

# New England Weeds Authority

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

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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 2015

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#### 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 26 August 2015.  
Council has the power to amend and reissue these financial statements.
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## New England Weeds Authority

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

## 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 2015.

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

### About the Councillor/Management Statement

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

### About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

#### 1. The Income Statement

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

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

#### 2. The Statement of Comprehensive Income

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

#### 3. The Statement of Financial Position

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

#### 4. The Statement of Changes in Equity

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

#### 5. The Statement of Cash Flows

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

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

### About the Notes to the Financial Statements

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

### About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

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

### Who uses the Financial Statements ?

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

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

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

### More information

A review of Council's financial performance and position for the 14/15 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 2015

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

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

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


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

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

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

Signed in accordance with a resolution of Council made on 26 August 2015.

  
Maria Woods  
CHAIRPERSON

  
Mark Dusting  
COUNCILLOR

  
Wayne Deer  
GENERAL MANAGER

  
Wayne Deer  
RESPONSIBLE ACCOUNTING OFFICER



## New England Weeds Authority

## Income Statement

for the financial year ended 30 June 2015

Budget <sup>1</sup>			Actual	Actual
2015	\$ '000	Notes	2015	2014
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
120	User Charges & Fees	3b	378	363
35	Interest & Investment Revenue	3c	43	37
3	Other Revenues	3d	5	5
688	Grants & Contributions provided for Operating Purposes	3e,f	1,058	717 <sup>2</sup>
<b>Other Income:</b>				
-	Net gains from the disposal of assets	5	17	36
846	<b>Total Income from Continuing Operations</b>		<b>1,501</b>	<b>1,158</b>
<b>Expenses from Continuing Operations</b>				
429	Employee Benefits & On-Costs	4a	613	608
123	Materials & Contracts	4c	323	254
53	Depreciation & Amortisation	4d	89	88
236	Other Expenses	4c	121	95
5	Net Losses from the Disposal of Assets	5	-	-
846	<b>Total Expenses from Continuing Operations</b>		<b>1,146</b>	<b>1,045</b>
-	<b>Net Operating Result for the Year</b>		<b>355</b>	<b>113</b>
-	<b>Net Operating Result attributable to Council</b>		<b>355</b>	<b>113</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>				
-			<b>355</b>	<b>113</b>

<sup>1</sup> Original Budget as approved by Council - refer Note 16

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

## New England Weeds Authority

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>Net Operating Result for the year</b> (as per Income statement)		355	113
<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>Total Comprehensive Income for the Year</b>		355	113
<b>Total Comprehensive Income attributable to Council</b>		355	113

## New England Weeds Authority

## Statement of Financial Position

as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	1,478	785
Receivables	7	7	105
Inventories	8	9	14
<b>Total Current Assets</b>		<b>1,494</b>	<b>904</b>
<b>Non-Current Assets</b>			
Infrastructure, Property, Plant & Equipment	9	327	298
<b>Total Non-Current Assets</b>		<b>327</b>	<b>298</b>
<b>TOTAL ASSETS</b>		<b>1,821</b>	<b>1,202</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	314	52
Provisions	10	100	98
<b>Total Current Liabilities</b>		<b>414</b>	<b>150</b>
<b>Non-Current Liabilities</b>			
Provisions	10	-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>414</b>	<b>150</b>
<b>Net Assets</b>		<b>1,407</b>	<b>1,052</b>
<b>EQUITY</b>			
Retained Earnings	20	1,407	1,052
<b>Total Equity</b>		<b>1,407</b>	<b>1,052</b>



## New England Weeds Authority

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2015</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		1,052	-	1,052	-	1,052
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 1/7/14)		1,052	-	1,052	-	1,052
<b>c. Net Operating Result for the Year</b>		355	-	355	-	355
d. Other Comprehensive Income						
- Other Movements	20a	-	-	-	-	-
<b>Other Comprehensive Income</b>		-	-	-	-	-
<b>Total Comprehensive Income (c&amp;d)</b>		355	-	355	-	355
<b>Equity - Balance at end of the reporting period</b>		1,407	-	1,407	-	1,407

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<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 (d)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/13)		939	-	939	-	939
<b>c. Net Operating Result for the Year</b>		113	-	113	-	113
d. Other Comprehensive Income						
- Other Movements	20a	-	-	-	-	-
<b>Other Comprehensive Income</b>		-	-	-	-	-
<b>Total Comprehensive Income (c&amp;d)</b>		113	-	113	-	113
<b>Equity - Balance at end of the reporting period</b>		1,052	-	1,052	-	1,052

## New England Weeds Authority

## Statement of Cash Flows

for the financial year ended 30 June 2015

Budget			Actual	Actual
2015	\$ '000	Notes	2015	2014
Cash Flows from Operating Activities				
Receipts:				
120	User Charges & Fees		378	363
35	Investment & Interest Revenue Received		42	39
688	Grants & Contributions		1,346	717
3	Other		104	57
Payments:				
(430)	Employee Benefits & On-Costs		(606)	(597)
(123)	Materials & Contracts		(356)	(217)
(236)	Other		(114)	(113)
57	Net Cash provided (or used in) Operating Activities	11b	794	249
Cash Flows from Investing Activities				
Receipts:				
53	Sale of Investment Securities		-	-
40	Sale of Infrastructure, Property, Plant & Equipment		55	55
Payments:				
(50)	Purchase of Investment Securities		-	-
(101)	Purchase of Infrastructure, Property, Plant & Equipment		(156)	(130)
(58)	Net Cash provided (or used in) Investing Activities		(101)	(75)
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
Nil				
-	Net Cash Flow provided (used in) Financing Activities		-	-
(1)	Net Increase/(Decrease) in Cash & Cash Equivalents		693	174
618	plus: Cash & Cash Equivalents - beginning of year	11a	785	611
617	Cash & Cash Equivalents - end of the year	11a	1,478	785

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 2015

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n/a - not applicable



## New England Weeds Authority

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

#### 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 2015, 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:

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

There was no impact of these standards on the authorities Financial Statements.

