

# New England Weeds Authority

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2014

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To be a high performing and respected  
Noxious Weeds Authority



## New England Weeds Authority

### General Purpose Financial Statements for the financial year ended 30 June 2014

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## 5. Independent Auditor's Reports:

- On the Financial Statements (Sect 417 [2])
- On the Conduct of the Audit (Sect 417 [3])

### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for New England Weeds Authority.
- (ii) New England Weeds Authority 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 27 August 2014.  
Council has the power to amend and reissue these financial statements.

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

## Understanding Council's Financial Statements

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### 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 2014.

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.

### More information...

A commentary and review of Council's financial performance and position for the 13/14 financial year can be found at Note 28 of the financial statements.

## New England Weeds Authority

### General Purpose Financial Statements for the financial year ended 30 June 2014

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:

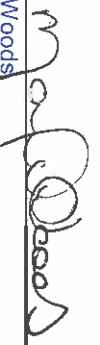
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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 3rd September 2014.

  
\_\_\_\_\_  
Maria Woods  
CHAIRPERSON

  
\_\_\_\_\_  
Mark Dusing  
COUNCILLOR

  
\_\_\_\_\_  
Wayne Deer  
GENERAL MANAGER

  
\_\_\_\_\_  
Wayne Deer  
RESPONSIBLE ACCOUNTING OFFICER

## New England Weeds Authority

### Income Statement for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
120	User Charges & Fees	2b	363	273
35	Interest & Investment Revenue	3c	37	44
3	Other Revenues	3d	5	6
674	Grants & Contributions provided for Operating Purposes	3e1	717	753
5	<b>Other Income:</b>			
	Net gains from the disposal of assets	5	36	-
<b>837</b>	<b>Total Income from Continuing Operations</b>		<b>1,158</b>	<b>1,076</b>
<b>Expenses from Continuing Operations</b>				
425	Employee Benefits & On-Costs	4a	608	628
133	Materials & Contracts	4c	254	223
53	Depreciation & Amortisation	4d	88	86
226	Other Expenses	4e	95	111
<b>837</b>	<b>Total Expenses from Continuing Operations</b>		<b>1,045</b>	<b>1,048</b>
<b>-</b>	<b>Net Operating Result for the Year</b>		<b>113</b>	<b>28</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>				
<b>-</b>			<b>113</b>	<b>28</b>

Original Budget: as approved by Council - refer Note 16

## New England Weeds Authority

### Statement of Comprehensive Income for the financial year ended 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
<b>Net Operating Result for the year</b> (as per Income statement)		<b>113</b>	<b>28</b>
<b>Other Comprehensive Income:</b>			
Amounts which will not be reclassified subsequently to the Operating Result			
Nil			
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
<b>Total Other Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>113</b>	<b>28</b>

## New England Weeds Authority

Statement of Financial Position  
as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	785	611
Receivables	7	105	159
Inventories	8	14	9
Other	8	-	11
<b>Total Current Assets</b>		<b>904</b>	<b>790</b>
<b>Non-Current Assets</b>			
Infrastructure, Property, Plant & Equipment	9	298	275
<b>Total Non-Current Assets</b>		<b>298</b>	<b>275</b>
<b>TOTAL ASSETS</b>		<b>1,202</b>	<b>1,065</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	52	47
Provisions	10	98	79
<b>Total Current Liabilities</b>		<b>150</b>	<b>126</b>
<b>Non-Current Liabilities</b>			
Provisions	10	-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>150</b>	<b>126</b>
<b>Net Assets</b>		<b>1,052</b>	<b>939</b>
<b>EQUITY</b>			
Retained Earnings	20	1,052	939
Revaluation Reserves	20	-	-
<b>Total Equity</b>		<b>1,052</b>	<b>939</b>

This Statement should be read in conjunction with the accompanying Notes.

## New England Weeds Authority

### Statement of Changes in Equity for the financial year ended 30 June 2014

\$ '000	Notes	Non-				Total Equity
		Retained Earnings	Reserves (refer 200)	Council controlling Interest	Interest	
<b>2014</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		939	-	939	-	939
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (c)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/13)		<b>939</b>	-	<b>939</b>	-	<b>939</b>
<b>c. Net Operating Result for the Year</b>		113	-	113	-	113
d. Other Comprehensive Income						
- Other Movements	20a	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
<b>Total Comprehensive Income</b> (c&d)		<b>113</b>	-	<b>113</b>	-	<b>113</b>
<b>Equity - Balance at end of the reporting period</b>		<b>1,052</b>	-	<b>1,052</b>	-	<b>1,052</b>
<b>2013</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		911	-	911	-	911
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/12)		<b>911</b>	-	<b>911</b>	-	<b>911</b>
<b>c. Net Operating Result for the Year</b>		28	-	28	-	28
d. Other Comprehensive Income						
- Other Movements	20a	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
<b>Total Comprehensive Income</b> (c&d)		<b>28</b>	-	<b>28</b>	-	<b>28</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>939</b>	-	<b>939</b>	-	<b>939</b>



## New England Weeds Authority

### Statement of Cash Flows

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
<b>Cash Flows from Operating Activities</b>				
<u>Receipts:</u>				
120	User Charges & Fees		363	273
35	Investment & Interest Revenue Received		39	44
674	Grants & Contributions		717	591
3	Other		57	24
<u>Payments:</u>				
(425)	Employee Benefits & On-Costs		(597)	(630)
(133)	Materials & Contracts		(217)	(222)
(226)	Other		(130)	(130)
<b>48</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>249</b>	<b>(50)</b>
<b>Cash Flows from Investing Activities</b>				
<u>Receipts:</u>				
67	Sale of Investment Securities		-	-
53	Sale of Infrastructure, Property, Plant & Equipment		55	-
<u>Payments:</u>				
(50)	Purchase of Investment Securities		-	-
(118)	Purchase of Infrastructure, Property, Plant & Equipment		(130)	(69)
<b>(48)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(75)</b>	<b>(69)</b>
<b>Cash Flows from Financing Activities</b>				
<u>Receipts:</u>				
Nil				
<u>Payments:</u>				
Nil				
-	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>-</b>	<b>-</b>
-	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>174</b>	<b>(119)</b>
608	plus: Cash & Cash Equivalents - beginning of year	11a	611	730
<b>608</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>785</b>	<b>611</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

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

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	n/a - not applicable	

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

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

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

Under Australian Accounting Standards (AASB's), 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) The Local Government Reporting Entity**

The New England Tablelands (Noxious Plants) County Council is a single purpose County Council incorporated under the NSW Local Government Act 1993 (as amended) and trades as the New England Weeds Authority with its principal place of business at 129 Rusden Street, Armidale. These General purpose financial statements include all operations of the Council. The Council does not control any other entities.

##### **(b) The Trust Fund**

As at 30 June 2014, the authority held no moneys in trust.

