

# Warren Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2011

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**“Australia's Wool & Cotton Capital”**



# Warren Shire Council

## General Purpose Financial Statements

for the financial year ended 30 June 2011

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### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Warren Shire Council.
- (ii) Warren Shire 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 specified in Paragraph 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government 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 19/08/11.  
Council has the power to amend and reissue the financial statements.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2011

### Understanding Council's Financial Statements

Refer Word File.

**This new inclusion is VOLUNTARY.**

**If you are an Option 3/4 Council,  
just delete the preference box  
that you do not want to go with (below)  
& we'll take care of the rest !!**

**NB. If you do nothing, we'll keep it in.**

For Option 1/2 Councils,  
if this Note is not required you will have to  
hide Item 1 in the Table of Contents, re-number the items &  
change the page numbers in the various tabs.

**WE'LL USE IT !!**

**NOT THIS YEAR !!**



## Warren Shire Council

### General Purpose Financial Statements

for the financial year ended 30 June 2011

### Statement by Councillors and Management

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

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

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

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

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

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

**Signed in accordance with a resolution of Council made on 28 July 2011.**

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Clr NRF Wilson OAM  
**MAYOR**

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Clr P Serdity  
**COUNCILLOR**

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Mr AP Wielinga  
**GENERAL MANAGER**

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Mr DJ Arthur  
**RESPONSIBLE ACCOUNTING OFFICER**

## Income Statement

for the financial year ended 30 June 2011

Budget <sup>(1)</sup>			Actual	Actual
2011	\$ '000	Notes	2011	2010
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
4,552	Rates & Annual Charges	3a	4,595	4,468
1,430	User Charges & Fees	3b	1,110	1,675
448	Interest & Investment Revenue	3c	612	481
331	Other Revenues	3d	419	378
4,105	Grants & Contributions provided for Operating Purposes	3e,f	5,455	3,643
550	Grants & Contributions provided for Capital Purposes	3e,f	602	718
<b>Other Income:</b>				
-	Net gains from the disposal of assets	5	180	185
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	30
<b>11,416</b>	<b>Total Income from Continuing Operations</b>		<b>12,973</b>	<b>11,578</b>
<b>Expenses from Continuing Operations</b>				
4,367	Employee Benefits & On-Costs	4a	4,554	4,179
2	Borrowing Costs	4b	23	29
3,555	Materials & Contracts	4c	3,518	3,173
2,685	Depreciation & Amortisation	4d	3,480	2,532
-	Impairment	4d	-	-
924	Other Expenses	4e	866	879
-	Interest & Investment Losses	3c	-	-
-	Net Losses from the Disposal of Assets	5	-	-
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	11	-
<b>11,533</b>	<b>Total Expenses from Continuing Operations</b>		<b>12,452</b>	<b>10,792</b>
<b>(117)</b>	<b>Operating Result from Continuing Operations</b>		<b>521</b>	<b>786</b>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations		-	-
<b>(117)</b>	<b>Net Operating Result for the Year</b>		<b>521</b>	<b>786</b>
(117)	Net Operating Result attributable to Council		521	786
-	Net Operating Result attributable to Minority Interests		-	-
<b>(667)</b>	<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>(81)</b>	<b>68</b>

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

## Warren Shire Council

## Statement of Comprehensive Income

for the financial year ended 30 June 2011

\$ '000	Notes	Actual 2011	Actual 2010
<b>Net Operating Result for the year (as per Income statement)</b>		<b>521</b>	<b>786</b>
<b>Other Comprehensive Income</b>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	376	50,339
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
Other Movements in Reserves ( <a href="#">enter details here</a> )	20b (ii)	-	-
De-recognition of land under roads		-	-
Adjustment to correct prior period depreciation errors		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>376</b>	<b>50,339</b>
<b>Total Comprehensive Income for the Year</b>		<b>897</b>	<b>51,125</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>897</b>	<b>51,125</b>
<b>Total Comprehensive Income attributable to Minority Interests</b>		<b>-</b>	<b>-</b>

## Balance Sheet

as at 30 June 2011

\$ '000	Notes	Actual 2011	Actual 2010
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	11,781	11,258
Investments	6b	-	-
Receivables	7	987	404
Inventories	8	740	765
Other	8	119	110
Non-current assets classified as "held for sale"		-	-
<b>Total Current Assets</b>		<b>13,627</b>	<b>12,537</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	31	46
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	133,122	132,389
Investments accounted for using the equity method	19	61	72
Investment Property	14	-	-
Intangible Assets		-	-
Non-current assets classified as "held for sale"		-	-
Other	8	-	-
<b>Total Non-Current Assets</b>		<b>133,214</b>	<b>132,507</b>
<b>TOTAL ASSETS</b>		<b>146,841</b>	<b>145,044</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	694	321
Borrowings	10	66	54
Provisions	10	1,442	1,398
Liabilities associated with assets classified as "held for sale"		-	-
<b>Total Current Liabilities</b>		<b>2,202</b>	<b>1,773</b>
<b>Non-Current Liabilities</b>			
Payables	10	-	-
Borrowings	10	592	136
Provisions	10	64	49
Investments accounted for using the equity method	19	-	-
Liabilities associated with assets classified as "held for sale"		-	-
<b>Total Non-Current Liabilities</b>		<b>656</b>	<b>185</b>
<b>TOTAL LIABILITIES</b>		<b>2,858</b>	<b>1,958</b>
<b>Net Assets</b>		<b>143,983</b>	<b>143,086</b>
<b>EQUITY</b>			
Retained Earnings	20	88,419	87,898
Revaluation Reserves	20	55,564	55,188
<b>Council Equity Interest</b>		<b>143,983</b>	<b>143,086</b>
<b>Minority Equity Interest</b>		<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>143,983</b>	<b>143,086</b>



## Warren Shire Council

## Statement of Changes in Equity

for the financial year ended 30 June 2011

\$ '000	Notes	Council				
		Retained Earnings	Reserves (Refer 20b)	Equity Interest	Minority Interest	Total Equity
<b>2011</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		87,898	55,188	<b>143,086</b>	-	<b>143,086</b>
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/10)</b>		<b>87,898</b>	<b>55,188</b>	<b>143,086</b>	-	<b>143,086</b>
<b>c. Net Operating Result for the Year</b>		<b>521</b>	-	<b>521</b>	-	<b>521</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	376	<b>376</b>	-	<b>376</b>
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>376</b>	<b>376</b>	-	<b>376</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>521</b>	<b>376</b>	<b>897</b>	-	<b>897</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>88,419</b>	<b>55,564</b>	<b>143,983</b>	-	<b>143,983</b>

