

GENERAL & SPECIAL PURPOSE

Financial Statements

for year ending 30th June 2013

31	20,37	19,80	▲	20,10	2,16 %	20,13	0,30	1,51	1
00	112,69	0,00	▼	112,15	11,30 %	112,23	0,77	0,69	11
85	87,90	86,35	▼	87,73	8,80 %	87,78	2,11	2,46	8
90	39,39	38,86	▼	39,28	3,33 %	39,31	0,49	1,26	3
00	91,75	91,19	▲	91,45	1,65 %	91,55	0,20	0,22	9
50	55,54	53,60	▼	55,41	5,53 %	55,47	2,62	4,96	5
00	132,60	0,00	▼	132,10	1,20 %	132,05	3,32	2,58	12
00	83,70	82,80	▼	83,62	8,75 %	83,68	1,17	1,42	8
00	36,30	35,63	▲	36,15	3,20 %	36,18	0,75	2,12	3
85	87,90	86,35	▲	87,73	8,80 %	87,78	2,11	2,46	8
90	39,39	38,86	▲	39,28	9,33 %	39,31	0,49	1,26	3
00	91,75	91,19	▼	91,45	1,65 %	91,55	0,20	0,22	9
85	87,90	86,35	▲	87,73	7,80 %	87,78	2,11	2,46	8
90	39,39	38,86	▲	39,28	9,33 %	39,31	0,49	1,26	3
00	83,70	82,80	▼	83,62	3,75 %	83,68	1,17	1,42	8
00	36,30	35,63	▼	36,15	6,20 %	36,18	0,75	2,12	3
85	87,90	86,35	▼	87,73	7,80 %	87,78	2,11	2,46	8
90	39,39	38,86	▼	39,28	9,33 %	39,31	0,49	1,26	3
00	91,75	91,19	▼	91,45	1,65 %	91,55	0,20	0,22	9
85	87,90	86,35	▼	87,73	7,80 %	87,78	2,11	2,46	8
90	39,39	38,86	▼	39,28	9,33 %	39,31	0,49	1,26	3
00	91,75	91,19	▼	91,45	1,65 %	91,55	0,20	0,22	9

Blacktown City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

To be a vibrant, healthy and safe City
"A CITY OF EXCELLENCE"



Blacktown City Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian Currency.
 - (iv) These financial statements were authorised for issue by the Council on 10 October 2013. Council has the power to amend and reissue these financial statements.
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Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2013.

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 NSW Division 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 Division of Local Government.

Blacktown City Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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:

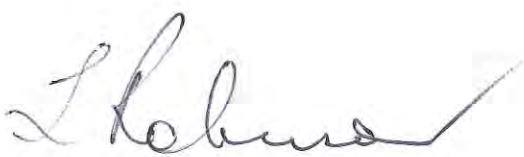
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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 09 October 2013.



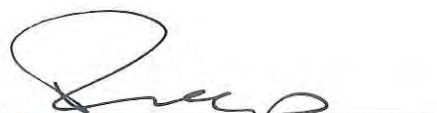
Len Robinson
MAYOR



Councillor
COUNCILLOR



Kerry Robinson
GENERAL MANAGER



Wayne Rogers
RESPONSIBLE ACCOUNTING OFFICER

Blacktown City Council

Income Statement

for the financial year ended 30 June 2013

Budget ⁽¹⁾ 2013 \$ '000		Notes	Actual 2013	Actual 2012
Income from Continuing Operations				
Revenue:				
151,405	Rates & Annual Charges	3a	152,195	144,244
19,528	User Charges & Fees	3b	21,940	21,135
11,600	Interest & Investment Revenue	3c	14,550	17,937
11,426	Other Revenues	3d	13,871	12,148
34,286	Grants & Contributions provided for Operating Purposes	3e,f	36,650	42,521
53,541	Grants & Contributions provided for Capital Purposes	3e,f	144,095	102,322
Other Income:				
2,000	Net gains from the disposal of assets	5	2,313	1,690
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	868	543
283,786	Total Income from Continuing Operations		386,482	342,540
Expenses from Continuing Operations				
108,405	Employee Benefits & On-Costs	4a	104,857	103,730
-	Borrowing Costs	4b	-	-
35,463	Materials & Contracts	4c	37,070	34,721
54,000	Depreciation & Amortisation	4d	54,684	54,040
-	Impairment	4d	-	-
47,900	Other Expenses	4e	53,559	51,191
245,768	Total Expenses from Continuing Operations		250,170	243,682
38,018	Operating Result from Continuing Operations		136,312	98,858
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
38,018	Net Operating Result for the Year		136,312	98,858
38,018	Net Operating Result attributable to Council		136,312	98,858
-	Net Operating Result attributable to Non-controlling Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
(15,523)			(7,783)	(3,464)

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

Blacktown City Council

Statement of Comprehensive Income for the financial year ended 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		136,312	98,858
Other Comprehensive Income:			
<i>Amounts which will not be reclassified subsequently to the Operating Result</i>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	102,636	-
Adjustment to correct prior period errors	20 c	54,585	(3,930)
Total Items which will not be reclassified subsequently to the Operating Result		157,221	(3,930)
Total Other Comprehensive Income for the year		157,221	(3,930)
Total Comprehensive Income for the Year		293,533	94,928
Total Comprehensive Income attributable to Council		293,533	94,928
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Blacktown City Council