##### **(c) Basis of preparation**

###### **(i) Background**

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

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

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

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

Because Australian Accounting Standards (AASB's) 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 Australian Accounting Standards.

###### **(iii) New and amended standards adopted by Council**

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

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value, however it provides detailed guidance on how to measure fair value in accordance with the accounting standards.

It introduces the concept of highest and best use for non-financial assets and has caused the Council to review their valuation methodology.

The level of disclosures regarding fair value have increased significantly and have been included in the financial statements at Note 27.

AASB 119 Employee Benefits introduced revised definitions for short-term employee benefits.

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies (continued)

Whilst the Council has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period, there has been no effect on the amounts disclosed as leave liabilities since Council's existing valuation policy was to discount annual leave payable more than 12 months after the end of the reporting period to present values.

#### (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 2013.

Refer further to paragraph (r) 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) the write down of any Asset on the basis of Impairment (if warranted) and
- (ii) certain classes of property, plant & equipment 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 AASB's).

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

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

#### *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.

Management considers there are no 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.

#### *Critical judgements in applying the entity's accounting policies*

Management considers there are no critical judgements in applying the entities accounting policies.

#### (d) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

#### **Grants and Contributions**

Grants and contributions are recognised as revenues when the Council obtains control over the assets comprising these receipts.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

#### User Charges, Fees and Other Income

User charges, fees and other income are recognised as revenue when the service has been provided or the payment is received, 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 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

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

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

#### (e) Cash and Cash Equivalents

Cash and cash equivalents includes:

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

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

#### (f) Receivables

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

Receivables are generally due for settlement no more than 30 days from the date of recognition.

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

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

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

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

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



## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies (continued)

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

#### (g) Inventories

Inventories have been valued at cost subject to adjustment for loss of service potential.

#### (h) Property, Plant and Equipment (PP&E)

##### Acquisition of assets

Council's non current assets have been progressively revalued to fair value in accordance with a staged implementation as advised by the Division of Local Government.

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

- **Plant and Equipment**  
(as approximated by depreciated historical cost)
- **Office Equipment**  
(as approximated by depreciated historical cost)

##### Initial Recognition

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

##### Capitalisation Thresholds

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

<b>Plant &amp; Equipment</b>	> \$1,000
Office Equipment	> \$1,000
Plant & Equipment	> \$1,000

##### Depreciation

Depreciation on Council's 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.

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

<b>Plant &amp; Equipment</b>	
- Office Equipment	3 years
- Plant and equipment	5 to 6 years

#### (i) Impairment of assets

All Council's 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.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### (j) 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.

#### (k) Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies (continued)

#### (l) 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.

#### (m) Borrowing costs

Borrowing costs are expensed.

#### (n) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

#### (o) Employee benefits

##### (i) Short Term Obligations

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

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

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

Liabilities for 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 and annual leave are all classified as Current Liabilities.

##### (ii) Other Long Term Obligations

The liability for all long service leave is recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies (continued)

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 contribution plans on behalf of its employees.

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 30/6/14.

#### (p) 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.

#### (q) 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.



## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies (continued)

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), i.e. 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.

#### **(r) 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 2014.

**Council has not adopted any of these standards early.**

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

**Applicable to Local Government with implications:**

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

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

The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

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

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

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

The authority has assessed there will be no impact on the reporting financial position and performance on adoption of AASB 9.

**Applicable to Local Government but no implications for Council:**

**AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective for 30 June 2015 Financial Statements)**

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

**Applicable to Local Government but not relevant to Council at this stage;**

**AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective for 30 June 2015 Financial Statements for not-for-profit entities)**

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies (continued)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council has no interest in entities that would require consolidation or any joint venture accounting treatment.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements or the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept.

Council believes there will be no impact from these amendments.

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2015.

#### **Not applicable to Local Government per se:**

None

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

#### **(s) Rounding of amounts**

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies (continued)

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#### **(t) Comparative Figures**

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

#### **(u) Disclaimer**

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

# New England Weeds Authority

## Notes to the Financial Statements for the financial year ended 30 June 2014

### 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
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2013	2014	2013
Governance	-	-	-	17	18	20	(17)	(18)	(20)	-	-	-	-
Administration	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Order & Safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment	837	1,121	1,032	820	1,027	1,028	17	94	4	376	422	1,202	1,065
Community Services & Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing & Community Amenities	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport & Communication	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Functions &amp; Activities</b>	<b>837</b>	<b>1,121</b>	<b>1,032</b>	<b>837</b>	<b>1,045</b>	<b>1,048</b>	<b>-</b>	<b>76</b>	<b>(16)</b>	<b>376</b>	<b>422</b>	<b>1,202</b>	<b>1,065</b>
General Purpose Income <sup>1</sup>	-	37	44	-	-	-	-	37	44	-	-	-	-
<b>Operating Result from Continuing Operations</b>	<b>837</b>	<b>1,158</b>	<b>1,076</b>	<b>837</b>	<b>1,045</b>	<b>1,048</b>	<b>-</b>	<b>113</b>	<b>28</b>	<b>376</b>	<b>422</b>	<b>1,202</b>	<b>1,065</b>

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### 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.

#### **ENVIRONMENT**

Noxious plants and insect/vermin control, other environmental protection.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
<b>(a) Rates &amp; Annual Charges</b>			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Nil			
<b><u>TOTAL RATES &amp; ANNUAL CHARGES</u></b>			
		-	-
<b>(b) User Charges &amp; Fees</b>			
Specific User Charges (per s.502 - Specific "actual user" charges)			
Nil			
<b>Other User Charges &amp; Fees</b>			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Private Works - Section 67		360	270
Property Certificate Fees		3	3
Total Fees & Charges - Statutory/Regulatory		<b>363</b>	<b>273</b>
(ii) Fees & Charges - Other(Incl. General User Charges (per s.608)			
Nil			
<b><u>TOTAL USER CHARGES &amp; FEES</u></b>			
		<b>363</b>	<b>273</b>
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest earned on Investments (interest & coupon payment income)		37	44
Other		-	-
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b>37</b>	<b>44</b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
General Council Cash & Investments		37	44
Total Interest & Investment Revenue Recognised		<b>37</b>	<b>44</b>
<b>(d) Other Revenues</b>			
Other		5	6
<b><u>TOTAL OTHER REVENUE</u></b>		<b>5</b>	<b>6</b>

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	2014		2013	
	Operating	Operating	Capital	Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Nil				
<b>Specific Purpose</b>				
Noxious Weeds	376	422	-	-
Total Specific Purpose	376	422	-	-
Total Grants	376	422	-	-
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	-	-	-	-
- State Funding	376	422	-	-
	376	422	-	-

**(f) Contributions**

**Developer Contributions:**  
(s93 & s94 - EP&A Act, s64 of the LGA):  
Nil

<b>Other Contributions:</b>				
Other Councils - Joint Works/Services	341	331	-	-
Total Other Contributions	341	331	-	-
Total Contributions	341	331	-	-
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>717</b>	<b>753</b>	<b>-</b>	<b>-</b>