\$ '000	Notes	Council				
		Retained Earnings	Reserves (Refer 20b)	Equity Interest	Minority Interest	Total Equity
<b>2010</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		57,326	4,849	<b>62,175</b>	-	<b>62,175</b>
a. Correction of Prior Period Errors	20 (c)	29,786	-	<b>29,786</b>	-	<b>29,786</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/09)</b>		<b>87,112</b>	<b>4,849</b>	<b>91,961</b>	-	<b>91,961</b>
<b>c. Net Operating Result for the Year</b>		<b>786</b>	-	<b>786</b>	-	<b>786</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	50,339	<b>50,339</b>	-	<b>50,339</b>
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>50,339</b>	<b>50,339</b>	-	<b>50,339</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>786</b>	<b>50,339</b>	<b>51,125</b>	-	<b>51,125</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>87,898</b>	<b>55,188</b>	<b>143,086</b>	-	<b>143,086</b>

## Warren Shire Council

## Statement of Cash Flows

for the financial year ended 30 June 2011

Budget 2011	\$ '000	Notes	Actual 2011	Actual 2010
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
4,552	Rates & Annual Charges		4,634	4,442
1,430	User Charges & Fees		1,105	1,722
448	Investment & Interest Revenue Received		622	454
4,605	Grants & Contributions		5,838	4,599
731	Other		835	692
<b>Payments:</b>				
(4,367)	Employee Benefits & On-Costs		(4,528)	(4,059)
(3,405)	Materials & Contracts		(3,449)	(3,444)
(25)	Borrowing Costs		(3)	(7)
(1,524)	Other		(1,348)	(1,156)
<b>2,445</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>3,706</b>	<b>3,243</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
17	Sale of Real Estate Assets		-	59
400	Sale of Infrastructure, Property, Plant & Equipment		475	376
	Deferred Debtors Receipts		11	10
<b>Payments:</b>				
(4,288)	Purchase of Infrastructure, Property, Plant & Equipment		(4,116)	(3,162)
<b>(3,871)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(3,630)</b>	<b>(2,717)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
500	Proceeds from Borrowings & Advances		500	-
<b>Payments:</b>				
(54)	Repayment of Borrowings & Advances		(53)	(106)
<b>446</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>447</b>	<b>(106)</b>
<b>(980)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>523</b>	<b>420</b>
11,258	plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	11a	11,258	10,838
<b>10,278</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>11,781</b>	<b>11,258</b>

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

## Warren Shire Council

## Balance Sheet

as at 30 June 2011

**Only required where Council restates PY figures  
due to "an error" or "change in accounting policy".**

If required, you will need to fill in the "2009 Actual" column & this 3  
Column B/S will then be used instead of the regular 2 column B/S

**....otherwise leave the 2009 Actuals blank & ignore !!**

\$ '000	Notes	Actual 2011	Actual 2010	Actual 2009
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	6a	11,781	11,258	10,838
Investments	6b	-	-	
Receivables	7	987	404	319
Inventories	8	740	765	798
Other	8	119	110	100
Non-current assets classified as 'held for sale'	22	-	-	
<b>Total Current Assets</b>		<b>13,627</b>	<b>12,537</b>	<b>12,055</b>
<b>Non-Current Assets</b>				
Investments	6b	-	-	
Receivables	7	31	46	62
Inventories	8	-	-	
Infrastructure, Property, Plant & Equipment	9	133,122	132,389	51,867
Investments accounted for using the equity method	19	61	72	42
Investment Property	14	-	-	
Intangible Assets	25	-	-	
Non-current assets classified as 'held for sale'	22	-	-	
Other	8	-	-	
<b>Total Non-Current Assets</b>		<b>133,214</b>	<b>132,507</b>	<b>51,971</b>
<b>TOTAL ASSETS</b>		<b>146,841</b>	<b>145,044</b>	<b>64,026</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	10	694	321	255
Borrowings	10	66	54	106
Provisions	10	1,442	1,398	1,266
Liabilities associated with assets classified as 'held for sale'	22	-	-	
<b>Total Current Liabilities</b>		<b>2,202</b>	<b>1,773</b>	<b>1,627</b>
<b>Non-Current Liabilities</b>				
Payables	10	-	-	
Borrowings	10	592	136	168
Provisions	10	64	49	56
Investments accounted for using the equity method	19	-	-	
Liabilities associated with assets classified as 'held for sale'	22	-	-	
<b>Total Non-Current Liabilities</b>		<b>656</b>	<b>185</b>	<b>224</b>
<b>TOTAL LIABILITIES</b>		<b>2,858</b>	<b>1,958</b>	<b>1,851</b>
<b>Net Assets</b>		<b>143,983</b>	<b>143,086</b>	<b>62,175</b>

**EQUITY**

Retained Earnings	20	88,419	87,898	57,326
Revaluation Reserves	20	<u>55,564</u>	<u>55,188</u>	<u>4,849</u>
Council Equity Interest		143,983	143,086	62,175
Minority Equity Interest		-	-	
<b>Total Equity</b>		<u><u>143,983</u></u>	<u><u>143,086</u></u>	<u><u>62,175</u></u>

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2011

#### Note 1. Summary of Significant Accounting Policies

**Refer Word File.**

Notes to the Financial Statements

for the financial year ended 30 June 2011

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 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Actual 2011	Actual 2010	Actual 2011	Actual 2010
Governance	-	-	-	350	375	364	(350)	(375)	(364)	-	-	23	30
Administration	70	202	115	2,500	1,942	2,047	(2,430)	(1,740)	(1,932)	6	9	10,758	10,687
Public Order & Safety	104	78	78	249	253	257	(145)	(175)	(179)	-	-	380	403
Health	5	-	-	257	209	165	(252)	(209)	(165)	-	-	19	25
Environment	-	-	-	-	83	84	-	(83)	(84)	-	-	-	-
Community Services & Education	23	54	22	55	54	53	(32)	-	(31)	54	22	216	239
Housing & Community Amenities	278	654	348	628	1,132	741	(350)	(478)	(393)	340	66	9,762	9,937
Water Supplies	463	489	483	652	531	585	(189)	(42)	(102)	10	9	6,463	6,288
Sewerage Services	526	549	525	607	536	559	(81)	13	(34)	9	9	5,750	5,626
Recreation & Culture	172	325	399	1,039	1,345	1,245	(867)	(1,020)	(846)	126	247	4,796	4,557
Mining, Manufacturing & Construction	106	91	47	116	34	16	(10)	57	31	-	-	534	491
Transport & Communication	2,940	3,510	3,238	4,811	5,789	4,531	(1,871)	(2,279)	(1,293)	25	481	106,076	105,827
Economic Affairs	704	696	332	269	158	145	435	538	187	527	49	2,003	862
<b>Total Functions &amp; Activities</b>	<b>5,391</b>	<b>6,648</b>	<b>5,587</b>	<b>11,533</b>	<b>12,441</b>	<b>10,792</b>	<b>(6,142)</b>	<b>(5,793)</b>	<b>(5,205)</b>	<b>1,097</b>	<b>892</b>	<b>146,780</b>	<b>144,972</b>
Share of gains/(losses) in Associates													
Joint Ventures (using the Equity Method)	-	-	30	-	11	-	-	(11)	30	-	-	61	72
General Purpose Income <sup>1</sup>	6,025	6,325	5,961	-	-	-	6,025	6,325	5,961	2,095	1,912	-	-
<b>Operating Result from Continuing Operations</b>	<b>11,416</b>	<b>12,973</b>	<b>11,578</b>	<b>11,533</b>	<b>12,452</b>	<b>10,792</b>	<b>(117)</b>	<b>521</b>	<b>786</b>	<b>3,192</b>	<b>2,804</b>	<b>146,841</b>	<b>145,044</b>

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2011

#### 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, emergency services, other.

##### **HEALTH**

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

##### **ENVIRONMENT**

Noxious plants and insect control.

