

Appendix A

Audited Financial Reports

FINANCIAL REPORTS

**FOR THE YEAR ENDING
30 JUNE 2015**

**Upper Macquarie County Council
General Purpose Financial Statements
for the year ended 30 June 2016**

Upper Macquarie County Council

General purpose financial statements

for the year ended 30 June 2016

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These financial statements are general purpose financial statements of Upper Macquarie County Council and its controlled entities and are presented in the Australian currency.

Upper Macquarie County Council is constituted under the Local Government Act 1993 and has its principal place of business at:

Upper Macquarie County Council
7 Lee Street
Kelso NSW 2795.

The financial statements were authorised for issue by the Council on *****. Council has the power to amend and reissue the financial statements.

**Upper Macquarie County Council
General purpose financial statements
for the year ended 30 June 2016**

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

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

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

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

- presents 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 this Report false or misleading in any way.

Signed in accordance with a resolution of Council made on 21 October 2016.



Councillor's Name *C Braddan*

Chairperson



Councillor's Name *R Thompson*

Deputy Chairperson



David Sherley

General Manager



David Sherley

Responsible Accounting Officer

Upper Macquarie County Council

Income statement

for the year ended 30 June 2016

Original budget (1) 2016 \$'000	Notes	Actual 2016 \$'000	Actual 2015 \$'000
Income from continuing operations			
<i>Revenue:</i>			
- Rates and annual charges	3a	-	-
718 User charges and fees	3b	689	495
24 Interest and investment revenue	3c	14	25
Other revenues	3d	110	368
777 Grants and contributions provided for operating purposes	3e,f	941	957
- Grants and contributions provided for capital purposes	3e,f	-	-
<i>Other Income:</i>			
7 Net gain from the disposal of assets	5	-	14
1,526 Total income from continuing operations		1,754	1,859
Expenses from continuing operations			
538 Employee benefits and on-costs	4a	724	493
- Borrowing costs	4b	-	-
691 Materials and contracts	4c	987	1,104
40 Depreciation and amortisation	4d	45	43
- Impairment	4d	-	-
256 Other expenses	4e	128	114
1,525 Total expenses from continuing operations		1,884	1,754
1 Operating result from continuing operations		(130)	105
1 Net operating result for the year		(130)	105
<i>Attributable to:</i>			
- – Council		(130)	105
- – Non-controlling interests		-	-
1 Net operating result for the year before grants and contributions provided for capital purposes		(130)	105

Note:

(1) Original budget as approved by Council – refer Note 16.

Upper Macquarie County Council

Statement of comprehensive income

for the year ended 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
Net operating result for the year – from Income statement		(130)	105
Other comprehensive income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	20b	-	-
Adjustment to correct prior period errors	20d	-	-
<i>Amounts which will be reclassified subsequently to operating result when specific conditions are met</i>			
Gain (loss) on revaluation of available-for-sale investments	20b	-	-
Realised available-for-sale investment gains recognised in revenue	20b	-	-
Total other comprehensive income for the year		(130)	105
Total comprehensive income for the year		(130)	105
<i>Attributable to</i>			
– Council		(130)	105
– Non-controlling interests		-	-

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

Upper Macquarie County Council
Statement of financial position
as at 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6a	874	1,142
Investments	6b	-	-
Receivables	7	98	39
Inventories	8	35	39
Total current assets		1,007	1,220
Non-current assets			
Investments	6b	-	-
Infrastructure, property, plant and equipment	9	160	169
Total non-current assets		160	169
Total assets		1,167	1,389
LIABILITIES			
Current liabilities			
Payables	10	124	172
Provisions	10	203	47
Total current liabilities		327	219
Non-current liabilities			
Provisions	10	85	285
Total non-current liabilities		85	285
Total liabilities		412	504
Net assets		755	885
EQUITY			
Retained earnings	20	755	885
Revaluation reserves	20	-	-
Total equity		755	885

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

Upper Macquarie County Council

Statement of changes in equity

as at 30 June 2016

	Retained earnings	Council equity interest	Total equity
\$'000			
2016			
Opening balance	885	885	885
Correction of errors			
Changes in Accounting Policies			
Restated opening balance	885	885	885
Net operating result for the year	(130)	(130)	(130)
Other comprehensive income			
Total comprehensive income			
Closing balance	755	755	755
\$'000			
2015			
Opening balance	780	780	780
Correction of errors			
Changes in Accounting Policies			
Restated opening balance	780	780	780
Net operating result for the year	105	105	105
Other comprehensive income			
Total comprehensive income			
Closing balance	885	885	885

The above Statement of changes in equity should be read in conjunction with accompanying note 20.

Upper Macquarie County Council
Statement of cash flows
for the year ended 30 June 2016

Original budget (1) 2016 \$'000	Notes	Actual 2016 \$'000	Actual 2015 \$'000
Cash flows from operating activities			
<i>Receipts:</i>			
-		-	-
718		630	459
24		14	24
777		941	956
-		110	368
<i>Payments:</i>			
(538)		(768)	(453)
(691)		(1,031)	(1,159)
(256)		(128)	(104)
34	11(b)	(232)	91
Cash flows from investing activities			
<i>Receipts:</i>			
-		-	65
<i>Payments:</i>			
-		(36)	(111)
-		(36)	(46)
Cash flows from financing activities			
<i>Receipts:</i>			
-		-	-
<i>Payments:</i>			
-		-	-
-		-	-
34		(268)	45
1,097	11(a)	1,142	1,097
1,131	11(a)	874	1,142

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

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Notes 1 to 20 and 27 are mandatory and must be presented in the order specified. Notes 21 to 26 need only be included if applicable. Notes 13(b) and 21 need only be included if Council has Water and Sewer Funds.

Note 1 Summary of significant accounting policies

AASB101(112)(a),(b) The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

AASB101(119)

(a) Basis of preparation

AASB1054(7)-(9)
(Revised)

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting. NSW Council is a not for-profit entity for the purpose of preparing the financial statements.

