)	57%	58%	58%	59%	59%

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

Albury City Council

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

Note 28. Council Information & Contact Details

Principal Place of Business:
553 Kiewa Street
ALBURY NSW 2640

Contact Details
Mailing Address:
PO Box 323
ALBURY NSW 2640

Opening Hours:
Mon - Fri 8.30am to 5.00pm

Telephone: 02 6023 8111
Facsimile: 1800 133 391

Internet: www.alburycity.nsw.gov.au
Email: info@alburycity.nsw.gov.au

Officers
GENERAL MANAGER
Frank Zaknich

RESPONSIBLE ACCOUNTING OFFICER
Mal Dunstone

PUBLIC OFFICER
Judy Charlton

AUDITORS
Crowe Horwath Albury
491 Smollet St, Albury NSW 2640

Elected Members
MAYOR
Kevin Mack

COUNCILLORS
Kevin Mack
Daryl Betteridge
Darren Cameron
Graham Docksey
Patricia Gould
Ross Jackson
David Thurley
Henk van de Ven

Other Information
ABN: 92 965 474 349

Crowe Horwath

Crowe Horwath
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INDEPENDENT AUDITORS' REPORT TO ALBURYCITY COUNCIL (SECTION 417(2) – REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of AlburyCity Council ('the Council'), which comprises the statement of financial position as at 30 June 2013 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 28 and the Statement by Councillors and Management of the Council. The financial statements and Council's statement are in the approved form as required by Section 413(2)(c) of the Local Government Act, 1993.

COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Councillors and management of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

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

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Crowe Horwath

We performed the procedures to assess whether in all material respects the financial statements presents fairly, in accordance with the Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting and Australian Accounting Standards, a view which is consistent with our understanding of the Council's financial position and of its performance.

Our audit responsibilities do not extend to the Original Budget figures disclosed in the income statement, cash flow statement, Notes 2(a) and 16 to the financial statements nor the attached Special Schedules. Our audit opinion does not extend to cover the TCorp ratios in 13a(i) & 13a(ii) nor the projections data in Note 17 and accordingly, we express no opinion on them.

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

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

AUDITOR'S OPINION

In our opinion:

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

b) the Council's financial statements:

- have been properly prepared in accordance with the requirements of this Division;
- are consistent with the Council's accounting records;
- present fairly the Council's financial position and result of its operations; and
- are in accordance with applicable Accounting Standards.

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

d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

Crowe Horwath

CROWE HORWATH ALBURY

BRADLEY D BOHUN
Partner

Dated at Albury this 22nd day of October 2013.

Crowe Horwath

Report on the Conduct of the Audit

AlburyCity Council

Year Ended 30 June 2013

Contents

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2 Operating Result 4
3 Financial Position 5
4 Performance Indicators 6
5 Specific Balance Sheet Items 8
6 Other Matters 12

1 Report on the Conduct of Audit

We have completed our audit of the financial statements for AlburyCity Council (Council) for the year ended 30 June 2013, in accordance with Section 415 of the Local Government Act, 1993. Our audit opinion under Section 417(2) has been issued to Council.

The Council is responsible for the preparation and presentation of the financial statements and the information they contain. The financial statements consist of the general purpose financial statements and Council's statement in the approved form required by Section 413 (2) and (c) respectively of the Local Government Act 1993.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosure in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

Following from our audit there are a number of comments we wish to raise concerning Council's financial statements. These comments are set out in this report below.

2 Operating Result

AlburyCity Council (the 'Council' or 'AlburyCity') is a regional city council in Southern New South Wales, whose affairs are governed by:

- Local Government Act 1993;
- Local Government Regulations;
- Local Government Code of Accounting Practice and Financial Reporting; and
- Local Government Asset Accounting Manual Regulations.

The Council is responsible for the administration and implementation of the strategic policies voted on in Council.

As disclosed in the Income Statement, the Council achieved a surplus in net operating result from continuing operations (including capital contributions) of $9,380k (2012: $19k surplus) for the year ended 30 June 2013.

Significant income and expense items in the current year were:

	2013 $'000	2012 $'000	2011 $'000
Rates and annual charges	48,963	45,098	36,081
User charges and fees	36,388	30,276	34,150
Grants and contributions - operating	9,207	12,360	10,163
Grants and contributions - capital	9,850	4,556	7,239
Employee costs	(32,173)	(32,587)	(33,517)
Materials and contracts	(22,664)	(23,270)	(22,937)
Depreciation and amortisation	(25,615)	(25,759)	(24,371)

The above income and expense items all have the potential to have a significant impact on Council's operating result. Rates and annual charges increased by $3,865k from $45,098k in 2012. User charges and fees increased by $6,112k from $30,276k in 2012. Grants and contributions received by Council also continue to have a major influence on the reported result as demonstrated by the Financial Assistance grant of $3,297k received in advance and booked as income in June 2013 which pertains to the 2013/14 year.

The above significant items are based on the operational results from Council as disclosed in the income statement and accompanying notes.

3 Financial Position

A measure of the Council's financial position is its unrestricted working capital. The following table sets out the unrestricted working capital position of Council as at the end of the financial year

		2013 $'000	2012 $'000	2011 $'000
Cash and Liquid Investments		40,049	28,829	27,378
External Restrictions	- included in liabilities		-	(3,143)
	- not included in liabilities	(12,488)	(4,273)	(7,154)
Internal Restrictions	- included in liabilities	(8,149)	(5,385)	(5,366)
	- not included in liabilities*	(603)	(952)	(2,858)
Unrestricted Cash and Investments		**18,809**	**18,219**	**8,857**
Other Net Current Assets / (Liabilities) excluding anticipated LSL Provision & restrictions included in liabilities		5,387	5,224	(6,442)
Unrestricted Working Capital		**24,196**	**23,443**	**2,415**

*Council has used internal restrictions extensively and these are a discretionary item specific to each individual Council. It should be noted that the level of internal restrictions can be adjusted via Council vote and for AlburyCity several future development projects have already been costed via the use of internal restrictions.

The above represents the amount of available working capital Council has at its disposal to meet its future spending requirements after making allowance for any restrictions in place over the use of such working capital.

The calculation of unrestricted working capital shows an improvement which is consistent with the trend of the unrestricted current ratio disclosed in Note 13 to the financial statements of 3.18:1 (2012: 3.15:1).

On a dollar basis unrestricted working capital per the above calculation has improved. This is supported by the unrestricted current ratio disclosed in Note 13 which has also improved. Both indicators reflect a positive position for Council as at year end.

We note that Council continues to carry a sizable balance of internal restrictions as at year end.

We recommend that Council continue to monitor its unrestricted working capital position and unrestricted current ratio when reviewing its financial position.

4 Performance Indicators

Refer to Note 13 of the financial statements.

4.1 Liquidity (Unrestricted Current) Ratio

The liquidity ratio is used to assess the adequacy of working capital and Council's ability to satisfy its obligations in the short term.

The liquidity ratio at Note 13 shows Council's liquidity position well exceeds the generally accepted minimum benchmark. The ratio indicates that Council has the capacity to pay its debts as and when they fall due.