##### **COMMUNITY SERVICES & EDUCATION**

Administration, youth services, other community services, education.

##### **HOUSING & COMMUNITY AMENITIES**

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

##### **WATER SUPPLIES**

##### **SEWERAGE SERVICES**

##### **RECREATION & CULTURE**

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

##### **MINING, MANUFACTURING & CONSTRUCTION**

Building control, quarries & pits, other.

##### **TRANSPORT & COMMUNICATION**

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, street lighting, RTA works, other.

##### **ECONOMIC AFFAIRS**

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



## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
<b>(a). Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Nil			
Residential		461	450
Farmland		3,179	3,099
Business		150	145
<b>Total Ordinary Rates</b>		<b>3,790</b>	<b>3,694</b>
<b>Special Rates</b>			
Nil			
<b>Total Special Rates</b>		<b>-</b>	<b>-</b>
<b>Annual Charges</b> (pursuant to s.496, s.501 & s.611)			
Nil			
Domestic Waste Management Services		183	174
Water Supply Services		250	227
Sewerage Services		372	373
<b>Total Annual Charges</b>		<b>805</b>	<b>774</b>
<b><u>TOTAL RATES &amp; ANNUAL CHARGES</u></b>		<b><u>4,595</u></b>	<b><u>4,468</u></b>

Council has used 2009 year valuations provided by the NSW Valuer General in calculating its rates.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
<b>(b). User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Nil			
Domestic Waste Management Services		12	10
Water Supply Services		185	202
Sewerage Services		42	42
<b>Total User Charges</b>		<b>239</b>	<b>254</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s608 & 610A)			
Nil			
Planning & Building Regulation		33	27
Private Works - Section 67		67	187
Regulatory/ Statutory Fees		9	9
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>109</b>	<b>223</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges</b> (per s.610C))			
Nil			
Aerodrome		7	7
Caravan Park		10	18
Cemeteries		39	19
Quarry Revenues		37	45
RTA Charges (State Roads not controlled by Council)		639	1,078
Swimming Centres		24	21
Other		6	10
<b>Total Fees &amp; Charges - Other</b>		<b>762</b>	<b>1,198</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>1,110</b>	<b>1,675</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
<b>(c). Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges		21	11
- Interest earned on Investments (interest & coupon payment income)		591	470
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b><u>612</u></b>	<b><u>481</u></b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates & Annual Charges		19	11
General Council Cash & Investments		440	355
<b>Restricted Investments/Funds - External:</b>			
Water Fund Operations		28	16
Sewerage Fund Operations		125	99
<b><u>Total Interest &amp; Investment Revenue Recognised</u></b>		<b><u>612</u></b>	<b><u>481</u></b>
<b>(d). Other Revenues</b>			
Rental Income - Other Council Properties		118	130
Commissions & Agency Fees		72	58
Diesel Rebate		63	64
Insurance Claim Recoveries		67	13
Recycling Income (non domestic)		7	8
Swimming Pool Canteen		18	15
OHS Incentive Payment		4	10
Statewide Property Rebate		17	4
NSW RFS M&R Reimbursement		17	30
Strengthening the Basin Reimbursement		15	25
Motor Vehicle Insurance Rebate		9	-
Other		12	21
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>419</u></b>	<b><u>378</u></b>

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 3. Income from Continuing Operations (continued)

\$ '000	2011 Operating	2010 Operating	2011 Capital	2010 Capital
<b>(e). Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance - General Component	1,187	1,069	-	-
Financial Assistance - Local Roads Component	888	823	-	-
Pensioners' Rates Subsidies - General Component	20	20	-	-
<b>Total General Purpose</b>	<b>2,095</b>	<b>1,912</b>	<b>-</b>	<b>-</b>
<b>Specific Purpose</b>				
Pensioners' Rates Subsidies:				
- Water	10	9	-	-
- Sewerage	9	9	-	-
- Domestic Waste Management	8	8	-	-
Community Centres	-	-	509	41
Economic Development	18	8	-	-
Employment & Training Programs	6	9	-	-
Environmental Protection	-	54	-	-
Flood Restoration	327	-	-	-
Heritage & Cultural	5	4	-	-
Library	19	19	-	185
Recreation & Culture	37	40	70	-
Street Lighting	25	24	-	-
Transport (Roads to Recovery)	-	-	-	457
Youth Services	53	22	-	-
Other	1	3	-	-
<b>Total Specific Purpose</b>	<b>518</b>	<b>209</b>	<b>579</b>	<b>683</b>
<b>Total Grants</b>	<b>2,613</b>	<b>2,121</b>	<b>579</b>	<b>683</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	2,105	1,892	489	457
- State Funding	508	229	90	226
- Other Funding	-	-	-	-
	<b>2,613</b>	<b>2,121</b>	<b>579</b>	<b>683</b>

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 3. Income from Continuing Operations (continued)

\$ '000		2011 Operating	2010 Operating	2011 Capital	2010 Capital
<b>(f). Contributions</b>					
<b>Developer Contributions:</b>					
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the NSW LG Act):</b>					
Nil					
<b>Total Developer Contributions</b>	17	-	-	-	-
<b>Other Contributions:</b>					
Nil					
Bushfire Services		56	3	-	35
Recreation & Culture		20	3	23	-
Roads & Bridges		-	262	-	-
RTA Contributions (Regional/Local, Block Grant)		2,706	1,196	-	-
Riverbank - Bamboo Works		5	8	-	-
Library		55	50	-	-
<b>Total Other Contributions</b>		<b>2,842</b>	<b>1,522</b>	<b>23</b>	<b>35</b>
<b>Total Contributions</b>		<b>2,842</b>	<b>1,522</b>	<b>23</b>	<b>35</b>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>		<b>5,455</b>	<b>3,643</b>	<b>602</b>	<b>718</b>