**(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	18	181		
add: Grants & contributions recognised in the current period but not yet spent:	40	18		
less: Grants & contributions recognised in a previous reporting period now spent:	(18)	(181)		

**Net Increase (Decrease) in Restricted Assets during the Period**      **22**      **(163)**

**Unexpended and held as Restricted Assets**

<b>Comprising:</b>				
- Specific Purpose Unexpended Grants	40	18		
	<b>40</b>	<b>18</b>		



## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 4. Expenses from Continuing Operations

	Notes	
	Actual 2014	Actual 2013
\$ '000		
<b>(a) Employee Benefits &amp; On-Costs</b>		
Salaries and Wages	508	480
Travelling	12	5
Employee Leave Entitlements (ELE)	18	(10)
Superannuation	46	122
Workers' Compensation Insurance	9	12
Training Costs (other than Salaries & Wages)	6	9
Other	9	10
<b>Total Employee Costs</b>	<b>608</b>	<b>628</b>
less: Capitalised Costs	-	-
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>608</b>	<b>628</b>

Number of "Equivalent Full Time" Employees at year end

Number of "Equivalent Full Time" Employees at year end (Incl. vacancies)

8 8

8 8

#### (b) Borrowing Costs

Nil

#### (c) Materials & Contracts

Raw Materials & Consumables	228	203
Contractor & Consultancy Costs	20	12
Auditors Remuneration <sup>(1)</sup>	6	8
<b>Total Materials &amp; Contracts</b>	<b>254</b>	<b>223</b>
less: Capitalised Costs	-	-
<b>TOTAL MATERIALS &amp; CONTRACTS</b>	<b>254</b>	<b>223</b>

#### 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):

<b>(i) Audit and Other Assurance Services</b>		
- Audit & review of financial statements: Council's Auditor	6	8
<b>Remuneration for audit and other assurance services</b>	<b>6</b>	<b>8</b>
<b>Total Auditor Remuneration</b>	<b>6</b>	<b>8</b>





**New England Weeds Authority**

**Notes to the Financial Statements**  
for the financial year ended 30 June 2014

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

\$ '000	Notes	Actual 2014	Actual 2013
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		55	-
less: Carrying Amount of P&E Assets Sold / Written Off		(19)	-
<b>Net Gain/(Loss) on Disposal</b>		<b>36</b>	<b>-</b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>			
		<b>36</b>	<b>-</b>

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	2014		2014		2013		2013	
	Actual Current	Non Current	Actual Non Current	Actual Current	Actual Current	Actual Non Current	Actual Non Current	
<b>Cash &amp; Cash Equivalents (Note 6a)</b>								
Cash on Hand and at Bank	9	-	-	11	-	-	-	
Cash-Equivalent Assets <sup>1</sup>								
- Deposits at Call	776	-	-	600	-	-	-	
<b>Total Cash &amp; Cash Equivalents</b>	<b>785</b>	-	-	<b>611</b>	-	-	-	
<b>Investments (Note 6b)</b>								
Nil								

### **TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS**

	<b>785</b>	<b>-</b>	<b>611</b>	<b>-</b>
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<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 & Loss"

	<b>785</b>	<b>-</b>	<b>611</b>	<b>-</b>
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## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	2014		2014		2013		2013	
	Actual Current	Non Current	Actual Current	Non Current	Actual Current	Non Current	Actual Current	Non Current
<b>Total Cash, Cash Equivalents and Investments</b>								
	785	-	-	611	-	-	-	-
<b>attributable to:</b>								
External Restrictions (refer below)	40	-	-	18	-	-	-	-
Internal Restrictions (refer below)	211	-	-	167	-	-	-	-
Unrestricted	534	-	-	426	-	-	-	-
	<u>785</u>	-	-	<u>611</u>	-	-	-	-

2014	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
\$ '000				

#### Details of Restrictions

<b>External Restrictions - Other</b>	Specific Purpose	Unexpended Grants	(F)					
<b>External Restrictions - Other</b>		18	22	-	-	-	40	
<b>Total External Restrictions</b>		<u>18</u>	<u>22</u>	-	-	-	<u>40</u>	
<b>Internal Restrictions</b>								
Plant & Vehicle Replacement		88	139	(114)	-	-	113	
Employees Leave Entitlement		79	19	-	-	-	98	
<b>Total Internal Restrictions</b>		<u>167</u>	<u>158</u>	<u>(114)</u>	-	-	<u>211</u>	
<b>TOTAL RESTRICTIONS</b>		<u>185</u>	<u>180</u>	<u>(114)</u>	-	-	<u>251</u>	

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 7. Receivables

\$ '000	Notes:		2014		2013	
	Current	Non Current	Current	Non Current	Current	Non Current
<b>Purpose</b>						
Accrued Revenues						
- Interest on Investments	1	-	3	-		
Net GST Receivable	12	-	-	-		
Other Debtors	92	-	156	-		
<b>Total</b>	<b>105</b>	<b>-</b>	<b>159</b>	<b>-</b>		
less: Provision for Impairment						
Nil						
<b><u>TOTAL NET RECEIVABLES</u></b>	<b><u>105</u></b>	<b><u>-</u></b>	<b><u>159</u></b>	<b><u>-</u></b>		
Externally Restricted Receivables						
Nil						
Internally Restricted Receivables						
Nil						
Unrestricted Receivables	105	-	159	-		
<b>TOTAL NET RECEIVABLES</b>	<b>105</b>	<b>-</b>	<b>159</b>	<b>-</b>		

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 8. Inventories & Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Stores & Materials		14	-	9	-
<b>Total Inventories</b>		<b>14</b>	<b>-</b>	<b>9</b>	<b>-</b>
<b>Other Assets</b>					
Prepayments		-	-	11	-
Shares in Unlisted Companies - StateCover		-	-	-	-
Work In Progress		-	-	-	-
Other (enter details...)		-	-	-	-
Other		-	-	-	-
<b>Total Other Assets</b>		<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>
<b>TOTAL INVENTORIES / OTHER ASSETS</b>		<b>14</b>	<b>-</b>	<b>20</b>	<b>-</b>

#### Externally Restricted Assets

There are no restrictions applicable to the above assets.

New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2013					Asset Movements during the Reporting Period			as at 30/6/2014				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value				Cost	Fair Value	Dep'n	Impairment	Value
Plant & Equipment	-	480	213	-	267	130	(19)	(84)	-	499	205	-	294
Office Equipment	-	41	33	-	8			(4)	-	41	37	-	4
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	-	<b>521</b>	<b>246</b>	-	<b>275</b>	<b>130</b>	<b>(19)</b>	<b>(88)</b>	-	<b>540</b>	<b>242</b>	-	<b>298</b>

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000

Council has no Externally Restricted Infrastructure, Property, Plant & Equipment.

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

\$ '000	Notes	Actual 2014	Actual 2013
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Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.



## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
	Goods & Services - operating expenditure	42	-	-	-
	Accrued Expenses:				
	- Salaries & Wages	10	-	18	-
	- Other Expenditure Accruals	-	-	4	-
	ATO - Net GST Payable	-	-	25	-
	<b>Total Payables</b>	<b>52</b>	<b>-</b>	<b>47</b>	<b>-</b>
<b>Borrowings</b>					
	Nil				
<b>Provisions</b>					
	Employee Benefits:				
	Annual Leave	25	-	20	-
	Long Service Leave	61	-	49	-
	ELE On-Costs	12	-	10	-
	<b>Total Provisions</b>	<b>98</b>	<b>-</b>	<b>79</b>	<b>-</b>
	<b>Total Payables, Borrowings &amp; Provisions</b>	<b>150</b>	<b>-</b>	<b>126</b>	<b>-</b>

**(i) Liabilities relating to Restricted Assets**

There are no restricted assets (external or internal) applicable to the above liabilities.

<b>Total Liabilities relating to Unrestricted Assets</b>	150	-	126	-
<b>TOTAL PAYABLES, BORROWINGS &amp; PROVISIONS</b>	<b>150</b>	<b>-</b>	<b>126</b>	<b>-</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.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	Actual 2014	Actual 2013
<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	56	45
	<u>56</u>	<u>45</u>

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

Class of Provision	2013		2014		Unused amounts reversed	Closing Balance as at 30/6/14
	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting		
Annual Leave	20	32	(27)	-	-	25
Long Service Leave	49	12	-	-	-	61
ELE On-Costs	10	2	-	-	-	12
<b>TOTAL</b>	<b>79</b>	<b>46</b>	<b>(27)</b>	<b>-</b>	<b>-</b>	<b>98</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.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	Notes	Actual 2014	Actual 2013
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	785	611
Less Bank Overdraft	10	-	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>785</b>	<b>611</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>113</b>	<b>28</b>
Adjust for non cash items:			
Depreciation & Amortisation		88	86
Net Losses/(Gains) on Disposal of Assets		(36)	-
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		54	(144)
Decrease/(Increase) in Inventories		(5)	1
Decrease/(Increase) in Other Assets		11	(1)
Increase/(Decrease) in Payables		42	-
Increase/(Decrease) in other accrued Expenses Payable		(12)	6
Increase/(Decrease) in Other Liabilities		(25)	(16)
Increase/(Decrease) in Employee Leave Entitlements		19	(10)
<b>NET CASH PROVIDED FROM/(USED IN)</b>		<b>249</b>	<b>(50)</b>
<b>OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>			
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Nil			
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Credit Cards / Purchase Cards		5	5
<b>Total Financing Arrangements</b>		<b>5</b>	<b>5</b>
<b>Amounts utilised as at Balance Date:</b>			
- Credit Cards / Purchase Cards		-	-
<b>Total Financing Arrangements Utilised</b>		<b>-</b>	<b>-</b>

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 12. Commitments for Expenditure

\$ '000	Includes	Actual 2014	Actual 2013
(a) Capital Commitments (exclusive of GST)			
Nil			
(b) Finance Lease Commitments			
Nil			
(c) Operating Lease Commitments (Non Cancellable)			
Nil			
(d) Investment Property Commitments			
Nil			

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	Amounts	Indicator	Prior Periods	
	2014	2014	2013	2012
<b>Local Government Industry Indicators - Consolidated</b>				
<b>1. Operating Performance Ratio</b>				
Total continuing operating revenue <sup>(1)</sup>				
(excl. Capital Grants & Contributions) - Operating Expenses	<u>77</u>	<b>6.86%</b>	2.65%	2.93%
Total continuing operating revenue <sup>(1)</sup> (excl. Capital Grants & Contributions)	<b>1,122</b>			
<b>2. Own Source Operating Revenue Ratio</b>				
Total continuing operating revenue <sup>(1)</sup>				
(less ALL Grants & Contributions)	<u>405</u>	<b>36.10%</b>	25.39%	19.82%
Total continuing operating revenue <sup>(1)</sup>	<b>1,122</b>			
<b>3. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(2)</sup>	<u>864</u>	<b>5.76 : 1</b>	9.55	9.52
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>	<b>150</b>			
<b>4. Debt Service Cover Ratio</b>				
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	<u>165</u>	<b>0.00%</b>	0.00%	0.00%
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	<b>-</b>			
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual and Extra Charges Outstanding	<u>-</u>	<b>0.00%</b>	0.00%	0.00%
Rates, Annual and Extra Charges Collectible	<b>-</b>			
<b>6. Cash Expense Cover Ratio</b>				
Current Year's Cash and Cash Equivalents				
Including All Term Deposits	<u>x12</u>	<b>10.16</b>	7.63	10.88
Payments from cash flow of operating and financing activities	<b>77</b>			

#### Notes

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

<sup>(2)</sup> Refer Notes 6-8 inclusive.

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

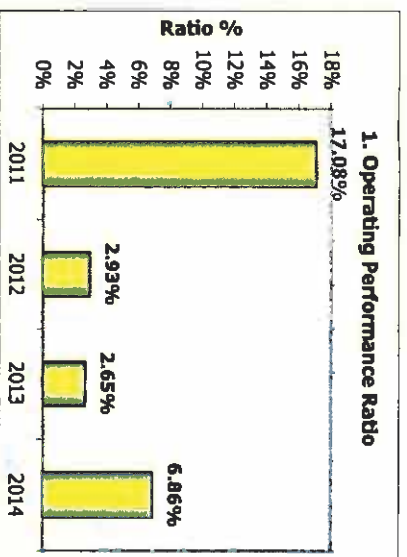
<sup>(3)</sup> Refer to Note 10(a).

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

# New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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



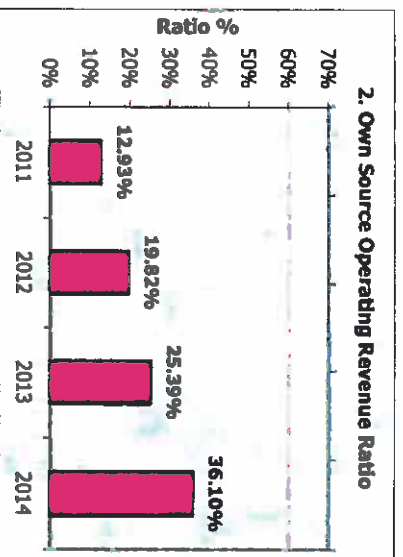
**Purpose of Operating Performance Ratio**

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

**Commentary on 2013/14 Result**

2013/14 Ratio 6.86%

A position above or equal to break even is considered to be good. The minimum benchmark is negative 4% so this result is excellent.