Statement of Financial Position as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	88,790	113,670
Investments	6b	95,000	125,726
Receivables	7	14,752	17,553
Inventories	8	21,717	27,327
Other	8	371	146
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		220,630	284,422
Non-Current Assets			
Investments	6b	137,000	45,000
Receivables	7	15,993	5,202
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,667,538	2,419,987
Investments accounted for using the equity method	19	5,406	4,538
Investment Property	14	32,385	31,610
Intangible Assets	25	1,011	467
Total Non-Current Assets		2,859,333	2,506,804
TOTAL ASSETS		3,079,963	2,791,226
LIABILITIES			
Current Liabilities			
Payables	10	34,534	33,153
Borrowings	10	-	-
Provisions	10	44,100	50,137
Total Current Liabilities		78,634	83,290
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	-	-
Provisions	10	4,895	5,035
Total Non-Current Liabilities		4,895	5,035
TOTAL LIABILITIES		83,529	88,325
Net Assets		2,996,434	2,702,901
EQUITY			
Retained Earnings	20	2,511,228	2,320,331
Revaluation Reserves	20	485,206	382,570
Council Equity Interest		2,996,434	2,702,901
Non-controlling Interests		-	-
Total Equity		2,996,434	2,702,901

Blacktown City Council

Statement of Changes in Equity for the financial year ended 30 June 2013

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		2,320,331	382,570	2,702,901	-	2,702,901
Revised Opening Balance (as at 1/7/12)		2,320,331	382,570	2,702,901	-	2,702,901
a. Net Operating Result for the Year		136,312	-	136,312	-	136,312
b. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	102,636	102,636	-	102,636
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Correction of Prior Period Errors	20c	54,585	-	54,585	-	54,585
Other Comprehensive Income		54,585	102,636	157,221	-	157,221
Total Comprehensive Income (c&d)		190,897	102,636	293,533	-	293,533
c. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
d. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		2,511,228	485,206	2,996,434	-	2,996,434

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		2,225,403	382,570	2,607,973	-	2,607,973
Revised Opening Balance (as at 1/7/11)		2,225,403	382,570	2,607,973	-	2,607,973
a. Net Operating Result for the Year		98,858	-	98,858	-	98,858
b. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	-	-	-	-
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Correction of Prior Period Errors	20c	(3,930)	-	(3,930)	-	(3,930)
Other Comprehensive Income		(3,930)	-	(3,930)	-	(3,930)
Total Comprehensive Income (c&d)		94,928	-	94,928	-	94,928
c. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
d. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		2,320,331	382,570	2,702,901	-	2,702,901

Blacktown City Council

Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
Cash Flows from Operating Activities				
Receipts:				
151,405	Rates & Annual Charges		151,745	144,453
21,481	User Charges & Fees		13,882	22,571
11,600	Investment & Interest Revenue Received		14,809	18,703
80,772	Grants & Contributions		105,207	67,125
-	Bonds, Deposits & Retention amounts received		169	1,153
30,260	Other		24,220	18,760
Payments:				
(108,405)	Employee Benefits & On-Costs		(103,337)	(99,940)
(39,009)	Materials & Contracts		(41,512)	(34,783)
(58,815)	Other		(72,230)	(59,248)
89,289	Net Cash provided (or used in) Operating Activities	11b	92,953	78,794
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		104,726	47,500
3,000	Sale of Real Estate Assets		12,282	3,005
2,000	Sale of Infrastructure, Property, Plant & Equipment		2,258	2,396
-	Transfer between Cash & Cash Equivalents		-	97,500
Payments:				
-	Purchase of Investment Securities		(103,000)	(57,876)
(180)	Purchase of Investment Property		(255)	(192)
(58,252)	Purchase of Infrastructure, Property, Plant & Equipment		(65,975)	(67,983)
-	Purchase of Intangible Assets		(637)	(467)
(2,820)	Purchase of Real Estate Assets		(4,232)	(2,333)
-	Transfer between Cash & Cash Equivalents		(63,000)	-
(56,252)	Net Cash provided (or used in) Investing Activities		(117,833)	21,550
Cash Flows from Financing Activities				
Nil				
33,037	Net Increase/(Decrease) in Cash & Cash Equivalents		(24,880)	100,344
16,170	plus: Cash & Cash Equivalents - beginning of year	11a	113,670	13,326
49,207	Cash & Cash Equivalents - end of the year	11a	88,790	113,670
Additional Information:				
	plus: Investments on hand - end of year	6b	232,000	170,726
Total Cash, Cash Equivalents & Investments			320,790	284,396

Please refer to Note 11 for additional cash flow information

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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n/a - not applicable

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

Standards, but has complied fully with Australian Accounting Standards.

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

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

(v) Basis of Accounting

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

- (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of Infrastructure, 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)].

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

(vii) Critical Accounting Estimates

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

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on 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.

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

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

Critical judgements in applying the entity's accounting policies

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

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to 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:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

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.

Contributions under Section 94 of the Environmental Planning and Assessment Act

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

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

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

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

The Council has obligations to provide facilities from contributions required from developers under the provisions of S94 of the Environmental Planning & Assessment Act. Contributions received each year are required to be held as restricted assets until used for the purposes designated in formal contribution plans.

Amounts may be expended only for the purposes for which the contributions were required, but the Council may, within each area of benefit, apply contributions according to the priorities established in the relevant contributions plan and accompanying works schedules.

The following contributions plans have been adopted by Council and are available for public inspection free of cost.

CP No. 1 – 1980's Release Area

Date Plan came into force – 15/12/2010

Trunk Drainage
Flood Mitigation
Major Roads
Overbridges
Open Space
Community Facilities

CP No. 2 – Local Roadworks

Date Plan came into force – 04/06/2008

Roadworks

CP No. 3 – Open Space in the Established Residential Areas

Date Plan came into force – 06/03/2013

Land Acquisitions
Playgrounds
Playing Fields
Landscaping
Amenities Buildings
Fencing
Car parking
Lighting
Picnic Facilities

CP No. 4 – Mount Druitt Development Area

Date Plan came into force – 23/02/2005

Trunk Drainage
Local Roads

CP No. 5 – Parklea Release Area

Date Plan came into force – 19/06/2013

Trunk Drainage
Tributary Trunk Drainage
Major Roads
Local Roads
Open Space
Community Facilities