4.2 Debt Service Ratio

This ratio demonstrates the percentage of Council revenue required to service the debts carried by Council.

This ratio indicates 6.94% (2012: 7.06%) of Council's revenue is consumed servicing debt confirming that Council continues to maintain a small level of borrowings relative to its overall size.

4.3 Rates & Annual Charges Coverage Ratio

The rate coverage ratio is used to assess Council's degree of dependence upon revenues from rates and annual charges and to assess the security of Council's income.

The rates coverage ratio at year end is 45.04% (2012: 39.65%) which indicates a moderate portion of Council's income is sourced from this area, but is relatively consistent with the past several years and is influenced by grant activity for isolated events.

4.4 Rates & Annual Charges Outstanding Percentage

The rates and annual charges outstanding percentage is used to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.

The percentage of rates and annual charges outstanding at year end is 2.63% (2012: 2.93%). Staff should be encouraged to continue their, to date effective, efforts in recovering outstanding charges. We do note that these debts are secured over the underlying property and the level of default for Council in this area historically has been minimal.

4.5 Asset (building and infrastructure) Renewals Ratio

The asset renewals ratio consists of expenditure during the year on infrastructure asset renewals over a base of the depreciation, amortisation and impairment expense. The ratio highlights the coverage of asset renewal expenditure relative to the level of depreciation, amortisation and impairment.

The ratio of 73.01% (2012: 70.02%) indicates that in the current year Council's expenditure in this area is increasing taking into account this is a short term measure of a long lived asset base. In previous years, this ratio has been significantly lower and has indicated that Council's asset base was theoretically deteriorating at a greater rate than funding was being provided to retain it in its present condition. Council has focused on this area and has made significant progress in improving the ratio, together with the implementation of its asset management plan which has a longer term focus than an annual measure of asset renewal expenditure.

We note that Council's analysis of the capital expenditure on infrastructure assets continues to improve and the trending of this ratio in future years is expected to provide more meaningful feedback on the adequacy of Council's renewal expenditure.

5 Specific Balance Sheet Items

5.1 Receivables

Total current receivables at 30 June 2013, net of allowance for impairment were $21,170k (2012: $19,246k).

This balance primarily consists of rates and annual charges of $1,189k (2012: $1,171k), user charges and fees of $12,801k (2012: $10,582k), government grants & subsides of $561k (2012: $713k), accrued revenues of $1,186k (2012: $1,144k) and other debtors of $5,545k (2012: $5,718k).

The percentage of rates and annual charges outstanding is referred to at Section 4.4 of this report.

Total non–current receivables at 30 June 2013 were $426k (2012: $670k) net of impairment allowance.

The allowance for impairment at 30 June 2013 was $258k (2012: $330k). The allowance is specifically matched against individual user charges and fees outstanding. An assessment of the collectability of the receivables balance indicated that the allowance for impairment was deemed sufficient.

5.2 Depreciation Method - Fleet

The Council implemented a new method of calculating depreciation expense on its fleet assets.

Previously fleet assets were depreciated on a straight line basis with a 5 year useful life with no residual value. However during recent years the Council has noticed that the useful life and depreciation charge did not appear an accurate reflection of the consumption of economic value. Specifically the Council identified that there were:

- large profits on sale of fleet assets; and
- inflated recharge of fleet costs to projects, which were subsequently capitalized.

The Council subsequently performed a review of the useful lives and residual value on fleet assets which they believe better represents the true value of the consumption and resultant wear and tear on that particular asset at any given time throughout its useful life.

We noted that the Council reported a depreciation expense of $1,459k on plant and equipment in Note 9 in the financial statements for 2012-13. This was compared to a depreciation expense of $2,157k reported in the 2011-12 financial statements. We noted that this is a decrease in depreciation of $698k (at face value) in the 2012-13 financial year.

The change in accounting estimate has been reflected in Note 1 in the financial statements.

5.3 Collateralised Debt Obligations (CDO's)

CDOs are a long term, structured instrument designed to provide a premium rate of return relative to the local fixed interest market. They are similar to debentures paying a periodic interest coupon to holders. They are linked to a pooled reference group of organisations.

The indicative fair values used by AlburyCity Council in determining the carrying amount for these structured investments is not based on an active secondary market and are therefore best described as theoretical estimates.

It was noted that the Council has two CDO's outstanding at 30 June 2013 that have a fair value of $102k (2012: $62k).

During the 2012-13 financial year, four CDO's held by the Council matured and were redeemed. The total redemption value was $2,995k which resulted in a fair value gain of $590k from the 30 June 2012 fair value of $2,405k.

5.3 Accounting for Carbon Emissons Trading Scheme

AlburyCity became a 'liable entity' under the *Carbon Pricing Mechanism* ('CPM') effective 1 July 2012 under legislation enacted by federal parliament in the *Clean Energy Act* 2011, related Acts and subordinate legislation and Regulations. The Council issued a Carbon Liability Financial Management Policy in May 2012.

We note that during the 2012-13 financial year the Council increased its fees and charges at the Albury Waste Management Centre to effectively collect revenue on landfill deposit that will give rise to a carbon emission in the future. This fee is predicated on a user-pays principle, and is based on knowledge of the carbon emission profile of waste, and utilises the Commonwealth Department of Treasury forecast of the carbon price. The carbon fee was calculated based on the initial Net Present Value ("NPV") modeling of the cost that the Council would incur to discharge its liability in the future.

The Council has recognised a provision of $2,152k in Note 10 (a) of the financial statements for the estimated future liability to discharge its carbon liability.

The Council has recognised an internal restriction of $2,375k in Note 6 (c) of the financial statements relating to funds required to discharge its future carbon liability calculated at 30 June 2013. The calculation of the estimated future liability to discharge its carbon liability was based on a time series analysis model to estimate the NPV of future liabilities associated with the Council's carbon emissions.

We note that Council has a shortfall of $223k between the estimated liability recognised as a restriction in Note 6 (c) and the actual provision recognised in Note 10 (a). This difference relates to a movement of the estimated NPV of the carbon fee and the calculation of the NPV of the provision at 30 June 2013.

5.4 Capital Expenditure

During the reporting period Council spent $27,859k (2012: $35,753k) on items of an infrastructure, property, plant or equipment nature. The primary areas of capital expenditure were as follows:

	2013 $'000	2012 $'000	2011 $'000
Plant and equipment	2,873	1,696	2,450
Land and improvements	617	2,403	4,694
Buildings	1,002	1,166	1,221
Roads, bridges and footpaths	11,349	17,807	1,326
Stormwater drainage	2,026	659	353
Water supply network	2,669	2,988	1,647
Sewerage network	1,950	2,444	666
Capital works in progress	5,236	5,060	5,969
Other	137	1,530	836
	27,859	**35,753**	**19,162**

5.5 Borrowings

Borrowings have decreased by $727k from the prior year's balance of $52,579 due to discharging existing loan obligations. These loans are secured over the general Rating Income of Council.

5.6 Fair Value of Infrastructure Assets

In 2011 the Council should have completed the progressive revaluation of all property, plant and equipment to fair value. The Division of Local Government timetable is as follows:

2008: Operational land, buildings, plant and equipment and land under roads;
2009: Nil;
2010: Roads, bridges, footpaths, drainage and bulk earthworks;
2011: Community land, land improvements, other structures and other assets; and
2012: Water and sewer networks (last revalued in2007).
2013: Operational land and buildings (last revalued in 2008).

