



BATHURST
REGIONAL COUNCIL



FINANCIAL STATEMENTS 2014 - 2015

Bathurst Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

*"A vibrant regional centre that enjoys a rural lifestyle, the
Bathurst Region achieves health and well being through
strengthening economic opportunities, planning for sustainable
growth, protecting and enhancing our assets, and encouraging
a supportive and inclusive community.
A Region full of community spirit and shared prosperity"*



Bathurst Regional Council

General Purpose Financial Statements

for the financial year ended 30 June 2015

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Bathurst Regional Council.
- (ii) Bathurst Regional Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian Currency.
 - (iv) These financial statements were authorised for issue by the Council on 14 October 2015. Council has the power to amend and reissue these financial statements.
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Bathurst Regional Council

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

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

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

Who uses the Financial Statements ?

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

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

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

Bathurst Regional Council

General Purpose Financial Statements

for the financial year ended 30 June 2015

Statement by Councillors and Management

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

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

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

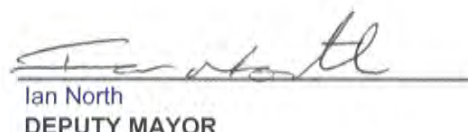
To the best of our knowledge and belief, these Financial Statements:

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

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

Signed in accordance with a resolution of Council made on 16 September 2015.



Gary Rush
MAYOR

Ian North
DEPUTY MAYOR

David Sherley
GENERAL MANAGER

Bob Roach
RESPONSIBLE ACCOUNTING OFFICER

Bathurst Regional Council

Income Statement

for the financial year ended 30 June 2015

Budget ¹ 2015 \$ '000		Notes	Actual 2015	Actual 2014
Income from Continuing Operations				
Revenue:				
33,572	Rates & Annual Charges	3a	34,686	32,874
19,497	User Charges & Fees	3b	22,884	23,980
4,413	Interest & Investment Revenue	3c	3,232	3,246
3,910	Other Revenues	3d	6,760	4,144
12,267	Grants & Contributions provided for Operating Purposes	3e,f	11,723	9,208 ²
3,710	Grants & Contributions provided for Capital Purposes	3e,f	8,367	8,797
Other Income:				
16,964	Net gains from the disposal of assets	5	-	9,452
94,333	Total Income from Continuing Operations		87,652	91,701
Expenses from Continuing Operations				
27,449	Employee Benefits & On-Costs	4a	27,156	26,705
1,449	Borrowing Costs	4b	1,427	1,549
23,638	Materials & Contracts	4c	23,814	23,106
18,069	Depreciation & Amortisation	4d	18,761	17,600
11,346	Other Expenses	4e	9,192	8,810
-	Net Losses from the Disposal of Assets	5	279	-
81,951	Total Expenses from Continuing Operations		80,629	77,770
12,382	Operating Result from Continuing Operations		7,023	13,931
12,382	Net Operating Result for the Year		7,023	13,931
12,382	Net Operating Result attributable to Council		7,023	13,931
8,672	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(1,344)	5,134

¹ Original Budget as approved by Council - refer Note 16

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

Bathurst Regional Council

Statement of Comprehensive Income for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net Operating Result for the year (as per Income statement)		7,023	13,931
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	71,203	6,573
Total Items which will not be reclassified subsequently to the Operating Result		71,203	6,573
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		71,203	6,573
Total Comprehensive Income for the Year		78,226	20,504

Bathurst Regional Council

Statement of Financial Position
as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	3,296	8,009
Investments	6b	51,500	55,000
Receivables	7	8,676	8,689
Inventories	8	2,837	2,175
Other	8	190	112
Total Current Assets		66,499	73,985
Non-Current Assets			
Investments	6b	21,800	24,000
Receivables	7	782	666
Inventories	8	5,407	5,426
Infrastructure, Property, Plant & Equipment	9	1,054,482	968,487
Investment Property	14	9,976	9,790
Total Non-Current Assets		1,092,447	1,008,369
TOTAL ASSETS		1,158,946	1,082,354
LIABILITIES			
Current Liabilities			
Payables	10	5,969	4,954
Borrowings	10	3,373	3,286
Provisions	10	10,124	9,824
Total Current Liabilities		19,466	18,064
Non-Current Liabilities			
Payables	10	1,095	1,181
Borrowings	10	18,453	18,860
Provisions	10	1,506	4,049
Total Non-Current Liabilities		21,054	24,090
TOTAL LIABILITIES		40,520	42,154
Net Assets		1,118,426	1,040,200
EQUITY			
Retained Earnings	20	607,357	600,334
Revaluation Reserves	20	511,069	439,866
Total Equity		1,118,426	1,040,200

Bathurst Regional Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2015						
Opening Balance (as per Last Year's Audited Accounts)		600,334	439,866	1,040,200	-	1,040,200
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/14)		600,334	439,866	1,040,200	-	1,040,200
c. Net Operating Result for the Year		7,023	-	7,023	-	7,023
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	71,203	71,203	-	71,203
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	71,203	71,203	-	71,203
Total Comprehensive Income (c&d)		7,023	71,203	78,226	-	78,226
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		607,357	511,069	1,118,426	-	1,118,426

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		586,403	433,293	1,019,696	-	1,019,696
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		586,403	433,293	1,019,696	-	1,019,696
c. Net Operating Result for the Year		13,931	-	13,931	-	13,931
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	6,573	6,573	-	6,573
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	6,573	6,573	-	6,573
Total Comprehensive Income (c&d)		13,931	6,573	20,504	-	20,504
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		600,334	439,866	1,040,200	-	1,040,200

Bathurst Regional Council

Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Cash Flows from Operating Activities				
Receipts:				
33,572	Rates & Annual Charges		35,134	32,887
19,497	User Charges & Fees		23,550	25,025
4,413	Investment & Interest Revenue Received		3,295	3,268
15,977	Grants & Contributions		15,550	19,769
500	Bonds, Deposits & Retention amounts received		625	96
3,910	Other		9,027	6,778
Payments:				
(27,449)	Employee Benefits & On-Costs		(26,878)	(26,359)
(23,638)	Materials & Contracts		(26,075)	(24,703)
(1,449)	Borrowing Costs		(1,360)	(1,474)
(11,346)	Other		(12,408)	(11,305)
13,987	Net Cash provided (or used in) Operating Activities	11b	20,460	23,982
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		57,200	59,700
16,964	Sale of Real Estate Assets		269	10,143
-	Sale of Infrastructure, Property, Plant & Equipment		1,378	1,905
Payments:				
-	Purchase of Investment Securities		(51,500)	(67,000)
-	Purchase of Investment Property		(39)	(18)
(24,386)	Purchase of Infrastructure, Property, Plant & Equipment		(31,323)	(20,910)
-	Purchase of Real Estate Assets		(644)	(2,803)
-	Deferred Debtors & Advances Made		(194)	-
(7,422)	Net Cash provided (or used in) Investing Activities		(24,853)	(18,983)
Cash Flows from Financing Activities				
Receipts:				
2,000	Proceeds from Borrowings & Advances		3,000	3,000
Payments:				
(3,011)	Repayment of Borrowings & Advances		(3,320)	(2,903)
(1,011)	Net Cash Flow provided (used in) Financing Activities		(320)	97
5,554	Net Increase/(Decrease) in Cash & Cash Equivalents		(4,713)	5,096
1,314	plus: Cash & Cash Equivalents - beginning of year	11a	8,009	2,913
6,868	Cash & Cash Equivalents - end of the year	11a	3,296	8,009
Additional Information:				
	plus: Investments on hand - end of year	6b	73,300	79,000
	Total Cash, Cash Equivalents & Investments		76,596	87,009

Please refer to Note 11 for additional cash flow information

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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n/a - not applicable

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

(iii) New and amended standards adopted by Council

During the current year, the following relevant accounting standards became mandatory and have been adopted by Council:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosures of Interests in Other Entities

AASB 10 introduced a new definition of control based on the substance of the relationship and required Councils to consider their involvement with other entities regardless of whether there was a financial interest.

AASB 11 classified joint arrangements into either joint ventures (equity accounting) or joint operations (accounting for share of assets and liabilities).

AASB 12 has increased the level of disclosures required where Council has any interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

(iv) Early adoption of Accounting Standards

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

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

(v) Basis of Accounting

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

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

(iii) certain classes of non current assets (eg. Infrastructure, Property, Plant & Equipment and Investment Property) that are accounted for at fair valuation.

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

(vi) Changes in Accounting Policies

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

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

(vii) Critical Accounting Estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

(iii) Estimated remediation provisions.

Critical judgements in applying Council's accounting policies

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

(b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

notification that a grant has been secured, and is valued at their fair value at the date of transfer.

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

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

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

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

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

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

Dividend Income

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

Other Income

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

(c) Principles of Consolidation

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

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

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

(i) The Consolidated Fund

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

unless it is required to be held in the Council's Trust Fund.

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

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

- *General Purpose Operations*
- *Bathurst Regional Council Water Supply Fund*
- *Bathurst Regional Council Sewerage Fund*

(ii) The Trust Fund

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

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

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

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

(iii) Joint Arrangements

Council has no interest in any Joint Arrangements.

(iv) Associates

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

Such entities are usually termed Associates.

Any interests in Associates are accounted for using the equity method and are carried at cost, where material.

Detailed information relating to Council's interest in Associates can be found at Note 19 (b).

(v) County Councils

Council is a member of the following County Councils (which are bodies corporate under the Local Government Act);

▪ **Upper Macquarie County Council**

Noxious Weeds Control Authority

4 Constituent Councils - Bathurst, Blayney, Lithgow and Oberon

The governing body of each County Council is responsible for managing its own affairs.

Council is of the opinion that it has significant influence over the County Council and has deemed it as an Associate. The Council's share of the operations of the County Council are immaterial to its own financial statements and the financial statements of the County Council are not completed prior to the statutory deadline for these financial statements. Council therefore has not accounted for this associate within these financial statements.

Detailed information relating to Council's interest in the above County Council can be found at Note 19 (b).

(vi) Unconsolidated Structured Entities

Council has no interest in any Unconsolidated Structured Entities.

(d) Leases

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

Finance Leases

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

Bathurst Regional Council

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

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

Operating Leases

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

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

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

(e) Cash and Cash Equivalents

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

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

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

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

(iii) Held-to-maturity investments

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

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

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

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising

from a single event that is unusual and highly unlikely to recur in the near term.

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

Impairment

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

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

(iii) Types of Investments

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

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

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations.

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

(h) Receivables

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

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

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

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

- **Investment Properties** – refer Note 1(p),
- **Water and Sewerage Networks**
(Internal Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**
(External Valuation)
- **Plant and Equipment**
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)

Bathurst Regional Council

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

Note 1. Summary of Significant Accounting Policies

- **Community Land** (Internal Valuation)
- **Land Improvements**
(as approximated by depreciated historical cost)
- **Other Structures**
(as approximated by depreciated historical cost)
- **Other Assets**
(as approximated by depreciated historical cost)

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

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

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

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

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

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

Capitalisation Thresholds

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

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

Plant & Equipment	
Office Furniture	> \$2,000
Office Equipment	> \$2,000
Other Plant & Equipment	> \$5,000

Buildings & Land Improvements	
Building	
- construction/extensions	> \$10,000
- renovations	> \$10,000

Bathurst Regional Council

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

Note 1. Summary of Significant Accounting Policies

Other Structures	> \$5,000
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Water & Sewer Assets

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

Stormwater Assets

Drains & Culverts	> \$10,000
Other	> \$10,000

Transport Assets

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

Other Infrastructure Assets

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

Other Infrastructure	> \$10,000
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- Structures	10 to 50 years
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Stormwater Drainage

- Drainage Assets	100 years
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Transportation Assets

- Sealed Roads : Surface	20 to 25 years
- Sealed Roads : Pavement	80 years
- Unsealed roads	100 years
- Bridge : Concrete	80 years
- Footpaths	50 years

Water & Sewer Assets

- Water Assets	40 to 100 years
- Sewer Assets	25 to 70 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
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Depreciation

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

Land is not depreciated.

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

Plant & Equipment

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

Other Equipment

- Library Books	5 years
- Artworks & Heritage Collections	100 years
- Mobile Garbage Bins	10 years
- Playground equipment	10 years
- Benches, seats etc	10 years

Buildings

- Buildings	100 years
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All asset residual values and useful lives are reviewed and adjusted (if appropriate), at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

Disposal and De-recognition

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

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

(k) Land

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

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

Bathurst Regional Council

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

Note 1. Summary of Significant Accounting Policies

(l) Land under roads

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

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

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

(m) Intangible Assets

Council has not classified any assets as Intangible.

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

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

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

(p) Investment property

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

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

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

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

The last full revaluation for Council's Investment Properties was dated 30/06/2013.

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

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

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

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Costs are estimated on the basis of a closure plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

(s) Impairment of assets

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

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

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

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

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

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

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

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

(v) Borrowing costs

Borrowing costs are expensed except to the extent that they are incurred during the construction of qualifying assets.

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.

(w) Provisions

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

- Council has a present legal or constructive obligation as a result of past events;

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

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

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

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

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

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

(x) Employee benefits

(i) Short Term Obligations

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

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

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

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

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

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

(ii) Other Long Term Obligations

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

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

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

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

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

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

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

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

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

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

However the position is monitored annually and the Actuary has estimated that as at 30 June 2015 the prior period deficit still exists.

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

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

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

Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may

arise should the Scheme require immediate payment to correct the deficiency.

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

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

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

(y) Self insurance

Council does not self insure.

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

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

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

Exceptions

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

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

Bathurst Regional Council

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

Note 1. Summary of Significant Accounting Policies

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and interpretations

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

Council has not adopted any of these standards early.