CP No. 6 – Woodcroft Estate

Date Plan came into force – 31/10/1993

Trunk Drainage
Open Space
Community Facilities

CP No. 7 – Car Parking in the Blacktown City Centre

Date Plan came into force – 17/02/1999

Car Parking

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

CP No. 13 – New Tribes Mission Site – Open Space <i>Date Plan came into force – 07/11/2001</i> Land Acquisition Embellishment
CP No. 15 – Metella Road Floodplain <i>Date Plan came into force – 27/10/2004</i> Compensatory Works to the Floodplain
CP No. 16 – blacktown CBD (Northern Precinct) <i>Date Plan came into force – 31/03/2004</i> Local Road Construction Streetscape Facilities Traffic Management Facilities Open Space Community Facilities
CP No. 17 – Quakers Hill Commercial Precinct <i>Date Plan came into force – 17/12/2008</i> Traffic Management Facilities
CP No. 20 – Riverstone & Alex Avenue Precincts <i>Date Plan came into force – 01/12/2010</i> Roads Drainage Open Space Community Facilities
CP No. 21 – Marsden Park Industrial Precinct <i>Date Plan came into force – 05/06/2013</i> Roads Drainage Open Space Community Facilities
CP No. 22 – Area 20 Precinct <i>Date Plan came into force – 05/06/2013</i> Roads Drainage Open Space Community Facilities
CP No. 23 – Riverstone West Precinct <i>Date Plan came into force – 03/08/2010</i> Roads Drainage

It should be noted that as at 30 June 2013 no Section 94 Contributions under Contribution Plans No.17, 21, 22 & 23 have been received.

Council also holds contributions, which were obtained prior to the requirement to have

contribution plans in place. These moneys must be applied only for purposes for which they were obtained.

Council has identified the need for supplementary funding to ensure all contribution plan commitments are met and to achieve this has established an Infrastructure Sinking Fund which makes annual contributions.

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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.

(c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30 June 2013) and (ii) all the related operating results (for the financial year ended the 30th June 2013).

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

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

(i) The Consolidated Fund

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

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

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

- General Purpose Operations
- Westpool (Joint Venture)
- United Independent Pool (Joint Venture)
- Blacktown International Sportspark

Due to their immaterial value and nature, the following Committees, Entities & Operations have been excluded from consolidation:

- Hall Management Committee
- Park Management Committee

Council controls approximately 100 Park and Hall Management Committees under Section 355 of the Local Government Act 1993. Sixty (60) of these committees maintain their own funds and were instructed to provide Council with audited financial statements for the accounting year ended 31 March 2013. Of the sixty (60) Committees, twenty two (22) complied and provided their financial statements.

The (i) total income and expenditure from continuing operations and (ii) the net assets held by these 22 Committees & Operations is as follows:

Total income from continuing operations	\$411,764
Total expenditure from continuing operations	\$305,546
Total net assets held (ie Equity)	\$1,295,273

Note:

Where actual figures are not known, best estimates have been applied.

(ii) The Trust Fund

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

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

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

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

(iii) Joint Ventures

Westpool and UIP

Blacktown City Council's interests in the Local Government Insurance Pools "Westpool" and "UIP" have been recognised as a Joint Venture in the financial statements using the Equity Accounting method.

Jointly controlled assets

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

Jointly controlled entities

The interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to the partnership are set out in Note 19.

Jointly controlled operations

Council has no jointly controlled operations at present. However, when such operations are entered into the assets which are controlled and the liabilities incurred by Council are recognised in the balance sheet.

Expenses incurred and Council's share of income is recognised in the Income statement.

Blacktown International Sportspark

In 2001/02, Council established Blacktown International Sportspark, previously known as Blacktown Venue Management (ACN 098 490 978), as a separate legal entity responsible for the operational management of Blacktown Olympic Park – Sydney.

Blacktown International Sportspark is a public company limited by guarantee and is fully owned by Blacktown City Council.

The company was issued a certificate of registration from the Australian Securities and Investments Commission on 19 October, 2001, and commenced operations from January 2002, following the appointment of a Chief Executive Officer.

Funding for Blacktown International Sportspark is by way of revenue generated from operations, an annual grant allocation from the State Government and a subsidy from Council.

For the purpose of financial reporting in accordance with the Corporations legislation, Council considers Blacktown International Sportspark to be a non-reporting entity. A separate set of financial statements for Blacktown International Sportspark is prepared and audited annually on this basis.

For the purposes of Council's General Purpose Financial Statements, all transactions associated with Blacktown International Sportspark have been consolidated into Council's accounts.

(d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term. No finance leases were held by Council as at 30 June 2013.

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

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

(e) Acquisition of assets

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

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

(f) Cash and Cash Equivalents

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

(g) Investments and Other Financial Assets

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

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

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

(iv) Available-for-sale financial assets

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

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

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

Financial Assets – Reclassification

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

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

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

(iii) Types of Investments

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

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

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

(h) Fair value estimation

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

(i) Receivables

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

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

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

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

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

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

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

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

(j) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

Land Held for Resale/Capitalisation of Borrowing Costs

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

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

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

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

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

Acquisition of assets

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

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

- **Investment Properties** – refer Note 1(p),
- **Operational Land** (Internal Valuation) provided by John Smith, Council's Property Services Co-Ordinator
- **Buildings – Specialised/Non Specialised** (External Valuation) - Specialised / Non-Specialised 30 June 2013 by Scott Fullarton, Valuation No. MKT4903 (Not including assessment of useful lives of assets)
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths** (Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)

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

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Depreciation

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

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 years
- Computer Equipment	4 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 10 years
- Other plant and equipment	5 to 10 years

Other Equipment

- Playground equipment	5 to 20 years
- Benches, seats etc	10 to 20 years

Buildings

- Buildings :	25 to 384 years
- Buildings Substructure – Concrete	Infinite

Transportation Assets

- Bridges	15- 100 years
- Bus shelters	10 – 30 years
- Car Parking	30 – 60 years
- Drainage	50- 100 years
- Drainage–Pollution Control Devices	10- 50 years
- Footpaths	50- 60 years
- Road – Structure	15-115 years
- Road – Surface	10- 50 years
- Traffic Control Devices	10-50 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
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All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

Disposal and De-recognition

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

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

(I) Land

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

(m) Land under roads

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

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

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

(n) Intangible Assets

IT Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

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

(o) Investment property

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

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

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

reviewed annually by a member of of the Australian Property Institute.