###### (iv) Early adoption of Accounting Standards

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

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

## New England Weeds Authority

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

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

##### (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:



## New England Weeds Authority

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

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

##### Grants and Contributions

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

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

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.



## New England Weeds Authority

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

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

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

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

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

#### (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>	
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.

## New England Weeds Authority

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

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

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##### **(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.

##### **(l) 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.

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.



## New England Weeds Authority

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

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

##### (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.

##### (m) 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.

##### (n) Taxes

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

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

##### Goods & Services Tax (GST)

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

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

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

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

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

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

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



## New England Weeds Authority

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

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

##### (o) New accounting standards and interpretations

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

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

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

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

##### Applicable to Local Government:

##### **AASB 9 - Financial Instruments (and associated amending standards)**

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

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

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

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

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

AASB 15 will introduce a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration

(that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

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

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

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

##### **AASB 124 - Related Party Disclosures**

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

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

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

## New England Weeds Authority

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

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

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##### **(p) Rounding of amounts**

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

##### **(q) 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.

##### **(r) Disclaimer**

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

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## New England Weeds Authority

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

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).													
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations			Total Assets held (Current & Non-current)	
	Original Budget 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015
Governance	-	-	-	21	19	18	(21)	(19)	(18)	-	-	7	-	-
Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Order & Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment	811	1,458	1,121	825	1,127	1,027	(14)	331	94	711	376	1,814	1,202	1,202
Community Services & Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing & Community Amenities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport & Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Functions & Activities	811	1,458	1,121	846	1,146	1,045	(35)	312	76	711	376	1,821	1,202	1,202
General Purpose Income <sup>1</sup>	35	43	37	-	-	-	35	43	37	-	-	-	-	-
Operating Result from Continuing Operations	846	1,501	1,158	846	1,146	1,045	-	355	113	711	376	1,821	1,202	1,202

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

## New England Weeds Authority

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

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

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

##### **GOVERNANCE**

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

##### **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 2015

## Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Nil			
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Nil			
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>		-	-
<b>(b) User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Nil			
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Private Works - Section 67		375	360
Property Certificate fees		3	3
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>378</b>	<b>363</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges)</b> (per s.608)			
Nil			
<b>Total Fees &amp; Charges - Other</b>		-	-
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>378</b>	<b>363</b>
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest earned on Investments (interest & coupon payment income)		43	37
<b>TOTAL INTEREST &amp; INVESTMENT REVENUE</b>		<b>43</b>	<b>37</b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
General Council Cash & Investments		43	37
<b>Total Interest &amp; Investment Revenue Recognised</b>		<b>43</b>	<b>37</b>
<b>(d) Other Revenues</b>			
Other		5	5
<b>TOTAL OTHER REVENUE</b>		<b>5</b>	<b>5</b>

## New England Weeds Authority

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

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

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Nil				
<b>Specific Purpose</b>				
Noxious Weeds	711	376	-	-
<b>Total Specific Purpose</b>	<b>711</b>	<b>376</b>	-	-
<b>Total Grants</b>	<b>711</b>	<b>376</b>	-	-
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	-	-	-	-
- State Funding	711	376	-	-
	<b>711</b>	<b>376</b>	-	-
<b>(f) Contributions</b>				
<b>Developer Contributions:</b>				
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the LGA):</b>				
Nil				
<b>Other Contributions:</b>				
Other Councils - Joint Works/Services	347	341	-	-
Other	-	-	-	-
<b>Total Other Contributions</b>	<b>347</b>	<b>341</b>	-	-
<b>Total Contributions</b>	<b>347</b>	<b>341</b>	-	-
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>1,058</b>	<b>717</b>	-	-
<b>(g) Restrictions relating to Grants and Contributions</b>				
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>				
Unexpended at the Close of the Previous Reporting Period			40	18
add: Grants & contributions recognised in the current period but not yet spent:			442	40
less: Grants & contributions recognised in a previous reporting period now spent:			(40)	(18)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>			<b>402</b>	<b>22</b>
<b>Unexpended and held as Restricted Assets</b>			<b>442</b>	<b>40</b>
<b>Comprising:</b>				
- Specific Purpose Unexpended Grants			442	40
			<b>442</b>	<b>40</b>



## New England Weeds Authority

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

## Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		519	508
Travelling		12	12
Employee Leave Entitlements (ELE)		2	18
Superannuation		48	46
Workers' Compensation Insurance		13	9
Training Costs (other than Salaries & Wages)		11	6
Other		8	9
<b>Total Employee Costs</b>		<b>613</b>	<b>608</b>
less: Capitalised Costs		-	-
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>613</b>	<b>608</b>
Number of "Equivalent Full Time" Employees at year end		8	8
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		8	8

**(b) Borrowing Costs**

Nil

**(c) Materials & Contracts**

Raw Materials & Consumables	307	228
Contractor & Consultancy Costs	10	20
Auditors Remuneration <sup>(1)</sup>	6	6
<b>Total Materials &amp; Contracts</b>	<b>323</b>	<b>254</b>
less: Capitalised Costs	-	-
<b>TOTAL MATERIALS &amp; CONTRACTS</b>	<b>323</b>	<b>254</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):