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2011	Actual 2010
<b>(g). Restrictions relating to Grants and Contributions</b>		
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	1,008	553
<b>add:</b> Grants and contributions recognised in the current period which have not been spent:	417	1,008
<b>less:</b> Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(1,008)	(553)
<b>Net Increase (Decrease) in Restricted Assets during the Current Reporting Period</b>	<b>(591)</b>	<b>455</b>
<b>Unexpended at the Close of this Reporting Period and held as Restricted Assets</b>	<b>417</b>	<b>1,008</b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	119	273
- Developer Contributions	-	-
- Other Contributions	298	735
	<b>417</b>	<b>1,008</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		3,523	3,422
Travelling		9	7
Employee Leave Entitlements (ELE)		410	421
Superannuation - Defined Contribution Plans		224	206
Superannuation - Defined Benefit Plans		175	188
Workers' Compensation Insurance		312	217
Fringe Benefit Tax (FBT)		28	26
Training Costs (other than Salaries & Wages)		82	63
<b>Total Employee Costs</b>		<b>4,763</b>	<b>4,550</b>
less: Capitalised Costs		(209)	(371)
<b><u>TOTAL EMPLOYEE COSTS EXPENSED</u></b>		<b><u>4,554</u></b>	<b><u>4,179</u></b>
Number of "Equivalent Full Time" Employees at year end		71	71
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		2	7
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>2</b>	<b>7</b>
<b>(ii) Other Borrowing Costs</b>			
Interest applicable on Interest Free (& favourable) Loans to Council		21	22
<b>Total Other Borrowing Costs</b>		<b>21</b>	<b>22</b>
<b><u>TOTAL BORROWING COSTS EXPENSED</u></b>		<b><u>23</u></b>	<b><u>29</u></b>
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		3,483	3,113
Contractor & Consultancy Costs		-	33
Auditors Remuneration			
- Audit Services: Council's Auditor		27	25
Legal Expenses:			
- Legal Expenses: Other		1	1
- Legal Expenses: Debt Recovery		7	1
<b><u>TOTAL MATERIALS &amp; CONTRACTS</u></b>		<b><u>3,518</u></b>	<b><u>3,173</u></b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2011	Actual 2010	Actual 2011	Actual 2010
<b>(d) Depreciation, Amortisation &amp; Impairment</b>					
Plant and Equipment		-	-	782	715
Office Equipment		-	-	28	22
Furniture & Fittings		-	-	4	4
Buildings - Non Specialised		-	-	98	98
Buildings - Specialised		-	-	82	74
Other Structures		-	-	170	179
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	2,096	1,290
- Stormwater Drainage		-	-	37	37
- Water Supply Network		-	-	149	144
- Sewerage Network		-	-	195	188
<b>Total Depreciation &amp; Impairment Costs</b>		<b>-</b>	<b>-</b>	<b>3,641</b>	<b>2,751</b>
less: Capitalised Costs		-	-	(161)	(219)
<b><u>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</u></b>		<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,480</u></b>	<b><u>2,532</u></b>

**(e) Other Expenses**

Other Expenses for the year include the following:

Advertising	28	28
Bank Charges	5	6
Contribution to NSW Fire Brigade Levy	19	17
Contribution to NSW Rural Fire Service Levy	54	51
Contribution to Emergency Services Levy	9	10
Contribution to North Western Library	38	37
Contribution to Castlereagh Macquarie County Council	83	81
Contribution to Other Contributions/Levies	8	10
Councillor Expenses - Mayoral Fee	13	12
Councillor Expenses - Councillors' Fees	92	89
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)	15	18
Electricity & Heating	140	129
Insurance	173	188
Postage	11	11
Printing & Stationery	23	42
Street Lighting	69	73
Subscriptions & Publications	17	17
Telephone & Communications	26	29
Valuation Fees	14	13
Other	29	18
<b><u>TOTAL OTHER EXPENSES</u></b>	<b><u>866</u></b>	<b><u>879</u></b>



## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2011	Actual 2010
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal		60	-
less: Carrying Amount of Property Assets Sold		-	-
<b>Net Gain/(Loss) on Disposal</b>		<b>60</b>	<b>-</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal		415	376
less: Carrying Amount of P&E Assets Sold		(295)	(233)
<b>Net Gain/(Loss) on Disposal</b>		<b>120</b>	<b>143</b>
<b>Real Estate Assets Held For Sale</b>			
Proceeds from Disposal		-	47
less: Carrying Amount of Real Estate Assets Sold / Written Off		-	(5)
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>42</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>180</b>	<b>185</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 6a. - Cash Assets and Note 6b. - Investment Securities

\$ '000	Notes	2011	2011	2010	2010
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		887	-	1	-
Cash-Equivalent Assets <sup>1</sup>					
- Deposits at Call		1,137	-	757	-
- Short Term Deposits		9,757	-	10,500	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>11,781</b>	<b>-</b>	<b>11,258</b>	<b>-</b>
<b>Investment Securities (Note 6b)</b>					
Nil					
<b>Total Investment Securities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>11,781</b>	<b>-</b>	<b>11,258</b>	<b>-</b>

<sup>1</sup> 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 &amp; Loss"

	<b>11,781</b>	<b>-</b>	<b>11,258</b>	<b>-</b>
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**Investments**

Nil

**Note 6(b-i)**

**Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"**

Nil

**Note 6(b-ii)**

**Reconciliation of Investments classified as "Held to Maturity"**

Nil

**Note 6(b-iii)**

**Reconciliation of Investments classified as "Loans & Receivables"**

Nil

**Note 6(b-iv)**

**Reconciliation of Investments classified as "Available for Sale"**

Nil

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000	2011	2011	2010	2010
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
<b>Total Cash, Cash Equivalents and Investment Securities</b>	<b>11,781</b>	<b>-</b>	<b>11,258</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	3,347	-	3,536	-
Internal Restrictions (refer below)	7,964	-	7,228	-
Unrestricted	470	-	494	-
	<b>11,781</b>	<b>-</b>	<b>11,258</b>	<b>-</b>

2011	Opening	Transfers to	Transfers from	Closing
\$ '000	Balance	Restrictions	Restrictions	Balance

## Details of Restrictions

## External Restrictions - Included in Liabilities

Other - CWCMA Roadside Mapping	7	-	-	7
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<b>External Restrictions - Included in Liabilities</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>
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## External Restrictions - Other

RTA Contributions (A)	735	-	(441)	294
Specific Purpose Unexpended Grants (B)	273	-	(154)	119
Water Supplies (C)	395	156	-	551
Sewerage Services (C)	2,065	215	-	2,280
Domestic Waste Management (C)	61	31	-	92
Other - Library Talking Books	-	4	-	4
<b>External Restrictions - Other</b>	<b>3,529</b>	<b>406</b>	<b>(595)</b>	<b>3,340</b>
<b>Total External Restrictions</b>	<b>3,536</b>	<b>406</b>	<b>(595)</b>	<b>3,347</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

2011 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Plant & Vehicle Replacement	380	7	(96)	291
Infrastructure Replacement	3,476	380	(385)	3,471
Employees Leave Entitlement	370	-	-	370
Roadworks	1,148	666	(24)	1,790
Bridgeworks	310	26	-	336
Insurances	267	68	(75)	260
Specific M&R	222	-	(123)	99
Specific Programs	449	231	-	680
CBD Improvements	77	38	-	115
FAG Grant Prepaid	492	525	(492)	525
Other	37	6	(16)	27
<b>Total Internal Restrictions</b>	<b>7,228</b>	<b>1,947</b>	<b>(1,211)</b>	<b>7,964</b>
<b>TOTAL RESTRICTIONS</b>	<b>10,764</b>	<b>2,353</b>	<b>(1,806)</b>	<b>11,311</b>

- A** RTA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- B** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- C** 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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 7. Receivables