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

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

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

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

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

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

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

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

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

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

Bathurst Regional Council

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

Note 1. Summary of Significant Accounting Policies

The full impact of AASB 15 has not yet been ascertained or quantified. AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

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

AASB 124 - Related Party Disclosures

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

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

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

AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

AASB 2014 - 3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11. The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

Not applicable to Local Government per se;

None

(ac) Rounding of amounts

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

(ad) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items

Bathurst Regional Council

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

Note 1. Summary of Significant Accounting Policies

and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(ae) Disclaimer

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2014	2015	2014
Governance	-	-	-	2,054	2,247	1,962	(2,054)	(2,247)	(1,962)	87	-	980	967
Administration	6,662	1,522	1,494	13,744	12,242	11,994	(7,082)	(10,720)	(10,500)	84	-	24,879	40,117
Public Order & Safety	762	497	573	1,746	1,633	1,378	(984)	(1,136)	(805)	-	276	3,531	3,592
Health	-	-	-	-	-	-	-	-	-	-	-	100	109
Environment	6,328	11,796	8,026	6,361	7,075	6,729	(33)	4,721	1,297	284	1,601	148,323	96,671
Community Services & Education	2,531	2,559	2,625	2,837	2,766	2,853	(306)	(207)	(228)	1,582	1,574	10,033	9,978
Housing & Community Amenities	130	276	240	2,771	2,583	2,529	(2,641)	(2,307)	(2,289)	254	150	8,978	8,915
Water Supplies	11,733	14,262	14,174	11,020	9,490	8,498	713	4,772	5,676	110	103	191,893	187,603
Sewerage Services	9,949	12,406	10,721	7,881	7,386	6,632	2,068	5,020	4,089	106	103	114,789	110,693
Recreation & Culture	4,070	5,317	8,186	13,054	14,740	15,518	(8,984)	(9,423)	(7,332)	958	3,422	163,552	154,357
Mining, Manufacturing & Construction	1,211	938	868	1,483	1,477	1,321	(272)	(539)	(453)	-	-	207	208
Transport & Communication	4,497	5,652	7,311	15,075	14,734	15,998	(10,578)	(9,082)	(8,687)	965	857	469,886	441,228
Economic Affairs	19,024	1,680	11,195	3,925	4,256	2,358	15,099	(2,576)	8,837	-	-	21,795	27,916
Total Functions & Activities	66,897	56,905	65,413	81,951	80,629	77,770	(15,054)	(23,724)	(12,357)	4,430	8,086	1,158,946	1,082,354
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	27,436	30,747	26,288	-	-	-	27,436	30,747	26,288	6,610	3,380	-	-
Operating Result from Continuing Operations	94,333	87,652	91,701	81,951	80,629	77,770	12,382	7,023	13,931	11,040	11,466	1,158,946	1,082,354

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER & SAFETY

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

HEALTH

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

ENVIRONMENT

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

COMMUNITY SERVICES & EDUCATION

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

HOUSING & COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

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

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

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

ECONOMIC AFFAIRS

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

Bathurst Regional Council

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

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		14,210	13,522
Farmland		2,048	1,978
Mining		11	11
Business		5,429	5,318
Total Ordinary Rates		21,698	20,829
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		3,282	3,090
Water Supply Services		1,927	1,761
Sewerage Services		7,005	6,501
Waste Management Services (non-domestic)		695	658
Section 611 Charges		79	35
Total Annual Charges		12,988	12,045
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>34,686</u>	<u>32,874</u>

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

Bathurst Regional Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		10,106	9,968
Sewerage Services		1,370	1,284
Waste Management Services (non-domestic)		3,099	2,263
Total User Charges		14,575	13,515
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Planning & Building Regulation		1,095	1,207
Private Works - Section 67		91	111
Section 603 Certificates		76	81
Total Fees & Charges - Statutory/Regulatory		1,262	1,399
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Advertising		81	76
Aerodrome		300	304
Art Gallery		9	3
Cemeteries		7	50
Chifley Home		11	11
Child Care		958	1,023
Entertainment Centre		448	511
Library & Art Gallery		56	54
Mount Panorama		2,035	2,010
National Motor Racing Museum		277	225
RMS (formerly RTA) Charges (State Roads not controlled by Council)		1,659	3,608
Sewerage		698	797
Tourism		68	123
Water		179	210
Other		261	61
Total Fees & Charges - Other		7,047	9,066
TOTAL USER CHARGES & FEES		22,884	23,980

Bathurst Regional Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		209	252
- Interest earned on Investments (interest & coupon payment income)		3,023	3,046
Less: Interest deducted for Capitalised Borrowing Costs		-	(52)
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>3,232</u>	<u>3,246</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		209	252
General Council Cash & Investments		1,024	770
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		123	128
- Section 64		340	452
Water Fund Operations		104	110
Sewerage Fund Operations		160	163
Domestic Waste Management operations		20	24
Other Externally Restricted Assets Unexpended Loans		46	52
Restricted Investments/Funds - Internal:			
Internally Restricted Assets		1,206	1,295
<u>Total Interest & Investment Revenue Recognised</u>		<u>3,232</u>	<u>3,246</u>
(d) Other Revenues			
Fair Value Adjustments - Investment Properties	14	147	285
Rental Income - Investment Properties	14	760	781
Rental Income - Other Council Properties		974	925
Fines		45	60
Fines - Parking		215	173
Legal Fees Recovery - Rates & Charges (Extra Charges)		1	1
Legal Fees Recovery - Other		105	2
Legal Fees Recovery - Local Government Financial Services		186	652
Commissions & Agency Fees		39	54
Diesel Rebate		76	93
Insurance Claim Recoveries		16	50
Insurance Rebates		180	92
Mount Panorama		524	302
Recovery of Lehamn Brothers Investment		107	143
Recycling Income (non domestic)		62	138
Sales - Miscellaneous		339	195
Reversal of Tip Remediation Provision		2,677	-
Other		307	198
<u>TOTAL OTHER REVENUE</u>		<u>6,760</u>	<u>4,144</u>

Bathurst Regional Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance	6,314	3,092	-	-
Pensioners' Rates Subsidies - General Component	296	288	-	-
Total General Purpose	6,610	3,380	-	-

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

Specific Purpose

Pensioners' Rates Subsidies:

- Water	110	103	-	-
- Sewerage	106	103	-	-
- Domestic Waste Management	69	66	-	-
Bushfire & Emergency Services	-	276	-	-
Community Care	1,582	1,570	-	-
Community Centres	6	4	-	-
Economic Development	2	-	-	-
Environmental Protection	284	182	-	-
Flood Restoration	89	-	-	540
Heritage & Cultural	365	442	410	-
Library	-	-	50	-
LIRS Subsidy	86	-	-	-
Mount Panorama	-	-	-	2,822
Recreation & Culture	50	85	63	-
Strategic Planning	82	42	-	-
Street Lighting	108	108	-	-
Transport (Roads to Recovery)	857	857	-	-
Waste Management	27	813	-	-
Other	72	61	12	12
Total Specific Purpose	3,895	4,712	535	3,374
Total Grants	10,505	8,092	535	3,374

Grant Revenue is attributable to:

- Commonwealth Funding	8,758	5,641	250	3,323
- State Funding	1,645	1,469	284	51
- Other Funding	102	982	1	-
	10,505	8,092	535	3,374

Bathurst Regional Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	26	669
S 64 - Water Supply Contributions	-	-	1,523	1,392
S 64 - Sewerage Service Contributions	-	-	1,419	1,264
Total Developer Contributions 17	-	-	2,968	3,325
Other Contributions:				
Art Gallery	-	-	65	150
Bushfire Services	3	14	37	-
Car Parking Enforcement	-	21	-	-
Community Services	-	-	-	20
Dedications (other than by S94)	-	-	2,594	912
Kerb & Gutter	-	-	8	-
Other Councils - Joint Works/Services	142	153	-	-
Recreation & Culture	-	-	200	90
Roads & Bridges	-	-	50	140
RMS Contributions (Regional Roads, Block Grant)	1,013	905	-	-
Sewerage (excl. Section 64 contributions)	-	-	1,496	413
Water Supplies (excl. Section 64 contributions)	-	-	378	359
Other	60	23	36	14
Total Other Contributions	1,218	1,116	4,864	2,098
Total Contributions	1,218	1,116	7,832	5,423
TOTAL GRANTS & CONTRIBUTIONS	11,723	9,208	8,367	8,797

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

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

Unexpended at the Close of the Previous Reporting Period	33,991	32,058
add: Grants & contributions recognised in the current period but not yet spent:	6,772	6,981
less: Grants & contributions recognised in a previous reporting period now spent:	(5,387)	(5,048)
Net Increase (Decrease) in Restricted Assets during the Period	1,385	1,933
Unexpended and held as Restricted Assets	35,376	33,991
Comprising:		
- Specific Purpose Unexpended Grants	2,494	2,741
- Developer Contributions	32,882	31,250
	35,376	33,991

Bathurst Regional Council

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

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Employee Benefits & On-Costs			
Salaries and Wages		19,632	19,111
Travelling		439	546
Employee Leave Entitlements (ELE)		3,671	3,700
Superannuation		2,723	2,640
Workers' Compensation Insurance		423	225
Fringe Benefit Tax (FBT)		197	183
Payroll Tax		185	176
Training Costs (other than Salaries & Wages)		213	240
Protective Clothing		1	2
Other		16	91
Total Employee Costs		27,500	26,914
less: Capitalised Costs		(344)	(209)
TOTAL EMPLOYEE COSTS EXPENSED		27,156	26,705
Number of "Equivalent Full Time" Employees at year end		381	380
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		1,356	1,543
Total Interest Bearing Liability Costs		1,356	1,543
less: Capitalised Costs		-	(80)
Total Interest Bearing Liability Costs Expensed		1,356	1,463
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	71	86
Total Other Borrowing Costs		71	86
TOTAL BORROWING COSTS EXPENSED		1,427	1,549

Bathurst Regional Council

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

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Materials & Contracts			
Raw Materials & Consumables		20,662	19,296
Contractor & Consultancy Costs		1,078	739
Auditors Remuneration ⁽¹⁾		156	127
Legal Expenses:			
- Legal Expenses: Planning & Development		235	61
- Legal Expenses: Debt Recovery		2	3
- Legal Expenses: Other		252	1,033
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payment ⁽²⁾		447	723
Recycling Services		982	1,124
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>23,814</u>	<u>23,106</u>
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		61	61
- Audit & review of financial statements: Other Consolidated Entity Auditors		7	3
Remuneration for audit and other assurance services		<u>68</u>	<u>64</u>
(ii) Other Services			
- Internal Auditor		88	63
Remuneration for other services		<u>88</u>	<u>63</u>
Total Auditor Remuneration		<u>156</u>	<u>127</u>
2. Operating Lease Payments are attributable to:			
Computers		447	723
		<u>447</u>	<u>723</u>

Bathurst Regional Council

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

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	2,227	1,896
Office Equipment		-	-	210	202
Furniture & Fittings		-	-	16	29
Land Improvements (depreciable)		-	-	288	272
Buildings - Non Specialised		-	-	1,244	818
Buildings - Specialised		-	-	124	268
Other Structures		-	-	556	495
Infrastructure:					
- Roads		-	-	5,660	5,601
- Bridges		-	-	651	643
- Footpaths		-	-	102	104
- Stormwater Drainage		-	-	893	883
- Water Supply Network		-	-	3,483	3,263
- Sewerage Network		-	-	2,763	2,608
- Swimming Pools		-	-	136	136
Other Assets					
- Heritage Collections		-	-	79	78
- Library Books		-	-	189	167
- Other		-	-	87	84
Asset Reinstatement Costs	9 & 26	-	-	53	53
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	18,761	17,600

Bathurst Regional Council

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

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		473	515
Bad & Doubtful Debts		19	(79)
Bank Charges		114	126
Cleaning		542	538
Contributions/Levies to Other Levels of Government			
- NSW Fire Brigade Levy		204	186
- NSW Rural Fire Service Levy		560	243
- Waste Levy		58	36
Councillor Expenses - Mayoral Fee		39	38
Councillor Expenses - Councillors' Fees		161	157
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		55	48
Donations, Contributions & Assistance to other organisations (Section 356)			
- Footpath & Gutter Maintenance		60	56
- Donations, Contributions & Assistance		280	123
- Somerville Collection		199	219
Electricity & Heating		2,118	2,442
Fire Control Expenses		-	1
Insurance		1,386	1,246
Office Expenses (including computer expenses)		45	33
Postage		121	108
Printing & Stationery		268	315
Revaluation Decrements (Fair Valuation of I,PP&E Assets)	9(a)	218	-
Street Lighting		963	1,047
Subscriptions & Publications		562	678
Telephone & Communications		421	390
Upper Macquarie County Council (Noxious Weeds)		206	202
Valuation Fees		120	142
<u>TOTAL OTHER EXPENSES</u>		<u>9,192</u>	<u>8,810</u>

Bathurst Regional Council

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

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2015	Actual 2014
Property (excl. Investment Property)			
Proceeds from Disposal - Property		559	827
less: Carrying Amount of Property Assets Sold / Written Off		(1,213)	(1,356)
Net Gain/(Loss) on Disposal		(654)	(529)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		819	1,078
less: Carrying Amount of P&E Assets Sold / Written Off		(687)	(556)
Net Gain/(Loss) on Disposal		132	522
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		269	10,143
less: Carrying Amount of Real Estate Assets Sold / Written Off		(26)	(684)
Net Gain/(Loss) on Disposal		243	9,459
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		57,200	59,700
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(57,200)	(59,700)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>(279)</u>	<u>9,452</u>

Bathurst Regional Council

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

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

		2015	2015	2014	2014
		Actual	Actual	Actual	Actual
\$ '000	Notes	Current	Non Current	Current	Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		3,296	-	7,509	-
Cash-Equivalent Assets ¹					
- Short Term Deposits		-	-	500	-
Total Cash & Cash Equivalents		3,296	-	8,009	-
Investments (Note 6b)					
- Long Term Deposits		46,500	4,800	55,000	13,000
- NCD's, FRN's (with Maturities > 3 months)		5,000	17,000	-	11,000
Total Investments		51,500	21,800	55,000	24,000
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		54,796	21,800	63,009	24,000

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

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

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		3,296	-	8,009	-
---	--	--------------	----------	--------------	----------

Investments

b. "Held to Maturity"	6(b-ii)	51,500	21,800	55,000	24,000
Investments		51,500	21,800	55,000	24,000

Note 6(b-i)**Reconciliation of Investments classified as "Held to Maturity"**

Balance at the Beginning of the Year	55,000	24,000	59,700	12,000
Additions	40,500	11,000	55,000	12,000
Disposals (sales & redemptions)	(55,000)	(2,200)	(59,700)	-
Transfers between Current/Non Current	11,000	(11,000)	-	-
Balance at End of Year	51,500	21,800	55,000	24,000

Comprising:

- Long Term Deposits	46,500	4,800	55,000	13,000
- NCD's, FRN's (with Maturities > 3 months)	5,000	17,000	-	11,000
Total	51,500	21,800	55,000	24,000

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

Bathurst Regional Council

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

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

	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	54,796	21,800	63,009	24,000
attributable to:				
External Restrictions (refer below)	35,865	21,800	36,251	24,000
Internal Restrictions (refer below)	18,557	-	26,170	-
Unrestricted	374	-	588	-
	54,796	21,800	63,009	24,000

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

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	9,727	3,000	(6,669)	6,058
External Restrictions - Included in Liabilities	9,727	3,000	(6,669)	6,058

External Restrictions - Other

Developer Contributions - General (D)	7,824	2,411	(271)	9,964
Developer Contributions - Water Fund (D)	13,332	1,707	(3,849)	11,190
Developer Contributions - Sewer Fund (D)	10,094	1,662	(28)	11,728
Specific Purpose Unexpended Grants (F)	2,734	991	(1,238)	2,487
Specific Purpose Unexpended Grants-Water Fund (F)	7	-	-	7
Water Supplies (G)	5,215	4,979	(4,673)	5,521
Sewerage Services (G)	8,473	3,997	(4,372)	8,098
Domestic Waste Management (G)	2,845	733	(966)	2,612
External Restrictions - Other	50,524	16,480	(15,397)	51,607
Total External Restrictions	60,251	19,480	(22,066)	57,665

A Loan moneys which must be applied for the purposes for which the loans were raised.