(Revised)

(i) *New and amended standards adopted by Council*

AASB108(28)

Upper Macquarie County Council has not adopted any new or amended standards in the annual reporting period.

(Revised)

(ii) *Early adoption of standards*

Upper Macquarie County Council has not elected to apply any pronouncements before their operative date in the annual reporting period.

(iii) *Historical cost convention*

AASB101(117)(a)

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

(iv) *Critical accounting estimates and judgements*

AASB101(122),(125)

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Upper Macquarie County Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There have been no significant estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

AASB101

(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 its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

AAS27

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Note 1 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

(i) 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. 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.

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.

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 is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and 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 reporting date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

(ii) User charges and fees

User charges and fees (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.

(i) Sale of plant, property, infrastructure and equipment

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

(ii) Interest

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

(iii) Rent

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

(iv) Dividend income

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

(v) Other income

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

AASB101(110)

(c) Principles of consolidation

(i) The Consolidated Fund

LGA s.409(1)

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

Note 1 Summary of significant accounting policies (continued)

(c) Principles of consolidation (continued)

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

- General purpose operations

LGA s.411

(ii) The Trust Fund

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

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

AASB101(119)

(iii) Associates

AASB128(11),(13),
(35)

Associates are all entities over which the Council has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

AASB128(23)
(Revised)

AASB101(110)

(iv) Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of the activity are set out in Note 19.

Joint venture entities

AASB131(57)
(Revised)

The interest in a joint venture partnership is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post-acquisition movements in reserves is recognised in other comprehensive income. Details relating to the partnership are set out in note 19.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Council's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Note 1 Summary of significant accounting policies (continued)

AASB101(110)

(d) Leases

AASB117(20),(25)

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

AASB117(33)
UIG115(5)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

AASB117(39)

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

AASB101(110),(111)

(e) Acquisition of assets

AASB3(14),(24),(28)
AASB3(27)
AASB3(31)

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

AASB3(26)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. 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.

AASB101(110)

(f) Impairment of assets

AASB136(9),(10)

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an asset is not held principally for cash generating purposes 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.

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

AASB101(110)

(g) Cash and cash equivalents

AASB107(6),(8),(46)

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

Note 1 Summary of significant accounting policies (continued)

AASB101(110)

(h) Receivables

AASB7(21)
AASB139(46)(a)

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

AASB7(21)

AASB7(B5)(d)

The amount of the impairment loss is 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.

AASB101(110)

(i) Inventories

AASB101(110)

AASB102(9),(10),(25),
(36)(a)

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. 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. Cost includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1 Summary of significant accounting policies (continued)

AASB5(31),(32),(33)(a)	<p>A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Income statement.</p>
AASB101(110) AASB7(21)	<p>(j) Investments and other financial assets</p> <p>Classification</p>
AASB139(45),(60)	<p>Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.</p>
AASB101(110) AASB101(57),(59) AASB139(9),(45)	<p>(i) Financial assets at fair value through profit or loss</p> <p>Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.</p>
AASB139(9)	<p>(ii) Loans and receivables</p> <p>Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (note 8) and receivables (note 7) in the statement of financial position.</p>
AASB139(9)	<p>(iii) Held-to-maturity investments</p> <p>Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. 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.</p>
AASB139(9) AASB7(21),(B5)(b)	<p>(iv) Available-for-sale financial assets</p> <p>Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.</p>
AASB139(38),(43) AASB7(21),(B5)(c)	<p>Recognition and de-recognition</p> <p>Regular purchases and sales of financial assets are recognised on trade-date - the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.</p> <p>When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.</p>
AASB139(46)(a)	<p>Subsequent measurement</p> <p>Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.</p>
AASB139(46), (55)(a),(b) AASB7(21),(B5)(e)	<p>Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.</p>

Note 1 Summary of significant accounting policies (continued)

AASB101(110)
AASB7(21)

(k) Investments and other financial assets (continued)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (note Council's obligations under Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005).. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

AASB7(27)

Details on how the fair value of financial instruments is determined are disclosed in note 1(l).

Impairment

AASB139(58),(59)

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

AASB139(63)
(Revised)

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. 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.

OLG

Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains an investment policy that complies 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 the Council holds are no longer prescribed, however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

AASB101(110)

(k) Fair value estimation

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

AASB132(92)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting 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. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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.

Note 1 Summary of significant accounting policies (continued)

AASB101(110)

(I) Infrastructure, property, plant and equipment (IPPE)

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Office of Local Government. At reporting date the following classes of IPPE were stated at their fair value:

- Buildings – Specialised/Non Specialised (Internal Valuation).
- Plant and equipment (as approximated by depreciated historical cost).

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 revalue the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

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

AASB116(12)

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.

AASB116(50),(73)(b)

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

AASB116(73)(c)

Office equipment	5 – 10 years	Pumps and telemetry	15 – 20 years
Office furniture	10 – 20 years	Drains	80 – 100 years
Vehicles and road making equipment	5 – 8 years	Culverts	50 – 80 years
Other plant and equipment	5 – 15 years	Flood control structures	80 – 100 years
Buildings – Masonry	50 – 10 years 0	Sealed roads – Surface	20 years
– Other	20 – 40 years	– Structure	50 years
Playground equipment	5 – 15 years	Unsealed roads	20 years
Benches, seats etc	10 – 20 years	Bridge – Concrete	100 years
Dams and reservoirs	80 – 10 years 0	– Other	50 years
Bores	20 – 40 years	Bulk earthworks	Infinite
Reticulation pipes – PVC	70 – 80 years		
– Other	25 – 75 years		

AASB116(51)

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

AASB136(59)

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.