**Purpose of Own Source Operating Revenue Ratio**

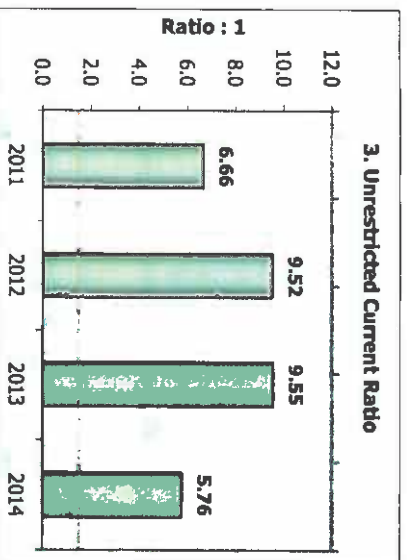
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

**Commentary on 2013/14 Result**

2013/14 Ratio 36.10%

A benchmark of 60% has been established. The authority is moving in the right direction and the ratio is slightly skewed because much of the authorities contribution revenues are virtually guaranteed.

Source for Benchmark: Code of Accounting Practice and Financial Reporting



**Purpose of Unrestricted Current Ratio**

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

**Commentary on 2013/14 Result**

2013/14 Ratio 5.76 : 1

A Benchmark above 1.5 has been suggested. The authority is well past this benchmark indicating a sound position.

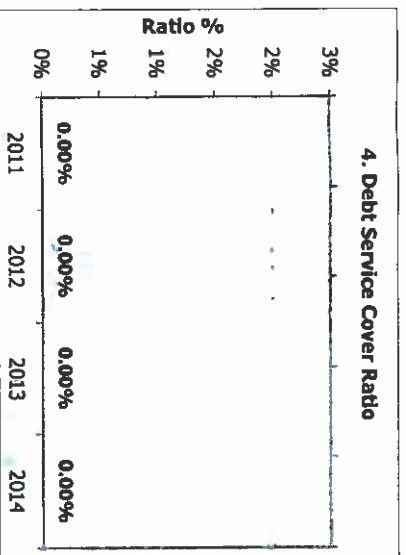
Source for Benchmark: Code of Accounting Practice and Financial Reporting

Minimum 1.50

## New England Weeds Authority

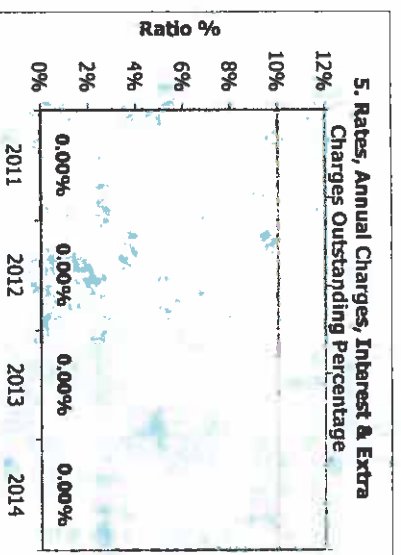
Notes to the Financial Statements  
for the financial year ended 30 June 2014

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



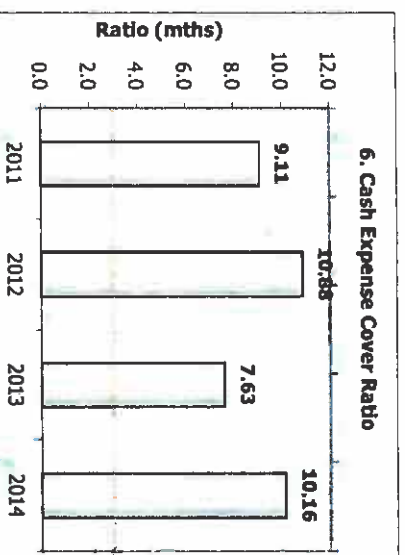
**Purpose of Debt Service Cover Ratio**  
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

<b>Commentary on 2013/14 Result</b>
2013/14 Ratio 0.00%
The Authority has no borrowings



**Purpose of Rates & Annual Charges Outstanding Ratio**  
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

<b>Commentary on 2013/14 Result</b>
2013/14 Ratio 0.00%
The Authority does not levy rates



**Purpose of Cash Expense Cover Ratio**  
This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

<b>Commentary on Result</b>
2013/14 Ratio 10.16
A benchmark figure of greater than 3 has been established. The Authority well exceeds this benchmark placing it in a sound financial position.

Source for Benchmark: Office of Local Govt - Comparative Information (10/11)

Source for Benchmark: Code of Accounting Practice and Financial Reporting

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	Water	Sewer	General
	2014	2014	2014
<b>Local Government Industry Indicators - by Fund</b>			
<b>1. Operating Performance Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>			
(excl. Capital Grants & Contributions) - Operating Expenses	<b>n/a</b>	<b>n/a</b>	<b>6.86%</b>
Total continuing operating revenue <sup>(1)</sup>	prior period	0.00%	2.63%
(excl. Capital Grants & Contributions)			
<b>2. Own Source Operating Revenue Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>			
(less ALL Grants & Contributions)	<b>n/a</b>	<b>n/a</b>	<b>36.10%</b>
Total continuing operating revenue <sup>(1)</sup>	prior period	0.00%	30.02%
<b>3. Unrestricted Current Ratio</b>			
Current Assets less all External Restrictions <sup>(2)</sup>	<b>n/a</b>	<b>n/a</b>	<b>5.76 : 1</b>
Current Liabilities less Specific Purpose Liabilities <sup>(3,4)</sup>	prior period	No Liabilities	6.13
<b>4. Debt Service Cover Ratio</b>			
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	<b>n/a</b>	<b>n/a</b>	<b>0.00%</b>
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	prior period	0.00%	0.00%
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>			
Rates, Annual and Extra Charges Outstanding	<b>n/a</b>	<b>n/a</b>	<b>0.00%</b>
Rates, Annual and Extra Charges Collectible	prior period	0.00%	0.00%
<b>6. Cash Expense Cover Ratio</b>			
Current Year's Cash and Cash Equivalents including All Term Deposits			
Payments from cash flow of operating and financing activities	<b>n/a</b>	<b>n/a</b>	<b>10.16</b>
	x12		7.47

#### 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.



## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 14. Investment Properties

\$ '000	Notes	Actual 2014	Actual 2013
Council has not classified any Land or Buildings as "Investment Properties"			

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### 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 NEWA staff 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	
	2014	2013	2014	2013
<b>Financial Assets</b>				
Cash and Cash Equivalents	785	611	785	611
Receivables	105	159	105	159
<b>Total Financial Assets</b>	<b>890</b>	<b>770</b>	<b>890</b>	<b>770</b>
<b>Financial Liabilities</b>				
Payables	52	47	52	47
<b>Total Financial Liabilities</b>	<b>52</b>	<b>47</b>	<b>52</b>	<b>47</b>

Fair Value is determined as follows:

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

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

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

Council's investment portfolio consists of deposits at fixed and variable interest rates, generally for periods of less than 120 days. Whilst these are subject to interest rate risk, this is minimised by the relative short time of the financial assets held.