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

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

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

Bathurst Regional Council

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

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

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Administration	221	80	(81)	220
Aerodrome Improvements	300	-	(2)	298
Building Maintenance & Improvements	946	20	(276)	690
Carry Over Works	1,979	1,018	(1,979)	1,018
Cultural & Community Services	367	143	(69)	441
Economic Development	73	-	(4)	69
Employees Leave Entitlement	2,000	-	(2,000)	-
Environmental	317	96	(291)	122
Insurance Equalisation	550	110	(546)	114
Land Development	6,539	40	(6,320)	259
Parks	63	-	(63)	-
Plant & Vehicle Replacement	2,607	3,104	(3,403)	2,308
SES Plant	22	-	-	22
Strategic Planning	323	114	(277)	160
Tourism	58	39	(68)	29
Total Internal Restrictions - Ordinary Services	16,365	4,764	(15,379)	5,750
Depot Maintenance	25	-	-	25
Solid Waste Depot General Reserve	6,918	3,607	(920)	9,605
Waste Employee Leave Entitlements	90	-	-	90
Waste Management	641	496	-	1,137
Waste Services - Internal Restrictions	2,131	-	(181)	1,950
Total Internal Restrictions	26,170	8,867	(16,480)	18,557
TOTAL RESTRICTIONS	86,421	28,347	(38,546)	76,222

Bathurst Regional Council

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

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		1,412	188	1,742	236
Interest & Extra Charges		910	-	973	-
User Charges & Fees		3,086	-	2,721	-
Accrued Revenues					
- Other Income Accruals		867	-	1,174	-
Government Grants & Subsidies		554	-	211	-
Deferred Debtors		60	594	30	430
Net GST Receivable		493	-	245	-
Sundry Debtors		1,327	-	1,611	-
Other Debtors		1	-	1	-
Total		8,710	782	8,708	666
less: Provision for Impairment					
User Charges & Fees		(26)	-	(14)	-
Other Debtors		(8)	-	(5)	-
Total Provision for Impairment - Receivables		(34)	-	(19)	-
<u>TOTAL NET RECEIVABLES</u>		<u>8,676</u>	<u>782</u>	<u>8,689</u>	<u>666</u>
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		37	-	33	-
- Rates & Availability Charges		115	59	50	73
- Other		2,818	-	2,546	-
Sewerage Services					
- Specific Purpose Grants		2	-	2	-
- Rates & Availability Charges		483	40	520	44
- Other		372	-	397	-
Total External Restrictions		3,827	99	3,548	117
Nil					
Unrestricted Receivables		4,849	683	5,141	549
TOTAL NET RECEIVABLES		8,676	782	8,689	666

Notes on Debtors above:

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

Bathurst Regional Council

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

Note 8. Inventories & Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		2,043	5,407	1,406	5,426
Stores & Materials		550	-	523	-
Trading Stock		244	-	246	-
Total Inventories		2,837	5,407	2,175	5,426
Other Assets					
Prepayments		190	-	112	-
Total Other Assets		190	-	112	-
TOTAL INVENTORIES / OTHER ASSETS		3,027	5,407	2,287	5,426
Externally Restricted Assets					
Water					
Prepayments		5	-	5	-
Total Water		5	-	5	-
Sewerage					
Prepayments		26	-	13	-
Total Sewerage		26	-	13	-
Domestic Waste Management					
Nil					
Other					
Nil					
Total Externally Restricted Assets		31	-	18	-
Total Unrestricted Assets		2,996	5,407	2,269	5,426
TOTAL INVENTORIES & OTHER ASSETS		3,027	5,407	2,287	5,426

Bathurst Regional Council

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

Note 8. Inventories & Other Assets (continued)

\$ '000	2015		2014	
	Current	Non Current	Current	Non Current
Other Disclosures				
(a) Details for Real Estate Development				
Residential	1,401	2,600	774	2,600
Industrial/Commercial	642	2,807	632	2,826
Total Real Estate for Resale	2,043	5,407	1,406	5,426
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	1,396	5,407	803	5,426
Development Costs	647	-	603	-
Total Costs	2,043	5,407	1,406	5,426
Total Real Estate for Resale	2,043	5,407	1,406	5,426
Movements:				
Real Estate assets at beginning of the year	1,406	5,426	1,074	3,639
- Purchases and other costs	647	(3)	603	2,209
- Transfers in from (out to) Note 9	-	-	-	(9)
- WDV of Sales (exp)	(26)	-	(684)	-
- Transfer between Current/Non Current	16	(16)	413	(413)
Total Real Estate for Resale	2,043	5,407	1,406	5,426

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2014					Asset Movements during the Reporting Period					as at 30/6/2015				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Reversal of prior period Revaluation Decrements to the P&L	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment									Dep'n	Impairment	
Plant & Equipment	-	22,862	13,185	-	9,677	3,633	(687)	(2,227)	-	-	-	24,273	13,877	-	10,396
Office Equipment	-	2,709	2,124	-	585	112	-	(210)	-	-	-	2,821	2,334	-	487
Furniture & Fittings	-	1,256	1,172	-	84	-	-	(16)	-	-	-	1,256	1,188	-	68
Land:															
- Operational Land	-	58,415	-	-	58,415	516	(280)	-	-	-	-	58,651	-	-	58,651
- Community Land	-	14,844	-	-	14,844	89	-	-	-	-	-	14,933	-	-	14,933
- Land under Roads (post 30/6/08)	-	95	-	-	95	38	-	-	-	-	-	133	-	-	133
Land Improvements - depreciable	-	15,064	3,536	-	11,528	953	-	(288)	-	-	-	16,017	3,824	-	12,193
Buildings - Non Specialised	-	74,905	15,446	-	59,459	1,271	(408)	(1,244)	-	-	-	75,655	16,577	-	59,078
Buildings - Specialised	-	54,750	6,571	-	48,179	180	-	(124)	-	-	-	54,930	6,695	-	48,235
Other Structures	-	18,616	5,036	-	13,580	2,250	(525)	(556)	-	-	-	19,923	5,174	-	14,749
Infrastructure:															
- Roads	-	356,755	95,933	-	260,822	10,298	-	(5,660)	-	20,596	-	419,104	133,048	-	286,056
- Bridges	-	43,390	20,459	-	22,931	983	-	(651)	-	(871)	-	37,591	15,199	-	22,392
- Footpaths	-	10,733	4,376	-	6,357	342	-	(102)	-	2,275	-	13,726	4,854	-	8,872
- Bulk Earthworks (non-depreciable)	-	116,117	-	-	116,117	1,401	-	-	-	(696)	-	116,822	-	-	116,822
- Stormwater Drainage	-	97,705	32,961	-	64,744	3,457	-	(893)	-	46,283	-	150,512	36,921	-	113,591
- Water Supply Network	-	284,759	126,542	-	158,217	6,364	-	(3,483)	-	2,322	-	295,394	131,974	-	163,420
- Sewerage Network	-	189,963	100,974	-	88,989	3,293	-	(2,763)	-	1,294	-	196,105	105,292	-	90,813
- Swimming Pools	-	13,639	954	-	12,685	73	-	(136)	-	-	-	13,713	1,091	-	12,622
Other Assets:															
- Other	-	27,420	7,946	-	19,474	418	-	(355)	-	-	-	27,838	8,301	-	19,537
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):															
- Tip Assets	-	2,659	954	-	1,705	-	-	(53)	(218)	-	-	1,434	-	-	1,434
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	-	1,406,656	438,169	-	968,487	35,671	(1,900)	(18,761)	(218)	71,203	-	1,540,831	486,349	-	1,054,482

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$13,261,776) and New Assets (\$20,310,852)

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

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

Bathurst Regional Council

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

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

\$ '000 Class of Asset	Actual 2015				Actual 2014			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Plant & Equipment	-	1,319	397	922	-	547	216	331
Office Equipment	-	29	7	22	-	9	6	3
Furniture & Fittings	-	3	3	-	-	3	3	-
Land								
- Operational Land	-	4,753	-	4,753	-	4,753	-	4,753
- Community Land	-	149	-	149	-	149	-	149
- Improvements - depreciable	-	746	103	643	-	746	94	652
Buildings	-	11,668	354	11,314	-	11,671	369	11,302
Other Structures	-	219	60	159	-	219	52	167
Infrastructure	-	295,395	131,974	163,421	-	284,759	126,542	158,217
Total Water Supply	-	314,281	132,898	181,383	-	302,856	127,282	175,574
Sewerage Services								
Plant & Equipment	-	899	242	657	-	389	177	212
Office Equipment	-	11	8	3	-	11	6	5
Land								
- Operational Land	-	1,185	-	1,185	-	1,185	-	1,185
- Improvements - depreciable	-	111	51	60	-	111	47	64
Buildings	-	1,287	15	1,272	-	654	8	646
Other Structures	-	50	-	50	-	49	-	49
Infrastructure	-	196,105	105,292	90,813	-	189,963	100,974	88,989
Total Sewerage Services	-	199,648	105,608	94,040	-	192,362	101,212	91,150
Domestic Waste Management								
Plant & Equipment	-	2,304	242	2,062	-	2,297	876	1,421
Other Assets	-	767	-	767	-	729	508	221
Total DWM	-	3,071	242	2,829	-	3,026	1,384	1,642
TOTAL RESTRICTED I,PP&E	-	517,000	238,748	278,252	-	498,244	229,878	268,366

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

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

Bathurst Regional Council

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

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		2,809	-	2,674	-
Payments Received In Advance		1,058	-	852	-
Accrued Expenses:					
- Borrowings		41	-	45	-
- Other Expenditure Accruals		395	-	428	-
Security Bonds, Deposits & Retentions		1,666	1,095	955	1,181
Total Payables		5,969	1,095	4,954	1,181
Borrowings					
Loans - Secured ¹		3,373	18,453	3,286	18,860
Total Borrowings		3,373	18,453	3,286	18,860
Provisions					
Employee Benefits;					
Annual Leave		2,807	-	2,742	-
Long Service Leave		7,169	100	6,854	95
Sub Total - Aggregate Employee Benefits		9,976	100	9,596	95
Asset Remediation/Restoration (Future Works)	26	28	1,406	86	3,954
Other		120	-	142	-
Total Provisions		10,124	1,506	9,824	4,049
Total Payables, Borrowings & Provisions		19,466	21,054	18,064	24,090

(i) Liabilities relating to Restricted Assets

	2015		2014	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Water	781	7	768	8
Sewer	536	1	610	4
Liabilities relating to externally restricted assets	1,317	8	1,378	12
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	1,317	8	1,378	12
Total Liabilities relating to Unrestricted Assets	18,149	21,046	16,686	24,078
TOTAL PAYABLES, BORROWINGS & PROVISIONS	19,466	21,054	18,064	24,090

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

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

Bathurst Regional Council

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

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

	Actual 2015	Actual 2014
\$ '000		

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

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

Provisions - Employees Benefits	7,630	7,364
	7,630	7,364

Note 10b. Description of and movements in Provisions

Class of Provision	2014	2015				Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	2,742	1,768	(1,724)	21	-	2,807
Long Service Leave	6,949	749	(707)	278	-	7,269
Asset Remediation	4,040	(2,606)	-	-	-	1,434
Other	142	120	(142)	-	-	120
TOTAL	13,873	31	(2,573)	299	-	11,630

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

Bathurst Regional Council

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

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	3,296	8,009
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		3,296	8,009
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		7,023	13,931
Adjust for non cash items:			
Depreciation & Amortisation		18,761	17,600
Net Losses/(Gains) on Disposal of Assets		279	(9,452)
Non Cash Capital Grants and Contributions		(4,348)	-
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investment Properties		(147)	(285)
- Write Offs relating to the Fair Valuation of I,PP&E		218	-
Unwinding of Discount Rates on Reinstatement Provisions		71	86
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		76	777
Increase/(Decrease) in Provision for Doubtful Debts		15	(92)
Decrease/(Increase) in Inventories		(25)	10
Decrease/(Increase) in Other Assets		(78)	88
Increase/(Decrease) in Payables		135	703
Increase/(Decrease) in accrued Interest Payable		(4)	(11)
Increase/(Decrease) in other accrued Expenses Payable		(33)	58
Increase/(Decrease) in Other Liabilities		831	157
Increase/(Decrease) in Employee Leave Entitlements		385	426
Increase/(Decrease) in Other Provisions		(2,699)	(14)
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		20,460	23,982

Bathurst Regional Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-Cash Investing & Financing Activities			
Other Dedications		4,348	1,684
Total Non-Cash Investing & Financing Activities		4,348	1,684
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		650	650
Credit Cards / Purchase Cards		90	90
Total Financing Arrangements		740	740

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

(ii) Secured Loan Liabilities

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

Bathurst Regional Council

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

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		-	114
Plant & Equipment		-	247
Roads		-	671
Sewer		-	897
Stormwater Drainage		-	84
Structures		839	727
Water		360	-
Land		4,091	-
Total Commitments		5,290	2,740
These expenditures are payable as follows:			
Within the next year		5,290	2,740
Total Payable		5,290	2,740
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		-	841
Future Grants & Contributions		4,951	1,229
Unexpended Loans		339	670
Total Sources of Funding		5,290	2,740

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

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

Within the next year	311	486
Later than one year and not later than 5 years	337	647
Total Non Cancellable Operating Lease Commitments	648	1,133

b. Non Cancellable Operating Leases include the following assets:

Computer equipment and associated software

Photocopiers

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

Conditions relating to Operating Leases:

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

Bathurst Regional Council

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

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	(994)	-1.26%	-6.29%	-3.22%
Total continuing operating revenue ⁽¹⁾	79,138			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. ALL Grants & Contributions)	67,415	77.04%	78.03%	75.66%
Total continuing operating revenue ⁽¹⁾	87,505			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	26,776	2.55x	3.67	2.48
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	10,519			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	19,194	4.10x	3.33	3.97
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	4,676			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	2,510	6.63%	8.19%	8.47%
Rates, Annual and Extra Charges Collectible	37,847			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	54,596	9.35 mths	13.67	11.57
Payments from cash flow of operating and financing activities	5,837			

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

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

⁽³⁾ Refer to Note 10(a).