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		78	21	92	46
Interest & Extra Charges		6	2	17	-
User Charges & Fees		152	8	128	-
Accrued Revenues					
- Interest on Investments		64	-	65	-
Government Grants & Subsidies		663	-	66	-
Deferred Debtors		-	-	11	-
Amounts due from Other Councils		-	-	25	-
Other Debtors		24	-	-	-
<b>Total</b>		<b>987</b>	<b>31</b>	<b>404</b>	<b>46</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>987</u></b>	<b><u>31</u></b>	<b><u>404</u></b>	<b><u>46</u></b>
<b>Externally Restricted Receivables</b>					
<b>Water Supply</b>					
- Rates & Availability Charges		13	-	19	-
- Other		53	-	70	-
<b>Sewerage Services</b>					
- Rates & Availability Charges		20	-	27	-
<b>Domestic Waste Management</b>		<b>21</b>	<b>-</b>	<b>21</b>	<b>-</b>
<b>Total External Restrictions</b>		<b>107</b>	<b>-</b>	<b>137</b>	<b>-</b>
<b>Internally Restricted Receivables</b>					
Nil					
<b>Internally Restricted Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unrestricted Receivables</b>		<b>880</b>	<b>31</b>	<b>267</b>	<b>46</b>
<b>TOTAL NET RECEIVABLES</b>		<b><u>987</u></b>	<b><u>31</u></b>	<b><u>404</u></b>	<b><u>46</u></b>

**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 9.00% (2010 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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 8. Inventories &amp; Other Assets

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Real Estate for resale (refer below)		164	-	180	-
Stores & Materials		114	-	124	-
Trading Stock		376	-	385	-
Loose Tools		86	-	76	-
<b>Total Inventories</b>		<b>740</b>	<b>-</b>	<b>765</b>	<b>-</b>
<b>Other Assets</b>					
Prepayments		119	-	110	-
<b>Total Other Assets</b>		<b>119</b>	<b>-</b>	<b>110</b>	<b>-</b>
<b>TOTAL INVENTORIES / OTHER ASSETS</b>		<b>859</b>	<b>-</b>	<b>875</b>	<b>-</b>

**Externally Restricted Assets**

There are no restrictions applicable to the above assets.

**(i) Other Disclosures****(a) Details for Real Estate Development**

Residential		75	-	91	-
Industrial/Commercial		89	-	89	-
<b>Total Real Estate for Resale</b>		<b>164</b>	<b>-</b>	<b>180</b>	<b>-</b>

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

**Represented by:**

Acquisition Costs		164	-	180	-
<b>Total Real Estate for Resale</b>		<b>164</b>	<b>-</b>	<b>180</b>	<b>-</b>

**Movements:**

Real Estate assets at beginning of the year		180	-	185	-
- Transfers in from (out to) Note 9		(16)	-	-	-
- WDV of Sales (exp)	5	-	-	(5)	-
<b>Total Real Estate for Resale</b>		<b>164</b>	<b>-</b>	<b>180</b>	<b>-</b>

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

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

	2011	2010
Real Estate for Resale	147	175
Other	340	293
	<b>487</b>	<b>468</b>

\$6K was recognised as an expense relating to the write down of Inventory balances held during the year.

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2010				Asset Movements during the Reporting Period						as at 30/6/2011		
	At	At	Accumulate	Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Tfrs from/(to) Real Estate Assets (Note 8)	Revaluation Increments to Equity (ARR)	At	Accumulate	Carrying
	Cost	Fair Value	Deprec.	Value							Fair Value	Dep'n	Value
Plant & Equipment	-	9,741	6,100	3,641	1,265	(295)	(782)	-	-	-	9,983	6,154	3,829
Office Equipment	-	492	391	101	7	-	(28)	-	-	-	499	419	80
Furniture & Fittings	-	60	53	7	-	-	(4)	-	-	-	60	57	3
<b>Land:</b>													
- Operational Land	-	1,433	-	1,433	-	-	-	(188)	16	-	1,261	-	1,261
- Community Land	722	-	-	722	-	-	-	188	-	93	1,003	-	1,003
Buildings - Non Specialised	-	6,998	4,955	2,043	1,200	-	(98)	-	-	-	8,198	5,053	3,145
Buildings - Specialised	-	5,670	2,602	3,068	122	-	(82)	-	-	-	5,792	2,684	3,108
Other Structures	16,210	-	8,645	7,565	44	-	(170)	-	-	-	15,454	8,015	7,439
<b>Infrastructure:</b>													
- Roads, Bridges, Footpaths	-	145,539	43,006	102,533	1,639	-	(2,096)	-	-	-	147,177	45,101	102,076
- Stormwater Drainage	-	3,745	1,497	2,248	-	-	(37)	-	-	-	3,745	1,534	2,211
- Water Supply Network	-	11,921	6,271	5,650	-	-	(149)	-	-	182	12,302	6,619	5,683
- Sewerage Network	-	11,473	8,095	3,378	-	-	(195)	-	-	101	11,837	8,553	3,284
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	<b>16,932</b>	<b>197,072</b>	<b>81,615</b>	<b>132,389</b>	<b>4,277</b>	<b>(295)</b>	<b>(3,641)</b>	<b>-</b>	<b>16</b>	<b>376</b>	<b>217,311</b>	<b>84,189</b>	<b>133,122</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000 Class of Asset	Actual 2011				Actual 2010			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Water Supply</b>								
Plant & Equipment	-	197	152	45	-	188	145	43
Land								
- Operational Land	-	54	-	54	-	55	-	55
- Community Land	-	10	-	10	-	-	-	-
Other Structures	-	73	19	54	73	-	17	56
Infrastructure	-	12,302	6,619	5,683	-	11,921	6,271	5,650
<b>Total Water Supply</b>	-	<b>12,636</b>	<b>6,790</b>	<b>5,846</b>	<b>73</b>	<b>12,164</b>	<b>6,433</b>	<b>5,804</b>
<b>Sewerage Services</b>								
Plant & Equipment	-	173	112	61	-	159	108	51
Land								
- Operational Land	-	29	-	29	-	105	-	105
- Community Land	-	76	-	76	-	-	-	-
Infrastructure	-	11,837	8,553	3,284	-	11,473	8,095	3,378
<b>Total Sewerage Services</b>	-	<b>12,115</b>	<b>8,665</b>	<b>3,450</b>	-	<b>11,737</b>	<b>8,203</b>	<b>3,534</b>
<b>Domestic Waste Management</b>								
Land								
- Operational Land	-	105	-	105	-	105	-	105
<b>Total DWM</b>	-	<b>105</b>	-	<b>105</b>	-	<b>105</b>	-	<b>105</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	-	<b>24,856</b>	<b>15,455</b>	<b>9,401</b>	<b>73</b>	<b>24,006</b>	<b>14,636</b>	<b>9,443</b>

## Note 9c. Infrastructure, Property, Plant &amp; Equipment - Current Year Impairmen

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



## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 10a. Payables, Borrowings &amp; Provisions