Council does not consider there to be a significant risk on interest rate movements and has therefore not completed sensitivity analysis

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 15. Financial Risk Management (continued)

\$ '000

#### (b) Receivables

Council's major receivables comprise (i) Private works debtors and (ii) contributions from constituent councils.

The authority is not materially exposed to any individual debtor and credit risk exposure is concentrated within the State of New South Wales. There are no material receivables that have been subject to renegotiation of repayment terms

Council receives regular summary reports of receivables due and detailed reports where appropriate.

At reporting date all amounts receivable were reviewed and adequate allowance made for amounts considered doubtful.

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

	2014		2013	
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	46%	0%	86%
Overdue	0%	54%	0%	14%
	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>

#### (ii) Ageing of Receivables - value

Current (not yet overdue)	-	13	-	-
Past due by up to 30 days	-	35	-	137
Past due between 31 and 60 days	-	19	-	22
Past due between 61 and 90 days	-	-	-	-
Past due by more than 90 days	-	38	-	-
	-	<b>105</b>	-	<b>159</b>

#### (iii) Movement in Provision for Impairment of Receivables

Balance at the end of the year	-	-
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## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### 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 (i.e., 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
		5-1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs		
<b>2014</b>								
Trade/Other Payables	-	52	-	-	-	-	52	52
Total Financial Liabilities	-	52	-	-	-	-	52	52
<b>2013</b>								
Trade/Other Payables	-	47	-	-	-	-	47	47
Total Financial Liabilities	-	47	-	-	-	-	47	47

## New England Weeds Authority

### Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 13/14 was adopted by the Council on 26 June 2013.

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	2014		2014		Variance*
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
<b>User Charges &amp; Fees</b>	120	363	243	203%	F
Council originally budgeted for 120k in private works, however increased works have been completed due to increasing drought conditions and more requests from other authorities pushing the actual to approx 360k					
<b>Other Revenues</b>	3	5	2	67%	F
Additional certificates were requested during the year resulting in an improvement over budget of 2k.					
<b>Operating Grants &amp; Contributions</b>	674	717	43	6%	F
Council budgeted conservatively for the 2013/14 year knowing that changes in operations at the State level were expected. Grants provided in prior years continued whereas, one might have been lost resulting in an improvement of approx 40k.					
<b>Net Gains from Disposal of Assets</b>	5	36	31	620%	F
Council obtained far better trade prices on vehicles than was budgeted resulting in an improvement of 31k.					

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 16. Material Budget Variations (continued)

\$ '000	2014	2014	2014
	Budget	Actual	Variance*

#### EXPENSES

##### Employee Benefits & On-Costs

425

608

(183)

(43%)

U

Council had budgeted approx 100k of employee costs to projects as other expenses. Additional ELE costs of 30k were incurred in comparison to prior years.

##### Materials & Contracts

133

254

(121)

(91%)

U

Additional private works costs have been incurred of approx 120k as a result of the drought conditions and also increased requests from other authorities. This figure is offset by the increases in user charges.

##### Depreciation & Amortisation

53

88

(35)

(66%)

U

Council had missed depreciation of 2 new vehicle at original budget resulting in a 30k difference.

##### Other Expenses

226

95

131

58%

F

Council had budgeted employee costs totalling 100k as project costs which appeared in the budget as other expenses.

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

Cash Flows from Operating Activities	48	249	201	418.8%	F
Increased private works and grants has provided an improved cash flow from operating activities.					

Cash Flows from Investing Activities	(48)	(75)	(27)	56.3%	U
--------------------------------------	------	------	------	-------	---

The major improvement in investing activities is the increased profit on sale for vehicles resulting in a better investment outcome.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### 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.



## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

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\$ '000

The authority does not have any known contingencies as at 30th June 2014

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000

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Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	Notes	Actual 2014	Actual 2013
<b>(a) Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		939	911
a. Correction of Prior Period Errors	20 (c)	-	-
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		113	28
e. Distributions to/(Contributions from) Non-controlling Interests		-	-
f. Transfers between Equity		-	-
<b>Balance at End of the Reporting Period</b>		<u>1,052</u>	<u>939</u>

#### (b) Reserves

Council has no reportable Equity Reserves.

#### (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.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000

Income Statement by Fund	Actual 2014	Actual 2014	Actual 2014	Actual 2014
\$ '000				

Council utilises only a General Fund for its operations.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	2014		2013	
\$ '000	Current	Non Current	Current	Non Current

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

## New England Weeds Authority

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 23. Events occurring after the Reporting Date

\$ '000

Events that occur between the end of the reporting period (ending 30 June 2014) 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 27/08/14.

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 2014.

**(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 2014 and which are only indicative of conditions that arose after 30 June 2014.

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 24. Discontinued Operations

\$ '000	Actual 2014	Actual 2013
\$ '000		

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 25. Intangible Assets

\$ '000	Actual 2014	Actual 2013
---------	----------------	----------------

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.



## New England Weeds Authority

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

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\$ '000

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 27. Fair Value Measurement

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\$ '000

The Authority has no assets or liabilities at fair value.

Cash, Office equipment and Plant is all held at cost.

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 27. Fair Value Measurement (continued)

\$ '000

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#### (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.

#### (3). Highest and best use

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 28. Financial Commentary & Review

\$ '000

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

Financial Performance Figures	2014	2013	2012	2011	2010
<b>Inflows:</b>					
Rates & Annual Charges Revenue	-	-	-	-	-
User Charges Revenue	363	273	176	140	161
Interest & Investment Revenue (Losses)	37	44	40	46	30
Grants Income - Operating & Capital	376	422	340	518	739
Total Income from Continuing Operations	1,158	1,076	888	1,083	960
Sale Proceeds from I,PP&E	55	-	37	62	24
New Loan Borrowings & Advances	-	-	-	-	-
<b>Outflows:</b>					
Employee Benefits & On-cost Expenses	608	628	535	529	539
Borrowing Costs	-	-	-	-	-
Materials & Contracts Expenses	254	223	147	208	123
Total Expenses from Continuing Operations	1,045	1,048	862	898	829
Total Cash purchases of I,PP&E	130	69	98	145	80
Total Loan Repayments (incl. Finance Leases)	-	-	-	-	-
Operating Surplus/(Deficit) (excl. Capital Income)	113	28	26	185	131

#### Financial Position Figures

	2014	2013	2012	2011	2010
Current Assets	904	790	765	721	737
Current Liabilities	150	126	146	118	247
Net Current Assets	754	664	619	603	490
Available Working Capital (Unrestricted Net Current Assets)	601	558	350	267	135
Cash & Investments - Unrestricted	534	426	339	217	273
Cash & Investments - Internal Restrictions	211	167	178	177	218
Cash & Investments - Total	785	611	730	642	708
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	-	-	-	-	-
Total Value of I,PP&E (excl. Land & Earthworks)	540	521	453	418	399
Total Accumulated Depreciation	242	246	161	136	189
Indicative Remaining Useful Life (as a % of GBV)	55%	53%	64%	67%	53%