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

Bathurst Regional Council

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

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

\$ '000	Water 2015	Sewer 2015	General ⁵ 2015
Local Government Industry Indicators - by Fund			
1. Operating Performance Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>			
Total continuing operating revenue ⁽¹⁾	-0.24%	-0.51%	-1.63%
(excl. Capital Grants & Contributions)	prior period: 6.36%	3.16%	-11.42%
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. ALL Grants & Contributions)</u>			
Total continuing operating revenue ⁽¹⁾	86.83%	76.13%	74.73%
	prior period: 87.74%	82.33%	74.54%
3. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽²⁾			
<u>Current Liabilities less Specific Purpose Liabilities ^(3, 4)</u>			
	10.88x	16.76x	2.55x
	prior period: 10.22	15.42	3.67
4. Debt Service Cover Ratio			
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation			
<u>Principal Repayments (from the Statement of Cash Flows)</u>			
+ Borrowing Costs (from the Income Statement)	0.00	0.00	2.67x
	prior period: 0.00	0.00	1.66
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>			
Rates, Annual and Extra Charges Collectible	8.66%	7.34%	6.31%
	prior period: 6.42%	8.50%	8.23%
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents + All Term Deposits			
<u>Payments from cash flow of operating and financing activities</u> x12	6.95 mths	14.06 mths	9.17 mths
	prior period: 6.92	15.83	14.58

Notes

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

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

Bathurst Regional Council

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

Note 14. Investment Properties

\$ '000	Notes	Actual 2015	Actual 2014
(a) Investment Properties at Fair value			
Investment Properties on Hand		9,976	9,790
Reconciliation of Annual Movement:			
Opening Balance		9,790	9,487
- Capitalised Expenditure - this year		39	18
- Net Gain/(Loss) from Fair Value Adjustments		147	285
CLOSING BALANCE - INVESTMENT PROPERTIES		9,976	9,790
(b) Valuation Basis			
The basis of valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.			
The 2015 revaluation is based on an Independent Assessment made in 2013 by CBRE Ltd with an appropriate adjustment for CPI.			
(c) Contractual Obligations at Reporting Date			
Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.			
(d) Leasing Arrangements			
Details of leased Investment Properties are as follows;			
Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are receivable as follows:			
Within 1 year		587	804
Later than 1 year but less than 5 years		406	987
Later than 5 years		-	-
Total Minimum Lease Payments Receivable		993	1,791
(e) Investment Property Income & Expenditure - summary			
Rental Income from Investment Properties:			
- Minimum Lease Payments		760	781
Direct Operating Expenses on Investment Properties:			
- that generated rental income		(234)	(234)
Net Revenue Contribution from Investment Properties		526	547
plus:			
Fair Value Movement for year		147	285
Total Income attributable to Investment Properties		673	832

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

Bathurst Regional Council

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

Note 15. Financial Risk Management

\$ '000

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2015	2014	2015	2014
Financial Assets				
Cash and Cash Equivalents	3,296	8,009	3,296	8,009
Investments				
- "Held to Maturity"	73,300	79,000	73,300	79,000
Receivables	9,458	9,355	9,458	9,355
Total Financial Assets	86,054	96,364	86,054	96,364
Financial Liabilities				
Payables	6,006	5,283	6,006	5,283
Loans / Advances	21,826	22,146	21,826	22,146
Total Financial Liabilities	27,832	27,429	27,832	27,429

Fair Value is determined as follows:

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

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

Bathurst Regional Council

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

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

The risks associated with the investments held are:

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

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2015				
Possible impact of a 1% movement in Interest Rates	348	348	(348)	(348)
2014				
Possible impact of a 1% movement in Interest Rates	260	260	(260)	(260)

Bathurst Regional Council

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

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

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

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

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

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

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

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

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

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

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

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	86%	0%	83%
Overdue	100%	14%	100%	17%
	100%	100%	100%	100%

		2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(ii) Ageing of Receivables - value					
Rates & Annual Charges	Other Receivables				
Current	Current	-	6,752	-	6,117
< 1 year overdue	0 - 30 days overdue	629	869	746	974
1 - 2 years overdue	30 - 60 days overdue	971	177	1,232	257
2 - 5 years overdue	60 - 90 days overdue	-	32	-	20
> 5 years overdue	> 90 days overdue	-	62	-	28
		1,600	7,892	1,978	7,396

(iii) Movement in Provision for Impairment of Receivables	2015	2014
Balance at the beginning of the year	19	111
+ new provisions recognised during the year	15	-
- amounts already provided for & written off this year	-	(92)
Balance at the end of the year	34	19

Bathurst Regional Council

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

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2015									
Trade/Other Payables	2,761	3,245	-	-	-	-	-	6,006	6,006
Loans & Advances	-	4,549	4,461	4,004	3,965	3,215	6,004	26,198	21,826
Total Financial Liabilities	2,761	7,794	4,461	4,004	3,965	3,215	6,004	32,204	27,832
2014									
Trade/Other Payables	2,136	3,147	-	-	-	-	-	5,283	5,283
Loans & Advances	-	4,642	4,277	4,176	3,707	3,655	7,264	27,721	22,146
Total Financial Liabilities	2,136	7,789	4,277	4,176	3,707	3,655	7,264	33,004	27,429

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

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

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	6,006	0.0%	5,283	0.0%
Loans & Advances - Fixed Interest Rate	21,826	6.1%	22,146	6.6%
	27,832		27,429	

Bathurst Regional Council

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

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 18 June 2014.

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

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

Note that for Variations* of Budget to Actual :

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

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

\$ '000	2015 Budget	2015 Actual	2015 Variance* -----	
REVENUES				
Rates & Annual Charges	33,572	34,686	1,114	3% F
User Charges & Fees	19,497	22,884	3,387	17% F
Water and Sewerage Income have increased by 23% and 28% respectively, mainly due to weather patterns.				
Interest & Investment Revenue	4,413	3,232	(1,181)	(27%) U
Interest rates have reduced due to market forces during the year, outside of Council's control.				
Other Revenues	3,910	6,760	2,850	73% F
Provision for remediation of tips has been re-calculated resulting in a reversal of previous amortisation.				
Operating Grants & Contributions	12,267	11,723	(544)	(4%) U
Capital Grants & Contributions	3,710	8,367	4,657	126% F
Donated assets from new subdivisions were greater than budget.				
Net Gains from Disposal of Assets	16,964	-	(16,964)	(100%) U
Council experienced delays with two major subdivisions during this year. One was completed late in the financial and therefore sales income was not received until the 2016 year, the other is expected to be completed in mid-2016.				

Bathurst Regional Council

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

Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	27,449	27,156	293	1%	F
Borrowing Costs	1,449	1,427	22	2%	F
Materials & Contracts	23,638	23,814	(176)	(1%)	U
Depreciation & Amortisation	18,069	18,761	(692)	(4%)	U
Other Expenses	11,346	9,192	2,154	19%	F
Savings have been achieved in electricity, street lighting, advertising, printing and stationery, and subscriptions in an attempt to reduce non-essential expenditure. The NSW Fire Brigade Levy was also \$170,000 less than budget.					
Net Losses from Disposal of Assets	-	279	(279)	0%	U
Small plant items disposed of during the year failed to make a profit.					

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

Cash Flows from Operating Activities	13,987	20,460	6,473	46.3%	F
During the year, Council collected more outstanding rates and charges than budgeted for. This, combined with the increased water & sewer charges noted above resulted in more cash received.					
Cash Flows from Investing Activities	(7,422)	(24,853)	(17,431)	234.9%	U
Council experienced delays with two major subdivisions during this year. One was completed late in the financial and therefore sales income was not received until the 2016 year, the other is expected to be completed in mid-2016.					
Cash Flows from Financing Activities	(1,011)	(320)	691	(68.3%)	F
An extra loan for \$1,000,000, not included in the original budget, was drawn during the year to cover extra expenditure required on the aerodrome safety works.					

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	3,334	327	338	57	(147)	-	3,571	28,891	(32,462)	-	-
Roads	169	100	-	5	-	-	274	1,428	(1,702)	-	-
Parking	767	9	-	6	-	-	782	372	(1,154)	-	-
Open Space	98	73	-	-	-	-	171	956	(1,127)	-	-
Community Facilities	1,902	845	-	35	(85)	3	2,700	17,915	(20,615)	-	-
S94 Contributions - under a Plan	6,270	1,354	338	103	(232)	3	7,498	49,562	(57,060)	-	-
Total S94 Revenue Under Plans	6,270	1,354	338	103	(232)	3	7,498				-
S94 not under Plans	1,555	933	-	20	(39)	(3)	2,466	242	(2,708)	-	-
S64 Contributions	23,425	3,030	-	340	(3,877)	-	22,918				
Total Contributions	31,250	5,317	338	463	(4,148)	-	32,882	49,804	(59,768)	-	-

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Jordan Creek Stormwater Drainage Management

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	571	32	-	12	-	-	615	9,066	(9,681)	-	-
Total	571	32	-	12	-	-	615	9,066	(9,681)	-	-

CONTRIBUTION PLAN - Raglan Creek Stormwater Drainage

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	2,030	1	338	34	(147)	-	1,918	15,777	(17,695)	-	-
Total	2,030	1	338	34	(147)	-	1,918	15,777	(17,695)	-	-

CONTRIBUTION PLAN - Sawpit Creek Drainage

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	250	195	-	2	-	-	447	3,056	(3,503)	-	-
Total	250	195	-	2	-	-	447	3,056	(3,503)	-	-

CONTRIBUTION PLAN - Reconstruct Hereford Street

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	169	89	-	5	-	-	263	1,428	(1,691)	-	-
Total	169	89	-	5	-	-	263	1,428	(1,691)	-	-

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Central Carparking Strategies

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Parking	767	9	-	6	-	-	782	372	(1,154)	-	-
Total	767	9	-	6	-	-	782	372	(1,154)	-	-

CONTRIBUTION PLAN - Community Facilities & Services Windrayne/Llanarth

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	127	-	-	-	-	(127)	-	-	-	-	-
Total	127	-	-	-	-	(127)	-	-	-	-	-

CONTRIBUTION PLAN - Community Facilities & Services Bathurst

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	1,775	845	-	35	(85)	130	2,700	17,915	(20,615)	-	-
Total	1,775	845	-	35	(85)	130	2,700	17,915	(20,615)	-	-

CONTRIBUTION PLAN - Robin Hill Drainage

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	396	41	-	9	-	-	446	294	(740)	-	-
Total	396	41	-	9	-	-	446	294	(740)	-	-

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Eglinton Open Space & Drainage

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	87	58	-	-	-	-	145	698	(843)	-	-
Open Space	98	66	-	-	-	-	164	956	(1,120)	-	-
Total	185	124	-	-	-	-	309	1,654	(1,963)	-	-

CONTRIBUTION PLAN - Bathurst Regional Open Space

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	-	7	-	-	-	-	7	-	(7)	-	-
Total	-	7	-	-	-	-	7	-	(7)	-	-

CONTRIBUTION PLAN - Roadworks - New Residential Subdivisions (Area 4 Kelso)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	-	11	-	-	-	-	11	-	(11)	-	-
Total	-	11	-	-	-	-	11	-	(11)	-	-

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - NOT UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	1,266	843	-	15	-	-	2,124	211	(2,335)	-	-
Community Facilities	3	-	-	-	-	(3)	-	-	-	-	-
Other	286	90	-	5	(39)	-	342	31	(373)	-	-
Total	1,555	933	-	20	(39)	(3)	2,466	242	(2,708)	-	-

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

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

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

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

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

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

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

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

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

(iv) Somerville Collection

The Council is a member of a company Limited by Guarantee called the Somerville Collection.

The company was established to manage & maintain the Somerville Collection (made up of fossils, minerals & other features) which are exhibited in Bathurst at the Australian Fossil and Mineral Museum. The Company is a non profit entity.

In the event that the Company is wound up, Council's liability is limited to a maximum of \$100.

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

2. Other Liabilities (continued)

(v) Gasworks Site Remediation

In 1986 Bathurst City Council, Orange City Council & Lithgow City Council entered into an agreement with AGL Western Limited with respect to gasworks located in each of those Council areas.

The agreement indemnified AGL Western against any loss, action or demand in respect of any pollution problems caused or relating to the operations of the gas distribution business.

Each Council area has a redundant gas works site. Each Council is liable to remediate the site in their Council area under the agreement, should the site be classified as contaminated.

The former Bathurst City Council had informed the Environmental Protection Agency (EPA) in accordance with the notification provisions of the Contaminated Land Management Act that the site is contaminated.

The EPA has since declared the site a "remediation site" under the Act.

Council has received grant funding totalling \$500,000 from the Environmental Trust, which is to be used in conjunction with Council's own funds to Complete Stage 1 of the remediation.

Preliminary works commenced in 2006/07.

(v) Gasworks Site Remediation (continued)

The total cost of the remediation at this time is unknown.

Estimates prepared in 1999 indicated a cost in excess of \$1,000,000.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

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

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

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

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities

\$ '000

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

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

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

Controlled Entities (Subsidiaries)

Note 19(a)

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

Joint Ventures & Associates

Note 19(b)

- (i) Joint Ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.
- (ii) Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Joint Operations

Note 19(c)

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

Unconsolidated Structured Entities

Note 19(d)

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

Subsidiaries, Joint Arrangements and Associates not recognised

Note 19(e)

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

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

Council's consolidated financial statements incorporate the assets, liabilities & results of the following subsidiaries in accordance with AASB 10 and the accounting policy described in Note 1(c).

Name of Operation/Entity	Principal Activity				
The Somerville Collection Ltd	Australian Fossil & Mineral Museum 224 Howick Street, Bathurst				
		Ownership		Voting Rights	
Interests in Subsidiary		2015	2014	2015	2014
Council's Interest in Subsidiary		0%	0%	20%	20%

The nature and extent of significant restrictions relating to the Subsidiary

The specimen collection is owned by the Australian Museum Trust.

The fixtures and fittings are owned by The Somerville Collection Limited, a company limited by guarantee.

The building is owned by the NSW Government.

The nature of risks associated with Council's interests in the Subsidiary

Council controls the day to day operations of the museum including the receipt of its income, payment of its expenses and employment of staff, including the liability for the leave entitlements of those staff.

Council has resolved, to support the operations of the museum to a maximum subsidy of \$250,000 each year into the future.

Other disclosures

Although Council's voting rights are only 20% and it owns none of the assets, because of the support of the day to day operations, Council considers that it has control over the operations.

Summarised Financial Information for the Subsidiary

Summarised Statement of Comprehensive Income	2015	2014
Revenue	452	398
Expenses	(463)	(422)
Profit for the Period	(11)	(24)
Other Comprehensive Income:		
Nil		
Total Comprehensive income ⁽¹⁾	(11)	(24)

Bathurst Regional Council

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

Note 19. Interests in Other Entities (continued)

\$ '000

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

Summarised Statement of Financial Position	2015	2014
Current Assets	105	86
Non Current Assets	275	305
Total Assets	380	391
Current Liabilities	6	5
Total Liabilities	6	5
Net Assets ⁽²⁾	374	386
Summarised Statement of Cash Flows	2015	2014
Cash Flows from Operating Activities	15	-
Net increase (decrease) in Cash & Cash Equivalents	15	-

(b) Joint Ventures and Associates

(a) Summarised Financial Information for Individually Immaterial Joint Ventures & Associates

Individually immaterial Joint Ventures & Associates that have still been accounted for using the Equity Method:

Upper Macquarie County Council

(i) Individually Immaterial Joint Ventures

	2015	2014
Aggregate carrying amount of individually immaterial Joint Ventures	-	-

(ii) Individually Immaterial Associates

Aggregate carrying amount of individually immaterial Associates	Unavailable	195
Aggregate amounts of Council's share of individually immaterial:		
Profit/(Loss) from Continuing Operations	Unavailable	4
Total Comprehensive Income - Individually Immaterial Associates	Unavailable	4

(c) Joint Operations

Council has no interest in any Joint Operations.