**(i) Audit and Other Assurance Services**

- Audit & review of financial statements: Council's Auditor

**Remuneration for audit and other assurance services****Total Auditor Remuneration**

6	6
<b>6</b>	<b>6</b>
<b>6</b>	<b>6</b>

## New England Weeds Authority

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

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

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual	Actual	Actual	Actual
		2015	2014	2015	2014
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	85	84
Office Equipment		-	-	4	4
<b>Total Depreciation &amp; Impairment Costs</b>		-	-	<b>89</b>	<b>88</b>
less: Capitalised Costs		-	-	-	-
less: Impairments (to)/from ARR [Equity]	9a	-	-	-	-
<b>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</b>		-	-	<b>89</b>	<b>88</b>

**(e) Other Expenses**

Other Expenses for the year include the following:

Advertising	2	3
Aircraft Hire	30	-
Computer Software Charges	19	10
Councillor Expenses - Chairpersons Fee	6	5
Councillor Expenses - Councillors' Fees	12	12
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)	1	1
Electricity & Heating	3	2
Insurance	17	21
Printing & Stationery	4	1
Subscriptions & Publications	1	5
Telephone & Communications	9	10
Rent	12	12
Other	5	13
<b>Total Other Expenses</b>	<b>121</b>	<b>95</b>
less: Capitalised Costs	-	-
<b><u>TOTAL OTHER EXPENSES</u></b>	<b><u>121</u></b>	<b><u>95</u></b>



## New England Weeds Authority

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

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		55	55
less: Carrying Amount of P&E Assets Sold / Written Off		(38)	(19)
<b>Net Gain/(Loss) on Disposal</b>		<b>17</b>	<b>36</b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>		<b><u>17</u></b>	<b><u>36</u></b>

## New England Weeds Authority

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

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

		2015	2015	2014	2014
		Actual	Actual	Actual	Actual
\$ '000	Notes	Current	Non Current	Current	Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		217	-	9	-
Cash-Equivalent Asset: <sup>1</sup>					
- Short Term Deposits		1,261	-	776	-
Total Cash & Cash Equivalents		1,478	-	785	-
Investments (Note 6b)					
Nil					
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS					
		1,478	-	785	-

<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>1,478</b>	<b>-</b>	<b>785</b>	<b>-</b>
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## New England Weeds Authority

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	1,478	-	785	-
attributable to:				
External Restrictions (refer below)	682	-	40	-
Internal Restrictions (refer below)	213	-	211	-
Unrestricted	583	-	534	-
	1,478	-	785	-

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

## Details of Restrictions

## External Restrictions - Included in Liabilities

DPI Advances	-	240	-	240
External Restrictions - Included in Liabilities	-	240	-	240

## External Restrictions - Other

Specific Purpose Unexpended Grants (F)	40	442	(40)	442
External Restrictions - Other	40	442	(40)	442
Total External Restrictions	40	682	(40)	682

## Internal Restrictions

Plant & Vehicle Replacement	113	-	-	113
Employees Leave Entitlement	98	2	-	100
Total Internal Restrictions	211	2	-	213
TOTAL RESTRICTIONS	251	684	(40)	895

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 2015

## Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Accrued Revenues					
- Interest on Investments		2	-	1	-
Net GST Receivable		-	-	12	-
Other Debtors		5	-	92	-
<b>Total</b>		<b>7</b>	<b>-</b>	<b>105</b>	<b>-</b>
<b>less: Provision for Impairment</b>					
Nil					
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>7</u></b>	<b><u>-</u></b>	<b><u>105</u></b>	<b><u>-</u></b>
<b>Externally Restricted Receivables</b>					
Nil					
<b>Internally Restricted Receivables</b>					
Nil					
<b>Unrestricted Receivables</b>		<b>7</b>	<b>-</b>	<b>105</b>	<b>-</b>
<b>TOTAL NET RECEIVABLES</b>		<b>7</b>	<b>-</b>	<b>105</b>	<b>-</b>

## New England Weeds Authority

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

## Note 8. Inventories &amp; Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Stores & Materials		9	-	14	-
<b>Total Inventories</b>		<b>9</b>	<b>-</b>	<b>14</b>	<b>-</b>
<b>Other Assets</b>					
Nil					
<b>TOTAL INVENTORIES / OTHER ASSETS</b>		<b>9</b>	<b>-</b>	<b>14</b>	<b>-</b>

## Externally Restricted Assets

There are no restrictions applicable to the above assets.



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

Note 9a. Infrastructure, Property, Plant & Equipment

	as at 30/6/2014						Asset Movements during the Reporting Period				as at 30/6/2015			
	At Cost	At Fair Value	Accumulated Dep'n	Impairment	Carrying Value		Asset Additions	WDV of Asset Disposals	Depreciation Expense		At Cost	At Fair Value	Accumulated Dep'n	Impairment
\$ '000														
Capital Work in Progress	-	-	-	-	-						-	-	-	-
Plant & Equipment	-	499	205	-	294		150	(38)	(85)		-	499	178	-
Office Equipment	-	41	37	-	4		6	-	(4)		-	46	40	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	<b>-</b>	<b>540</b>	<b>242</b>	<b>-</b>	<b>298</b>		<b>156</b>	<b>(38)</b>	<b>(89)</b>		<b>-</b>	<b>545</b>	<b>218</b>	<b>-</b>
														<b>327</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 2015