Note 1 Summary of significant accounting policies (continued)

AASB116(68),(71) AASB116(41)	Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.
AASB101(110)	(m) Payables
AASB132(60)(a),(60) (b)	These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.
AASB101(110) AASB7(21)	(n) Borrowings
AASB139(43),(47) (Revised)	Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
AASB139(39),(41)	Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.
AASB101(60)	Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
AASB101(110) AASB123(29)(a)	(o) Borrowing costs
	Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.
AASB101(110)	(p) Provisions
AASB137(14),(24), (63)	Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.
	Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
AASB137(36),(45), (47),(60)	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.

Note 1 Summary of significant accounting policies (continued)

(q) Employee benefits

(Revised)
AASB119(10),(11)

(i) Short-term obligations

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

(Revised)
AASB119(128)

(ii) Other long term employee benefit obligations^{60,61}

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

AASB101(69)(d)

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

AASB101(110)

(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

AASB119(54),(64)

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, 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 accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e as an expense when it becomes payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119 *Employee Benefits*. 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 amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2014 was \$XX. The last valuation of the Scheme was performed by Mr Michael Smith, BSc, FIA, FIAA on 20 June 2014 and covers the period ended 30 June 2013.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2014 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit. The amount of additional contributions included in the total employer contribution advised above is \$8,681.04. Councils expected contributions to the plan for the next annual reporting period is \$8,581.04.

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$ 0.02% as at 30 June 2014.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has, 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.

Note 1 Summary of significant accounting policies (continued)

AASB119(44)

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.

(r) Rounding of amounts

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

(s) Intangible assets

AASB101(110)
(New)

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

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

Note 1 Summary of significant accounting policies (continued)

AASB101(110)

(t) Goods and Services Tax (GST)

UIG1031(6),(7)

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

UIG1031(8),(9)

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

UIG1031(10),(11)

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

AASB108(30)
(Revised)

(u) New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. NSW Council's assessment of the impact of the new standards and interpretations relevant to them is set out below.

- (i) *AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)*

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. 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 comprehensive income if they relate to equity investments that are not held for trading.

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.

The Council has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

- (ii) *AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective for Council's 30 June 2015 financial statements)*

There are no changes to reported financial position or performance from AASB 2013 – 3, however additional disclosures may be required.

- (iii) *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 2014 for not-for-profit entities)*

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

Note 1 Summary of significant accounting policies (continued)

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules. As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not re-measure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Upper Macquarie County Council

Notes to the financial statements for the year ended 30 June 2016

Note 2(a) Council functions and activities - Financial information

Functions/Activities	Income from continuing operations			Expenses from continuing operations			Operating results from continuing operations			Total assets held (current and non-current)		Grants included in income from continuing operations	
	Original budget	Actual	Actual	Original budget	Actual	Actual	Original budget	Actual	Actual	Actual	Actual	Actual	
	2016 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	
Governance	-	-	-	66	27	61	(66)	(27)	(61)	-	-	-	
Administration	-	-	-	-	-	-	-	-	-	-	-	-	
Public order safety	-	-	-	-	-	-	-	-	-	-	-	-	
Health	1,526	1,754	1,820	1,459	1,857	1,693	67	(103)	127	1,167	1,389	941	
Environment	-	-	-	-	-	-	-	-	-	-	-	-	
Community services & education	-	-	-	-	-	-	-	-	-	-	-	-	
Housing & community amenities	-	-	-	-	-	-	-	-	-	-	-	-	
Water supplies	-	-	-	-	-	-	-	-	-	-	-	-	
Sewerage services	-	-	-	-	-	-	-	-	-	-	-	-	
Recreation & culture	-	-	-	-	-	-	-	-	-	-	-	-	
Fuel & energy	-	-	-	-	-	-	-	-	-	-	-	-	
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	
Mining, manufacturing & construction	-	-	-	-	-	-	-	-	-	-	-	-	
Transport & communication	-	-	-	-	-	-	-	-	-	-	-	-	
Economic affairs	-	-	-	-	-	-	-	-	-	-	-	-	
Total functions & activities	1,526	1,754	1,820	1,525	1,884	1,754	1	(130)	66	1,167	1,389	941	
General purpose income		-	39				-	-	38				
Net operating result for the year⁽¹⁾	1,526	1,754	1,859	1,525	1,884	1,754	1	(130)	104	1,389	1,389	420	

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 2(b) Components of functions or activities

Details of the functions or activities reported on 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

This includes corporate support and other support services.

Public order and safety

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

Health

Administration and inspection, immunisations, food control, insect/vermin control, noxious plants, health centres, other.

Environment

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

Community services and 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 and community amenities

Housing, town planning, domestic waste management services, other waste management services, street other sanitation and garbage, urban stormwater drainage, environmental protection, public, cemeteries, public conveniences, other community amenities.

Water supplies

Sewerage services

Recreation and 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 and energy – Gas supplies

Agriculture

Mining, manufacturing and construction

Building control, abattoirs, quarries and pits, other.

Transport and communication

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

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 3 Income from continuing operations

	Actual 2016 \$'000	Actual 2015 \$'000
(a) Rates and annual charges		
Ordinary rates	-	-
Total ordinary rates	<u>-</u>	<u>-</u>
Annual charges (<i>pursuant to s496, 496A, 496B, 501 & 611</i>)	-	-
Total annual charges	<u>-</u>	<u>-</u>
Total rates and annual charges	<u><u>-</u></u>	<u><u>-</u></u>
(b) User charges and fees		
User charges	-	-
Total user charges	<u>-</u>	<u>-</u>
Fees		
Private works	689	495
Total fees	<u>689</u>	<u>495</u>
Total user charges and fees	<u><u>689</u></u>	<u><u>495</u></u>
(c) Interest & Investment Revenue (incl losses)		
Interest and Dividends		
– Cash and Investments	14	-
– Other	-	25
Total interest and investment revenue (losses)⁽¹⁾	<u>14</u>	<u>25</u>
(d) Other revenues		
Miscellaneous sales	110	368
Total other revenue	<u>110</u>	<u>368</u>