(d) Unconsolidated Structured Entities

Council has no Unconsolidated Structured Entities

(e) Subsidiaries, Joint Arrangements & Associates not recognised

All Subsidiaries, Joint Arrangements and Associates have been recognised in this Financial Report.

Bathurst Regional Council

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

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		600,334	586,403
a. Net Operating Result for the Year		7,023	13,931
Balance at End of the Reporting Period		607,357	600,334

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	511,069	439,866
Total	511,069	439,866

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	439,866	433,293
- Revaluations for the year	9(a) 71,203	6,573
- Balance at End of Year	511,069	439,866

TOTAL VALUE OF RESERVES

511,069	439,866
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(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

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

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

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

(d) Voluntary Changes in Accounting Policies

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

Bathurst Regional Council

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

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	1,959	7,086	25,641
User Charges & Fees	11,142	2,179	9,563
Interest & Investment Revenue	268	336	2,628
Other Revenues	72	22	6,666
Grants & Contributions provided for Operating Purposes	110	106	11,507
Grants & Contributions provided for Capital Purposes	1,901	2,915	3,551
Other Income			
Net Gains from Disposal of Assets	(180)	12	168
Total Income from Continuing Operations	15,272	12,656	59,724
Expenses from Continuing Operations			
Employee Benefits & on-costs	2,923	2,709	21,524
Borrowing Costs	-	-	1,427
Materials & Contracts	5,361	3,658	14,795
Depreciation & Amortisation	3,753	2,866	12,142
Other Expenses	1,256	544	7,392
Net Losses from the Disposal of Assets	-	-	279
Total Expenses from Continuing Operations	13,293	9,777	57,559
Operating Result from Continuing Operations	1,979	2,879	2,165
Net Operating Result for the Year	1,979	2,879	2,165
Net Operating Result attributable to each Council Fund	1,979	2,879	2,165
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	78	(36)	(1,386)

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

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

Bathurst Regional Council

Notes to the Financial Statements as at 30 June 2015

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

Statement of Financial Position by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	5,528	8,098	-
Investments	559	559	50,382
Receivables	2,970	857	4,849
Inventories	-	-	2,837
Other	5	26	159
Total Current Assets	9,062	9,540	58,227
Non-Current Assets			
Investments	10,631	11,169	-
Receivables	59	40	683
Inventories	-	-	5,407
Infrastructure, Property, Plant & Equipment	181,383	94,040	779,059
Investment Property	-	-	9,976
Total Non-Current Assets	192,073	105,249	795,125
TOTAL ASSETS	201,135	114,789	853,352
LIABILITIES			
Current Liabilities			
Payables	199	178	5,592
Borrowings	-	-	3,373
Provisions	582	358	9,184
Overdraft	-	-	10,330
Total Current Liabilities	781	536	28,479
Non-Current Liabilities			
Payables	-	-	1,095
Borrowings	-	-	18,453
Provisions	7	1	1,498
Total Non-Current Liabilities	7	1	21,046
TOTAL LIABILITIES	788	537	49,525
Net Assets	200,347	114,252	803,827
EQUITY			
Retained Earnings	129,591	76,169	401,597
Revaluation Reserves	70,756	38,083	402,230
Total Equity	200,347	114,252	803,827

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

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

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000

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

Note 23. Events occurring after the Reporting Date

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

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

Accordingly, the "authorised for issue" date is 14/10/15.

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

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

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

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

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

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

Note 24. Discontinued Operations

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

Note 25. Intangible Assets

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

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

Bathurst Regional Council

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

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

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

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2015	2014
Bathurst Solid Waste Disposal Centre	2086	1,434	4,040
Balance at End of the Reporting Period	10(a)	1,434	4,040

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

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

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	4,040	3,954
Amounts capitalised to new or existing assets:		
Effect of a change in other calculation estimates used	(2,677)	-
Amortisation of discount (expensed to borrowing costs)	71	86
Total - Reinstatement, rehabilitation and restoration provision	1,434	4,040

Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

Bathurst Regional Council

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

Note 27. Fair Value Measurement

\$ '000

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

- Infrastructure, Property, Plant and Equipment
- Investment Property

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

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

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

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

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

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

		Fair Value Measurement Hierarchy			
2015		Level 1	Level 2	Level 3	Total
	Date of latest Valuation	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
Recurring Fair Value Measurements					
Investment Properties					
230 Howick Street, Bathurst	30/06/15	-	-	9,976	9,976
Total Investment Properties		-	-	9,976	9,976
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/06/15	-	-	10,396	10,396
Office Equipment	30/06/15	-	-	487	487
Furniture & Fittings	30/06/15	-	-	68	68
Operational Land	30/06/15	-	-	58,651	58,651
Community Land	30/06/15	-	-	14,933	14,933
Land under Roads (post 30/6/08)	30/06/15	-	-	133	133
Land Improvements - depreciable	30/06/15	-	-	12,193	12,193
Buildings - Non Specialised	30/06/15	-	-	59,078	59,078
Buildings - Specialised	30/06/15	-	-	48,235	48,235
Other Structures	30/06/15	-	-	14,749	14,749
Roads	30/06/15	-	-	286,056	286,056
Bridges	30/06/15	-	-	22,392	22,392
Footpaths	30/06/15	-	-	8,872	8,872
Bulk Earthworks (non-depreciable)	30/06/15	-	-	116,822	116,822
Stormwater Drainage	30/06/15	-	-	113,591	113,591
Water Supply Network	30/06/15	-	-	163,420	163,420
Sewerage Network	30/06/15	-	-	90,813	90,813
Swimming Pools	30/06/15	-	-	12,622	12,622
Other Assets	30/06/15	-	-	19,537	19,537
Tip	30/06/15	-	-	1,434	1,434
Total Infrastructure, Property, Plant & Equipment		-	-	1,054,482	1,054,482

Bathurst Regional Council

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

Note 27. Fair Value Measurement (continued)

\$ '000

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

		Fair Value Measurement Hierarchy			
2014		Level 1	Level 2	Level 3	Total
	Date of latest Valuation	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
Recurring Fair Value Measurements					
Investment Properties					
230 Howick Street, Bathurst	30/06/14	-	-	9,790	9,790
Total Investment Properties		-	-	9,790	9,790
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/06/14	-	-	9,677	9,677
Office Equipment	30/06/14	-	-	585	585
Furniture & Fittings	30/06/14	-	-	84	84
Operational Land	30/06/14	-	-	58,415	58,415
Community Land	30/06/14	-	-	14,844	14,844
Land under Roads (post 30/6/08)	30/06/14	-	-	95	95
Land Improvements - depreciable	30/06/14	-	-	11,528	11,528
Buildings - Non Specialised	30/06/14	-	-	59,459	59,459
Buildings - Specialised	30/06/14	-	-	48,179	48,179
Other Structures	30/06/14	-	-	13,580	13,580
Roads	30/06/14	-	-	260,822	260,822
Bridges	30/06/14	-	-	22,931	22,931
Footpaths	30/06/14	-	-	6,357	6,357
Bulk Earthworks (non-depreciable)	30/06/14	-	-	116,117	116,117
Stormwater Drainage	30/06/14	-	-	64,744	64,744
Water Supply Network	30/06/14	-	-	158,217	158,217
Sewerage Network	30/06/14	-	-	88,989	88,989
Swimming Pools	30/06/14	-	-	12,685	12,685
Other Assets	30/06/14	-	-	19,474	19,474
Tip	30/06/14	-	-	1,705	1,705
Total Infrastructure, Property, Plant & Equipment		-	-	968,487	968,487

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

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

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

- at the end of the reporting period.

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

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

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

Investment Properties

The investment property at 230 Howick Street, Bathurst was valued by CBRE Ltd in June 2013 using the cost approach. The approach estimated the replacement cost for the building by componentising it into significant parts with different useful lives and taking into account a range of factors. While buildings were physically inspected and the unit rates based on square metres could be supported from market evidence (Level 2) other inputs (such as estimates of residual value and pattern of consumption) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were classified as having been valued using Level 3 valuation inputs.

Infrastructure, Property, Plant & Equipment

Buildings

This asset class includes any 'enclosable' roofed structure (4 walls), otherwise assets are classified as Other Structures.

Buildings were valued by CBRE Ltd in June 2013 using the cost approach. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While buildings were physically inspected and the unit rates based on square metres could be supported from market evidence (Level 2) other inputs (such as estimates of residual value and pattern of consumption) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were classified as having been valued using Level 3 valuation inputs.

During the financial year Council completed the construction of a number of buildings. While the costs were current and the impact of depreciation was negligible, buildings have been classified as Level 3 as they were immaterial in relation to the overall value of this asset class. There has been no change to the valuation process during the reporting period.

Other Structures

This asset class includes any non-enclosable roofed or non-roofed structure (fewer than 4 walls). Other Structures were revalued in 2011 using the cost approach. This was derived via a number of methods, depending on the information available (historical cost, actual quotes/tenders, published component rates). Due to the highly varied nature of this asset class, only very small subsets of assets can be valued using the same basis. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. There has been no change to the valuation process during the reporting period.

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Roads

This asset class comprises the Road Carriageway, Guardrails, Kerb and Gutter, Signs and Traffic facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter or other roadside drainage. The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other road infrastructure.

Roads were revalued by Council staff on 30 June 2015. Valuations for the road carriageway, comprising surface, pavement and formation earthworks were based on calculations carried out by the Assets Team, utilising internal cost rates and the detailed asset information residing in Council's Asset Management System - "Confirm". Other Road Infrastructure was valued the same way.

The cost approach was utilised and while the unit rates based on square metres, linear metres or similar could be supported from market evidence (Level 2) other inputs (such as estimates pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. There has been no change to the valuation process during the reporting period.

Bridges

Bridges were valued in 2012 by Garry Dennis from Bridge Check Australia Pty Ltd using the cost approach and also included a condition assessment. The approach estimated the replace for each bridge in its entirety; deck, approaches, railings and abutments.

All bridges were physically inspected and an assessment made of the component condition. Unit rates based on deck areas could be supported from market evidence (level 2) however other inputs (pattern of consumption, site-specific technical design issues) require extensive professional judgement and impact on the final determination of fair value. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. No change has been made to the valuation process during the reporting period.

Footpaths

Footpaths were revalued by Council Staff on 30 June 2015 using the cost approach using internal unit cost inputs (Level 3). Footpaths are inspected on either an annual or semi-annul basis for defects and condition and the results are included in the asset register (Confirm) system. There has been no change to the valuation process during the reporting period.

Parking areas

Parking areas are valued and assessed on the same basis as roads.

Bus Shelters

Bus Shelters are valued and assessed on the same basis as Other Structures.

Aerodrome

This comprises the infrastructure assets that form the aerodrome. Equivalent asset classes have been valued using the same conditions and parameters as described above (runway surface, pavement and earthworks as for roads; parking areas, other structures and drainage like for like). Revalued by Council staff on 30 June 2015. Substantial professional judgement has been required to undertake this work and this class is therefore classified as Level 3. No change has been made to the valuation process during the reporting period.

Bathurst Regional Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Water Supply network

Assets within this class comprise the infrastructure to supply a reticulated potable drinking water service to Bathurst and adjoining suburbs/villages. There is also a small non-potable service at Hillview Estate Napoleonic Reef and a raw-water supply from Winburndale Dam used for irrigation of parks and playing fields in town.

In Bathurst, there is the Filtration Plant, Pump Stations, Reservoirs and reticulation pipe network. A revaluation was made in 2012; the reticulation network valued on the basis outlined in the DPI NSW Reference Rates Manual and all other assets had the previous valuation provided in 2007 by NSW Dept of Commerce indexed by the rates outlined in the Reference Rates Manual. While this provides some degree of observability, a substantial amount of professional judgement is required due to limitations in the historical records of very long lived assets as there is some uncertainty regarding the actual design, specifications and dimensions of some assets. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. There has been no change to the valuation process during the reporting period.

Sewerage network

Assets within this class comprise the infrastructure to supply a reticulated waste water (sewerage) service to Bathurst and adjoining suburbs/villages. This is the Reticulation Pipe Network, Pump Stations and Treatment Plant. A revaluation was made in 2012; the reticulation network valued on the basis outlined in the DPI NSW Reference Rates Manual and all other assets had the previous valuation provided in 2007 by NSW Dept of Commerce indexed by the rates outlined in the Reference Rates Manual. While this provides some degree of observability, a substantial amount of professional judgement is required due to limitations in the historical records of very long lived assets as there is some uncertainty regarding the actual design, specifications and dimensions of some assets. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. There has been no change to the valuation process during the reporting period.

Stormwater Drainage

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices.

Drainage assets were revalued by Council staff on 30 June 2015. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. There has been no change to the valuation process during the reporting period.

Bathurst Regional Council

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

Note 27. Fair Value Measurement (continued)

\$ '000

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

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

	Investment Property	Land and Buildings	Infra- structure Assets	Other Assets	Total
Adoption of AASB 13	9,790	194,572	719,882	54,033	978,277
Closing Balance - 30/6/14	9,790	194,572	719,882	54,033	978,277
Purchases (GBV)	39	4,344	26,138	5,189	35,710
Disposals (WDV)	-	(1,213)	-	(687)	(1,900)
Depreciation & Impairment	-	(1,924)	(13,605)	(3,232)	(18,761)
FV Gains - Other Comprehensive Income	-	-	71,203	-	71,203
FV Gains - Income Statement ¹	147	-	(218)	-	(71)
Closing Balance - 30/6/15	9,976	195,779	803,400	55,303	1,064,458
¹ FV Gains recognised in the Income Statement relating to assets still on hand at year end total:					
YE 13/14	-	-	-	-	-
YE 14/15	147	-	(218)	-	(71)

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

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

Nil

Bathurst Regional Council

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

Note 27. Fair Value Measurement (continued)

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

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

Information not required for the 2014/2015 financial year.

d. The Valuation Process for Level 3 Fair Value Measurements

For the period ending 30/6/2012 the Water & Sewer systems were revalued in accordance with DLG Fair Valuation - Infrastructure, Property, Plant and Equipment Circular(s). The reticulation systems were revalued using unit rates in line with the NSW Reference Rates Manual. Dams, Pump Stations (W&S), Reservoir, Treatment works (W&S) had their 2007 valuation (supplied by NSW Dept Commerce) indexed as per the updated attachment 1 for 2012 of the NSW Reference Rates Manual 2011 figure of 18%.