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

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

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

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

Costs are estimated on the basis of a closure plan.

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

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

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

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

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

Other movements in the provisions for Close down, Restoration and Remediation costs including those

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

These costs are then depreciated over the lives of the assets to which they relate.

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date.

These costs are charged to the income statement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(r) Impairment of assets

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model. Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

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

(s) 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.

(t) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer

settlement of the liability for at least 12 months after the balance sheet date.

(u) Borrowing costs

Borrowing costs are expensed.

(v) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

(w) Employee benefits

(i) Short Term Obligations

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

(ii) Other Long Term Obligations

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

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

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the

reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked for significant increases in contributions to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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.

(x) Self insurance

Council has determined to self-insure for various risks including public liability and professional indemnity.

A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note 10.

Council also maintains cash and investments to meet expected future claims and these are detailed in Note 6(c).

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Exceptions

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

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

(z) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

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

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

(aa) Rural Fire Service assets

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

been purchased or constructed". Until such time as discussions on this matter have concluded and the legislation changed, Council will (will not) recognise rural fire service assets including land, buildings, plant and vehicles.

(ab) 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).

(ac) 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.

(ad) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

mandatory for reporting periods ending 30 June 2013.

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

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

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

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

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

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

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

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting

Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

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

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

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

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

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

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

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

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

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

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

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

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

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

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

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

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

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

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies (continued)

The amendments also introduce a “partial disposal” concept.

Council is still assessing the impact of these amendments.

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

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in paragraph (x) (iii) and so these changes will not have an impact on its reported results.

Not applicable to Local Government per se;

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

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

(ae) Rounding of amounts

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

(af) 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.

(ag) Disclaimer

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

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
A Creative and Inclusive City	16,400	20,810	20,342	28,551	29,500	27,991	(12,151)	(8,690)	(7,649)	10,021	9,942	115,690	111,525
Environmental Sustainability	33,933	34,806	32,060	40,410	39,922	36,504	(6,477)	(5,116)	(4,444)	2,119	1,875	1,248	1,163
Vibrant Commercial Centres	2,163	4,188	3,916	6,428	6,594	6,028	(4,265)	(2,406)	(2,112)	-	-	-	-
A Smart Economy	59	143	108	1,187	1,162	1,133	(1,128)	(1,019)	(1,025)	-	-	4,649	3,006
Urban Living and Infrastructure	5,808	8,110	7,010	15,679	16,223	14,960	(9,871)	(8,113)	(7,950)	4,020	3,594	1,176,260	1,143,263
Clean Green Spaces and Places	4,880	17,952	17,813	24,068	26,259	23,528	(19,188)	(8,307)	(5,715)	39	142	363,501	227,562
Getting Around	38,113	16,025	16,831	17,469	20,874	19,376	20,644	(4,849)	(2,545)	612	578	55,068	27,894
A Sporting City	6,885	8,333	6,106	11,258	12,325	9,480	(4,373)	(3,992)	(3,374)	874	735	82,786	71,638
Governance & Civic Leadership	175,545	276,115	238,354	100,718	97,311	104,682	74,827	178,804	133,672	22,099	27,476	1,280,761	1,205,175
Total Functions & Activities	283,786	386,482	342,540	245,768	250,170	243,682	38,018	136,312	98,858	39,784	44,342	3,079,963	2,791,226

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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:

A CREATIVE, FRIENDLY AND INCLUSIVE CITY

Childrens Services	Governance and Corporate Administration
City Marketing and Promotions	Libraries
Community Buildings	Maintenance of Civil Infrastructure
Community Regulations	Social Planning and Development
Economic Development	Strategic Development
Emergency Services	

ENVIRONMENTAL SUSTAINABILITY

Building Development and Support Services	Parks and Reserves Improvements
Community Regulations	Social Planning and Development
Design of Civil Infrastructure	Street Cleaning
Emergency Services	Urban Animal Management
Health and Environmental Services	Waste Removal Services
Parks and Reserves Maintenance	

VIBRANT COMMERCIAL CENTRES

Building Development and Support Services	Economic Development
City Marketing and Promotions	Health and Environmental Services
Community Regulations	Social Planning and Development
Construction of Civil Infrastructure	Strategic Development
Corporate Support Services	Street Cleaning
Design of Civil Infrastructure	Transport Planning

A SMART ECONOMY

City Marketing and Promotions	Property Development
Economic Development	Social Planning and Development
Libraries	Strategic Development

URBAN LIVING AND INFRASTRUCTURE

Building Development and Support Services	Financial Management
Building Services	Maintenance of Civil Infrastructure
Catchment and Stormwater Maintenance	Parks and Reserves Maintenance
Civil Infrastructure Planning	Property Maintenance
Community Buildings	Recreation Planning and Development
Community Regulation	Social Planning and Development
Design of Civil Infrastructure	Strategic Development
Development Services	Transport Planning
Engineering Support Services	

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

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

CLEAN GREEN SPACES AND PLACES

Aquatic and Leisure Centres
Building and Development Services
Community Regulation
Construction of Civil Infrastructure
Health and Environmental Services
Maintenance of Civil Infrastructure
Parks & Reserves Improvements

Parks & Reserves Maintenance
Recreation Centres
Recreation Planning and Development
Strategic Development
Street Cleaning
Waste Removal Services

GETTING AROUND

Catchment and Stormwater Management
Community Regulation
Construction of Civil Infrastructure
Design of Civil Infrastructure

Engineering Support Services
Maintenance of Civil Infrastructure
Strategic Development
Transport Planning

A SPORTING CITY

Aquatic and Leisure Centres
City Marketing and Promotions
Economic Development
Parks and Reserves Maintenance