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 3 Income from continuing operations (continued)

	Operating Grants		Capital Grants	
	Actual 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Actual 2015 \$'000
(e) Grants				
General purpose (Untied)				
Financial Assistance Grants	-	-	-	-
Total General Purpose	-	-	-	-
Special purpose				
Other (specify if material)	391	420	-	-
Total Special Purpose	391	420	-	-
Total Grants	391	420	-	-
<i>Comprising:</i>				
- Commonwealth funding		-	-	-
- State funding	304	303	-	-
- Other funding	87	117	-	-
	391	420	-	-
(f) Contributions				
Developer contributions				
Constituent Council Contributions	550	537	-	-
Total contributions	550	537	-	-
Total grants and contributions	941	957	-	-
			Actual 2016 \$'000	Actual 2015 \$'000
(g) Restrictions relating to grants and contributions				
Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner:				
Grants and contributions recognised in the current period; not spent			-	-
Less:				
Grants and contributions recognised in previous reporting periods now spent			-	-
Net increase/(decrease) in restricted grants and contributions			-	-

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 4 Expenses from continuing operations

	Actual 2016 \$'000	Actual 2015 \$'000
(a) Employee benefits and on costs		
Salaries and wages	657	440
Travelling	-	-
Employee leave entitlements	(3)	61
Superannuation	67	52
Workers' Compensation Insurance	5	8
FBT	-	(8)
Payroll tax	-	-
Training costs (excluding salaries)	-	-
Other (specify if material)	-	-
Less: Capitalised costs	(2)	(60)
Total employee costs expensed	724	493
<i>Number of FTE employees</i>	7	7
(b) Borrowing costs		
Interest on overdrafts	-	-
Interest on loans	-	-
Interest on advances	-	-
Less: Capitalised costs	-	-
Total borrowing costs expensed	-	-
(c) Materials and contracts		
Raw materials and consumables	377	435
Contractor and consultancy costs (specify material contracts/ consultancies)	605	664
Remuneration of Auditors ⁽¹⁾	5	5
Legal fees	-	-
Operating leases	-	-
Total materials and contracts	987	1,104
⁽¹⁾ During the year the following fees were paid or payable for services provided by the Council's auditor – Bennett Keogh & Associates:		
(i) Audit and other assurance services		
Audit and review of financial statements	5	5
Total remuneration for audit and other assurance services	5	5
(ii) Taxation services	-	-
Total remuneration for taxation services	-	-
Total remuneration of Bennett Keogh & Associates	5	5

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 4 Expenses from continuing operations

	Depreciation		Impairment ⁽¹⁾	
	Actual	Actual	Actual	Actual
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
(d) Depreciation, amortisation and impairment				
Plant and equipment	45	43	-	-
Total depreciation and total impairment	45	43	-	-

Note:

(1) Impairment losses for revalued assets are to be firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement. Show gross impairment and the amount of impairment offset against asset revaluation reserves.

	Actual	Actual
	2016	2015
	\$'000	\$'000
(e) Other expenses		
Other expenses for the year including the following:		
Advertising	5	4
Mayoral fee	7	6
Councillors' fees	15	13
Councillors' (incl. Mayor) expenses	5	4
Insurance	30	29
Printing & Stationery	7	5
Software Licences	23	22
Telephone	15	14
Other – (specify if material)	21	17
Total other expenses from continuing operations	128	114

Note 5 Gains or losses from the disposal of assets

Gain (or loss) on disposal of Infrastructure, Property, Plant and Equipment		
Proceeds from disposal	-	65
Less: Carrying amount of assets sold	-	(51)
Gain (or loss) on disposal of IPPE	-	14
Net gain (or loss) from disposal of assets	-	14

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 6 Cash Assets and Investments

	2016		2015	
	Actual	Actual	Actual	Actual
	Current	Non-Current	Current	Non-Current
	\$'000	\$'000	\$'000	\$'000
(a) Cash & Cash Equivalents				
Cash at bank and on hand	(5)	-	95	-
Deposits at call	879	-	1,047	-
Total Cash & Cash Equivalents	874	-	1,142	-
(b) Investments				
Long Term Deposits	-	-	-	-
Total Cash & Cash Equivalents	-	-	-	-
(c) Restricted Cash, Cash Equivalents & Investments				
Total cash, cash equivalents and investments	874	-	1,142	-
Comprising:				
External restrictions	-	-	-	-
Internal restrictions	512	-	203	-
Unrestricted	362	-	939	-
	874	-	1,142	-
2016				
	Opening	Transfers to	Transfers from	Closing
	Balance	Restrictions	Restrictions	Balance
	\$'000	\$'000	\$'000	\$'000
External restrictions				
<i>Included in liabilities</i>	Nil			
<i>Other</i>	Nil			
Total external restrictions	-	-	-	-
Internal restrictions				
Plant replacement	25	60	(25)	60
Infrastructure replacement	-	89	-	89
Employee leave entitlements	109	204	-	313
Carry-over works	19	50	(19)	50
Other	50	-	(50)	-
Total internal restrictions	203	403	(94)	512
Total restrictions	203	403	(94)	512

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 7 Receivables

	2016		2015	
	Actual Current \$'000	Actual Non- Current \$'000	Actual Current \$'000	Actual Non- Current \$'000
Deferred debtors	98	-	39	-
Total	98	-	39	-
Less: Provision for impairment: - Other	-	-	-	-
Total Net Receivables	98	-	39	-
Restricted receivables				
<i>Externally restricted receivables</i>	-	-	-	-
<i>Unrestricted receivables</i>	98	-	39	-
Total Net Receivables	98	-	39	-