For 30 June 2013, 2014 and 2015, this was incrementally adjusted based on the NSW Reference Rates Manual NSW Water Supply & Sewerage Construction Cost Indices. For 2013 this adjustment was an increase of 2.5%, for 2014 it was an increase of 2.8% and for 2015 it was an increase of 1.5%.

Bathurst Regional Council

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

Note 28. Council Information & Contact Details

Principal Place of Business:

158 Russel Street
BATHURST NSW 2795

Contact Details
Mailing Address:

Private Mail Bag 17
BATHURST NSW 2795

Opening Hours:

General Office, Departments & Cashiers
8.30am to 4.45pm weekdays

Telephone: 02 6333 6111

Facsimile: 02 6331 7211

Internet: www.bathurst.nsw.gov.au

Email: council@bathurst.nsw.gov.au

Officers
GENERAL MANAGER

David Sherley

RESPONSIBLE ACCOUNTING OFFICER

Bob Roach

PUBLIC OFFICER

Bob Roach

AUDITORS

Intentus Chartered Accountants

Elected Members
MAYOR

Gary Rush

COUNCILLORS

Warren Aubin

Bobby Bourke

Michael Coote

Graeme Hanger

Jess Jennings

Monica Morse

Ian North

Greg Westman

Other Information

ABN: 42 173 522 302

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

Report on the Financial Statements

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

Council's Responsibility for the Financial Statements

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

Auditors Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the original budget figures included in the Income Statement and Statement of Cash Flows, the original budget disclosures in Notes 2(a) and 16 nor the projected revenue and expenditure of developer contributions reported in Note 17 and accordingly, we express no opinion on them. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Independence

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements

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

Auditor's Opinion

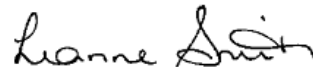
In our opinion:

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



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291 Stewart Street
Bathurst
Dated: 14 October 2015



LR Smith
Director

14 October 2015

The Mayor
Bathurst Regional Council
Private Mail Bag 17
BATHURST NSW 2795

Dear Mr Mayor

**INDEPENDENT AUDITOR'S REPORT ON THE CONDUCT OF THE AUDIT – Section 417 (3)
BATHURST REGIONAL COUNCIL**

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

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

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

The following comments are provided in accordance with Section 415 (3) of the Local Government Act 1993 and Regulation 227 of the Local Government (General) Regulation 2005 to assist in the understanding of the financial statements and our reports.

Review of Financial Results

(a) Operating Result

As disclosed in Council's Income Statement the year's operations resulted in a surplus after capital amounts of \$7,023,000 (2014 - \$13,931,000). Some items of note in the income statement include:

Revenue

- The operating deficit **before** capital amounts was \$1,344,000 (2014 - \$5,134,000 surplus).
- Council's revenue from rates and annual charges rose by \$1,812,000 from \$32,874,000 in 2014 to \$34,686,000 in 2015.

Rates increased by \$869,000 (4.17%) which was the combined result of the approved rate pegging increase of 2.3% and normal additions to rateable land within the Council area through land developments.

- User charges and fees decreased from \$23,980,000 in 2014 to \$22,884,000 in 2015 (decrease of \$1,096,000).

Revenue from the RMS for works on State Roads fell from \$3,608,000 in 2014 to \$1,659,000 in 2015 (decrease of \$1,949,000). The nature and timing of this work is outside of Council's control.

- Other revenues increased by \$2,616,000 to \$6,760,000 (2014 - \$4,144,000). During the 2014-'15 financial year, Council engaged an independent expert to re-assess the remediation costs required for the waste management facility in Bathurst. Due to a combination of factors, including improvements in remediation techniques and the extension of the estimated life of the facility, the provision required for the remediation of this location has been reduced by \$2,677,000.
- Operating grants and contributions for the year were \$11,723,000 compared to \$9,208,000 in 2014 (increase of \$2,515,000).

Due to the timing of payments under the Federal Financial Assistance Grant (FAG) program, receipts from this source were \$3,222,000 higher than the prior year.

Expenditure

- Total employee costs rose by \$451,000 to \$27,156,000 (2014 - \$26,705,000). Salaries and wages costs increased by 2.7% which is comparable to the annual award increase.
- Council incurred a loss from the disposal of assets for the year of \$279,000 (2014 - \$9,452,000 gain). Delays were experienced in the completion of two major residential subdivisions during the year, which meant that Council had limited residential land available for sale during the 2014-'15 financial year. The net gain on disposal of real estate assets contributed \$9,459,000 to Council's result for the 2013-'14 financial year compared to just \$243,000 in the 2014-'15 financial year.

(b) Financial Position

The Statement of Financial Position discloses that for the year ended 30 June 2015 Council's net assets stood at \$1,118,426,000 (2014 - \$1,040,200,000) which represents an increase of \$78,226,000.

This increase is the combined effect of the surplus for the year after capital amounts of \$7,023,000 and the revaluation of Council's roads, bridges, footpaths and stormwater drainage and the indexation of Council's water and sewerage assets which saw a total of \$71,203,000 directly recognised in the asset revaluation reserve within Council's Statement of Changes in Equity and Statement of Comprehensive Income.

To assess the health of Council's net current asset position it is necessary to review the level of restrictions placed against the use of Council's assets. The notes to the financial statements indicate clearly where restrictions exist and the effect of the restrictions is summarised below.

	2015 \$'000	2014 \$'000
Net current assets	47,033	55,921
Less: Amounts externally restricted for special purposes refer Notes 6; 7; & 8 of financial statements	(39,723)	(39,817)
Less: Council internally imposed restrictions (refer Note 6 of financial statements)	(18,557)	(26,170)
Add: Applicable current liabilities refer Note 10		
- Water	781	768
- Sewerage	536	610
Add: Employee leave entitlements not expected to be paid within 12 months	7,630	7,364
Unrestricted net current asset surplus/(deficit)	(2,300)	(1,324)
Unrestricted liabilities to be funded from next year's operating revenues (refer Note 10)		
- Annual leave and other provisions	1,554	1,510
- General interest bearing liabilities	3,373	3,286
Adjusted unrestricted net current asset surplus/(deficit)	2,627	3,472

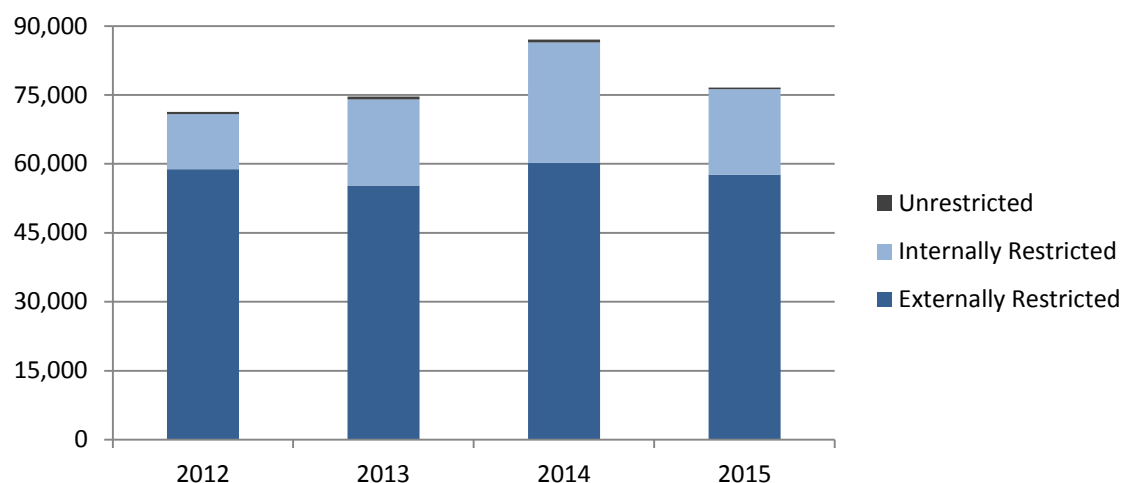
	2015 \$'000	2014 \$'000
Unrestricted net current assets comprise:-		
Assets		
Cash	374	588
Receivables	4,849	5,141
Inventories	2,837	2,175
Other assets	159	94
	8,219	7,998
Liabilities		
Payables	(5,592)	(4,526)
Unrestricted net current asset surplus/(deficit)	2,627	3,472

At 30 June 2015 Council had a \$2,300,000 deficit (2014 – \$1,324,000 deficit) of net unrestricted current assets. This result continues to emphasise the relative financial strength of Council's non-General Fund activities when the financial position of Council as a whole is considered.

This position will place reliance on short-term cash inflows in the new year to sustain the currency of the restrictions Council has placed on its General Fund assets. The impact of this is articulated in the above analysis adjusted for items to be specifically funded from 2015-'16 revenues which alters the analysis significantly and does indicate the position is manageable within Council's resources.

Whilst the analysis of the net current asset position is a complete summary of Council's short-term position, the strength of that position is determined by the liquidity of those assets, hence Council's ability to operate effectively is largely governed by the amount of available cash.

Cash, Cash Equivalents and Investments



Liquidity

Note 6 to the financial statements discloses total cash and investments of \$76,596,000 (2014 - \$87,009,000).

Included in this total is an amount of \$57,665,000 (2014 - \$60,251,000) which is subject to external restrictions requiring Council to commit those funds to the purposes for which they were provided and \$18,557,000 (2014 - \$26,170,000) is subject to internal restrictions agreed upon by Council for designated purposes, which may be altered at the discretion of Council, consistent with their operational plan.

The unrestricted cash balance of \$374,000 (2014 - \$588,000) represents funds available to cover non-budgeted discretionary expenditure and short-term cash flow requirements.

(c) Performance Indicators

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

Operating Performance

This performance measure is intended to assess whether Council has contained its operating expenditure within its operating revenue.

The current year result of (1.26%) is below the benchmark indicated by the Office of Local Government of greater than 0% but is an improvement on the prior year ratio of (6.29%).

Own Source Operating Revenue

This indicator is intended to measure Council's fiscal flexibility by showing its degree of reliance on external funding sources such as grants and contributions. The higher the ratio, the more financially flexible Council is considered to be.

At 77.04% (2014 – 78.03%) Bathurst Regional Council's result indicates a degree of financial flexibility which exceeds the benchmark of greater than 60% determined by the Office of Local Government.

Unrestricted Current Ratio

The Unrestricted Current Ratio is a measure of Council's liquidity that demonstrates its ability to satisfy obligations out of short-term and immediate asset balances. Council's ratio of 2.55:1 (2014 – 3.67:1) indicates that it is comfortably able to settle its debts as and when they fall due.

Debt Service Cover Ratio

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

At 4.10 times (2014 – 3.33) Bathurst Regional Council's ratio indicates that Council can meet its current levels of debt.

Rates & Annual Charges, Interest & Extra Charges Outstanding Ratio

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

Bathurst Regional Council's rates and annual charges outstanding percentage of 6.63% (2014 – 8.19%) is a significant improvement on the prior year.

Cash Expense Cover Ratio

The purpose of this ratio is to indicate the number of months a Council can continue paying for its immediate expenses without additional cash inflow. The benchmark recommended by the Office of Local Government is greater than three (3) months.

We suspect that this is a ratio that may vary considerably from year-to-year depending on the timing of payments for materials and contracts which is the component in the denominator most susceptible to fluctuation on a yearly basis. Bathurst Regional Council's ratio for the year ended 30 June 2015 was 9.35 months (2014 – 13.67 months) and meets the requirements of the benchmark.

(d) Statement of Cash Flows

The Statement of Cash Flows reports a net decrease in cash assets held of \$4,713,000 (2014 – increase of \$5,096,000) in cash inflows (outflows) as follows:

	2015 \$'000	2014 \$'000
Operating activities	20,460	23,982
Investing activities	(24,853)	(18,983)
Financing activities	(320)	97
	<hr/>	<hr/>
Net increase / (decrease) in cash held	(4,713)	5,096

Cash flows from Operating Activities

The cash inflows from operating activities were slightly lower than the prior year. Despite the fact that income from grants and contributions was higher than the previous year, it contained high levels of non-cash contributions (\$4,348,000) which meant that cash flows from this revenue source for 2015 were actually lower than 2014.

Cash flows from Investing Activities

The net cash outflows from investing activities totalled \$24,853,000 (2014 - \$18,983,000). The major cash outflows related to additions to infrastructure, property, plant and equipment of \$31,323,000 (2014 - \$20,910,000) including \$3,633,000 on motor vehicles and heavy equipment. Council also spent \$3,696,000 on upgrading the runway at the Aerodrome.

Cash flows from Financing Activities

The net cash outflow from financing activities was \$320,000 (2014 - \$97,000 inflow). Borrowings of \$3,000,000 were drawn in the current financial year (2014 - \$3,000,000). These borrowings were made in conjunction with the NSW Local Government Infrastructure Renewals Scheme (LIRS) which provides Councils with an interest rate subsidy on external borrowings to assist in addressing infrastructure backlogs.

Repayments of \$3,320,000 (2014- \$2,903,000) were in line with the requirements of the loan agreements.

(e) Comparison of Actual and Budgeted Performance

Council's surplus for the year after capital amounts of \$7,023,000 was \$5,359,000 less than Council's original estimate of \$12,382,000.

The purpose of this report is not to provide detailed analysis of individual budget variations. Council's financial statements include Note 16, which addresses the contributing factors to this variation in detail.

However, a significant contributor to this variance was the lower than budgeted land sales due to delays experienced in the completion of two residential subdivisions during the year.

Other Matters

(a) National Competition Policy

In accordance with the requirements of National Competition Policy guidelines, Bathurst Regional Council has prepared a special purpose financial report on its business units for the year ended 30 June 2015. Council has determined that it has three (3) business units within its operations: Water, Sewerage, and Waste.

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

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

(b) Management Letters

Interim management letters were issued on 1 April 2015 and 25 June 2015 and a final report will be prepared upon completion of our year end review.

Matters raised via management letters have been addressed to our satisfaction.

(c) Legislative Compliance

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

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

Conclusion

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

Yours faithfully
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Per:



Leanne Smith
Director

Bathurst Regional Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

*"A vibrant regional centre that enjoys a rural lifestyle, the Bathurst
Region achieves health and well being through strengthening
economic opportunities, planning for sustainable growth, protecting
and enhancing our assets, and encouraging a supportive and
inclusive community.
A Region full of community spirit and shared prosperity"*



Bathurst Regional Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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Background

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

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

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

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

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

Bathurst Regional Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

Statement by Councillors and Management

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

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


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

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

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

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

Signed in accordance with a resolution of Council made on 16 September 2015.