Albury City has exceeded these requirements.

5.7 New Standards and Interpretations Not Yet Adopted

Certain new accounting standards have been published that are not mandatory for the 30 June 2013 reporting period as follows:

- AASB 9 *Financial Instruments*, associated standards, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures(effective from 1 January 2015).
- AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in Other Entities,* revised AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013)
- AASB 13 *Fair Value Measurement and* AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)
- Revised AASB 119 *Employee Benefits,* AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011) and AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* (effective 1 January 2013)

The impact of AASB 9 and AASB 13 have been disclosed in Note 1 to the financial statements.

Council is of the view that AASB 10 and AASB 119 will not significantly affect any of the amounts recognised in the financial statements, however they may impact certain information otherwise disclosed, or the format in which information is disclosed.

6 Other Matters

6.1 Management Letter

A separate report is issued to Council's management which covers in further detail the audit and accounting issues identified during our audit process.

6.2 Independence

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

6.3 Reliance on the Report

The report on the conduct of the audit has been prepared for distribution to Council. We disclaim any assumption of responsibility for any reliance on this report to any person other than Council or for any purpose other than that for which it was prepared.

Contact Us

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Albury City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Albury City Council

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

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4. Auditor's Report

Background

(i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.

(ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

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

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

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

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

Albury City Council

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

Statement by Councillors and Management
made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

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

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

Signed in accordance with a resolution of Council made on 28 October 2013.

Kevin Mack
MAYOR

Henk van de Ven
COUNCILLOR

Frank Zaknich
GENERAL MANAGER

Mal Dunstone
RESPONSIBLE ACCOUNTING OFFICER

Albury City Council

Income Statement of Council's Water Supply Business Activity
for the financial year ended 30 June 2013

$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	1,688	2,138
User charges	9,498	6,436
Fees	844	-
Interest	187	110
Grants and contributions provided for non capital purposes	158	147
Profit from the sale of assets	-	-
Other income	90	100
Total income from continuing operations	**12,465**	**8,931**
Expenses from continuing operations		
Employee benefits and on-costs	1,610	1,402
Borrowing costs	-	-
Materials and contracts	976	894
Depreciation and impairment	5,420	5,473
Water purchase charges	-	-
Loss on sale of assets	12	250
Calculated taxation equivalents	110	42
Debt guarantee fee (if applicable)	-	-
Other expenses	3,982	3,637
Total expenses from continuing operations	**12,110**	**11,698**
Surplus (deficit) from Continuing Operations before capital amounts	**355**	**(2,767)**
Grants and contributions provided for capital purposes	1,048	444
Surplus (deficit) from Continuing Operations after capital amounts	**1,403**	**(2,323)**
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	**1,403**	**(2,323)**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(107)	-
SURPLUS (DEFICIT) AFTER TAX	**1,297**	**(2,323)**
plus Opening Retained Profits	151,344	153,625
plus/less: Prior Period Adjustments		-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	110	42
- Debt guarantee fees	-	-
- Corporate taxation equivalent	107	-
less:		
- Tax Equivalent Dividend paid		-
- Surplus dividend paid		-
Closing Retained Profits	**152,857**	**151,344**
Return on Capital %	**0.2%**	**-1.4%**
Subsidy from Council	**7,280**	**13,076**
Calculation of dividend payable:		
Surplus (deficit) after tax	1,297	(2,323)
less: Capital grants and contributions (excluding developer contributions)	(548)	(154)
Surplus for dividend calculation purposes	**749**	**-**
Potential Dividend calculated from surplus	**374**	**-**

Albury City Council

Income Statement of Council's Sewerage Business Activity
for the financial year ended 30 June 2013

$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	10,526	9,491
User charges	3,786	3,104
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	483	195
Grants and contributions provided for non capital purposes	160	153
Profit from the sale of assets	-	-
Other income	113	117
Total income from continuing operations	**15,068**	**13,060**
Expenses from continuing operations		
Employee benefits and on-costs	2,184	2,191
Borrowing costs	1,117	979
Materials and contracts	2,374	2,319
Depreciation and impairment	3,790	3,562
Loss on sale of assets	-	-
Calculated taxation equivalents	463	190
Debt guarantee fee (if applicable)	75	55
Other expenses	4,091	3,965
Total expenses from continuing operations	**14,094**	**13,261**
Surplus (deficit) from Continuing Operations before capital amounts	**974**	**(201)**
Grants and contributions provided for capital purposes	2,066	651
Surplus (deficit) from Continuing Operations after capital amounts	**3,040**	**450**
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	**3,040**	**450**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(292)	-
SURPLUS (DEFICIT) AFTER TAX	**2,748**	**450**
plus Opening Retained Profits	121,369	120,674
plus/less: Prior Period Adjustments		-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	463	190
- Debt guarantee fees	75	55
- Corporate taxation equivalent	292	-
less:		
- Tax Equivalent Dividend paid		-
- Surplus dividend paid		-
Closing Retained Profits	**124,947**	**121,369**
Return on Capital %	**1.3%**	**0.5%**
Subsidy from Council	**4,176**	**7,575**
Calculation of dividend payable:		
Surplus (deficit) after tax	2,748	450
less: Capital grants and contributions (excluding developer contributions)	(965)	(253)
Surplus for dividend calculation purposes	**1,783**	**197**
Potential Dividend calculated from surplus	**891**	**99**

Albury City Council

Income Statement of Council's Other Business Activities
for the financial year ended 30 June 2013

	Airport Operations		Albury Landfill	
$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Income from continuing operations				
Access charges	-	-	-	-
User charges	5,963	5,976	9,141	7,108
Fees	-	-	-	-
Interest	-	-	18	16
Grants and contributions provided for non capital purposes	-	-	24	16
Profit from the sale of assets	-	-	-	-
Other income	257	345	247	34
Total income from continuing operations	**6,220**	**6,321**	**9,430**	**7,174**
Expenses from continuing operations				
Employee benefits and on-costs	847	960	363	324
Borrowing costs	692	708	413	61
Materials and contracts	2,554	2,080	5,027	2,926
Depreciation and impairment	719	724	100	76
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	202	217	48	37
Debt guarantee fee (if applicable)	45	46	-	-
Other expenses	1,684	1,652	-	77
Total expenses from continuing operations	**6,743**	**6,387**	**5,951**	**3,501**
Surplus (deficit) from Continuing Operations before capital amounts	**(523)**	**(66)**	**3,479**	**3,673**
Grants and contributions provided for capital purposes	20	-	-	29
Surplus (deficit) from Continuing Operations after capital amounts	**(503)**	**(66)**	**3,479**	**3,702**
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	**(503)**	**(66)**	**3,479**	**3,702**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	(1,044)	(1,102)
SURPLUS (DEFICIT) AFTER TAX	**(503)**	**(66)**	**2,435**	**2,600**
plus Opening Retained Profits	10,783	10,586	9,914	6,175
plus/less: Prior Period Adjustments		-		-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	202	217	48	37
- Debt guarantee fees	45	46	-	-
- Corporate taxation equivalent	-	-	1,044	1,102
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	**10,527**	**10,783**	**13,441**	**9,914**
Return on Capital %	**0.7%**	**2.8%**	**91.8%**	**154.4%**
Subsidy from Council	**685**	**558**	**-**	**-**