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

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**\$ '000**

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

## New England Weeds Authority

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

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

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
Goods & Services - operating expenditure		4	-	42	-
Accrued Expenses:					
- Salaries & Wages		15	-	10	-
- Other Expenditure Accruals		7	-	-	-
Advances		-	-	-	-
Security Bonds, Deposits & Retentions		-	-	-	-
ATO - Net GST Payable		48	-	-	-
WAP 1520 NWLLS		120	-	-	-
WAP 1520 NTLLS		120	-	-	-
<b>Total Payables</b>		<b>314</b>	<b>-</b>	<b>52</b>	<b>-</b>
<b>Borrowings</b>					
Nil					
<b>Provisions</b>					
Employee Benefits:					
Annual Leave		34	-	25	-
Long Service Leave		54	-	61	-
ELE On-Costs		12	-	12	-
<b>Total Provisions</b>		<b>100</b>	<b>-</b>	<b>98</b>	<b>-</b>
<b>Total Payables, Borrowings &amp; Provisions</b>		<b>414</b>	<b>-</b>	<b>150</b>	<b>-</b>
<b>(i) Liabilities relating to Restricted Assets</b>					
		2015		2014	
		Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>					
Other		240	-	-	-
<b>Liabilities relating to externally restricted assets</b>		<b>240</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally Restricted Assets</b>					
Nil					
<b>Total Liabilities relating to restricted assets</b>		<b>240</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities relating to Unrestricted Assets</b>		<b>174</b>	<b>-</b>	<b>150</b>	<b>-</b>
<b>TOTAL PAYABLES, BORROWINGS &amp; PROVISIONS</b>		<b>414</b>	<b>-</b>	<b>150</b>	<b>-</b>



## New England Weeds Authority

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

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

	Actual 2015	Actual 2014
\$ '000		

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

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

Provisions - Employees Benefits	45	56
	<b>45</b>	<b>56</b>

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

Class of Provision	2014	2015				Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	25	34	(25)	-	-	34
Long Service Leave	61	12	(19)	-	-	54
ELE On-Costs	12	-	-	-	-	12
<b>TOTAL</b>	<b>98</b>	<b>46</b>	<b>(44)</b>	<b>-</b>	<b>-</b>	<b>100</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 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	1,478	785
Less Bank Overdraft	10	-	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>1,478</b>	<b>785</b>

**(b) Reconciliation of Net Operating Result  
to Cash provided from Operating Activities**

<b>Net Operating Result from Income Statement</b>		<b>355</b>	<b>113</b>
Adjust for non cash items:			
Depreciation & Amortisation		89	88
Net Losses/(Gains) on Disposal of Assets		(17)	(36)
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		98	54
Decrease/(Increase) in Inventories		5	(5)
Decrease/(Increase) in Other Assets		-	11
Increase/(Decrease) in Payables		(38)	42
Increase/(Decrease) in other accrued Expenses Payable		12	(12)
Increase/(Decrease) in Other Liabilities		288	(25)
Increase/(Decrease) in Employee Leave Entitlements		2	19
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>794</b>	<b>249</b>

**(c) Non-Cash Investing & Financing Activities**

Nil

**(d) Financing Arrangements****(i) Unrestricted access was available at balance date to the  
following lines of credit:**

Credit Cards / Purchase Cards	5	5
<b>Total Financing Arrangements</b>	<b>5</b>	<b>5</b>

**Amounts utilised as at Balance Date:**

- 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 2015

## Note 12. Commitments for Expenditure

		Actual	Actual
\$ '000	Notes	2015	2014

## (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 2015

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods	
			2014	2013
<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>338</u>	22.78%	6.86%	2.65%
Total continuing operating revenue <sup>(1)</sup>	<u>1,484</u>			
(excl. Capital Grants & Contributions)				
<b>2. Own Source Operating Revenue Ratio</b>				
Total continuing operating revenue <sup>(1)</sup>				
(excl. ALL Grants & Contributions)	<u>426</u>	28.71%	36.10%	25.39%
Total continuing operating revenue <sup>(1)</sup>	<u>1,484</u>			
<b>3. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(2)</sup>	<u>812</u>	6.29x	9.19	9.55
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>	<u>129</u>			
<b>4. Debt Service Cover Ratio</b>				
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation	<u>427</u>	0.00x	0.00	0.00
Principal Repayments (from the Statement of Cash Flows)	-			
+ Borrowing Costs (from the Income Statement)				
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual and Extra Charges Outstanding	<u>-</u>	0.00%	0.00%	0.00%
Rates, Annual and Extra Charges Collectible	<u>-</u>			
<b>6. Cash Expense Cover Ratio</b>				
Current Year's Cash and Cash Equivalents				
+ All Term Deposits	<u>1,478</u>	16.48 mths	10.16	7.63
Payments from cash flow of operating and financing activities	<u>90</u>			

## Notes

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

<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).

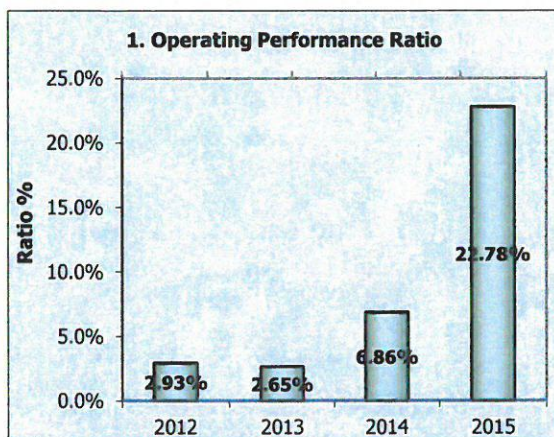
<sup>(4)</sup> Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).