Note 8 Inventories & Other Assets

Inventories				
Stores and materials	35	-	39	-
Total inventories	35	-	39	-
Other assets				
Other	-	-	-	-
Total other assets	-	-	-	-
Restricted inventories and other assets				
<i>Externally restricted inventories & other assets</i>	-	-	-	-
<i>Unrestricted inventories & other assets</i>	35	-	39	-
Total Net Receivables	35	-	39	-

Upper Macquarie County Council

Notes to the financial statements for the year ended 30 June 2016

Note 9(a) Infrastructure, Property, Plant & Equipment

By asset type

	At 30 June 2015			Movements during year				At 30 June 2016			
	Cost	Fair value	Accum depn and impairment	WDV	Additions	WDV of disposals	Depn and impairment	Cost	Fair value	Accum depn and impairment	WDV
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment	252	169	83	169	36	-	45	288	205	128	160
Office equipment	-	-	-	-	-	-	-	-	-	-	-
Furniture and fittings	-	-	-	-	-	-	-	-	-	-	-
Land:	-	-	-	-	-	-	-	-	-	-	-
- Operational land	-	-	-	-	-	-	-	-	-	-	-
- Community land	-	-	-	-	-	-	-	-	-	-	-
Non deprec land improvements	-	-	-	-	-	-	-	-	-	-	-
Depreciable land improvements	-	-	-	-	-	-	-	-	-	-	-
Buildings – Non specialised	-	-	-	-	-	-	-	-	-	-	-
– Specialised	-	-	-	-	-	-	-	-	-	-	-
Other structures	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Totals	252	169	83	169	36	-	45	288	205	128	160

Note 9(b) Externally Restricted Infrastructure, Property, Plant & Equipment

Council has no externally restricted Infrastructure, Property, Plant & Equipment.

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

Council has not recognised any impairment losses during the reporting period nor reversed any prior period losses.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 10(a) Payables, Borrowings & Provisions

	2016		2015	
	Actual Current \$'000	Actual Non- Current \$'000	Actual Current \$'000	Actual Non- Current \$'000
Payables				
Goods and services	6	-	21	-
Accrued wages and salaries	-	-	11	-
Accrued expenses – Other	36	-	4	-
Payments received in advance	80	-	134	-
Deposits and retentions	2	-	2	-
Total payables	124	-	172	-
Current payables not expected to be settled within the next 12 months		Nil		
Borrowings				
Loans	-	-	-	-
Total interest bearing liabilities	-	-	-	-
Provisions⁽²⁾				
Annual leave	139	64	37	189
Long service leave	64	21	10	96
Total provisions	203	85	47	285
Current provisions not expected to be settled within the next 12 months		Nil		
Restricted Payables, Borrowings & Provisions				
<i>Externally restricted liabilities</i>	-	-	-	-
<i>Unrestricted liabilities</i>	203	85	47	285
Total Payables, Borrowings & Provisions	203	85	47	285

Note 10(b) Provisions - description and movements

	2015		2016		
	Opening Balance \$'000	Increase in Provision \$'000	Payments \$'000	Remeasur- ment \$'000	Closing Balance \$'000
Annual leave	226	68	91	-	203
Long service leave	106	-	21	-	85
Total	332	68	112	-	288

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 11 Statement of cash flows - additional information

	Note	Actual 2016 \$'000	Actual 2015 \$'000
(a) Reconciliation of cash assets			
Total cash and cash equivalents	6a	874	1,142
Less: Bank overdraft	10	-	-
Balances as per cash flow statement		874	1,142
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income statement		(130)	105
Add:			
Depreciation and impairment		45	43
Increase in provision for leave entitlements		-	40
Decrease in inventories		4	7
Less:			
Decrease in employee leave entitlements		44	-
Increase in receivables		59	36
Decrease in payables		48	54
Gain on sale of assets		-	14
Net cash provided from (or used in) operating activities from Statement of cash flows		(232)	91
(c) Non-cash financing and investing activities			
Nil		-	-
(d) Financing arrangements			
Unrestricted access was available at reporting date to the following:			
Bank overdraft facility ⁽¹⁾		50	50
Corporate credit cards		2	2
		52	52

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

Note 12 Commitments for expenditure

	Note	Actual 2016 \$'000	Actual 2015 \$'000
(a) Capital commitments (exclusive of GST)		Nil	Nil
(b) Finance lease commitments		Nil	Nil
(c) Non-cancellable operating lease commitments		Nil	Nil
(d) Repairs and maintenance: investment property		Nil	Nil

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 13 Statement of performance measurement

	Indicator	2016	2015
1. Operating performance	-131.73%		3.63%
Total continuing operating revenue ^[1] excluding capital grants and contributions – operating expenses		(1,071)	66
<hr/>			
Total continuing operating revenue ¹ excluding capital grants and contributions		813	1,820
2. Own source operating revenue	46.35%		47.42%
Total continuing operating revenue ¹ less all grants and contributions		813	863
<hr/>			
Total continuing operating revenue ¹ inclusive of capital grants and contributions		1,754	1,820
3. Unrestricted current ratio	3.1 x		5.6 x
Current assets less all external restrictions		1,007	1,220
<hr/>			
Current liabilities less specific purpose liabilities		327	219
4. Debt service cover ratio	0.00%		0.00%
Operating results ¹ before capital excluding interest and depreciation/impairment/ amortisation (EBTDA)		-	-
<hr/>			
Principal repayments (from the statement of cash flows) + borrowing interest costs (from the income statement)		-	-
5. Rates and annual charges outstanding percentage	0.00%		0.00%
Rates and annual charges outstanding		-	-
<hr/>			
Rates and annual charges collectible		-	-
6. Cash expense cover ratio	45.36%		66.55%
Current year's cash and cash equivalents + term deposits		874	1,142
<hr/>			
Payments from cash flow of operating and financing activities x 12		1,927	1,716

[1] Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures

Note 14 Investment Properties

Council has no investment properties.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 15 Financial risk management

	Carrying Value		Fair Value	
	Actual 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Actual 2015 \$'000

Risk management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and 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 the Finance Section under policies approved by the Council.