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

## New England Weeds Authority

Notes to the Financial Statements  
for the financial year ended 30 June 2014

### Note 29. Council Information & Contact Details

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**Principal Place of Business:**

129 Rusden Street  
ARMIDALE NSW 2350

**Contact Details**

**Mailing Address:**

129 Rusden Street  
ARMIDALE NSW 2350

**Opening Hours:**

7.30am to 4.30pm  
Monday to Friday  
except Public Holidays

**Telephone:** 02 6770 3602

**Facsimile:** 02 6771 1893

**Internet:** [www.newa.com.au](http://www.newa.com.au)

**Email:** [council@newa.nsw.gov.au](mailto:council@newa.nsw.gov.au)

**Officers**

**GENERAL MANAGER**

Wayne Deer

**Elected Members**

**CHAIRPERSON**

Maria Woods

**RESPONSIBLE ACCOUNTING OFFICER**

Wayne Deer

**COUNCILLORS**

Mark Dusting (Deputy Chair)

Herman Beyersdorf

Andrew Murat

Dean Heagney

**PUBLIC OFFICER**

Wayne Deer

**AUDITORS**

Forsyths

92 Rusden Street

ARMIDALE NSW 2350

**INDEPENDENT AUDIT REPORT**  
**Section 417(2) – Report on the general purpose financial statements**

**Armistale**  
92 Rusden Street  
PO Box 114  
Armistale NSW 2350

**P** +61 2 6773 8400  
**F** +61 2 6772 9957  
**E** [armistale@forsyths.com.au](mailto:armistale@forsyths.com.au)

Forsyth, Burgess, Service, Pty Ltd  
AFN 66 192 761 401

To New England Weeds Authority

**SCOPE**

The financial statements comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the Statement by Councillors and Management in the approved form as required by Section 413(2)(C) of the *Local Government Act 1993* for New England Weeds Authority (the Authority), for the year ended 30<sup>th</sup> June 2014.

***Authority's responsibility for the financial statements***

The Authority is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Local Government Act 1993* and regulations and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal control necessary to enable the preparation of the financial statements that is free of 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 of the Authority based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit 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 is free from material misstatement. Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2(a) and 16 to the financial statements and accordingly, we express no opinion on them.

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 Authority'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 Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority, 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.

## AUDIT OPINION

In our opinion:

- (a) the accounting records of the Authority have been kept in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;
- (b) the general purpose financial statements:
  - (i) have been prepared in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;
  - (ii) are consistent with the Authority's accounting records; and
  - (iii) present fairly, in all material respects, the Authority's financial position as at 30<sup>th</sup> June 2014 and the results of its operations for the year then ended;
- (c) we have been able to obtain all information relevant to the conduct of our audit; and
- (d) no material deficiencies in the records or the financial statements were detected in the course of the audit.

*Forsyth's*

*Forsyth's Business Services Pty Ltd*



**Paul Cornall**  
Principal

3<sup>rd</sup> September 2014

92 Rusden Street, Arncliffe

3<sup>rd</sup> September 2014

Ms M Woods  
Chairperson  
New England Weeds Authority  
PO Box 881  
ARMIDALE NSW 2350

**Armidale**

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PO Box 114  
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**e** [armidale@forysthis.com.au](mailto:armidale@forysthis.com.au)

Dear Councillor Woods

forysthis Forensic Services Pty Ltd

ABN 66 102 761 401

## **AUDIT OF ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014**

We are pleased to report that we have completed the audit of New England Weeds Authority's ("the Authority") records for the year ended 30<sup>th</sup> June 2014 and have reported on the general purpose financial statements as required by the provisions of Section 417(2) of the *Local Government Act 1993*.

Under Section 417(3) of the *Local Government Act 1993* we are also required to report on the conduct of the audit.

### **Audit Objectives**

The overall objectives of the audit were to enable us to form an opinion as to whether, in all material respects, the financial statements:

- present fairly the Authority's financial position as at 30<sup>th</sup> June 2014 in accordance with the requirements of the *Local Government Act 1993* and prescribed Regulations and the Australian Accounting Concepts and Standards; and
- present a view which is consistent with our understanding of the Authority's financial position, the results of its operations and its cash flows.

### **Scope of the Audit**

Audit procedures were primarily aimed at achieving audit objectives and did not seek to confirm for management purposes the effectiveness of all internal controls. The planning of the audit procedures was based on an assessment of the risk of the existence of errors and/or irregularities, which could materially affect the financial statements.

Management of the Authority are responsible for preparing financial statements which give a true and fair view of the financial position and performance of the Authority and that comply with Accounting Standards in Australia, in accordance with the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.



We have conducted an independent audit of the financial statements in order to express an opinion on them to the Authority. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2(a) and 16 to the financial statements and accordingly, we express no opinion on them. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial statements present fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Authority's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Authority.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial statements. These and other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Authority.

In accordance with Section 417(3) of the *Local Government Act 1993* we make the following comments in relation to the results and financial trends.

### **Operating Result**

The Authority recorded an operating surplus of \$113,000 for the year ended 30 June 2014 (2013: surplus of \$28,000), after taking into account depreciation of \$88,000. Income increased by \$82,000 from the prior year due an increase in user charges and fees, which is reflected in the increase in Materials and contracts expenses of \$31,000. Employee benefit and on-cost expense decreased by \$20,000 due to a one-off additional superannuation payment obligation for the 2013 financial year.

### **Budget Result**

The budget amounts included in the Income Statement are those adopted in the original budget and exclude revotes from the previous year and variations to the budget during the year.

The actual operating surplus for the year of \$113,000 exceeds the original budget result of \$353 due to an increase in unbudgeted revenue. The Authority normally budgets for a break even result each year as the main objective of the Authority is to utilise all of the revenue allocated each year and maintain static reserves.

**Working Capital**

The Net Current Asset position as at year end is an important financial indicator as it discloses the working capital available to the Authority to fund day to day operations. However, included in Current Assets are assets which are "Restricted" by regulation or other externally imposed requirements and, therefore, are not available for other than their restricted purpose. The table below reconciles net current assets after external restrictions:

	\$'000	\$'000	\$'000
	2014	2013	2012
<b>Current Assets</b>			
LESS: Current Liabilities	904	790	765
	150	126	90

**Net Current Assets**

754                      664                      675

**LESS: Restricted Cash & Investments**

Regional banking funds	-	-	1
NIWAC funds	-	-	31
Unexpended grants	40	18	181
	<u>\$714</u>	<u>\$646</u>	<u>\$462</u>

**Net funds after restrictions**

The above analysis shows that the Authority presently has unrestricted funds of \$714,000 to fund working capital needs and is in a strong financial position.