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
Goods & Services - operating expenditure		511	-	156	-
Payments Received In Advance		62	-	52	-
Accrued Expenses:					
- Borrowings		-	-	1	-
- Salaries & Wages		30	-	40	-
Security Bonds, Deposits & Retentions		68	-	12	-
ATO - Net GST Payable		23	-	60	-
<b>Total Payables</b>		<b>694</b>	<b>-</b>	<b>321</b>	<b>-</b>
<b>Borrowings</b>					
Loans - Secured <sup>1</sup>		38	474	26	12
Government Advances		28	118	28	124
<b>Total Borrowings</b>		<b>66</b>	<b>592</b>	<b>54</b>	<b>136</b>
<b>Provisions</b>					
<b>Employee Benefits;</b>					
Annual Leave		422	-	391	-
Long Service Leave		1,020	64	1,007	49
<b>Total Provisions</b>		<b>1,442</b>	<b>64</b>	<b>1,398</b>	<b>49</b>
<b>Total Payables, Borrowings &amp; Provisions</b>		<b>2,202</b>	<b>656</b>	<b>1,773</b>	<b>185</b>

## (i) Liabilities relating to Restricted Assets

	2011		2010	
	Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>				
Water	23	41	22	39
Sewer	8	5	5	4
Other	7	-	7	-
<b>Liabilities relating to externally restricted assets</b>	<b>38</b>	<b>46</b>	<b>34</b>	<b>43</b>
<b>Internally Restricted Assets</b>				
Nil				
<b>Total Liabilities relating to restricted assets</b>	<b>38</b>	<b>46</b>	<b>34</b>	<b>43</b>

<sup>1</sup>. 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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000	2011	2010
<b>(ii) Current Liabilities not anticipated to be settled within the next 12 months</b>		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	1,043	1,015
	<b>1,043</b>	<b>1,015</b>

## Note 10b. Description of and movements in Provisions

Class of Provision	2010		2011			Closing Balance as at 30/6/11
	Opening Balance as at 1/7/10	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	391	282	(251)	-	-	422
Long Service Leave	1,056	133	(105)	-	-	1,084
<b>TOTAL</b>	<b>1,447</b>	<b>415</b>	<b>(356)</b>	<b>-</b>	<b>-</b>	<b>1,506</b>

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

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2011	Actual 2010
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	11,781	11,258
Less Bank Overdraft	10	-	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>11,781</b>	<b>11,258</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>521</b>	<b>786</b>
<b>Adjust for non cash items:</b>			
Depreciation & Amortisation		3,480	2,532
Net Losses/(Gains) on Disposal of Assets		(180)	(185)
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest Exp. on Interest Free Loans received by Council (previously Fair Val)		21	22
Share of Net (Profits) or Losses of Associates/Joint Ventures		11	(30)
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		(579)	(91)
Decrease/(Increase) in Inventories		9	28
Decrease/(Increase) in Other Assets		(9)	(10)
Increase/(Decrease) in Payables		355	49
Increase/(Decrease) in accrued Interest Payable		(1)	14
Increase/(Decrease) in other accrued Expenses Payable		(10)	3
Increase/(Decrease) in Other Liabilities		29	-
Increase/(Decrease) in Employee Leave Entitlements		59	125
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>3,706</b>	<b>3,243</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000	Notes	Actual 2011	Actual 2010
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Nil			
<b>Total Non-Cash Investing &amp; Financing Activities</b>		<b>-</b>	<b>-</b>
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		500	500
Credit Cards / Purchase Cards		10	10
<b>Total Financing Arrangements</b>		<b>510</b>	<b>510</b>
<b>Amounts utilised as at Balance Date:</b>			
- Credit Cards / Purchase Cards		-	2
<b>Total Financing Arrangements Utilised</b>		<b>-</b>	<b>2</b>

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.

**(e) Net Cash Flows Attributable to Discontinued Operations**

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

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2011	Actual 2010
<b>(a) Capital Commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, Plant &amp; Equipment</b>			
Buildings		-	92
Plant & Equipment		-	185
<b>Total Commitments</b>		<b>-</b>	<b>277</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		-	277
<b>Total Payable</b>		<b>-</b>	<b>277</b>
<b>Sources for Funding of Capital Commitments:</b>			
Unexpended Grants		-	92
Internally Restricted Reserves		-	185
<b>Total Sources of Funding</b>		<b>-</b>	<b>277</b>
<b>(b) Other Expenditure Commitments (exclusive of GST)</b>			
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
DWM & Recycling Services		240	432
Audit Services		56	82
<b>Total Commitments</b>		<b>296</b>	<b>514</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		270	241
Later than one year and not later than 5 years		26	273
<b>Total Payable</b>		<b>296</b>	<b>514</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2011	Actual 2010
<b>(c) Finance Lease Commitments</b>			
Nil			
<b>(d) Operating Lease Commitments (Non Cancellable)</b>			
Nil			
<b>(e) Investment Property Commitments</b>			
Nil			
<b>(f) Remuneration Commitments</b>			
Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:			
Within the next year		156	154
Later than one year and not later than 5 years		158	320
<b>Total Payable</b>		<b>314</b>	<b>474</b>

**(g) Investment in Associates / Joint Ventures - Commitments**

For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000	Amounts	Indicator	Prior Periods	
	2011	2011	2010	2009
<b>Local Government Industry Indicators</b>				
<b>1. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(1)</sup>	<b>9,686</b>	<b>8.64 : 1</b>	<b>11.6 :1</b>	<b>12.48:1</b>
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	<b>1,121</b>			
<b>2. Debt Service Ratio</b>				
Debt Service Cost	<b>55</b>	<b>0.61%</b>	<b>1.24%</b>	<b>1.91%</b>
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<b>9,011</b>			
<b>3. Rates &amp; Annual Charges Coverage Ratio</b>				
Rates & Annual Charges	<b>4,595</b>	<b>35.42%</b>	<b>38.59%</b>	<b>30.01%</b>
Income from Continuing Operations	<b>12,973</b>			
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual & Extra Charges Outstanding	<b>107</b>	<b>2.24%</b>	<b>3.37%</b>	<b>2.83%</b>
Rates, Annual & Extra Charges Collectible	<b>4,771</b>			
<b>5. Building &amp; Infrastructure Renewals Ratio</b>				
Asset Renewals <sup>(4)</sup> [Buildings & Infrastructure]	<b>1,911</b>	<b>71.92%</b>	<b>92.30%</b>	<b>153.51%</b>
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	<b>2,657</b>			

## Notes

<sup>(1)</sup> Refer Notes 6-8 inclusive.