Albury City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

	Cemetery Crematorium		Banjora Child Care	
$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Income from continuing operations				
Access charges	-	-	-	-
User charges	-	-	-	-
Fees	942	832	601	573
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	61	65
Profit from the sale of assets	-	-	-	-
Other income	-	(1)	96	45
Total income from continuing operations	**942**	**831**	**758**	**683**
Expenses from continuing operations				
Employee benefits and on-costs	279	235	685	656
Borrowing costs	-	-	-	-
Materials and contracts	614	670	73	66
Depreciation and impairment	102	97	-	-
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	37	41	-	2
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	224	210	45	40
Total expenses from continuing operations	**1,256**	**1,253**	**803**	**764**
Surplus (deficit) from Continuing Operations before capital amounts	**(314)**	**(422)**	**(45)**	**(81)**
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	**(314)**	**(422)**	**(45)**	**(81)**
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	**(314)**	**(422)**	**(45)**	**(81)**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-	-
SURPLUS (DEFICIT) AFTER TAX	**(314)**	**(422)**	**(45)**	**(81)**
plus Opening Retained Profits	(3,166)	(2,785)	(107)	(28)
plus/less: Prior Period Adjustments		-		-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	37	41	-	2
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	-	-
add:				
- Subsidy Paid/Contribution To Operations		-		-
less:				
- TER dividend paid		-		-
- Dividend paid		-		-
Closing Retained Profits	**(3,443)**	**(3,166)**	**(152)**	**(107)**
Return on Capital %	**-16.2%**	**-25.3%**	**-6.8%**	**-12.1%**
Subsidy from Council	**387**	**907**	**70**	**116**

Albury City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

$ '000	Albury Entertainment Centre Actual 2013	Actual 2012
Income from continuing operations		
Access charges	-	-
User charges	-	-
Fees	1,382	1,455
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	7	9
Total income from continuing operations	**1,389**	**1,464**
Expenses from continuing operations		
Employee benefits and on-costs	578	665
Borrowing costs	-	-
Materials and contracts	1,099	1,143
Depreciation and impairment	79	99
Loss on sale of assets	-	-
Calculated taxation equivalents	11	12
Debt guarantee fee (if applicable)	14	-
Other expenses	318	289
Total expenses from continuing operations	**2,099**	**2,208**
Surplus (deficit) from Continuing Operations before capital amounts	**(710)**	**(744)**
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	**(710)**	**(744)**
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	**(710)**	**(744)**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	**(710)**	**(744)**
plus Opening Retained Profits	(2,522)	(1,790)
plus/less: Prior Period Adjustments		-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	11	12
- Debt guarantee fees	14	-
- Corporate taxation equivalent	-	-
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	**(3,207)**	**(2,522)**
Return on Capital %	**-6.4%**	**-6.8%**
Subsidy from Council	**1,127**	**1,352**

Albury City Council

Statement of Financial Position - Council's Water Supply Business Activity
as at 30 June 2013

$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	3,193	679
Investments	8	-
Receivables	5,193	3,660
Inventories	292	302
Other	-	(48)
Non-current assets classified as held for sale	-	-
Total Current Assets	**8,686**	**4,593**
Non-Current Assets		
Investments	-	115
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	202,528	197,940
Investments accounted for using equity method	-	-
Investment property	-	-
Other	1,673	1,652
Total non-Current Assets	**204,201**	**199,707**
TOTAL ASSETS	**212,887**	**204,300**
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	26	86
Interest bearing liabilities	-	-
Provisions	498	511
Total Current Liabilities	**524**	**597**
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	**-**	**-**
TOTAL LIABILITIES	**524**	**597**
NET ASSETS	212,363	203,703
EQUITY		
Retained earnings	152,857	151,344
Revaluation reserves	59,506	52,359
TOTAL EQUITY	212,363	203,703

Albury City Council

Statement of Financial Position - Council's Sewerage Business Activity
as at 30 June 2013

$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	7,233	4,187
Investments	18	-
Receivables	5,757	5,018
Inventories	16	13
Other	-	(49)
Non-current assets classified as held for sale	-	-
Total Current Assets	**13,024**	**9,169**
Non-Current Assets		
Investments	-	400
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	166,229	161,677
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	**166,229**	**162,077**
TOTAL ASSETS	**179,253**	**171,246**
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	78	69
Interest bearing liabilities	1,274	1,193
Provisions	433	398
Total Current Liabilities	**1,785**	**1,660**
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	13,196	14,471
Provisions	-	-
Total Non-Current Liabilities	**13,196**	**14,471**
TOTAL LIABILITIES	**14,981**	**16,131**
NET ASSETS	164,272	155,115
EQUITY		
Retained earnings	124,947	121,369
Revaluation reserves	39,325	33,746
TOTAL EQUITY	164,272	155,115

Albury City Council

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

	Airport Operations		Albury Landfill	
$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
ASSETS				
Current Assets				
Cash and cash equivalents	3,207	420	5,995	1,144
Investments	-	-	-	-
Receivables	523	363	976	931
Inventories	-	-	-	-
Other	437	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	**4,167**	**783**	**6,971**	**2,075**
Non-Current Assets				
Investments	-	849	3,969	4,379
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	22,644	23,264	4,240	2,418
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	**22,644**	**24,113**	**8,209**	**6,797**
TOTAL ASSETS	**26,811**	**24,896**	**15,180**	**8,872**
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	41	38	-	-
Interest bearing liabilities	370	228	-	-
Provisions	37	57	272	51
Total Current Liabilities	**448**	**323**	**272**	**51**
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	10,350	8,320	-	-
Provisions	121	150	5,732	3,093
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	**10,471**	**8,470**	**5,732**	**3,093**
TOTAL LIABILITIES	**10,919**	**8,793**	**6,004**	**3,144**
NET ASSETS	15,892	16,103	9,176	5,728
EQUITY				
Retained earnings	10,527	10,795	13,441	9,957
Revaluation reserves	5,365	5,308	(4,265)	(4,229)
TOTAL EQUITY	15,892	16,103	9,176	5,728

Albury City Council

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

	Cemetery Crematorium		Banjora Child Care	
$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
ASSETS				
Current Assets				
Cash and cash equivalents	398	-	-	-
Investments	-	-	-	-
Receivables	141	150	21	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	**539**	**150**	**21**	**-**
Non-Current Assets				
Investments	1,122	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	1,940	1,666	657	671
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	**3,062**	**1,666**	**657**	**671**
TOTAL ASSETS	**3,601**	**1,816**	**678**	**671**
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	6,943	5,242	570	551
Interest bearing liabilities	-	-	-	-
Provisions	21	41	52	81
Total Current Liabilities	**6,964**	**5,283**	**622**	**632**
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	55	97	104	52
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	**55**	**97**	**104**	**52**
TOTAL LIABILITIES	**7,019**	**5,380**	**726**	**684**
NET ASSETS	(3,418)	(3,564)	(48)	(13)
EQUITY				
Retained earnings	(3,443)	(3,564)	(152)	(107)
Revaluation reserves	25	-	104	94
TOTAL EQUITY	(3,418)	(3,564)	(48)	(13)