Gary Rush
MAYOR



Ian North
DEPUTY MAYOR



David Sherley
GENERAL MANAGER



Bob Roach
RESPONSIBLE ACCOUNTING OFFICER

Bathurst Regional Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	1,959	1,858
User charges	11,019	10,820
Fees	123	152
Interest	268	370
Grants and contributions provided for non capital purposes	110	103
Profit from the sale of assets	(180)	-
Other income	72	70
Total income from continuing operations	13,371	13,373
Expenses from continuing operations		
Employee benefits and on-costs	2,923	2,876
Borrowing costs	-	-
Materials and contracts	5,361	4,809
Depreciation and impairment	3,753	3,350
Calculated taxation equivalents	110	122
Debt guarantee fee (if applicable)	-	-
Other expenses	1,256	1,365
Total expenses from continuing operations	13,403	12,522
Surplus (deficit) from Continuing Operations before capital amounts	(32)	851
Grants and contributions provided for capital purposes	1,901	1,751
Surplus (deficit) from Continuing Operations after capital amounts	1,869	2,602
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	1,869	2,602
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	(255)
SURPLUS (DEFICIT) AFTER TAX	1,869	2,347
plus Opening Retained Profits	127,612	124,888
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	110	122
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	255
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	129,591	127,612
Return on Capital %	0.0%	0.5%
Subsidy from Council	5,510	5,399
Calculation of dividend payable:		
Surplus (deficit) after tax	1,869	2,347
less: Capital grants and contributions (excluding developer contributions)	(378)	(359)
Surplus for dividend calculation purposes	1,491	1,988
Potential Dividend calculated from surplus	746	994

Bathurst Regional Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	7,086	6,590
User charges	1,448	1,338
Liquid Trade Waste charges	598	702
Fees	133	126
Interest	336	355
Grants and contributions provided for non capital purposes	106	103
Profit from the sale of assets	12	-
Other income	22	24
Total income from continuing operations	9,741	9,238
Expenses from continuing operations		
Employee benefits and on-costs	2,709	2,674
Borrowing costs	-	-
Materials and contracts	3,658	3,074
Depreciation and impairment	2,866	2,677
Loss on sale of assets	-	-
Calculated taxation equivalents	14	19
Debt guarantee fee (if applicable)	-	-
Other expenses	544	676
Total expenses from continuing operations	9,791	9,120
Surplus (deficit) from Continuing Operations before capital amounts	(50)	118
Grants and contributions provided for capital purposes	2,915	1,857
Surplus (deficit) from Continuing Operations after capital amounts	2,865	1,975
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	2,865	1,975
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	(35)
SURPLUS (DEFICIT) AFTER TAX	2,865	1,940
plus Opening Retained Profits	73,290	71,296
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	14	19
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	35
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	76,169	73,290
Return on Capital %	-0.1%	0.1%
Subsidy from Council	2,890	3,127
Calculation of dividend payable:		
Surplus (deficit) after tax	2,865	1,940
less: Capital grants and contributions (excluding developer contributions)	(1,496)	(593)
Surplus for dividend calculation purposes	1,369	1,347
Potential Dividend calculated from surplus	685	673

Bathurst Regional Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2015

\$ '000	Waste Category 1	
	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	4,030	3,800
User charges	-	-
Fees	5,534	3,966
Interest	159	136
Grants and contributions provided for non capital purposes	96	879
Profit from the sale of assets	-	125
Other income	2,680	-
Total income from continuing operations	12,499	8,906
Expenses from continuing operations		
Employee benefits and on-costs	2,088	1,960
Borrowing costs	87	107
Materials and contracts	4,051	3,739
Depreciation and impairment	495	446
Loss on sale of assets	93	103
Calculated taxation equivalents	77	80
Debt guarantee fee (if applicable)	-	0
Other expenses	281	41
Total expenses from continuing operations	7,172	6,476
Surplus (deficit) from Continuing Operations before capital amounts	5,327	2,430
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	5,327	2,430
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	5,327	2,430
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(1,598)	(729)
SURPLUS (DEFICIT) AFTER TAX	3,729	1,701
plus Opening Retained Profits	16,268	13,758
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	77	80
- Debt guarantee fees	-	0
- Corporate taxation equivalent	1,598	729
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	21,672	16,268
Return on Capital %	51.7%	24.6%
Subsidy from Council	-	-

Bathurst Regional Council

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

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	5,528	5,222
Investments	559	-
Receivables	2,970	2,629
Other	5	5
Total Current Assets	9,062	7,856
Non-Current Assets		
Investments	10,631	13,332
Receivables	59	73
Infrastructure, property, plant and equipment	181,383	175,574
Total non-Current Assets	192,073	188,979
TOTAL ASSETS	201,135	196,835
LIABILITIES		
Current Liabilities		
Payables	199	244
Provisions	582	524
Total Current Liabilities	781	768
Non-Current Liabilities		
Provisions	7	8
Total Non-Current Liabilities	7	8
TOTAL LIABILITIES	788	776
NET ASSETS	200,347	196,059
EQUITY		
Retained earnings	129,591	127,612
Revaluation reserves	70,756	68,447
Council equity interest	200,347	196,059
Non-controlling equity interest	-	-
TOTAL EQUITY	200,347	196,059

Bathurst Regional Council

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

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	8,098	8,473
Investments	559	-
Receivables	857	919
Other	26	13
Total Current Assets	9,540	9,405
Non-Current Assets		
Investments	11,169	10,094
Receivables	40	44
Infrastructure, property, plant and equipment	94,040	91,150
Total non-Current Assets	105,249	101,288
TOTAL ASSETS	114,789	110,693
LIABILITIES		
Current Liabilities		
Payables	178	184
Provisions	358	426
Total Current Liabilities	536	610
Non-Current Liabilities		
Provisions	1	4
Total Non-Current Liabilities	1	4
TOTAL LIABILITIES	537	614
NET ASSETS	114,252	110,079
EQUITY		
Retained earnings	76,169	73,290
Revaluation reserves	38,083	36,789
Council equity interest	114,252	110,079
Non-controlling equity interest	-	-
TOTAL EQUITY	114,252	110,079

Bathurst Regional Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

	Waste	
	Category 1	
\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	16,106	13,466
Receivables	931	602
Other	4	1
Total Current Assets	17,041	14,069
Non-Current Assets		
Receivables	300	324
Infrastructure, property, plant and equipment	10,476	10,326
Total Non-Current Assets	10,776	10,650
TOTAL ASSETS	27,817	24,719
LIABILITIES		
Current Liabilities		
Payables	40	39
Interest bearing liabilities	67	62
Provisions	366	383
Total Current Liabilities	473	484
Non-Current Liabilities		
Interest bearing liabilities	111	176
Provisions	1,410	3,959
Total Non-Current Liabilities	1,521	4,135
TOTAL LIABILITIES	1,994	4,619
NET ASSETS	25,823	20,100
EQUITY		
Retained earnings	21,672	16,268
Revaluation reserves	4,151	3,832
Council equity interest	25,823	20,100
TOTAL EQUITY	25,823	20,100

Bathurst Regional Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2	Water Supply Business Best Practice Management disclosure requirements	13
3	Sewerage Business Best Practice Management disclosure requirements	15

Bathurst Regional Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

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

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

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

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

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

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

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

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

National Competition Policy

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

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

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

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

Declared Business Activities

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

Category 1

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

a. Bathurst Regional Council Water Supplies

Council's water supply activities (established as separate Special Rate Funds) servicing the region of Bathurst

b. Bathurst Regional Council Sewerage Service

Council's sewerage reticulation & treatment activities (established as a Special Rate Fund) servicing the region of Bathurst

c. Bathurst Regional Council Waste Services

Council's domestic waste service & solid waste depot activities (established as a Special Rate Fund) servicing the region of Bathurst

Category 2

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

Council has no Category 2 businesses.

Monetary Amounts

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

Bathurst Regional Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

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

(i) Taxation Equivalent Charges

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

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

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

Notional Rate Applied %

Corporate Income Tax Rate – 30%

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

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

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

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

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

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

Income Tax

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

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

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

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

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

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

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

Bathurst Regional Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

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

(ii) Subsidies

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

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

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

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

(iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

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

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

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

(iv) Dividends

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

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

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

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

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

Bathurst Regional Council

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

Note 2. Water Supply Business Best Practice Management disclosure requirements

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

2015

1. Calculation and Payment of Tax-Equivalents

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

(i)	Calculated Tax Equivalents	110,000
(ii)	No of assessments multiplied by \$3/assessment	45,060
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	45,060
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	745,500
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	405,540
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	3,794,700

2015 Surplus	1,491,000	2014 Surplus	1,987,700	2013 Surplus	316,000
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	405,540
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 6 Criteria

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

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

Bathurst Regional Council

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

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

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

2015

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	15,235
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	82.36%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	163,421
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	8,561
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	7,430
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	1.61%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

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

Bathurst Regional Council

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

Note 3. Sewerage Business Best Practice Management disclosure requirements

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

2015

1. Calculation and Payment of Tax-Equivalents

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

(i)	Calculated Tax Equivalents	14,000
(ii)	No of assessments multiplied by \$3/assessment	43,449
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	14,000
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	684,500
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	420,490
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	2,987,600

2015 Surplus	1,369,000	2014 Surplus	1,346,600	2013 Surplus	272,000
		2014 Dividend	-	2013 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	420,490
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 4 Criteria

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

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

Bathurst Regional Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

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

2015

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	12,345
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	90,813
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	6,911
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	5,585
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	2.73%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

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

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	27,412
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	0.79%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	13,015
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	1.99%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Bathurst Regional Council

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

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

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

2015

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

NWI F22	Net Debt to Equity (Water & Sewerage)	%	-11.62%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]		
NWI F23	Interest Cover (Water & Sewerage)		> 100
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):		5,489
	Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c)		
	Net Interest:		- 516
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
NWI F24	Net Profit After Tax (Water & Sewerage)	\$'000	4,858
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
NWI F25	Community Service Obligations (Water & Sewerage)	\$'000	216
	Grants for Pensioner Rebates (w11b + s12b)		

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

**INDEPENDENT AUDITOR'S REPORT
ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF
BATHURST REGIONAL COUNCIL**

Report on the Financial Statements

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

Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Independence

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements

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

Audit Opinion

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

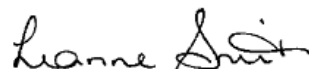
Basis of Accounting

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

The logo for intentus, featuring the word "intentus" in a stylized, lowercase, handwritten-style font.

intentus

291 Stewart Street
Bathurst
Dated: 14 October 2015

A handwritten signature in black ink, appearing to read "LR Smith".

**LR Smith
Director**

Bathurst Regional Council

SPECIAL SCHEDULES

for the year ended 30 June 2015

*"A vibrant regional centre that enjoys a rural lifestyle, the
Bathurst Region achieves health and well being through
strengthening economic opportunities, planning for sustainable
growth, protecting and enhancing our assets, and encouraging
a supportive and inclusive community.
A Region full of community spirit and shared prosperity"*



Bathurst Regional Council

Special Schedules

for the financial year ended 30 June 2015

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

Background

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

Bathurst Regional Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	2,247	-	-	(2,247)
Administration	12,242	1,493	29	(10,720)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,089	138	63	(888)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	162	216	-	54
Animal Control	382	80	-	(302)
Other	-	-	-	-
Total Public Order & Safety	1,633	434	63	(1,136)
Health	-	-	-	-
Environment				
Noxious Plants and Insect/Vermin Control	206	-	-	(206)
Other Environmental Protection	1,040	449	-	(591)
Solid Waste Management	4,161	9,936	-	5,775
Street Cleaning	265	-	-	(265)
Drainage	1,165	75	1,247	157
Stormwater Management	238	-	89	(149)
Total Environment	7,075	10,460	1,336	4,721
Community Services and Education				
Administration & Education	-	-	-	-
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	-	-	-	-
Children's Services	2,766	2,559	-	(207)
Total Community Services & Education	2,766	2,559	-	(207)
Housing and Community Amenities				
Public Cemeteries	46	8	-	(38)
Public Conveniences	185	-	-	(185)
Street Lighting	963	108	-	(855)
Town Planning	1,378	131	-	(1,247)
Other Community Amenities	11	29	-	18
Total Housing and Community Amenities	2,583	276	-	(2,307)
Water Supplies	9,490	12,361	1,901	4,772
Sewerage Services	7,386	9,490	2,916	5,020

Bathurst Regional Council

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

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	1,455	172	-	(1,283)
Museums	1,125	642	1	(482)
Art Galleries	911	113	125	(673)
Community Centres and Halls	506	88	-	(418)
Performing Arts Venues	1,506	699	-	(807)
Other Performing Arts	-	-	-	-
Other Cultural Services	722	1	-	(721)
Sporting Grounds and Venues	662	14	102	(546)
Swimming Pools	804	-	-	(804)
Parks & Gardens (Lakes)	3,830	175	248	(3,407)
Other Sport and Recreation	3,219	2,587	350	(282)
Total Recreation and Culture	14,740	4,491	826	(9,423)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	1,475	938	-	(537)
Other Mining, Manufacturing & Construction	2	-	-	(2)
Total Mining, Manufacturing and Const.	1,477	938	-	(539)
Transport and Communication				
Urban Roads (UR) - Local	4,932	1,069	1,246	(2,617)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	5,216	-	-	(5,216)
Sealed Rural Roads (SRR) - Regional	81	2,545	-	2,464
Unsealed Rural Roads (URR) - Local	1,017	-	-	(1,017)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	37	-	-	(37)
Bridges on SRR - Local	(13)	-	-	13
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	70	-	-	(70)
Footpaths	998	-	50	(948)
Aerodromes	397	482	-	85
Other Transport & Communication	1,999	260	-	(1,739)
Total Transport and Communication	14,734	4,356	1,296	(9,082)
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	4,256	1,680	-	(2,576)
Total Economic Affairs	4,256	1,680	-	(2,576)
Totals – Functions	80,629	48,538	8,367	(23,724)
General Purpose Revenues ⁽²⁾		30,747		30,747
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT ⁽¹⁾	80,629	79,285	8,367	7,023

(1) As reported in the Income Statement

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

Bathurst Regional Council

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

for the financial year ended 30 June 2015

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	3,286	18,860	22,146	3,000	3,320	-	-	1,356	3,373	18,453	21,826
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	3,286	18,860	22,146	3,000	3,320	-	-	1,356	3,373	18,453	21,826
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	3,286	18,860	22,146	3,000	3,320	-	-	1,356	3,373	18,453	21,826