Council held the following financial instruments at reporting date:

Financial assets

Cash and cash equivalents	874	1,142	1,142	1,142
Receivables	98	39	39	39
	972	1,181	1,181	1,181

Financial liabilities

Payables	124	172	124	172
	124	172	124	172

(a) Cash and cash equivalents, Financial assets at fair value through profit and loss, Available-for-sale financial assets, Held-to-maturity investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance Section manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with the Local Government Act and Minister's Order. The policy is regularly reviewed by Council and an Investment Report provided to Council monthly setting out the make-up and performance of the portfolio.

The risks associated with the investments held are:

- Price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or factors affecting similar instruments traded in a market.
- Interest rate risk – the risk that movements in interest rates could affect returns.
- Credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council does not hold any investments and is therefore not exposed to these risks.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 15 Financial risk management (continued)

	Carrying Value		Fair Value	
	Actual	Actual	Actual	Actual
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

There are no significant concentrations of credit risk. The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

There are no material receivables that have been subject to a re-negotiation of repayment terms. The profile of the Council's credit risk at reporting date was:

Council does not hold any receivables that are subject to credit risk and is therefore not exposed to these risks.

(c) Payables

Borrowings

Payables and borrowings are both subject to liquidity risk – that is 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 be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the maturity table below:

2016	\$'000	Interest Rate	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total Contractual Cash flows	Carrying values
Payables		0.00%	124	-	-	124	124
			124	-	-	124	124
2015	\$'000						
Payables		0.00%	172	-	-	172	172
			172	-	-	172	172

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2016

Note 16 Material budget variations

Council's original budget was adopted by the Council on 20 June 2015. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions policy decisions, including new grant programs, changing economic activity, the weather, and by decisions made by the Council.

Note 17 Developer contributions

Council has received no developer contributions, either in the reporting period or previously, and has no contribution plans.

Note 18 Contingencies

Council has no contingent assets or liabilities.

Note 19 Interest in joint ventures

Council has no interest in any joint ventures or associates.

Note 20 Equity - Retained Earnings and Revaluation Reserves

	Note	Actual 2016 \$'000	Actual 2015 \$'000
(a) Retained earnings			
Movements in retained earnings were as follows:			
At beginning of year		885	780
Adjustment to correct prior period errors	20(d)	-	-
Net operating result for the year		(130)	105
At end of year		755	885
(b) Revaluation reserves			
		-	-
(c) Nature and purpose of reserves			
Council holds no reserves			
(d) Correction of errors in previous years			
		-	-

Notes:

(1) Adjusted to retained earnings.

Note 27 Fair Value Measurement

Council holds no assets that are required to be or subject to fair value measurement.

BENNETT KEOGH & ASSOCIATES PTY LIMITED

(ABN 38 003 565 982)

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Monday, October 17, 2016

The General Manager
Upper Macquarie County Council
7 Lee Street
KELSO NSW 2795

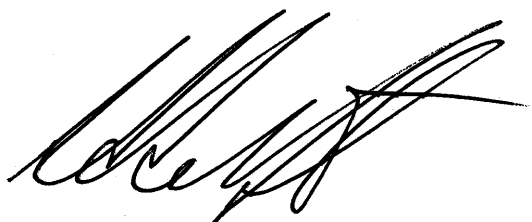
Dear Sir,

We advise having completed our audit of the Council's financial reports for the year ended 30 June 2016 and enclose the following:

- Our independent Auditors Report on the General Purpose Financial Report of the Council;
- Our independent Auditors Report on the Special Schedules of the Council;
- Our independent Auditors Report on the conduct of the Audit;
- A Certificate of Overdraft Limit.
- Our independent Auditors Report on the GST Management Systems

We would like to thank you and your staff for their cooperation during the course of the audit and note that if we can be of any further assistance in relation to any of the above, please do not hesitate to contact our office.

Yours Faithfully,



Scott Bennett

Bennett Keogh & Associates

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INDEPENDENT AUDITORS REPORT ON THE GENERAL PURPOSE FINANCIAL REPORT **OF UPPER MACQUARIE COUNTY COUNCIL**

Scope

I have audited the financial statements being the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes thereto of the Upper Macquarie County Council for the year ended 30 June 2016. The Financial Statements comprise the consolidated accounts of the Council. The Council is responsible for the preparation and presentation of the Financial Statements and the information they contain. I have conducted an independent audit of these Financial Statements in order to express an opinion on them to the Council.

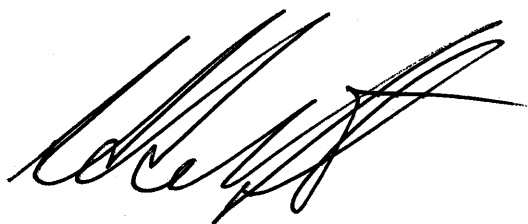
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial 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 concepts and standards, and relevant Statutory & other requirements, so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and its cash flows.

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

Audit Opinion

In my opinion:

- a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2; and
- b) The Councils Financial Reports:
 - i) have been prepared in accordance with the requirements of this Division; and
 - ii) are consistent with the Council's accounting records; and
 - iii) present fairly the Council's financial position, the results of its operations and cash flows; and
 - iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.
- c) all information relevant to the conduct of the audit has been obtained;
- d) there are no material deficiencies in the accounting records or financial reports that have come to light in the course of the audit.



Scott Bennett, BEc, ACA
Registered Company Auditor.