Property Maintenance
Recreation Centres
Recreation Planning and Development
Social Planning and Development

GOVERNANCE AND CIVIC LEADERSHIP

Blacktown City Information Centre
Building Mechanical Services / Depot Utilities
Business Technology
City Marketing and Promotions
Community Buildings
Corporate Finance
Corporate Strategy

Economic Development
Financial Management
Fleet Management
Governance and Corporate Administration
Human Resources
Property Development
Property Management

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		82,168	80,198
Farmland		884	854
Business		33,819	30,540
Total Ordinary Rates		116,871	111,592
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		31,459	28,913
Stormwater Management Services		2,971	2,923
Waste Management Services (non-domestic)		754	688
Section 611 Charges		140	128
Total Annual Charges		35,324	32,652
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>152,195</u>	<u>144,244</u>

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Sullage and Septic Tank Charges		111	95
Total User Charges		111	95
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Construction / Compliance Certificate Fees		939	915
Building Services - Other		54	39
Engineering Construction / Compliance Certificate Fees		1,193	961
Planning & Building Regulation		2,219	2,220
Registration Fees		400	355
Section 603 Certificates		401	400
Section 735A Certificate Fees		100	98
Subdivision Certificate Fees		248	259
Zoning Certificates		627	655
Total Fees & Charges - Statutory/Regulatory		6,181	5,902
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Animal Control		159	191
Child Care / Pre School		6,587	6,530
Hall Hire		610	587
Health & Fitness		2,178	2,293
Health Licences and Fees		193	174
Inspections - Vehicle Crossings		280	235
Laneway Closure Application Fees		10	9
Library - Photocopier / Fax Charges		68	71
Parking Fees		71	75
Swimming Pools		4,862	4,400
Other		630	573
Total Fees & Charges - Other		15,648	15,138
TOTAL USER CHARGES & FEES		21,940	21,135

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		397	436
- Interest earned on Investments (interest & coupon payment income)		14,153	17,501
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>14,550</u>	<u>17,937</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		397	436
General Council Cash & Investments		14,153	17,501
<u>Total Interest & Investment Revenue Recognised</u>		<u>14,550</u>	<u>17,937</u>
(d) Other Revenues			
Fair Value Adjustments - Investment Properties	14	520	-
Rental Income - Investment Properties	14	1,098	1,098
Rental Income - Other Council Properties		1,300	1,183
Fines		2,296	2,172
Legal Fees Recovery - Rates & Charges (Extra Charges)		345	377
Legal Fees Recovery - Other		69	93
Animal Control		202	126
Community Services / Child Care		640	623
Contributions to Long Service Leave - Other Councils		63	137
Disposal of Garbage		80	46
Employee Contributions		949	882
Recreation and Leisure		2,896	2,848
Reinstatement of Roads and Footpaths		2,316	1,851
Other		1,097	712
<u>TOTAL OTHER REVENUE</u>		<u>13,871</u>	<u>12,148</u>

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance	19,152	24,184	-	-
Pensioners' Rates Subsidies - General Component	1,406	1,374	-	-
Total General Purpose	20,558	25,558	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	482	476	-	-
Bushfire & Emergency Services	265	325	69	140
Community Care Services	9,349	8,811	-	306
Community Centres	-	-	4	-
Employment & Training Programs	36	260	-	-
Environmental Protection	462	478	-	-
Heritage & Cultural	323	379	-	50
Library	-	-	158	145
Library - per capita	620	620	-	-
Parks & Reserves	736	736	831	551
Street Lighting	547	512	-	-
Transport (Roads to Recovery)	-	-	853	2,120
Transport (Other Roads & Bridges Funding)	65	116	2,227	644
Western Sydney Parklands - Interface Lands	-	37	-	-
Waste Sustainability	930	1,666	1,014	-
Other	255	407	-	5
Total Specific Purpose	14,070	14,823	5,156	3,961
Total Grants	34,628	40,381	5,156	3,961
Grant Revenue is attributable to:				
- Commonwealth Funding	26,187	32,078	4,255	843
- State Funding	8,441	8,302	901	3,118
- Other Funding	-	1	-	-
	34,628	40,381	5,156	3,961

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	27,912	16,595
Voluntary Planning Agreements	-	-	3,972	253
NSW Government Housing Accelerated Fund	-	-	35,000	-
Total Developer Contributions	17 -	-	66,884	16,848
Other Contributions:				
Animal Control	225	245	-	-
Cleaning	54	56	-	-
Community Services / Child Care	540	493	1,175	33
Contributions to Outgoings - Investment Properties	157	165	-	-
Land Under Roads Dedications	-	-	31,509	45,267
Parks and Reserves	13	175	9,872	4,935
Paving	-	-	1,020	86
RMS Contributions (Regional Roads, Block Grant)	-	-	3,090	2,477
Subdividers Works	-	-	25,307	28,545
Sullage	-	9	-	-
Town Planning	252	279	-	-
Waste Services NSW	728	698	-	-
Transport	7	-	-	-
Other	46	20	82	170
Total Other Contributions	2,022	2,140	72,055	81,513
Total Contributions	2,022	2,140	138,939	98,361
TOTAL GRANTS & CONTRIBUTIONS	36,650	42,521	144,095	102,322

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2013	Actual 2012
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	80,987	84,521
add: Grants & contributions recognised in the current period but not yet spent:	44,714	35,400
less: Grants & contributions recognised in a previous reporting period now spent:	(5,661)	(38,934)
Net Increase (Decrease) in Restricted Assets during the Period	39,053	(3,534)
Unexpended and held as Restricted Assets	120,040	80,987
Comprising:		
- Specific Purpose Unexpended Grants	16,585	17,669
- Developer Contributions	92,682	52,201
- Other Contributions	10,773	11,117
	120,040	80,987