Also excludes any Real Estate &amp; Land for resale not expected to be sold in the next 12 months

<sup>(2)</sup> Refer to Note 10(a).<sup>(3)</sup> Refer to Note 10(c) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).<sup>(4)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000	Water 2011	Sewer 2011	General <sup>1</sup> 2011
<b>Local Government Industry Indicators</b>			
<b>1. Unrestricted Current Ratio</b>			
Current Assets less all External Restrictions <sup>(1)</sup>	<b>281.00</b>	<b>718.75</b>	<b>8.64</b>
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	<b>: 1</b>	<b>: 1</b>	<b>: 1</b>
<b>2. Debt Service Ratio</b>			
Debt Service Cost	<b>0.74%</b>	<b>0.00%</b>	<b>0.64%</b>
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions			
<b>3. Rates &amp; Annual Charges Coverage Ratio</b>			
Rates & Annual Charges	<b>48.79%</b>	<b>67.18%</b>	<b>33.25%</b>
Income from Continuing Operations			
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>			
Rates, Annual & Extra Charges Outstanding	<b>4.92%</b>	<b>5.09%</b>	<b>1.80%</b>
Rates, Annual & Extra Charges Collectible			
<b>5. Building &amp; Infrastructure Renewals Ratio</b>			
Asset Renewals <sup>(4)</sup> [Buildings & Infrastructure]	<b>0.00%</b>	<b>0.00%</b>	<b>82.94%</b>
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)			

## Notes

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



## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 14. Investment Properties

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\$ '000	Notes	Actual 2011	Actual 2010
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Council has not classified any Land or Buildings as "Investment Properties"

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## 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	
	2011	2010	2011	2010
<b>Financial Assets</b>				
Cash and Cash Equivalents	11,781	11,258	11,781	11,258
Receivables	1,018	450	1,018	450
<b>Total Financial Assets</b>	<b>12,799</b>	<b>11,708</b>	<b>12,799</b>	<b>11,708</b>
<b>Financial Liabilities</b>				
Payables	632	269	632	269
Loans / Advances	658	190	658	190
<b>Total Financial Liabilities</b>	<b>1,290</b>	<b>459</b>	<b>1,290</b>	<b>459</b>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt va
- **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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

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

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
<b>2011</b>				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	118	118	118	118
<b>2010</b>				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	113	113	113	113

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## 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 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:

	2011	2011	2010	2010
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
<b>(i) Ageing of Receivables</b>				
Current (not yet overdue)	-	734	-	202
Past due by up to 30 days	52	90	50	51
Past due between 31 and 180 days	19	54	24	12
Past due between 181 and 365 days	8	12	30	30
Past due by more than 1 year	20	29	34	17
	<b>99</b>	<b>919</b>	<b>138</b>	<b>312</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 15. Financial Risk Management (continued)

\$ '000

## (c) Payables &amp; Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
<b>2011</b>									
Trade/Other Payables	68	564	-	-	-	-	-	632	632
Loans & Advances	-	66	69	73	75	79	358	720	658
<b>Total Financial Liabilities</b>	<b>68</b>	<b>630</b>	<b>69</b>	<b>73</b>	<b>75</b>	<b>79</b>	<b>358</b>	<b>1,352</b>	<b>1,290</b>
<b>2010</b>									
Trade/Other Payables	12	257	-	-	-	-	-	269	269
Loans & Advances	-	54	31	31	32	32	166	346	190
<b>Total Financial Liabilities</b>	<b>12</b>	<b>311</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>166</b>	<b>615</b>	<b>459</b>

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:

	2011		2010	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	632	0.0%	269	0.0%
Loans & Advances - Fixed Interest Rate	658	6.8%	190	6.2%
	<u>1,290</u>		<u>459</u>	

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 09/10 was incorporated as part of its Management Plan and was adopted by the Council on 24 June 2010.

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	2011 Budget	2011 Actual	2011 ----- Variance* -----		
<b>REVENUES</b>					
Rates & Annual Charges	4,552	4,595	43	1%	<b>F</b>
User Charges & Fees	1,430	1,110	(320)	(22%)	<b>U</b>
Ordered Works on State Highway 11 were suspended due to the December 2010 flood event.					
Interest & Investment Revenue	448	612	164	37%	<b>F</b>
Interest revenue have been affected as a result of capital expenditure being delayed due to flooding in Decem and changes in interest rates available on the short term money market.					
Other Revenues	331	419	88	27%	<b>F</b>
Due to unscheduled flood damage works on State Highway 11 as a result of the December 2010 floods.					
Operating Grants & Contributions	4,105	5,455	1,350	33%	<b>F</b>
The increase in Operating Grants & Contributions are attributable to the flood & storm damage event in Decem					
Capital Grants & Contributions	550	602	52	9%	<b>F</b>
Net Gains from Disposal of Assets	-	180	180	0%	<b>F</b>
No provision made in budget for gains on disposal of assets.					

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 16. Material Budget Variations (continued)

\$ '000	2011 Budget	2011 Actual	2011 ----- Variance* -----		
<b>EXPENSES</b>					
Employee Benefits & On-Costs	4,367	4,554	(187)	(4%)	<b>U</b>
Borrowing Costs	2	23	(21)	(1050%)	<b>U</b>
Unfavourable result arising from State Treasury Interest Free Loan.					
Materials & Contracts	3,555	3,518	37	1%	<b>F</b>
Depreciation & Amortisation	2,685	3,480	(795)	(30%)	<b>U</b>
As a result of the revaluation of Roads, Bridges & Stormwater in 2009/10 not included in the original budget.					
Other Expenses	924	866	58	6%	<b>F</b>
Share of Net Losses - Joint Ventures & Associates	-	11	(11)	0%	<b>U</b>
No provision made in the budget for Joint Venture operations.					

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

Cash Flows from Operating Activities	2,445	3,706	1,261	51.6%	<b>F</b>
This increase is as a result of grants received for flood & storm damage emergency & restoration works					
Cash Flows from Investing Activities	(3,871)	(3,630)	241	(6.2%)	<b>F</b>
Cash Flows from Financing Activities	446	447	1	0.2%	<b>F</b>

## Notes to the Financial Statements

for the financial year ended 30 June 2011

### Note 17. Statement of Developer Contributions

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**\$ '000**

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Council currently has no S94 Developer Contribution Plans or S94 Funds on hand from prior years.



## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2011

#### Note 17. Statement of Developer Contributions

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**\$ '000**

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Council currently has no S94 Developer Contribution Plans or S94 Funds on hand from prior years.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, 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 from 2009/10 & beyond.

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

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

##### (ii) Statewide Limited

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

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects 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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2011

#### 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) Garbage Depot Reinstatement

Garbage is disposed of in pits at the Ewenmar Depc When a new pit is required the old pit is reinstated a same time as the digging of the new pit. As a result reinstatement costs are expensed each year. Shoukl current practices change, it will be necessary to consider the need to establish a Garbage Depot remediation provision

##### (iii) Gravel Pits Reinstatement

Council's practice with regard to the remediation of road reserve and private property gravel pits is to construct water storage for future road maintenance or a farm dam in return for the use of material where feasible. If this is not feasible for whatever reason than the pit is scarified and seeded upon completion of works undertaken and expensed accordingly, therefore future remediation costs are zero.

##### (iv) Mount Foster Quarry Remediation

Mt Foster is an above ground crushing operation of material that Council utilises from the hill for the supply of road making materials, there will be no remediation costs involved with this operation.

##### 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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000

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

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

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

**Subsidiaries****Note 19(a)**

Operational Arrangements where Councils Control (but not necessarily Interest) exceeds 50%

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

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself.

Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

**Joint Venture Operations****Note 19(c)**

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants. Under JV Operations, Council Jointly Controls the operations with the Other Parties involved.

**Subsidiaries, Associated Entities and Joint Ventures Not Recognised****Note 19(d)****Accounting Recognition:**

(i) Subsidiaries disclosed under Note 19(a), and Joint Venture Operations disclosed at Note 19(c), are accounted for on a Line by Line Consolidation basis within the Income Statement and Balance Sheet.

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

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
Joint Venture Entities	(11)	30	61	72
<b>Total</b>	<b>(11)</b>	<b>30</b>	<b>61</b>	<b>72</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000

## 19(a) Subsidiaries (ie. Entities &amp; Operations controlled by Council)

Council has no interest in any Subsidiaries.

## 19(b) Associated Entities &amp; Joint Venture Entities

Council has no interest in any Associated Entities &amp; Joint Venture Entities.

## 19(b) Associated Entities &amp; Joint Venture Entities (continued)

## (ii) JOINT VENTURE ENTITIES

## (a) Carrying Amounts

Name of Entity	Principal Activity	2011	2010
North Western Library Service	Joint Book Purchasing	61	72
<b>Total Carrying Amounts - Joint Venture Entities</b>		<b>61</b>	<b>72</b>

## (b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2011	2010	2011	2010	2011	2010
North Western Library Service	25%	25%	25%	25%	25%	25%

## (c) Movement in Carrying Amounts

	North Western Library Service	
	2011	2010
Opening Balance	72	42
Share in Operating Result	(11)	30
<b>Councils Equity Share in the Joint Venture Entity</b>	<b>61</b>	<b>72</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000

## 19(b) Associated Entities &amp; Joint Venture Entities (continued)

## (d) Share of Joint Ventures Assets &amp; Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
<b>2011</b>					
North Western Library Service	2	59	-	-	61
<b>Totals</b>	<b>2</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>61</b>
<b>2010</b>					
North Western Library Service	31	41	-	-	72
<b>Totals</b>	<b>31</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>72</b>

## (e) Share of Joint Ventures Revenues, Expenses &amp; Results

	2011			2010		
	Revenues	Expenses	Result	Revenues	Expenses	Result
North Western Library Service	40	51	(11)	73	43	30
<b>Totals</b>	<b>40</b>	<b>51</b>	<b>(11)</b>	<b>73</b>	<b>43</b>	<b>30</b>

## 19(c) Joint Venture Operations

Council has no interest in any Joint Venture Operations.

All Subsidiaries, Associated Entities & Joint Ventures have been recognised in this Financial Report as required.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2011	Actual 2010
<b>a. Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		87,898	57,326
a. Correction of Prior Period Errors	20 (c)	-	29,786
d. Net Operating Result for the Year		521	786
<b>Balance at End of the Reporting Period</b>		<b>88,419</b>	<b>87,898</b>
<b>b. Reserves</b>			
<b>(i) Reserves are represented by:</b>			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		55,564	55,188
<b>Total</b>		<b>55,564</b>	<b>55,188</b>
<b>(ii). Reconciliation of movements in Reserves:</b>			
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>			
- Opening Balance		55,188	4,849
- Revaluations for the year	9(a)	376	50,339
<b>- Balance at End of Year</b>		<b>55,564</b>	<b>55,188</b>
<b>(iii). Nature &amp; Purpose of Reserves</b>			
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>			
- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.			

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

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

\$ '000	Notes	Actual 2011	Actual 2010
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## c. Correction of Error/s relating to a Previous Reporting Period

As part of Council's transition to measuring all its I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for the following Asset Class:

- Community Land

As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual.

This adjustment resulted in net increase / (decrease) in Council's Accumulated Surplus as at 30/6/10.

**In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.**

**These amounted to the following Equity Adjustments:**

- Adjustments to Opening Equity - 1/7/10	-	29,786
<b>Total Prior Period Adjustments - Prior Period Errors</b>	<b>-</b>	<b>29,786</b>

## d. Voluntary Changes in Accounting Policies

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



## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 21. Financial Result &amp; Financial Position by Fund

Income Statement by Fund	Actual	Actual	Actual
\$ '000	2011	2011	2011
<b>Continuing Operations</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	263	391	3,941
User Charges & Fees	223	57	830
Interest & Investment Revenue	28	125	459
Other Revenues	15	-	404
Grants & Contributions provided for Operating Purposes	10	9	5,436
Grants & Contributions provided for Capital Purposes	-	-	602
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	180
<b>Total Income from Continuing Operations</b>	<b>539</b>	<b>582</b>	<b>11,852</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	184	193	4,177
Borrowing Costs	1	-	22
Materials & Contracts	187	166	3,165
Depreciation & Amortisation	157	204	3,119
Other Expenses	29	-	837
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	11
<b>Total Expenses from Continuing Operations</b>	<b>558</b>	<b>563</b>	<b>11,331</b>
<b>Operating Result from Continuing Operations</b>	<b>(19)</b>	<b>19</b>	<b>521</b>
<b>Net Operating Result for the Year</b>	<b>(19)</b>	<b>19</b>	<b>521</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(19)</b>	<b>19</b>	<b>(81)</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water, Sewer & Other

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

## Warren Shire Council

## Notes to the Financial Statements

as at 30 June 2011

## Note 21. Financial Result &amp; Financial Position by Fund

Balance Sheet by Fund	Actual	Actual	Actual
\$ '000	2011	2011	2011
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current Assets</b>			
Cash & Cash Equivalents	551	2,280	8,950
Receivables	66	20	901
Inventories	-	-	740
Other	-	-	119
<b>Total Current Assets</b>	<b>617</b>	<b>2,300</b>	<b>10,710</b>
<b>Non-Current Assets</b>			
Receivables	-	-	31
Infrastructure, Property, Plant & Equipment	5,846	3,450	123,826
Investments Accounted for using the equity method	-	-	61
<b>Total Non-Current Assets</b>	<b>5,846</b>	<b>3,450</b>	<b>123,918</b>
<b>TOTAL ASSETS</b>	<b>6,463</b>	<b>5,750</b>	<b>134,628</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	9	-	685
Borrowings	3	-	63
Provisions	11	8	1,423
<b>Total Current Liabilities</b>	<b>23</b>	<b>8</b>	<b>2,171</b>
<b>Non-Current Liabilities</b>			
Borrowings	9	-	583
Provisions	32	5	27
<b>Total Non-Current Liabilities</b>	<b>41</b>	<b>5</b>	<b>610</b>
<b>TOTAL LIABILITIES</b>	<b>64</b>	<b>13</b>	<b>2,781</b>
<b>Net Assets</b>	<b>6,399</b>	<b>5,737</b>	<b>131,847</b>
<b>EQUITY</b>			
Retained Earnings	4,586	4,615	79,218
Revaluation Reserves	1,813	1,122	52,629
<b>Total Equity</b>	<b>6,399</b>	<b>5,737</b>	<b>131,847</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water, Sewer & Other

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