Albury City Council

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

$ '000	Albury Entertainment Centre Actual 2013	Albury Entertainment Centre Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	38	-
Investments	-	-
Receivables	228	-
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	**266**	**-**
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	11,048	10,987
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	**11,048**	**10,987**
TOTAL ASSETS	**11,314**	**10,987**
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	3,201	2,483
Interest bearing liabilities	78	71
Provisions	53	92
Total Current Liabilities	**3,332**	**2,646**
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	2,569	2,647
Provisions	81	70
Other Liabilities	-	-
Total Non-Current Liabilities	**2,650**	**2,717**
TOTAL LIABILITIES	**5,982**	**5,363**
NET ASSETS	5,332	5,624
EQUITY		
Retained earnings	(3,207)	(2,558)
Revaluation reserves	8,539	8,182
TOTAL EQUITY	5,332	5,624

Albury City Council

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

Contents of the Notes accompanying the Financial Statements

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2	Water Supply Business Best Practice Management disclosure requirements	17
3	Sewerage Business Best Practice Management disclosure requirements	19

Albury City Council

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

Note 1. Significant Accounting Policies

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

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

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

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

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

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

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

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

National Competition Policy

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

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

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

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

Declared Business Activities

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

Category 1

Name	Brief Description of Activity
Water Supply	Provision and distribution of secure, safe and potable water to the Albury regional area.
Sewerage Services	Treatment of wastewater.
Albury Airport	Provision of airport and terminal services.
Albury Landfill	Regional facility for disposal of hard waste.

Category 2

Name	Brief Description of Activity
Cemetery & Crematorium	Provision of Cemetery and crematorium services.
Banjora Child Care Services	Provision of long day child care.
Albury Entertainment Centre (AEC)	Provision of convention and function hire facilities, musical and theatrical performances

Albury City Council

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

Note 1. Significant Accounting Policies

Monetary Amounts

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

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

(i) Taxation Equivalent Charges

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

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

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

Notional Rate Applied %

Corporate Income Tax Rate – **30%**

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

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

Income Tax

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

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

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

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

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

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

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

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

(ii) Subsidies

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

Albury City Council

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

Note 1. Significant Accounting Policies

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

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

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

(iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.77% at 30/6/13.

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

(iv) Dividends

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

Albury City Council

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

Note 2. Water Supply Business
Best Practice Management disclosure requirements

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

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

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by $3/assessment	67,767
(iii)	Amounts payable for Tax Equivalents **[lesser of (i) and (ii)]**	-
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends **[Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]**	374,250
(ii)	No. of assessments multiplied by $30/assessment, less tax equivalent charges/assessment	677,670
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(5,129,500)

2013 Surplus	748,500	**2012 Surplus**	(2,477,000)	**2011 Surplus**	(3,401,000)
		2012 Dividend	-	**2011 Dividend**	-

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

3. Required outcomes for 6 Criteria
[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

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

Albury City Council

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

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

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

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) **Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)**	$'000	14,389
NWI F4	Revenue from Residential Usage Charges (Water) **Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]**	%	78.52%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) **Written down current cost of system assets (w47)**	$'000	202,526
NWI F11	Operating Cost (OMA) (Water) **Management Expenses (w1) + Operational & Maintenance Expenses (w2)**	$'000	5,013
NWI F14	Capital Expenditure (Water) **Acquisition of fixed assets (w16)**	$'000	3,406
NWI F17	Economic Real Rate of Return (Water) **[Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]**	%	1.95%
NWI F26	Capital Works Grants (Water) **Grants for the Acquisition of Assets (w11a)**	$'000	-

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

Albury City Council

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

Note 3. Sewerage Business
Best Practice Management disclosure requirements

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

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

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by $3/assessment	65,562
(iii)	Amounts payable for Tax Equivalents **[lesser of (i) and (ii)]**	-
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends **[Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]**	891,400
(ii)	No. of assessments x ($30 less tax equivalent charges per assessment)	655,620
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	2,345,800

2013 Surplus	1,782,800	**2012 Surplus**	197,000	**2011 Surplus**	366,000
		2012 Dividend	-	**2011 Dividend**	-

(iv)	Maximum dividend from surplus **[least of (i), (ii) and (iii) above]**	655,620
(v)	Dividend actually paid from surplus **[refer below for required pre-dividend payment Criteria]**	-

3. Required outcomes for 4 Criteria
[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

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

Albury City Council

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

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

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)			2013
National Water Initiative (NWI) Financial Performance Indicators			
NWI F2	Total Revenue (Sewerage) **Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)**	$'000	17,578
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) **Written down current cost of system assets (s48)**	$'000	166,194
NWI F12	Operating Cost (Sewerage) **Management Expenses (s1) + Operational & Maintenance Expenses (s2)**	$'000	9,458
NWI F15	Capital Expenditure (Sewerage) **Acquisition of Fixed Assets (s17)**	$'000	2,379
NWI F18	Economic Real Rate of Return (Sewerage) **[Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]**	%	2.60%
NWI F27	Capital Works Grants (Sewerage) **Grants for the Acquisition of Assets (12a)**	$'000	-
National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)			
NWI F3	Total Income (Water & Sewerage) **Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15)** minus **Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)**	$'000	31,955
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) **Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)**	%	1.00%
NWI F16	Capital Expenditure (Water & Sewerage) **Acquisition of Fixed Assets (w16 + s17)**	$'000	5,785
NWI F19	Economic Real Rate of Return (Water & Sewerage) **[Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]**	%	2.25%
NWI F20	Dividend (Water & Sewerage) **Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)**	$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) **Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)**	%	0.00%

Albury City Council

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

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

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

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

NWI F22	Net Debt to Equity (Water & Sewerage) **Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]**	%	3.84%
NWI F23	Interest Cover (Water & Sewerage) **Earnings before Interest & Tax (EBIT) divided by Net Interest**		11
	Earnings before Interest & Tax (EBIT): 5,034 **Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c)**		
	Net Interest: 447 **Interest Expense (w4a + s4a) - Interest Income (w9 + s10)**		
NWI F24	Net Profit After Tax (Water & Sewerage) **Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))**	$'000	5,091
NWI F25	Community Service Obligations (Water & Sewerage) **Grants for Pensioner Rebates (w11b + s12b)**	$'000	318

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

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INDEPENDENT AUDITORS' REPORT TO ALBURYCITY COUNCIL
REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements, being special purpose financial statements, of AlburyCity Council (the Council), which comprises the statements of financial position by business activity as at 30 June 2013, and the income statements by business activity for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Councillors' and management of the Council are responsible for the preparation and fair presentation of the financial statements and have determined that the basis of preparation described in Note 1 to the financial statements, are appropriate to meet the requirements of the NSW Government Policy Statement "Application of National Competition Policy to Local Government", Division of Local Government Guidelines "Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality", The Local Government Code of Accounting Practice and Financial Reporting and The Department of Water and Energy Practice Management of Water Supply and Sewerage Guidelines and are appropriate to meet the needs of the Council and the Division of Local Government.