## New England Weeds Authority

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

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

Benchmark: — Minimum  $\geq 0.00\%$ 

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

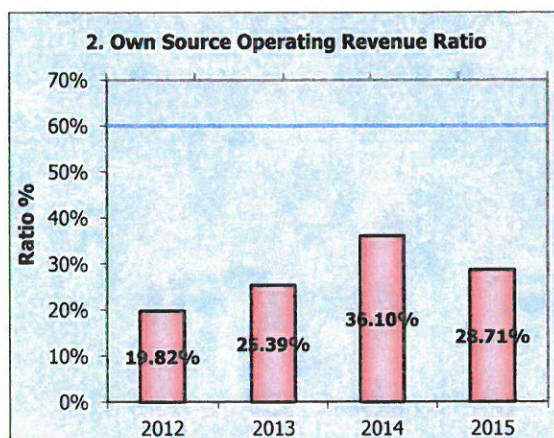
**Purpose of Operating Performance Ratio**

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

**Commentary on 2014/15 Result****2014/15 Ratio 22.78%**

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

Ratio is within Benchmark  
Ratio is outside Benchmark

Benchmark: — Minimum  $\geq 60.00\%$ 

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

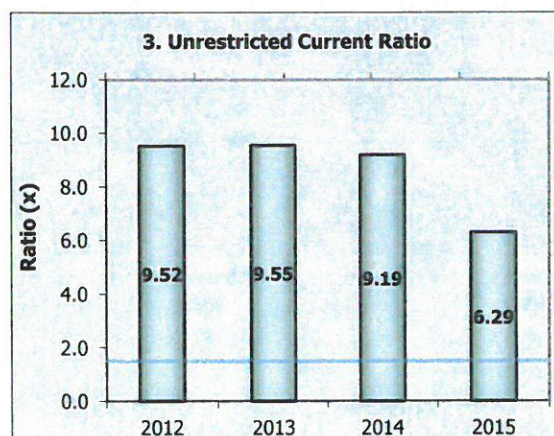
**Purpose of Own Source Operating Revenue Ratio**

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

**Commentary on 2014/15 Result****2014/15 Ratio 28.71%**

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.

Ratio is within Benchmark  
Ratio is outside Benchmark

Benchmark: — Minimum  $\geq 1.50$ 

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

**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 2014/15 Result****2014/15 Ratio 6.29x**

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

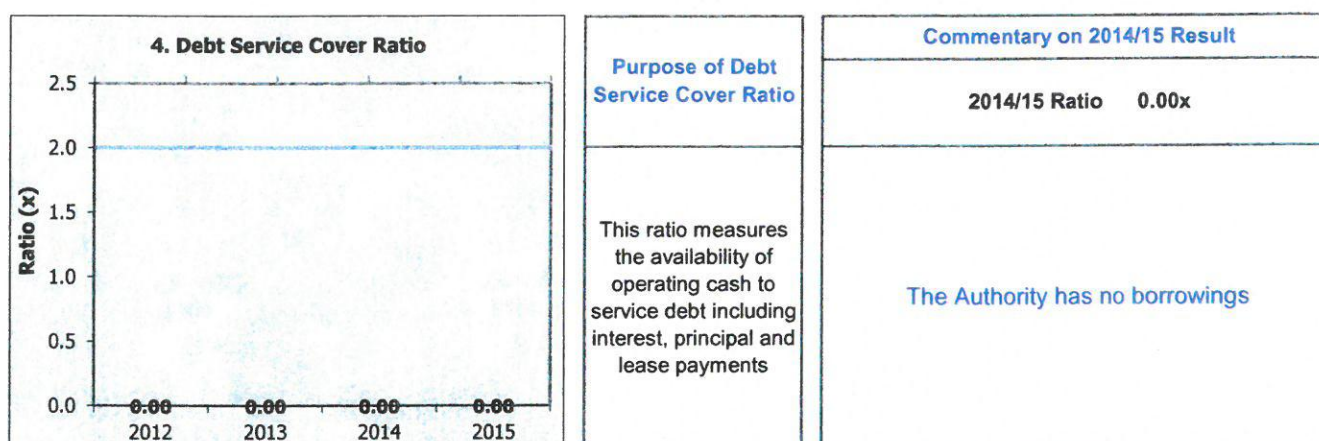
Ratio is within Benchmark  
Ratio is outside Benchmark