**Performance Indicators**

The Code of Accounting Practice requires the mandatory disclosure of certain performance indicators. These financial indicators are useful in assessing performance and financial position of the Authority.

The key financial indicators disclosed in the consolidated financial statements are:

	2013/14	2012/13
UNRESTRICTED CURRENT RATIO	5.76:1	9.55:1
	To assess the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of the Authority.	
	The Authority has \$5.76 of current assets to every \$1 of current liability.	

	2013/14	2012/13
OPERATING PERFORMANCE RATIO	Measures achievement of operating expenditure within operating revenue. 6.86%	containing operating revenue. 2.65%
CASH EXPENSE COVER RATIO	The Authority achieved a surplus of \$6.86 for every \$100 of operating revenue (excluding capital income items). 9.6 months	This liquidity ratio indicates the number of months the Authority can continue paying its immediate operating expenses without additional cash inflow. 7.6 months

The performance indicators above reflect the strong financial position of the Authority. The Authority needs to consider a strategy to utilise its cash reserves in the coming 3 to 5 years.

It is pleasing to report that the Authority's systems and records have been well maintained during the year and the audited financial statements will be submitted to the Division of Local Government well within the prescribed time provided for in Division 2 of the *Local Government Act 1993*.

Under Section 419 of the *Local Government Act 1993*, the Authority is required to call a public meeting for the purpose of presenting the audited financial statements and the auditor's report. A Principal of this firm is available to attend this meeting to address any questions in respect of the audit report or the conduct of the audit.

We take this opportunity of thanking the Authority staff for their co-operation and assistance during the course of the audit.

Yours faithfully  
Forsyths Business Services Pty Ltd



Paul Cornall  
Principal

# New England Weeds Authority

SPECIAL SCHEDULES

for the year ended 30 June 2014

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To be a high performing and respected  
Noxious Weeds Authority



# New England Weeds Authority

## Special Schedules for the financial year ended 30 June 2014

<b>Contents</b>	<b>Page</b>
<b>Special Schedules<sup>1</sup></b>	
- Special Schedule No. 1	Net Cost of Services 2
- Special Schedule No. 8	Financial Projections 4

<sup>1</sup> Special Schedules are not audited.

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### 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.

## New England Weeds Authority

### Special Schedule No. 1 - Net Cost of Services for the financial year ended 30 June 2014

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	18	-	-	(18)
<b>Administration</b>	-	-	-	-
Public Order and Safety/ Fire Service Levy, Fire Protection, Emergency Services	-	-	-	-
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	-	-	-	-
Other	-	-	-	-
<b>Total Public Order &amp; Safety</b>	-	-	-	-
<b>Health</b>	-	-	-	-
<b>Environment</b>				
Noxious Plants and Insect/Vermis Control	1,083	1,177	-	94
Other Environmental Protection	-	-	-	-
Solid Waste Management	-	-	-	-
Street Cleaning	-	-	-	-
Drainage	-	-	-	-
Stormwater Management	-	-	-	-
<b>Total Environment</b>	1,083	1,177	-	94
<b>Community Services and Education</b>				
Administration & Education	-	-	-	-
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	-	-	-	-
Children's Services	-	-	-	-
<b>Total Community Services &amp; Education</b>	-	-	-	-
<b>Housing and Community Amenities</b>				
Public Cemeteries	-	-	-	-
Public Conveniences	-	-	-	-
Street Lighting	-	-	-	-
Town Planning	-	-	-	-
Other Community Amenities	-	-	-	-
<b>Total Housing and Community Amenities</b>	-	-	-	-
<b>Water Supplies</b>	-	-	-	-
<b>Sewerage Services</b>	-	-	-	-

## New England Weeds Authority

### Special Schedule No. 1 - Net Cost of Services (continued) for the financial year ended 30 June 2014

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture	-	-	-	-
Public Libraries	-	-	-	-
Museums	-	-	-	-
Art Galleries	-	-	-	-
Community Centres and Halls	-	-	-	-
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	-	-	-	-
Swimming Pools	-	-	-	-
Parks & Gardens (Lakes)	-	-	-	-
Other Sport and Recreation	-	-	-	-
<b>Total Recreation and Culture</b>	-	-	-	-
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction	-	-	-	-
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	-	-	-	-
<b>Total Mining, Manufacturing and Const.</b>	-	-	-	-
Transport and Communication	-	-	-	-
Urban Roads (UR) - Local	-	-	-	-
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	-	-	-	-
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	-	-	-	-
Footpaths	-	-	-	-
Aerodromes	-	-	-	-
Other Transport & Communication	-	-	-	-
<b>Total Transport and Communication</b>	-	-	-	-
Economic Affairs	-	-	-	-
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	-	-	-	-
<b>Total Economic Affairs</b>	-	-	-	-
Totals – Functions	1,101	1,177	-	76
<b>General Purpose Revenues</b> <sup>(2)</sup>	-	37	-	37
Share of interests - joint ventures & associates using the equity method	-	-	-	-
<b>NET OPERATING RESULT</b> <sup>(1)</sup>	1,101	1,214	-	113

(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

# New England Weeds Authority

## Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual <sup>(1)</sup> 13/14	Forecast <sup>(3)</sup> 14/15	Forecast <sup>(3)</sup> 15/16	Forecast <sup>(3)</sup> 16/17	Forecast <sup>(3)</sup> 17/18	Forecast <sup>(3)</sup> 18/19	Forecast <sup>(3)</sup> 19/20	Forecast <sup>(3)</sup> 20/21	Forecast <sup>(3)</sup> 21/22	Forecast <sup>(3)</sup> 22/23	Forecast <sup>(3)</sup> 23/24
<b>(i) OPERATING BUDGET</b>											
Income from continuing operations	1,214	846	877	894	925	948	977	996	1,031	1,062	1,064
Expenses from continuing operations	1,101	842	870	889	920	952	984	1,000	1,030	1,060	1,063
<b>Operating Result from Continuing Operations</b>	<b>113</b>	<b>4</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>(4)</b>	<b>(7)</b>	<b>(4)</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>(ii) CAPITAL BUDGET</b>											
New Capital Works <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-
Replacement/Refurbishment of Existing Assets	61	61	69	54	90	57	59	73	73	73	75
<b>Total Capital Budget</b>	<b>61</b>	<b>61</b>	<b>69</b>	<b>54</b>	<b>90</b>	<b>57</b>	<b>59</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>75</b>
<b>Funded by:</b>											
- Loans	-	-	-	-	-	-	-	-	-	-	-
- Asset sales	-	-	-	-	-	-	-	-	-	-	-
- Reserves	61	61	69	54	90	57	59	73	73	73	75
- Grants/Contributions	-	-	-	-	-	-	-	-	-	-	-
- Recurrent revenue	-	-	-	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-	-	-	-
	<b>61</b>	<b>61</b>	<b>69</b>	<b>54</b>	<b>90</b>	<b>57</b>	<b>59</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>75</b>

**Notes:**

(1) From 13/14 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.