Monday, October 17, 2016

BENNETT KEOGH & ASSOCIATES PTY LIMITED

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INDEPENDENT AUDITORS REPORT ON **THE SPECIAL SCHEDULES** **OF UPPER MACQUARIE COUNTY COUNCIL**

Scope

I have audited the special schedules of the Upper Macquarie County Council for the year ended 30 June 2016. The Special schedules prescribed by regulation, consisting of schedules 1 to 2(b) and 7, are derived from the accounting records of the Council. The Council is responsible for the preparation and presentation of the Special schedules and the information they contain. I have conducted an independent audit of these Special schedules in order to express an opinion on them to the Council.

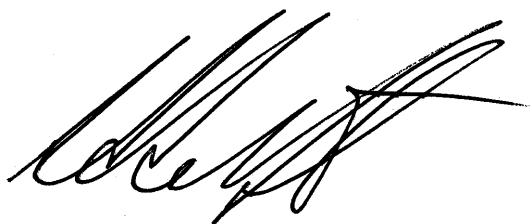
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Special schedules are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Special schedules 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 Special schedules are presented fairly in accordance with Section 413(4) of the Local Government Act, 1993.

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

Audit Opinion

In my opinion:

- a) the Special Schedules have been prepared in compliance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting as prescribed in the Local Government Act 1993, Chapter 13, Part 3, Division 2; and
- b) all information relevant to the conduct of the audit has been obtained; and
- c) there are no material deficiencies in the accounting records or financial reports that have come to light in the course of the audit.



Scott Bennett, BEc, ACA
Registered Company Auditor.

Monday, October 17, 2016

BENNETT KEOGH & ASSOCIATES PTY LIMITED

(ABN 38 003 565 982)

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INDEPENDENT AUDITORS REPORT ON

THE CONDUCT OF THE AUDIT

OF UPPER MACQUARIE COUNTY COUNCIL

Scope

I have audited the financial reports of the Upper Macquarie County Council for the year ended 30 June 2016. The Financial Reports comprise the General-Purpose Consolidated accounts and Special Schedules of the Council. The Council is responsible for the preparation and presentation of the Financial Reports and the information they contain. I have conducted an independent audit of these Financial Reports in order to express an opinion on them to the Council.

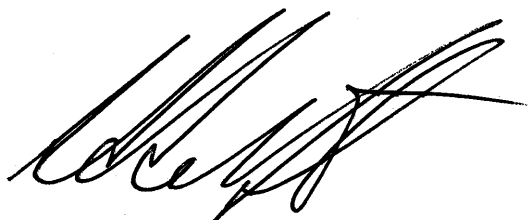
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Financial Reports are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Reports 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 Reports are presented fairly in accordance with Australian accounting concepts and standards, and relevant Statutory & other requirements, so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and its Cash Flows.

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

Audit Opinion

In my opinion:

- a) the Council's accounting records have been kept in a manner and form that facilitated the preparation of the General Purpose Financial Report and the Special Schedules and allowed proper and effective audit of these reports; and
- b) all information relevant to the conduct of the audit has been obtained;



Scott Bennett, BEc, ACA
Registered Company Auditor.

Monday, October 17, 2016

BENNETT KEOGH & ASSOCIATES PTY LIMITED

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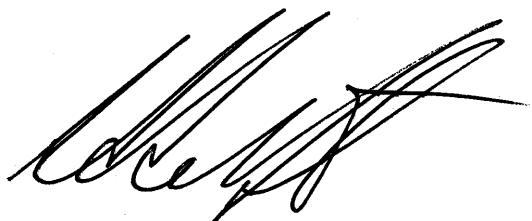
LOCAL GOVERNMENT ACT 1993

AUDITORS' CERTIFICATE UNDER THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATION 1993

UPPER MACQUARIE COUNTY COUNCIL

OVERDRAFT LIMIT \$876,500

I hereby certify that the Upper Macquarie County Council may borrow by way of limited Overdraft for the year ended 30 June 2016 any sum up to but not exceeding the limit of eight hundred and seventy six thousand, five hundred dollars.



Scott Bennett, BEc, ACA
Registered Company Auditor.

Monday, October 17, 2016

BENNETT KEOGH & ASSOCIATES PTY LIMITED

(ABN 38 003 565 982)

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INDEPENDENT REVIEW REPORT UPPER MACQUARIE COUNTY COUNCIL

GST MANAGEMENT SYSTEMS

Scope

I have reviewed the procedures and GST management systems to enable compliance with the GST Legislation of the Upper Macquarie County Council for the period ended 30 June 2016. The council is responsible for the design, documentation and maintenance of the systems. I have performed a review of the GST Management Systems in order to state whether,

- 1 On the basis of the procedures described, anything has come to our attention that would indicate that the GST Management Systems are not adequate to enable the Upper Macquarie County Council to comply with the requirements of the GST legislation; and
- 2 Any correspondence between the Council and the Australian Taxation Office has come to our notice regarding outstanding taxation debts that are attributable to a Business Activity Statement.

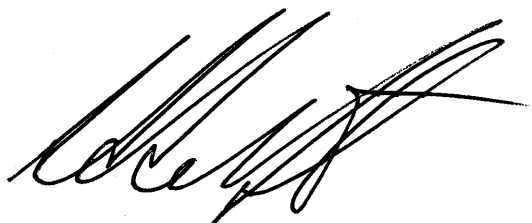
This review report has been prepared for and at the request of the Director General, Department of Local Government. I disclaim any assumption of responsibility for any reliance on this review report to which it relates to any person other than the Director General, or any other purpose than for which it was prepared.

My review has been conducted in accordance with the Australian Auditing Standards applicable to our review engagements. A review is limited primarily to inquiries of Council personnel and analytical procedures applied to the GST management Systems. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Statement

Based on my review, which is not an audit, nothing has come to our attention that causes us to believe that the GST Management Systems were not adequate to enable compliance with the GST Legislation.

Nothing has come to my notice with respect to any correspondence between Council and the Australian Taxation Office regarding outstanding taxation debts that are attributable to a Business Activity Statement (BAS).



Scott Bennett, BEc, ACA
Registered Company Auditor.