Note 4. Expenses from Continuing Operations

(a) Employee Benefits & On-Costs

Salaries and Wages	77,744	74,290
Travelling	148	133
Employee Leave Entitlements (ELE)	16,238	17,106
Superannuation	9,502	9,279
Workers' Compensation Insurance	1,156	2,905
Fringe Benefit Tax (FBT)	395	393
Training Costs (other than Salaries & Wages)	663	742
Other	629	465
Total Employee Costs	106,475	105,313
less: Capitalised Costs	(1,618)	(1,583)
TOTAL EMPLOYEE COSTS EXPENSED	104,857	103,730
Number of "Equivalent Full Time" Employees at year end	1,352	1,336

(b) Borrowing Costs

Nil

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		12,748	12,387
Contractor & Consultancy Costs		22,982	20,856
Auditors Remuneration ⁽¹⁾		118	117
Legal Expenses:			
- Legal Expenses: Planning & Development		562	619
- Legal Expenses: Other		570	679
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		90	63
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>37,070</u>	<u>34,721</u>
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		118	117
Remuneration for audit and other assurance services		118	117
Total Auditor Remuneration		118	117
2. Operating Lease Payments are attributable to:			
Other		90	63
		90	63

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012

(d) Depreciation, Amortisation & Impairment

Plant and Equipment	-	-	5,499	5,649	
Office Equipment	-	-	1,114	1,077	
Furniture & Fittings	-	-	490	471	
Land Improvements (depreciable)	-	-	2,090	1,944	
Buildings - Non Specialised	-	-	2,047	1,795	
Buildings - Specialised	-	-	4,229	5,382	
Other Structures	-	-	402	361	
Infrastructure:					
- Roads, Bridges & Footpaths	-	-	31,024	30,060	
- Stormwater Drainage	-	-	6,719	6,337	
Other Assets					
- Library Books	-	-	977	964	
Intangible Assets	25	-	-	93	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	54,684	54,040

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		735	980
Bad & Doubtful Debts		188	474
Bank Charges / Credit Card Charges		327	302
Computer Equipment Maintenance		374	361
Contributions/Levies to Other Levels of Government		36	31
- Department of Planning Levy		211	204
- Emergency Services Levy		2,394	2,311
- Tipping Fees		23,064	20,163
Councillor Expenses - Mayoral Fee		74	72
Councillor Expenses - Councillors' Fees		386	380
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		433	349
Cultural Services / Civic Events		1,601	1,584
Data Processing Costs		734	751
Donations, Contributions & Assistance to other organisations (Section 356)		254	262
- Donations, Contributions & Assistance (Hawkesbury River County Council)		153	128
Election Expenses		1,045	-
Electricity & Heating		3,215	2,877
External Plant Hire		94	335
Fee Relief Advance to Carers		1,888	1,696
Insurance		2,801	2,439
Marketing / Promotions		280	345
Parking Patrol		258	283
Post Office Agency Charges		288	287
Postage		406	352
Refund Developer Contributions		18	12
Revaluation Decrements (Fair Valuation of Investment Properties)	14	-	482
Security		559	566
Security Mailing Services		202	242
Site Remediation		-	1,000
Street Lighting		6,010	5,238
Telephone & Communications		683	666
Valuation Fees (Rates)		546	500
Water Rates & Charges		1,402	1,216
Other		2,900	4,303
<u>TOTAL OTHER EXPENSES</u>		<u>53,559</u>	<u>51,191</u>

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2013	Actual 2012
Property (excl. Investment Property)			
Proceeds from Disposal - Property		-	38
less: Carrying Amount of Property Assets Sold / Written Off		-	(33)
Net Gain/(Loss) on Disposal		-	5
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		2,258	2,297
less: Carrying Amount of P&E Assets Sold / Written Off		(2,417)	(2,316)
Net Gain/(Loss) on Disposal		(159)	(19)
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		12,733	2,401
less: Carrying Amount of Real Estate Assets Sold / Written Off		(10,261)	(697)
Net Gain/(Loss) on Disposal		2,472	1,704
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		104,726	47,500
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(104,726)	(47,500)
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		2,313	1,690

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Notes	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		14,815	-	3,631	-
Cash-Equivalent Assets ¹					
- Deposits at Call		73,975	-	110,039	-
Total Cash & Cash Equivalents		88,790	-	113,670	-
Investments (Note 6b)					
- Long Term Deposits		95,000	137,000	125,726	45,000
Total Investments		95,000	137,000	125,726	45,000
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		183,790	137,000	239,396	45,000

¹ Those Investments where time to maturity 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"

88,790	-	113,670	-
---------------	----------	----------------	----------

Investments

b. "Held to Maturity"

6(b-ii)

Investments

95,000	137,000	125,726	45,000
95,000	137,000	125,726	45,000

Note 6(b-i)

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

Balance at the Beginning of the Year	125,726	45,000	197,500	60,350
Additions	74,000	92,000	57,876	-
Disposals (sales & redemptions)	(104,726)	-	(32,150)	(15,350)
Balance at End of Year	95,000	137,000	223,226	45,000

Comprising:

- Long Term Deposits	95,000	137,000	223,226	45,000
Total	95,000	137,000	223,226	45,000

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Total Cash, Cash Equivalents and Investments	183,790	137,000	239,396	45,000
attributable to:				
External Restrictions (refer below)	37,607	137,000	97,335	45,000
Internal Restrictions (refer below)	119,847	-	121,439	-
Unrestricted	26,336	-	20,622	-
	183,790	137,000	239,396	45,000

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

Developer Contributions - General (D)	52,201	56,879	(16,398)	92,682
Second Ponds Creek Voluntary Planning Agreement	39,500	-	-	39,500
Voluntary Planning Agreements	257	28	-	285
RMS (formerly RTA) Contributions (E)	349	3,925	(3,619)	655
Specific Purpose Unexpended Grants (F)	17,669	20,707	(21,791)	16,585
Domestic Waste Management (G)	16,315	993	(6,408)	10,900
Stormwater Management (G)	5,806	3,419	(5,343)	3,882
Subdivisor Contributions	7,675	1,023	(1,226)	7,472
Contributions to Works	1,701	245	(166)	1,780
Other	862	62	(58)	866
External Restrictions - Other	142,335	87,281	(55,009)	174,607
Total External Restrictions	142,335	87,281	(55,009)	174,607

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

E RMS Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.