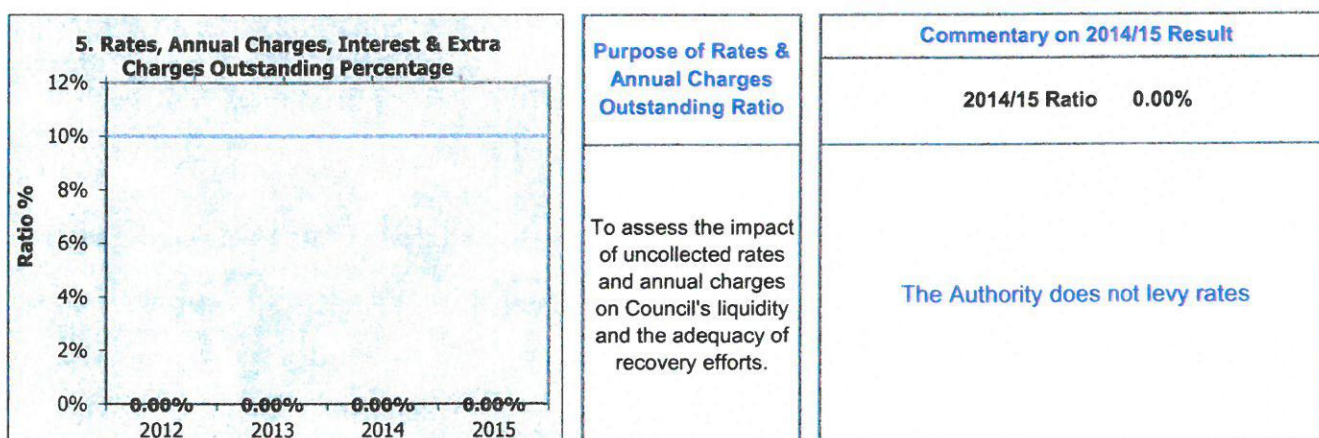
## New England Weeds Authority

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

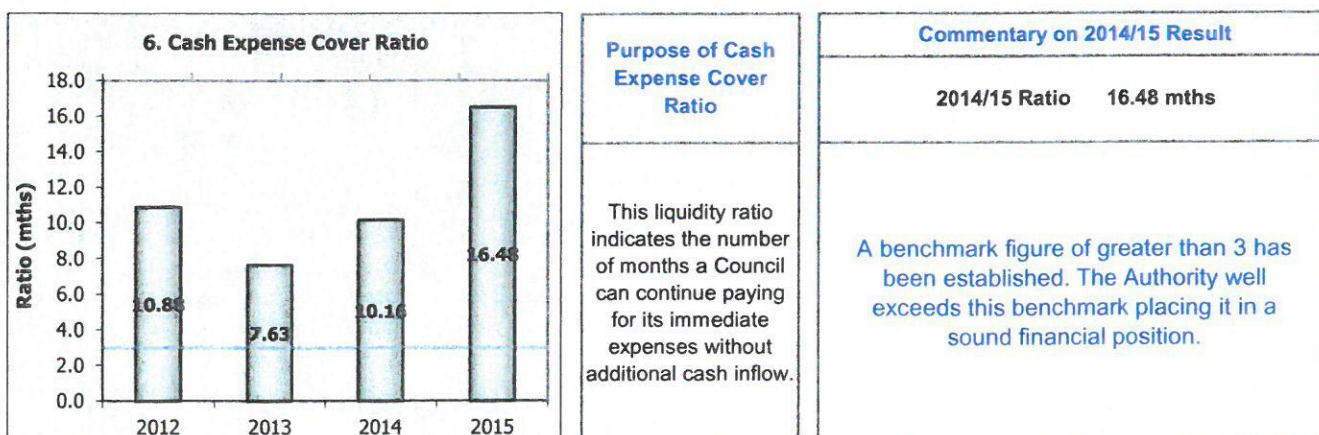
## Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

Benchmark: — Minimum  $\geq 2.00$ 

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

 Ratio is within Benchmark  
 Ratio is outside Benchmark
Benchmark: — Maximum  $< 10.00\%$ 

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

 Ratio is within Benchmark  
 Ratio is outside Benchmark
Benchmark: — Minimum  $\geq 3.00$ 

Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

 Ratio is within Benchmark  
 Ratio is outside Benchmark



## New England Weeds Authority

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

#### Note 14. Investment Properties

		Actual	Actual
\$ '000	Notes	2015	2014

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 2015

#### Note 15. Financial Risk Management

\$ '000

##### Risk Management

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

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

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

Financial risk management is carried out by Council's 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	
	2015	2014	2015	2014
<b>Financial Assets</b>				
Cash and Cash Equivalents	1,478	785	1,478	785
Receivables	7	105	7	105
<b>Total Financial Assets</b>	<b>1,485</b>	<b>890</b>	<b>1,485</b>	<b>890</b>
<b>Financial Liabilities</b>				
Payables	314	52	314	52
<b>Total Financial Liabilities</b>	<b>314</b>	<b>52</b>	<b>314</b>	<b>52</b>

Fair Value is determined as follows:

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

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

## New England Weeds Authority

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management (continued)

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\$ '000

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(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 its 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 day. 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 2015

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

\$ '000

##### (b) Receivables

Council's major receivables comprise (i) Private works debtors (ii) Contributions from constituent Councils.

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

The authority is not materially exposed to any individual debtor and credit risk exposure is concentrated within the State of New South Wales.

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

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

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

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
<b>(i) Ageing of Receivables - %</b>				
Current (not yet overdue)	0%	70%	0%	46%
Overdue	0%	30%	0%	54%
	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>

		2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
<b>(ii) Ageing of Receivables - value</b>					
<b>Rates &amp; Annual Charges</b>	<b>Other Receivables</b>				
Current	Current	-	3	-	13
< 1 year overdue	0 - 30 days overdue	-	3	-	35
1 - 2 years overdue	30 - 60 days overdue	-	1	-	19
2 - 5 years overdue	60 - 90 days overdue	-	-	-	-
> 5 years overdue	> 90 days overdue	-	-	-	38
		<b>-</b>	<b>7</b>	<b>-</b>	<b>105</b>

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

Balance at the beginning of the year

Balance at the end of the year

	2015	2014
Balance at the beginning of the year	-	-
Balance at the end of the year	-	-

## New England Weeds Authority

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management (continued)

\$ '000

## (c) Payables &amp; Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total	Actual
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	Cash Outflows	Carrying Values
2015									
Trade/Other Payables	-	314	-	-	-	-	-	314	314
Total Financial Liabilities	-	314	-	-	-	-	-	314	314
2014									
Trade/Other Payables	-	52	-	-	-	-	-	52	52
Total Financial Liabilities	-	52	-	-	-	-	-	52	52

## New England Weeds Authority

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

#### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 25 June 2014.