AUDITORS' RESPONSIBILITY

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

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

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Crowe Horwath

OPINION

In our opinion the financial statements of AlburyCity Council are in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including:

(i) giving a true and fair view of the Council's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting

BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Councils' financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial report may not be suitable for another purpose.

The financial statements have been prepared for distribution to Council for the purpose of fulfilling the Council's financial reporting obligations under the Local Government Code of Accounting Practice and Financial Reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council and the Division of Local Government, or for any purpose other than that for which it was prepared.

Crowe Horwath

CROWE HORWATH ALBURY

BRADLEY D BOHUN
Partner

Dated at Albury this 22nd day of October 2013.

Albury City Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

Albury City Council

Special Schedules
for the financial year ended 30 June 2013

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[1] Special Purpose Schedules are not audited.

Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water,
- the Department of Environment, Climate Change and Water, and
- the Division of Local Government (DLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Albury City Council

Special Schedule No. 1 - Net Cost of Services
for the financial year ended 30 June 2013

$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Governance	**593**	**-**	**-**	**(593)**
Administration	**11,532**	**(1,874)**	**13**	**(13,393)**
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	795	112	-	**(683)**
Enforcement of Local Govt. Regulations	66	198	-	**132**
Animal Control	579	200	-	**(379)**
Other	232	319	-	**87**
Total Public Order & Safety	**1,672**	**829**	**-**	**(843)**
Health	**266**	**115**	**-**	**(151)**
Environment				
Noxious Plants and Insect/Vermin Control	154	40	-	**(114)**
Other Environmental Protection	300	-	-	**(300)**
Solid Waste Management	9,710	13,760	-	**4,050**
Drainage	4,008	-	-	**(4,008)**
Total Environment	**14,172**	**13,800**	**-**	**(372)**
Community Services and Education				
Administration & Education	829	35	90	**(704)**
Social Protection (Welfare)	517	57	-	**(460)**
Aged Persons and Disabled	4	-	-	**(4)**
Children's Services	3,320	2,910	-	**(410)**
Total Community Services & Education	**4,670**	**3,002**	**90**	**(1,578)**
Housing and Community Amenities				
Public Cemeteries	1,025	942	-	**(83)**
Street Lighting	1,350	156	-	**(1,194)**
Town Planning	695	278	-	**(417)**
Other Community Amenities	1,808	195	138	**(1,475)**
Total Housing and Community Amenities	**4,878**	**1,571**	**138**	**(3,169)**
Water Supplies	**10,601**	**13,498**	**1,048**	**3,945**
Sewerage Services	**11,982**	**15,137**	**2,066**	**5,221**

Albury City Council

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2013

$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Recreation and Culture				
Public Libraries	2,041	249	-	(1,792)
Museums	920	83	-	(837)
Art Galleries	654	40	187	(427)
Community Centres and Halls	566	33	-	(533)
Performing Arts Venues	2,007	1,389	-	(618)
Other Cultural Services	1,291	56	-	(1,235)
Sporting Grounds and Venues	1,330	302	-	(1,028)
Swimming Pools	583	121	-	(462)
Parks & Gardens (Lakes)	4,104	12	575	(3,517)
Other Sport and Recreation	3,914	892	-	(3,022)
Total Recreation and Culture	17,410	3,177	762	(13,471)
Mining, Manufacturing and Construction				
Building Control	5,266	833	-	(4,433)
Total Mining, Manufacturing and Const.	5,266	833	-	(4,433)
Transport and Communication				
Urban Roads (UR) - Local	8,894	1,896	5,638	(1,360)
Parking Areas	493	-	75	(418)
Aerodromes	4,952	6,220	20	1,288
Total Transport and Communication	14,339	8,116	5,733	(490)
Economic Affairs				
Other Economic Affairs	1,950	510	-	(1,440)
Total Economic Affairs	1,950	510	-	(1,440)
Totals – Functions	99,331	58,714	9,850	(30,767)
General Purpose Revenues(2)		40,132		40,132
Share of interests - joint ventures & associates using the equity method	-	15		15
NET OPERATING RESULT (1)	99,331	98,861	9,850	9,380

(1) As reported in the Income Statement

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

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

for the financial year ended 30 June 2013

$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	**-**							-	**-**
Treasury Corporation	-	-	**-**							-	**-**
Other State Government	378	2,644	**3,022**		378			-	378	2,266	**2,644**
Public Subscription	-	-	**-**							-	**-**
Financial Institutions	2,749	46,808	**49,557**	2,400	2,749			3,555	2,549	46,659	**49,208**
Other	-	-	**-**							-	**-**
Total Loans	**3,127**	**49,452**	**52,579**	**2,400**	**3,127**	**-**	**-**	**3,555**	**2,927**	**48,925**	**51,852**
Other Long Term Debt											
Ratepayers Advances	-	-	**-**							-	**-**
Government Advances	-	-	**-**							-	**-**
Finance Leases	-	-	**-**							-	**-**
Deferred Payments	-	-	**-**							-	**-**
Total Long Term Debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Debt	**3,127**	**49,452**	**52,579**	**2,400**	**3,127**	**-**	**-**	**3,555**	**2,927**	**48,925**	**51,852**

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

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

Albury City Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993]
for the financial year ended 30 June 2013

$'000

Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General			
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	-	-	-

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
Totals							-	-	-

Albury City Council

Special Schedule No. 3 - Water Supply Income Statement

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

$'000	Actuals 2013	Actuals 2012
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	2,416	2,332
b. Engineering and Supervision	201	170
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	219	229
d. Maintenance expenses	797	555
- Reservoirs		
e. Operation expenses	201	216
f. Maintenance expenses	48	37
- Pumping Stations		
g. Operation expenses (excluding energy costs)	1	-
h. Energy costs	2,205	1,654
i. Maintenance expenses	181	212
- Treatment		
j. Operation expenses (excluding chemical costs)	525	458
k. Chemical costs	187	163
l. Maintenance expenses	176	219
- Other		
m. Operation expenses	383	355
n. Maintenance expenses	-	-
o. Purchase of water	90	110
3. Depreciation expenses		
a. System assets	5,419	5,470
b. Plant and equipment	2	2
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	**13,051**	**12,182**

Albury City Council

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

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

$'000		Actuals 2013	Actuals 2012
	Income		
6.	**Residential charges**		
	a. Access (including rates)	1,688	1,683
	b. Usage charges	6,171	3,816
7.	**Non-residential charges**		
	a. Access (including rates)	573	585
	b. Usage charges	3,818	2,549
8.	**Extra charges**	-	-
9.	**Interest income**	187	110
10.	**Other income**	933	816
10a.	**Aboriginal Communities Water and Sewerage Program**	-	-
11.	**Grants**		
	a. Grants for acquisition of assets	-	-
	b. Grants for pensioner rebates	158	147
	c. Other grants	-	-
12.	**Contributions**		
	a. Developer charges	500	290
	b. Developer provided assets	548	155
	c. Other contributions	-	-
13.	**Total income**	**14,576**	**10,151**
14.	**Gain (or loss) on disposal of assets**	(12)	(250)
15.	**Operating Result**	**1,513**	**(2,281)**
15a.	**Operating Result (less grants for acquisition of assets)**	1,513	(2,281)