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

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Asset Renewal Reserve	-	3,092	-	3,092
Employees Leave Entitlement	10,557	1,378	-	11,935
Deposits, Retentions & Bonds	13,076	2,757	(2,553)	13,280
Workers Compensation Self Insurance Claims (A)	5,745	878	(723)	5,900
Contributions Received in Advance	19	-	-	19
Internal S94 Contributions	359	165	-	524
Other	2,058	3,138	(2,980)	2,216
Blacktown Leisure Centre	5,559	590	(18)	6,131
Blacktown Showground Redevelopment Reserve	8,671	1,261	(9,932)	-
Blacktown Venue Management Reserve	1,847	64	(304)	1,607
Business Technology Reserve	-	7,140	-	7,140
Childcare Centres Improvement	370	420	-	790
Companion Animal Reserve	192	70	(6)	256
Contributions to Future S94 Works	1,887	93	(1,980)	-
Deregulated Approvals Reserve	1,455	480	-	1,935
e-Business Strategy Reserve	3,096	867	(1,024)	2,939
Early Settlers Memorial Reserve	745	59	-	804
Emerton Leisure Centre Reserve	594	224	(400)	418
Equipment Replacement Reserve	420	82	(27)	475
Family Day Care	298	125	-	423
Future Election Expenses	1,145	346	(1,045)	446
Historical Buildings Restoration	1,330	118	(69)	1,379
Infrastructure Sinking Fund	34,764	17,138	(25,955)	25,947
Land Projects Reserves	17,694	8,224	(515)	25,403
Other Plant Replacement	1,778	2,302	(1,494)	2,586
PC Replacement Reserve	3,428	914	(2,556)	1,786
Printing Equipment Replacement	467	24	-	491
Riverstone Cemetery Reserve	584	203	-	787
Sargents Centre Reserve	190	9	(5)	194
St Bartholomew's Church Restoration	19	1	-	20
Stormwater Maintenance Reserve	187	36	-	223
Street Lighting Reserve	-	250	-	250
Sundry Gratuitous Payments	53	3	-	56
Waste Management Plant	2,531	129	(2,660)	-
Westpool Contributions Reserve	273	171	(99)	345
Youth Accommodation Project	48	2	-	50
Total Internal Restrictions	121,439	52,753	(54,345)	119,847
TOTAL RESTRICTIONS	263,774	140,034	(109,354)	294,454

A Self Insurance liability resulting from reported claims or incurred claims not yet reported.

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		3,609	1,780	3,279	1,562
Interest & Extra Charges		524	236	505	205
User Charges & Fees		785	-	986	-
Capital Debtors (being sale of assets)					
- Sale of Land		472	-	21	-
Accrued Revenues					
- Interest on Investments		5,727	-	5,988	-
- Other Income Accruals		96	-	99	-
Government Grants & Subsidies		1,694	-	3,250	-
Legal Costs on Outstanding Rates		350	-	343	-
Net GST Receivable		-	-	1,923	-
Restorations		846	-	817	-
Section 611 Charges		140	-	140	-
Section 94 Landcom Second Ponds Creek		-	14,472		3,807
Other Debtors		921	-	912	-
Total		15,164	16,488	18,263	5,574
less: Provision for Impairment					
Rates & Annual Charges		(101)	(418)	(96)	(326)
Interest & Extra Charges		(114)	(77)	(96)	(46)
Other Debtors		(197)	-	(518)	-
Total Provision for Impairment - Receivables		(412)	(495)	(710)	(372)
<u>TOTAL NET RECEIVABLES</u>		<u>14,752</u>	<u>15,993</u>	<u>17,553</u>	<u>5,202</u>
Externally Restricted Receivables					
Domestic Waste Management		2,299	-	2,304	-
Developer Contributions		-	14,472	-	3,807
Total External Restrictions		2,299	14,472	2,304	3,807
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		12,453	1,521	15,249	1,395
TOTAL NET RECEIVABLES		14,752	15,993	17,553	5,202

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 10.00% (2012 11.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		19,278	-	25,107	-
Stores & Materials		2,439	-	2,220	-
Total Inventories		21,717	-	27,327	-
Other Assets					
Prepayments		186	-	136	-
Land Acquisition in Progress		185	-	10	-
Total Other Assets		371	-	146	-
<u>TOTAL INVENTORIES / OTHER ASSETS</u>		<u>22,088</u>	<u>-</u>	<u>27,473</u>	<u>-</u>

Externally Restricted Assets

There are no restrictions applicable to the above assets.

(i) Other Disclosures

(a) Details for Real Estate Development

Residential	12,757	-	18,680	-
Industrial/Commercial	6,079	-	6,016	-
Other Properties (surplus to requirements)	442	-	411	-
Total Real Estate for Resale	19,278	-	25,107	-

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

Represented by:

Acquisition Costs	3,558	-	9,929	-
Development Costs	15,720	-	15,178	-
Total Costs	19,278	-	25,107	-
Total Real Estate for Resale	19,278	-	25,107	-

Movements:

Real Estate assets at beginning of the year	25,107	-	23,344	-
- Purchases and other costs	4,232	-	2,333	-
- Transfers in from (out to) Note 9	200	-	127	-
- WDV of Sales (exp)	(10,261)	-	(697)	-
Total Real Estate for Resale	19,278	-	25,107	-