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

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

Bathurst Regional Council

Special Schedule No. 3 - Water Supply Income Statement

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

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	1,256	1,349
b. Engineering and Supervision	992	1,051
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	602	472
b. Maintenance expenses	229	117
- Mains		
c. Operation expenses	1,045	1,015
d. Maintenance expenses	1,264	1,125
- Reservoirs		
e. Operation expenses	35	16
f. Maintenance expenses	84	78
- Pumping Stations		
g. Operation expenses (excluding energy costs)	19	5
h. Energy costs	162	190
i. Maintenance expenses	26	19
- Treatment		
j. Operation expenses (excluding chemical costs)	1,571	1,746
k. Chemical costs	707	636
l. Maintenance expenses	567	466
- Other		
m. Operation expenses	2	2
n. Maintenance expenses	-	-
o. Purchase of water	-	-
3. Depreciation expenses		
a. System assets	3,483	3,263
b. Plant and equipment	270	87
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	979	763
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	13,293	12,400

Bathurst Regional Council

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

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

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges		
a. Access (including rates)	1,416	1,346
b. Usage charges	6,610	6,731
7. Non-residential charges		
a. Access (including rates)	543	512
b. Usage charges	4,409	4,089
8. Extra charges	51	59
9. Interest income	217	311
10. Other income	195	222
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	110	103
c. Other grants	-	-
12. Contributions		
a. Developer charges	1,523	1,392
b. Developer provided assets	378	359
c. Other contributions	-	-
13. Total income	15,452	15,124
14. Gain (or loss) on disposal of assets	(180)	-
15. Operating Result	1,979	2,724
15a. Operating Result (less grants for acquisition of assets)	1,979	2,724

Bathurst Regional Council

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

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

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	4,686	1,213
b. New Assets for Growth	844	992
c. Renewals	1,132	1,102
d. Plant and equipment	768	321
17. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	7,430	3,628
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	-	-
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	13,015	12,552
b. Residential (unoccupied, ie. vacant lot)	469	758
c. Non-residential (occupied)	1,355	1,330
d. Non-residential (unoccupied, ie. vacant lot)	181	189
25. Number of ETs for which developer charges were received	303 ET	281 ET
26. Total amount of pensioner rebates (actual dollars)	\$ 110,491	\$ 103,225

Bathurst Regional Council

Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2015

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

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

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

Bathurst Regional Council

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

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	559	10,631	11,190
b. Special purpose grants	7	-	7
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	5,521	-	5,521
31. Receivables			
a. Specific purpose grants	37	-	37
b. Rates and Availability Charges	115	59	174
c. User Charges	2,809	-	2,809
d. Other	9	-	9
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	-	163,421	163,421
b. Plant and equipment	-	17,962	17,962
34. Other assets	5	-	5
35. Total assets	9,062	192,073	201,135
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	199	-	199
38. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	582	7	589
40. Total liabilities	781	7	788
41. NET ASSETS COMMITTED	8,281	192,066	200,347
EQUITY			
42. Accumulated surplus			129,591
43. Asset revaluation reserve			70,756
44. TOTAL EQUITY			200,347
Note to system assets:			
45. Current replacement cost of system assets			295,395
46. Accumulated current cost depreciation of system assets			(131,974)
47. Written down current cost of system assets			163,421

Bathurst Regional Council

Special Schedule No. 5 - Sewerage Service Income Statement

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

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	2,730	2,737
b. Engineering and Supervision	204	226
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	61	88
b. Maintenance expenses	940	568
- Pumping Stations		
c. Operation expenses (excluding energy costs)	503	456
d. Energy costs	55	69
e. Maintenance expenses	109	192
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	1,237	1,202
g. Chemical costs	2	27
h. Energy costs	485	605
i. Effluent Management	-	-
j. Biosolids Management	11	17
k. Maintenance expenses	574	237
- Other		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	2,763	2,608
b. Plant and equipment	103	69
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	9,777	9,101

Bathurst Regional Council

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

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

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges (including rates)	5,960	5,543
7. Non-residential charges		
a. Access (including rates)	1,126	1,128
b. Usage charges	1,448	1,257
8. Trade Waste Charges		
a. Annual Fees	29	28
b. Usage charges	569	674
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	37	44
10. Interest income	299	311
11. Other income	155	150
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	106	103
c. Other grants	-	-
13. Contributions		
a. Developer charges	1,419	1,264
b. Developer provided assets	1,496	413
c. Other contributions	-	180
14. Total income	12,644	11,095
15. Gain (or loss) on disposal of assets	12	-
16. Operating Result	2,879	1,994
16a. Operating Result (less grants for acquisition of assets)	2,879	1,994

Bathurst Regional Council

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

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

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	300	620
b. New Assets for Growth	3,157	1,168
c. Renewals	1,546	708
d. Plant and equipment	582	497
18. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	5,585	2,993
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	12,654	12,441
b. Residential (unoccupied, ie. vacant lot)	317	360
c. Non-residential (occupied)	1,331	1,314
d. Non-residential (unoccupied, ie. vacant lot)	181	189
26. Number of ETs for which developer charges were received	299 ET	262 ET
27. Total amount of pensioner rebates (actual dollars)	\$ 105,867	\$ 103,254

Bathurst Regional Council

Special Schedule No. 5 - Sewerage Service Cross Subsidies

for the financial year ended 30 June 2015

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

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

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

Bathurst Regional Council

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

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	559	11,169	11,728
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	8,098	-	8,098
32. Receivables			
a. Specific purpose grants	2	-	2
b. Rates and Availability Charges	483	40	523
c. User Charges	301	-	301
d. Other	71	-	71
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	90,813	90,813
b. Plant and equipment	-	3,227	3,227
35. Other assets	26	-	26
36. Total Assets	9,540	105,249	114,789
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	178	-	178
39. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	358	1	359
41. Total Liabilities	536	1	537
42. NET ASSETS COMMITTED	9,004	105,248	114,252
EQUITY			
42. Accumulated surplus			76,169
44. Asset revaluation reserve			38,083
45. TOTAL EQUITY			114,252
Note to system assets:			
46. Current replacement cost of system assets			196,105
47. Accumulated current cost depreciation of system assets			(105,292)
48. Written down current cost of system assets			90,813

Bathurst Regional Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2015

Administration ⁽¹⁾

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

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

Engineering and supervision ⁽¹⁾

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

Bathurst Regional Council

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings	Council Offices / Administration Centres	-	198	66	6,367			100%		0%
	Aerodrome	-	3	21	830	6%	87%	7%		0%
	Aged & Disabled	-	3	11	2,789	28%	72%			0%
	Animal Control	-	-	12	195	100%				0%
	Libraries	-	9	18	6,570		100%			0%
	Bushfire	157	30	13	1,297	45%	35%	14%	6%	0%
	Cemeteries	-	-	-	140	5%	95%			0%
	Childcare	-	1	11	1,106		100%			0%
	Community Centres	-	1	13	946	55%	45%			0%
	Depot	5	5	347	5,769	57%	43%			0%
	Emergency Services	-	-	-	277		100%			0%
	Family Day Care	-	-	9	2,330	100%				0%
	Museums	281	40	73	4,905	91%	5%	3%	1%	0%
	Other Community Services	-	-	5	1,293	84%	16%			0%
	Other Cultural Services	-	-	-	136		100%			0%
	Other Sport & Recreation	26	67	128	38,336	77%	20%	3%		0%
	Other Waste Management	4	1	7	884	84%	16%			0%
	Parks & Gardens	5	3	5	1,392	72%	25%	3%		0%
	Public Conveniences	-	1	39	980	58%	42%			0%
	Public Halls	-	1	80	13,264	96%	4%			0%
	Rental Buildings	78	24	30	2,212	28%	60%	9%	3%	0%
	Saleyards	-	3	-	82			100%		0%
	Sewerage Supply Network	-	-	-	1,272	100%				0%
	Sporting Grounds	35	29	26	10,101	17%	79%	4%		0%
	Visitor Centre	-	-	10	1,759	100%				0%
	Water Supply Network	-	4	-	2,081	36%	61%	3%		0%
	sub total	591	423	924	107,313	59.6%	32.1%	8.1%	0.2%	0.0%

Bathurst Regional Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Other Structures	Other Structures	591	138	106	14,749	50%	37%	10%	3%	0%
	sub total	591	138	106	14,749	50.0%	37.0%	10.0%	3.0%	0.0%
Roads	Sealed Rural Roads	5,137	5,516	1,519	162,769	9%	33%	47%	11%	0%
	Urban Roads	5,571	2,126	2,282	89,079	33%	41%	21%	5%	0%
	Unsealed Roads	1,254	256	994	14,378	0%	94%	4%	2%	0%
	Bridges & Culverts	184	704	124	22,392	12%	62%	25%	1%	0%
	Parking Areas	86	23	109	1,514	27%	33%	35%	5%	0%
	Aerodrome	822	10	20	4,556	96%	2%	2%		0%
	Bus Shelters	52	6	23	144	7%	53%	34%	6%	0%
	Footpaths & Cycleways	257	267	223	8,872	26%	43%	26%	5%	0%
	Kerb and Gutter	1,801	292	85	13,277	28%	39%	29%	3%	1%
	Unsealed Urban Roads	54	3	-	339	3%	55%	40%	2%	0%
	sub total	15,218	9,203	5,379	317,320	18.1%	40.2%	34.1%	7.5%	0.0%
Water Supply Network	Dams/Weirs	4,372	1,384	229	71,706	41%	0%	50%	7%	2%
	Reservoirs	2,447	416	84	13,077		39%	34%	20%	7%
	Pumping Station/s	827	66	25	847	2%	10%	10%	40%	38%
	Hydrants / Valves / Pipelines	4,476	1,264	1,214	65,770	15%	26%	33%	8%	18%
	Treatment	6,336	1,042	56	12,020	1%	4%	51%	45%	-1%
	sub total	18,458	4,172	1,608	163,420	24.1%	13.9%	41.7%	11.4%	8.8%
Sewerage Network	Pumping Station/s	1,016	178	17	8,280	36%	27%	30%	5%	2%
	Sewer Pipes & Mains	3,109	1,967	940	81,332	19%	35%	40%	5%	1%
	Treatment	9,755	1,374	640	1,201	0%	4%	65%	30%	1%
	sub total	13,880	3,519	1,597	90,813	20.3%	33.9%	39.4%	5.3%	1.1%

Bathurst Regional Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Stormwater	Retarding Basins	-	-	-	3,272	89%	11%	0%	0%	0%
	Inlet and Junction Pits	344	108	-	8,905	47%	31%	21%	1%	0%
	Head Walls	22	6	-	243	40%	22%	32%	5%	1%
	Stormwater Converters	-	5	9	638	0%	76%	24%	0%	0%
	Stormwater Channels	-	-	-	1,476	100%	0%	0%	0%	0%
	Stormwater Pipes	958	964	264	87,314	41%	31%	28%	0%	0%
	Flood Mitigation Electrical	-	3	-	163	12%	36%	52%	0%	0%
	Flood Mitigation Levee Earth	-	-	107	8,819	56%	3%	41%	0%	0%
	Flood Mitigation Concrete	46	16	-	2,761	81%	19%	0%	0%	0%
	sub total	1,370	1,102	380	113,591	45.5%	27.8%	26.6%	0.1%	0.0%
Recreational Assets	Swimming Pools	-	-	75	12,622	100%	0%	0%	0%	0%
	sub total	-	-	75	12,622	100.0%	0.0%	0.0%	0.0%	0.0%
TOTAL - ALL ASSETS		50,108	18,557	10,069	819,828	30.6%	30.8%	30.8%	5.9%	1.9%

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements

(5). Infrastructure Asset Condition Assessment "Key"

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required

4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

Bathurst Regional Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures Renewals Ratio				
Asset Renewals				
(Building, Infrastructure & Other Structures) ⁽¹⁾	13,262	84.95%	63.45%	27.64%
Depreciation, Amortisation & Impairment	15,612			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	50,108	6.02%	9.68%	9.00%
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	832,021			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	10,069	0.54	0.57	0.46
Required Asset Maintenance	18,557			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	33,771	1.80	1.08	1.17
Annual Depreciation	18,761			

Notes

⁽¹⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

⁽²⁾ Written Down Value

Bathurst Regional Council

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

\$ '000	Water 2015	Sewer 2015	General ⁽¹⁾ 2015
Infrastructure Asset Performance Indicators By Fund			
1. Building, Infrastructure & Other Structures Renewals Ratio			
Asset Renewals			
(Building, Infrastructure & Other Structures) ⁽²⁾	37.27%	63.01%	109.15%
Depreciation, Amortisation & Impairment			
prior period:	33.77%	27.15%	84.86%
2. Infrastructure Backlog Ratio			
Estimated Cost to bring Assets to a Satisfactory Condition			
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	11.29%	15.28%	3.08%
prior period:	16.11%	25.28%	4.87%
3. Asset Maintenance Ratio			
Actual Asset Maintenance			
Required Asset Maintenance	0.39	0.45	0.63
prior period:	0.32	0.63	0.68
4. Capital Expenditure Ratio			
Annual Capital Expenditure			
Annual Depreciation	1.98	1.95	1.71
prior period:	1.08	1.12	1.07

Notes

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

⁽²⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

⁽³⁾ Written Down Value

Bathurst Regional Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	21,927	22,750
Plus or minus Adjustments ⁽²⁾	b	258	365
Notional General Income	c = (a + b)	22,185	23,115
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	$h = d \times (c - g)$	-	-
or plus Rate peg amount	$i = c \times e$	511	555
or plus Crown land adjustment and rate peg amount	$j = c \times f$	-	-
sub-total	$k = (c + g + h + i + j)$	22,696	23,670
plus (or minus) last year's Carry Forward Total	l	45	(9)
less Valuation Objections claimed in the previous year	m	-	-
sub-total	$n = (l + m)$	45	(9)
Total Permissible income	$o = k + n$	22,741	23,661
less Notional General Income Yield	p	22,750	23,663
Catch-up or (excess) result	$q = o - p$	(9)	(2)
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	-	-
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	$t = q + r - s$	(9)	(2)

Notes

- The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.

AUDITOR'S REPORT
PERMISSIBLE GENERAL INCOME (SPECIAL SCHEDULE No. 9)
OF BATHURST REGIONAL COUNCIL

Scope

We have audited the special purpose financial report comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Bathurst Regional Council for the 2015-'16 financial year.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Audit Opinion

In our opinion, the reconciliation of Council's total permissible general income (Special Schedule 9) which shows a carry forward excess total for 2015-'16 of **one thousand eight hundred and twenty four dollars (\$1,824)** is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

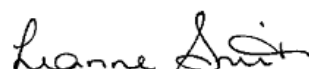
Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the fact that Special Schedule 9 - the reconciliation of total permissible general income is a special purpose financial report which has been prepared for distribution to the Council and the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the financial report may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Office of Local Government or for any purpose other than for which the financial report was prepared.

The logo for intentus, featuring the word "intentus" in a stylized, lowercase, handwritten-style font.

intentus

291 Stewart Street
Bathurst
Dated: 14 October 2015

A handwritten signature in black ink, appearing to read "LR Smith".

LR Smith
Director



BATHURST 
REGIONAL COUNCIL

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