Albury City Council

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

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

$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	1,699	2,444
b. New Assets for Growth	-	-
c. Renewals	1,707	-
d. Plant and equipment	-	-
17. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	**3,406**	**2,444**
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	**-**	**-**
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	20,628	20,262
b. Residential (unoccupied, ie. vacant lot)		-
c. Non-residential (occupied)	1,961	1,980
d. Non-residential (unoccupied, ie. vacant lot)		-
25. Number of ETs for which developer charges were received	183 ET	48 ET
26. Total amount of pensioner rebates (actual dollars)	$ 157,735	$ 266,679

Albury City Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2013

$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	Yes		
If Yes, go to 28a. If No, please report if council has removed **land value** from access charges (ie rates)?			
NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy **from** residential customers using less than allowance (page 25 of Guidelines)			
c. Cross-subsidy **to** non-residential customers (page 24 of Guidelines)			
d. Cross-subsidy **to** large connections in unmetered supplies (page 26 of Guidelines)			
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	Yes		
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			-

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

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

Albury City Council

Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2013

$'000		Actuals Current	Actuals Non Current	Actuals Total
	ASSETS			
30.	**Cash and investments**			
	a. Developer charges	-	132	**132**
	b. Special purpose grants	-	-	**-**
	c. Accrued leave	124	-	**124**
	d. Unexpended loans	-	-	**-**
	e. Sinking fund	-	-	**-**
	f. Other	2,945	-	**2,945**
31.	**Receivables**			
	a. Specific purpose grants	154	-	**154**
	b. Rates and Availability Charges	2	-	**2**
	c. User Charges	4,756	-	**4,756**
	d. Other	231	50	**281**
32.	**Inventories**	292	-	**292**
33.	**Property, plant and equipment**			
	a. System assets	-	202,526	**202,526**
	b. Plant and equipment	-	2	**2**
34.	**Other assets**	-	1,673	**1,673**
35.	**Total assets**	**8,504**	**204,383**	**212,887**
	LIABILITIES			
36.	**Bank overdraft**	-	-	**-**
37.	**Creditors**	26	-	**26**
38.	**Borrowings**			
	a. Loans	-	-	**-**
	b. Advances	-	-	**-**
	c. Finance leases	-	-	**-**
39.	**Provisions**			
	a. Tax equivalents	-	-	**-**
	b. Dividend	-	-	**-**
	c. Other	498	-	**498**
40.	**Total liabilities**	**524**	**-**	**524**
41.	**NET ASSETS COMMITTED**	**7,980**	**204,383**	**212,363**
	EQUITY			
42.	Accumulated surplus			152,857
43	Asset revaluation reserve			59,506
44.	**TOTAL EQUITY**			**212,363**
	Note to system assets:			
45.	**Current replacement cost** of system assets			373,312
46.	Accumulated **current cost** depreciation of system assets			(170,786)
47.	Written down **current cost** of system assets			**202,526**

Albury City Council

Special Schedule No. 5 - Sewerage Service Income Statement

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

$'000	Actuals 2013	Actuals 2012
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	2,499	2,940
b. Engineering and Supervision	140	166
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	664	754
- Pumping Stations		
c. Operation expenses (excluding energy costs)	25	61
d. Energy costs	573	521
e. Maintenance expenses	675	549
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	705	700
g. Chemical costs	93	115
h. Energy costs	892	709
i. Effluent Management	175	226
j. Biosolids Management	911	594
k. Maintenance expenses	736	607
- Other		
l. Operation expenses	1,345	1,489
m. Maintenance expenses	25	28
3. Depreciation expenses		
a. System assets	3,766	3,534
b. Plant and equipment	24	27
4. Miscellaneous expenses		
a. Interest expenses	1,117	979
b. Revaluation Decrements	-	-
c. Other expenses	118	45
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
d. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	**14,483**	**14,044**

Albury City Council

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

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

$'000		Actuals 2013	Actuals 2012
	Income		
6.	**Residential charges** (including rates)	9,828	8,866
7.	**Non-residential charges**		
	a. Access (including rates)	745	668
	b. Usage charges	3,040	2,344
8.	**Trade Waste Charges**		
	a. Annual Fees	-	-
	b. Usage charges	-	-
	c. Excess mass charges	550	434
	d. Re-inspection fees	-	-
9.	**Extra charges**	-	195
10.	**Interest income**	483	-
11.	**Other income**	1,188	1,428
11a.	**Aboriginal Communities Water & Sewerage Program**	-	-
12.	**Grants**		
	a. Grants for acquisition of assets	-	-
	b. Grants for pensioner rebates	160	153
	c. Other grants	-	-
13.	**Contributions**		
	a. Developer charges	1,101	398
	b. Developer provided assets	966	253
	c. Other contributions	-	-
14.	**Total income**	**18,061**	**14,739**
15.	**Gain (or loss) on disposal of assets**	-	-
16.	**Operating Result**	**3,578**	**695**
16a.	**Operating Result (less grants for acquisition of assets)**	3,578	695

Albury City Council

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

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

$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	1,679	-
b. New Assets for Growth	-	-
c. Renewals	700	-
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	**2,379**	**-**
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	**-**	**-**
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	20,076	19,717
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	1,778	1,797
d. Non-residential (unoccupied, ie. vacant lot)	-	-
26. Number of ETs for which developer charges were received	295 ET	268 ET
27. Total amount of pensioner rebates (actual dollars)	$ 159,892	$ 290,611

Albury City Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2013

$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	Yes		
If Yes, go to 29a. If No, please report if council has removed **land value** from access charges (ie rates)?			
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy **to** non-residential customers (page 45 of Guidelines)			
c. Cross-subsidy **to** trade waste discharges (page 46 of Guidelines)			
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	Yes		
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			**-**

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

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

Albury City Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2013

$'000		Actuals Current	Actuals Non Current	Actuals Total
	ASSETS			
31.	**Cash and investments**			
	a. Developer charges	-	959	**959**
	b. Special purpose grants	-	-	**-**
	c. Accrued leave	108	-	**108**
	d. Unexpended loans	-	-	**-**
	e. Sinking fund	-	-	**-**
	f. Other	6,184	-	**6,184**
32.	**Receivables**			
	a. Specific purpose grants	156	-	**156**
	b. Rates and Availability Charges	8	-	**8**
	c. User Charges	5,532	-	**5,532**
	d. Other	61	-	**61**
33.	**Inventories**	16	-	**16**
34.	**Property, plant and equipment**			
	a. System assets	-	166,194	**166,194**
	b. Plant and equipment	-	35	**35**
35.	**Other assets**	-	-	**-**
36.	**Total Assets**	**12,065**	**167,188**	**179,253**
	LIABILITIES			
37.	**Bank overdraft**	-	-	**-**
38.	**Creditors**	78	-	**78**
39.	**Borrowings**			
	a. Loans	1,274	13,196	**14,470**
	b. Advances	-	-	**-**
	c. Finance leases	-	-	**-**
40.	**Provisions**			
	a. Tax equivalents	-	-	**-**
	b. Dividend	-	-	**-**
	c. Other	433	-	**433**
41.	**Total Liabilities**	**1,785**	**13,196**	**14,981**
42.	**NET ASSETS COMMITTED**	**10,280**	**153,992**	**164,272**
	EQUITY			
42.	Accumulated surplus			124,945
44.	Asset revaluation reserve			39,327
45.	**TOTAL EQUITY**			**164,272**
	Note to system assets:			
46.	**Current replacement cost** of system assets			311,685
47.	Accumulated **current cost** depreciation of system assets			(145,491)
48.	Written down **current cost** of system assets			**166,194**