Monday, October 17, 2016

**Upper Macquarie County Council
Special Schedules
for the year ended 30 June 2016**

**Upper Macquarie County Council
Special purpose financial statements
for the year ended 30 June 2016**

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

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

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

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

- accords with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 21 October 2016.




David Sherley

General Manager



David Sherley

**Responsible Accounting
Officer**



Chairman G. Braddon



C. R. Thompson

Upper Macquarie County Council

Special schedules

for the year ended 2016

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Special Schedules (Not Audited)		Page
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Special Schedule No. 3	Water Supply Income Statement	SS-4
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Special Schedule No. 7	Report on Infrastructure Assets	SS-5
Special Schedule No. 8	Permissible Income Calculation	SS-6

Upper Macquarie County Council
Special Schedule No. 1
Net cost of services for the year ended 2016

Function or Activity	Expenses from continuing operations	Income from continuing operations (non capital)	Income from continuing operations (capital)	Net cost of services
	\$'000	\$'000	\$'000	\$'000
Governance	27	-	-	(27)
Administration	-	-	-	-
Total Public Order & Safety	-	-	-	-
Health	-	-	-	-
Environment				
Noxious Plants and Insect / Vermin control	1,857	1,754	-	(103)
Total Environment	1,857	1,754	-	(103)
Community Services & Education	-	-	-	-
Housing & Community Amenities	-	-	-	-
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-
Total Recreation & Culture	-	-	-	-
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing & Construction	-	-	-	-
Transport & Communication	-	-	-	-
Economic Affairs	-	-	-	-
Totals – Functions	1,884	1,754	-	(130)
General Purpose Revenues(2)				-
Share of interests in joint ventures and associates using the equity method(1)				
Net operating result for the year(1)				(130)

Notes:

- (1) As reported on the Income statement.
- (2) The definition of general purpose income for the purposes of disclosure in Note 2 (a) is the aggregation of specific income items disclosed in Note 3 viz., ordinary rates, general purpose untied grants, interest on (overdue rates and annual charges, internally restricted assets and general council cash and investments) and ex-gratia rates.

Upper Macquarie County Council

Special Schedule No. 2

2(a) Statement of long-term debt (all purpose) for the year ended 2016

Council has no Borrowings

Classification of debt	Principal Outstanding at beginning of year	New Loans raised	Debt redemption	Principal Outstanding at end of year
Loans (by source)				
Commonwealth Government	-	-	-	-
Treasury Corporation	-	-	-	-
Other State Government	-	-	-	-
Public Subscription	-	-	-	-
Financial Institutions	-	-	-	-
Total loans	-	-	-	-

Other long term debt				
Ratepayers' Advances	-	-	-	-
Government Advances	-	-	-	-
Finance Leases	-	-	-	-
Deferred payment	-	-	-	-
Total long term debt	-	-	-	-

2(b) Statement of internal loans (s410(3)) for the year ended 2016

Council has no internal borrowings

Borrower	Amount originally raised	Total repaid during the year	Principal Outstanding at end of year
(by purpose)		Principal and interest	
General	-	-	-
Totals	-	-	-

Special Schedule No. 3 Water Supply Income Statement

Council has no Water Supply Operations

Special Schedule No. 4 Water Supply Statement of Financial Position

Council has no Water Supply Operations

Special Schedule No. 5 Sewerage Income Statement

Council has no Sewerage Operations

Special Schedule No. 6 Sewerage Statement of Financial Position

Council has no Sewerage Operations

**Upper Macquarie County Council
Special Schedule No. 7
Report on Infrastructure Assets as at 30 June 2016**

Asset Class	Asset Category	Estimated cost to bring to a satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	Required Maintenance	Actual Maintenance	Carrying Value	Gross Replacement Cost	Assets in Condition as % of Gross Replacement Cost *						
								1	2	3	4	5		
Buildings	Chemical Storage Shed	\$'000	-	-	-	-	\$'000	100	-	-	-	-	-	-
Total Classes	Total All Assets	-	-	-	-	-	26	100	-	-	-	-	-	-

*In accordance with Note 9.

Infrastructure Asset Condition Assessment

Level	Condition	Description
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

Upper Macquarie County Council
Special Schedule No. 7
Report on Infrastructure Assets as at 30 June 2016 (continued)

Infrastructure Asset Performance Indicators – Consolidated

	Amounts \$'000	Current year indicators	2014	2013
Building and infrastructure renewals ratio		-	-	-
<u>Asset renewals (building and infrastructure)</u>	-			
Depreciation, amortisation and impairment	-			
Infrastructure backlog ratio		-	-	-
<u>Estimated cost to bring assets to a satisfactory standard</u>	-			
Carrying value* of infrastructure assets	-			
Asset maintenance ratio		-	-	-
<u>Actual asset maintenance</u>	-			
Required asset maintenance	-			
Cost to bring assets to agreed service level		-	-	-
<u>Estimated cost to bring to agreed service level set by Council</u>	-			
Gross Replacement Cost	26			

Infrastructure Asset Performance Indicators – General, Water & Sewer Funds

Current year	\$'000	General	Water	Sewer
Building and infrastructure renewals ratio		-	-	-
<u>Asset renewals (building and infrastructure)</u>				
Depreciation, amortisation and impairment				
Infrastructure backlog		-	-	-
<u>Estimated cost to bring assets to a satisfactory standard</u>				
Carrying value* of infrastructure assets				
Asset maintenance ratio		-	-	-
<u>Actual asset maintenance</u>				
Required asset maintenance				
Cost to bring assets to agreed service level		-	-	-
<u>Estimated cost to bring to agreed service level set by Council</u>				
Gross Replacement Cost				

* All indicators are calculated using the asset classes identified in the above table.

Special Schedule No. 8
Permissible Income

Council does not levy ordinary rates and therefore does not require this statement.