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

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

**Note that for Variations\* of Budget to Actual :**

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

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

\$ '000	2015 Budget	2015 Actual	2015 Variance*		
<b>REVENUES</b>					
<b>User Charges &amp; Fees</b>	<b>120</b>	<b>378</b>	<b>258</b>	<b>215%</b>	<b>F</b>
Council originally budgeted for 120k in private works, however increased works have been completed particularly from requests by other authorities within and outside Councils area pushing the actual to over 370k.					
<b>Interest &amp; Investment Revenue</b>	<b>35</b>	<b>43</b>	<b>8</b>	<b>23%</b>	<b>F</b>
Council has increased its investment portfolio which has resulted in improved returns over original budget.					
<b>Other Revenues</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>67%</b>	<b>F</b>
Additional certificates were requested during the year resulting in an improvement over budget of 2k.					
<b>Operating Grants &amp; Contributions</b>	<b>688</b>	<b>1,058</b>	<b>370</b>	<b>54%</b>	<b>F</b>
Council has been funded late in 2014/15 with an additional 351k from the Department of Primary Industry.					
<b>Net Gains from Disposal of Assets</b>	<b>-</b>	<b>17</b>	<b>17</b>	<b>0%</b>	<b>F</b>
Council obtained far better trade prices on vehicles than was budgeted. The original budget forecasted a loss of 5k and the authority achieved a profit of 11k.					



## New England Weeds Authority

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

## Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 Variance*		
<b>EXPENSES</b>					
<b>Employee Benefits &amp; On-Costs</b>	<b>429</b>	<b>613</b>	<b>(184)</b>	<b>(43%)</b>	<b>U</b>
Council budgets on a project basis which means it understates employee costs in its budget. These costs are offset by a reduction in other expenses below.					
<b>Materials &amp; Contracts</b>	<b>123</b>	<b>323</b>	<b>(200)</b>	<b>(163%)</b>	<b>U</b>
Additional private works costs have been incurred as have additional materials costs for works funded by the Northern Tablelands LLLS and NSW DPI under NIWAC.					
<b>Depreciation &amp; Amortisation</b>	<b>53</b>	<b>89</b>	<b>(36)</b>	<b>(68%)</b>	<b>U</b>
Councils original depreciation budget was understated by 30k.					
<b>Other Expenses</b>	<b>236</b>	<b>121</b>	<b>115</b>	<b>49%</b>	<b>F</b>
These costs are budgeted as part of Council's project costs and this reduction is offset by an increase in employee costs.					
<b>Net Losses from Disposal of Assets</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>100%</b>	<b>F</b>
Council obtained far better trade prices on vehicles than was budgeted. The original budget forecasted a loss of 5k and the authority achieved a profit of 11k.					

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

<b>Cash Flows from Operating Activities</b>	<b>57</b>	<b>794</b>	<b>737</b>	<b>1293.0%</b>	<b>F</b>
Council has received a large contribution to NEWA of 351k late in the 2014/15 year,					
<b>Cash Flows from Investing Activities</b>	<b>(58)</b>	<b>(101)</b>	<b>(43)</b>	<b>74.1%</b>	<b>U</b>
Council purchased an additional vehicle due to very favourable market conditions.					

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

Note 17. Statement of Developer Contributions

\$ '000

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 2015

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

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**\$ '000**

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The Authority does not have any known contingencies as at 30th June 2015.



## New England Weeds Authority

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

## Note 19. Interests in Other Entities

\$ '000

Council has no interest in any Controlled Entities, Joint Arrangements or Associates.

## New England Weeds Authority

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

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		1,052	939
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		355	113
e. Distributions to/(Contributions from) Non-controlling Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes (disclosure required)		-	-
<b>Balance at End of the Reporting Period</b>		<b>1,407</b>	<b>1,052</b>

**(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 2015

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

\$ '000

#### Income Statement by Fund

\$ '000

Actual  
2015

Actual  
2015

Actual  
2015

Actual  
2015

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 2015

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

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\$ '000

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	2015	2015	2014	2014
\$ '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 2015

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

\$ '000

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

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

Accordingly, the "authorised for issue" date is 26/08/15.

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

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

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

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

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

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

## New England Weeds Authority

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

## Note 24. Discontinued Operations

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\$ '000

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	Actual	Actual
\$ '000	2015	2014

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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 2015

Note 25. Intangible Assets

	Actual	Actual
\$ '000	2015	2014

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 2015

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

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\$ '000

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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 2015

## 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 2015

## Note 28. Financial Review

\$ '000

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

Financial Performance Figures	2015	2014	2013	2012	2011
<b>Inflows:</b>					
Rates & Annual Charges Revenue	-	-			
User Charges Revenue	378	363	273	176	140
Interest & Investment Revenue (Losses)	43	37	44	40	46
Grants Income - Operating & Capital	711	376	422	340	518
Total Income from Continuing Operations	1,501	1,158	1,076	888	1,083
Sale Proceeds from I,PP&E	55	55		37	62
New Loan Borrowings & Advances	-	-			
<b>Outflows:</b>					
Employee Benefits & On-cost Expenses	613	608	628	535	529
Borrowing Costs	-	-			
Materials & Contracts Expenses	323	254	223	147	208
Total Expenses from Continuing Operations	1,146	1,045	1,048	862	898
Total Cash purchases of I,PP&E	156	130	69	98	145
Total Loan Repayments (incl. Finance Leases)	-	-			
Operating Surplus/(Deficit) (excl. Capital Income)	355	113	28	26	185
<b>Financial Position Figures</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Current Assets	1,494	904	790	765	721
Current Liabilities	414	150	126	146	118
Net Current Assets	1,080	754	664	619	603
Available Working Capital (Unrestricted Net Current Assets)	525	601	558	350	267
Cash & Investments - Unrestricted	583	534	426	339	217
Cash & Investments - Internal Restrictions	213	211	167	178	177
Cash & Investments - Total	1,478	785	611	730	642
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	-	-			
Total Value of I,PP&E (excl. Land & Earthworks)	545	540	521	453	418
Total Accumulated Depreciation	218	242	246	161	136
Indicative Remaining Useful Life (as a % of GBV)	60%	55%	53%	64%	67%