Albury City Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2013

Administration [1]

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

Engineering and supervision [1]

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment Losses (item 4d & 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges [2] (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

Non-residential charges [2] (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

Notes:

[1] Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

[2] To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Special Schedule No. 7 - Condition of Public Works

as at 30 June 2013

$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense ($)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition#.	Estimated cost to bring up to a satisfactory condition / standard (1)	Required(2) Annual Maintenance	Current(3) Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<<< per Note 9 >>>>>>>>>>>							
Buildings	Non Specialised	1.7 - 7.76%	4,200		166,526	75,603	90,923	2	2,234	1,277	1,333
	sub total		**4,200**	**-**	**166,526**	**75,603**	**90,923**		**2,234**	**1,277**	**1,333**
Other Structures	Assets not included in Buildings	10.00%	382		7,457	2,577	4,880	2	299		
	sub total		**382**	**-**	**7,457**	**2,577**	**4,880**		**299**	**-**	**-**
Public Roads	Sealed Roads - Pavements	1.33 - 6.67%	4,054		313,725	136,813	176,912	2	6,338	1,819	1,910
	Sealed Roads - Seal	2.0 - 6.67%	1,810		74,862	33,509	41,353	3	6,908	434	456
	Bridges	1.00%	107		11,051	2,864	8,187	2	31	64	67
	Footpaths	2.00%	495		26,244	9,894	16,350	2	62	152	160
	Kerb and Gutter	1.00%	932		72,861	29,010	43,851	2	617	422	444
	Road Furniture/Landscaping	20.00%			1,149	133	1,016	2	133	7	7
	Carparks	1.0 - 1.67%	193		18,833	1,242	17,591	2		109	115
	Pedestrian/Cycle Bridges	1.00%	8		1,194	79	1,115	2	22	7	7
	Other - Lighting				206		206			1	1
	sub total		**7,599**	**-**	**520,125**	**213,544**	**306,581**		**14,111**	**3,015**	**3,166**

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

as at 30 June 2013

$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense ($)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition#.	Estimated cost to bring up to a satisfactory condition / standard (1)	Required(2) Annual Maintenance	Current(3) Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<<< per Note 9 >>>>>>>>>>>							
Water	Water Filtration Plants	1.0 - 2.0%	385		31,634	9,951	21,683	2		96	114
	Reservoirs	1.1 - 5.0%	324		31,088	12,875	18,213	2	1,598	94	112
	Pipeline	1.33 - 2.5%	4,273		280,217	132,442	147,775	2	8,379	847	1,010
	Pump Station	1.0 - 3.33%	170		13,129	8,195	4,934	2	1,792	40	47
	Water Meters	4.0 - 6.67%	229		14,320	6,541	7,779	3	1,101	43	52
	sub total		**5,381**	**-**	**370,388**	**170,004**	**200,384**		**12,870**	**1,119**	**1,335**
Sewerage											
	Pump Stations	1.0-4.0%	647		22,458	14,183	8,275	2	1,872	142	175
	Pipeline	1.0 - 3.33%	2,094		187,501	92,394	95,107	3	6,830	1,186	1,459
	Manholes	1.28%	382		35,333	15,339	19,994	2	1,165	224	275
	Air Vent Stacks	1.67%	6		894	699	195	3	549	6	7
	Treatment Works	1.0 - 5.0%	590		54,751	21,693	33,058	2		346	426
	Other (Telemetry)				124		124	1	-	1	1
	sub total		**3,719**	**-**	**301,061**	**144,308**	**156,753**		**10,416**	**1,905**	**2,342**

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

as at 30 June 2013

$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense ($)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition#	Estimated cost to bring up to a satisfactory condition / standard (1)	Required(2) Annual Maintenance	Current(3) Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<<< per Note 9 >>>>>>>>>>>							
Drainage Works	Stormwater Drainage	1.00%	848		90,427	23,444	66,983	3		373	387
	Open Channels	1.00%	267		27,508	7,758	19,750	3	2,060	114	118
	Pumps	1.00%	5		476	67	409	1		2	2
	Levees	1.00%	26		2,719	381	2,338	2		11	12
	sub total		**1,146**	**-**	**121,130**	**31,650**	**89,480**		**2,060**	**500**	**518**
	TOTAL - ALL ASSETS		**22,427**	**-**	**1,486,687**	**637,686**	**849,001**		**41,989**	**7,816**	**8,694**

Notes:

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

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

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

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

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

Albury City Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2013

$'000	Actual[1] 12/13	Forecast[3] 13/14	Forecast[3] 14/15	Forecast[3] 15/16	Forecast[3] 16/17	Forecast[3] 17/18	Forecast[3] 18/19	Forecast[3] 19/20	Forecast[3] 20/21	Forecast[3] 21/22	Forecast[3] 22/23
(i) OPERATING BUDGET											
Income from continuing operations	108,711	104,584	113,023	119,717	124,140	125,546	129,320	133,209	137,216	141,346	145,565
Expenses from continuing operations	99,331	101,903	104,291	108,105	109,574	113,354	117,035	120,629	124,324	128,264	132,000
Operating Result from Continuing Operations	**9,380**	**2,681**	**8,732**	**11,612**	**14,566**	**12,192**	**12,285**	**12,580**	**12,892**	**13,082**	**13,565**
(ii) CAPITAL BUDGET											
New Capital Works [2]		2,863	-	6,672	5,913	410	3,587	3,213	3,257	3,532	3,846
Replacement/Refurbishment of Existing Assets		25,787	47,142	29,208	29,533	32,107	25,113	25,921	27,093	27,468	27,654
Total Capital Budget	**-**	**28,650**	**47,142**	**35,880**	**35,446**	**32,517**	**28,700**	**29,134**	**30,350**	**31,000**	**31,500**
Funded by:											
– Loans		6,500	12,475	8,325	8,000	8,000	3,000	3,000	6,500	5,000	-
– Asset sales		688	835	513	803	550	550	550	550	550	-
– Reserves											
– Grants/Contributions		2,351	5,349	5,094	4,224	2,006	2,039	2,072	2,107	2,412	2,142
– Recurrent revenue		19,111	28,483	21,948	22,419	21,961	23,111	23,512	21,193	23,038	29,358
– Other											
	-	**28,650**	**47,142**	**35,880**	**35,446**	**32,517**	**28,700**	**29,134**	**30,350**	**31,000**	**31,500**

Notes:

(1) From 12/13 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.