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

## New England Weeds Authority

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

#### Note 29. Council Information & Contact Details

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

**Officers****GENERAL MANAGER**

Wayne Deer

**RESPONSIBLE ACCOUNTING OFFICER**

Wayne Deer

**PUBLIC OFFICER**

Wayne Deer

**AUDITORS**

Forsyths  
92 Rusden Street  
ARMIDALE NSW 2350

**Elected Members****CHAIRPERSON**

Maria Woods

**COUNCILLORS**

Mark Dusting (Deputy Chair)  
Margaret O'Connor  
Andrew Murat  
Dean Heagney

**Other Information**

**ABN:** 35 514 070 354

# New England Weeds Authority

SPECIAL SCHEDULES  
for the year ended 30 June 2015

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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 2015

#### Contents

Page

#### Special Schedules<sup>1</sup>

- Special Schedule No. 1	Net Cost of Services	2
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<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 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>19</b>	-	-	<b>(19)</b>
<b>Administration</b>	-	-	-	-
<b>Public Order and Safety</b>				
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/Vermin Control	1,128	1,452	-	<b>324</b>
Other Environmental Protection	-	-	-	-
Solid Waste Management	-	-	-	-
Street Cleaning	-	-	-	-
Drainage	-	-	-	-
Stormwater Management	-	-	-	-
<b>Total Environment</b>	<b>1,128</b>	<b>1,452</b>	-	<b>324</b>
<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 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Recreation and Culture</b>				
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>	-	-	-	-
<b>Fuel &amp; Energy</b>	-	-	-	-
<b>Agriculture</b>	-	-	-	-
<b>Mining, Manufacturing and Construction</b>				
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	-	-	-	-
<b>Total Mining, Manufacturing and Const.</b>	-	-	-	-
<b>Transport and Communication</b>				
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>	-	-	-	-
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	-	-	-	-
<b>Total Economic Affairs</b>	-	-	-	-
<b>Totals – Functions</b>	<b>1,147</b>	<b>1,452</b>	<b>-</b>	<b>305</b>
<b>General Purpose Revenues<sup>(2)</sup></b>		<b>43</b>		<b>43</b>
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	-	-	-	-
<b>NET OPERATING RESULT<sup>(1)</sup></b>	<b>1,147</b>	<b>1,495</b>	<b>-</b>	<b>348</b>

(1) As reported in the Income Statement

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





## **INDEPENDENT AUDIT REPORT**

### **Section 417(2) – Report on the general purpose financial statements**

**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 2015.

#### ***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

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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 2015 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.

*Forsyths*

***Forsyths Business Services Pty Ltd***



**Paul Cornall  
Principal**

26<sup>th</sup> August 2015

92 Rusden Street, Armidale



**Armidale**

92 Rusden Street  
PO Box 114  
Armidale NSW 2350

**p** +61 2 6773 8400  
**f** +61 2 6772 9957  
**e** [armidale@forsyths.com.au](mailto:armidale@forsyths.com.au)

Forsyth's Business Services Pty Ltd  
ABN 66 182 781 401

26<sup>th</sup> August 2015

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

Dear Councillor Woods

## **AUDIT OF ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015**

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 2015 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 2015 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.

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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, 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 \$355,000 for the year ended 30 June 2015 (2014: surplus of \$113,000), after taking into account depreciation of \$89,000. Income increased by \$242,000 from the prior year due an increase in grants and contributions, which has resulted in the increase in Materials and Contracts expenses of \$69,000. There has been a significant increase in the Weeds Action Program (WAP) funding, one off grant from Mid North Coast Weeds and new funding form the Department of Primary Industries (DPI) for a Parthenium weed response program.

### **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 \$355,000 exceeds the original budget result of \$Nil 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 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 2015	\$'000 2014	\$'000 2013
<b>Current Assets</b>	1,494	904	790
<b>LESS: Current Liabilities</b>	414	150	126
<b>Net Current Assets</b>	1,080	754	664
<b>LESS: Restricted Cash &amp; Investments</b>			
Unexpended grants	442	40	18
<b>Net funds after restrictions</b>	<u>\$638</u>	<u>\$714</u>	<u>\$646</u>

The above analysis shows that the Authority presently has unrestricted funds of \$638,000 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:

		2014/15	2013/14	2012/13
UNRESTRICTED CURRENT RATIO	<p>To assess the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of the Authority.</p> <p>The Authority has \$6.29 of current assets to every \$1 of current liability.</p>	6.29:1	9.19:1	9.55:1



		2014/15	2013/14	2012/13
OPERATING PERFORMANCE RATIO	Measures achievement of containing operating expenditure within operating revenue.  The Authority achieved a surplus of \$22.78 for every \$100 of operating revenue (excluding capital income items). The increase in the surplus is due to the additional grants received in 2015 some of which has been restricted to be spent in the following year.	22.78%	6.86%	2.65%
CASH EXPENSE COVER RATIO	This liquidity ratio indicates the number of months the Authority can continue paying its immediate operating expenses without additional cash inflow.	16.5 months	10.2 months	7.6 months

The performance indicators above reflect the strong financial position of the Authority some of which will be spent in the following year on the Parthenium weed response program.

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**