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

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

	2013	2012
Real Estate for Resale	18,180	22,069
	18,180	22,069

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2012					Asset Movements during the Reporting Period							as at 30/6/2013				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	WIP Transfers	Adjustments & Transfers	Tfrs from/(to) Real Estate Assets (Note 8)	Revaluation Increments/ (Decrements)	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value								Cost	Fair Value	Dep'n	Impairment	Value
Capital Work in Progress	28,967	-	-	-	28,967	24,896	-	-	(36,072)	-	-	-	-	17,791	-	-	17,791
Plant & Equipment	-	73,785	44,794	-	28,991	7,467	(2,417)	(5,499)	64	-	-	-	-	72,468	43,862	-	28,606
Office Equipment	-	18,339	13,450	-	4,889	711	-	(1,114)	-	-	-	-	-	19,050	14,564	-	4,486
Furniture & Fittings	-	7,896	5,454	-	2,442	392	-	(490)	-	-	-	-	-	8,288	5,944	-	2,344
Land:																	
- Operational Land	-	244,181	-	-	244,181	-	-	-	-	2,195	(200)	37,935	-	284,111	-	-	284,111
- Community Land	-	222,663	-	-	222,663	17,043	-	-	-	(3,638)	-	-	-	236,068	-	-	236,068
- Land under Roads (post 30/6/08)	-	148,713	-	-	148,713	31,509	-	-	-	43	-	-	-	180,265	-	-	180,265
Land Improvements - depreciable	-	88,251	14,240	-	74,011	4,624	-	(2,090)	25,015	(574)	-	-	-	117,314	16,328	-	100,986
Buildings - Non Specialised	-	108,666	53,235	-	55,431	284	-	(2,047)	-	28,459	-	2,699	-	125,265	40,439	-	84,826
Buildings - Specialised	-	246,297	85,216	-	161,081	2,081	-	(4,229)	3,199	26,851	-	62,002	-	319,543	68,558	-	250,985
Other Structures	-	13,602	5,125	-	8,477	1,707	-	(402)	2,548	1,214	-	-	-	19,492	5,948	-	13,544
Infrastructure:																	
- Roads, Bridges, Footpaths	-	1,548,974	557,669	-	991,305	39,387	-	(31,024)	2,985	-	-	-	-	1,580,777	578,124	-	1,002,653
- Bulk Earthworks (non-depreciable)	-	17,997	-	-	17,997	5,989	-	-	-	-	-	-	-	23,986	-	-	23,986
- Stormwater Drainage	-	574,384	163,747	-	410,637	9,114	-	(6,719)	289	-	-	-	-	583,719	170,398	-	413,321
- Stormwater Drainage (non-depreciable)	-	17,402	-	-	17,402	1,446	-	-	1,972	-	-	-	-	20,820	-	-	20,820
Other Assets:																	
- Heritage Collections	-	-	-	-	-	-	-	-	-	-	-	-	-	7	7	-	-
- Library Books	-	12,778	9,978	-	2,800	888	-	(977)	-	-	-	-	-	13,665	10,954	-	2,711
- Other	-	-	-	-	-	-	-	-	-	35	-	-	-	101	66	-	35
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	28,967	3,343,928	952,908	-	2,419,987	147,538	(2,417)	(54,591)	-	54,585	(200)	102,636	-	3,622,730	955,192	-	2,667,538

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$16,776,000) and New Assets (\$41,525,000). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000 Class of Asset	Actual 2013				Actual 2012			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Domestic Waste Management								
Plant & Equipment	-	16,606	9,738	6,868	-	15,640	8,658	6,982
Land								
- Operational Land'	-	5,500	-	5,500	-	4,505	-	4,505
Buildings	-	345	-	345	-	113	82	31
Total DWM	-	22,451	9,738	12,713	-	20,258	8,740	11,518
TOTAL RESTRICTED I,PP&E	-	22,451	9,738	12,713	-	20,258	8,740	11,518

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

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services		13,843	-	14,359	-
Payments Received In Advance		2,329	-	2,323	-
- Salaries & Wages		992	-	1,144	-
Security Bonds, Deposits & Retentions		13,245	-	13,076	-
ATO - Net GST Payable		1,845	-	-	-
Other		2,280	-	2,251	-
Total Payables		34,534	-	33,153	-
Borrowings					
Nil					
Provisions					
Employee Benefits;					
Annual Leave		13,406	-	12,461	-
Sick Leave		6,238	-	6,022	-
Long Service Leave		22,512	445	21,734	516
Gratuities		5	-	5	-
Sub Total - Aggregate Employee Benefits		42,161	445	40,222	516
Self Insurance - Workers Compensation		1,570	4,450	2,300	4,519
Asset Remediation/Restoration (Future Works)	26	-	-	3,000	-
S94 Landcom Credit Bank		-	-	4,340	-
Other		369	-	275	-
Total Provisions		44,100	4,895	50,137	5,035
Total Payables, Borrowings & Provisions		78,634	4,895	83,290	5,035

(i) Liabilities relating to Restricted Assets

	2013		2012	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Domestic Waste Management	1,255	-	1,357	-
Developer Contributions	-	-	4,340	-
Liabilities relating to externally restricted assets	1,255	-	5,697	-
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	1,255	-	5,697	-
Total Liabilities relating to Unrestricted Assets	77,379	4,895	77,593	5,035
TOTAL PAYABLES, BORROWINGS & PROVISIONS	78,634	4,895	83,290	5,035

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

	Actual 2013	Actual 2012
\$ '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	31,996	31,334
Payables - Security Bonds, Deposits & Retentions	8,474	8,035
	40,470	39,369

Note 10b. Description of and movements in Provisions

Class of Provision	2012	2013				
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/13
Annual Leave	12,461	9,823	(8,878)	-	-	13,406
Sick Leave	6,022	3,536	(3,320)	-	-	6,238
Long Service Leave	22,250	2,594	(1,887)	-	-	22,957
Gratuities	5	30	(30)	-	-	5
Self Insurance	6,819	1,155	(1,954)	-	-	6,020
Asset Remediation	3,000	-	(3,000)	-	-	-
Other	4,615	257	(4,503)	-	-	369
TOTAL	55,172	17,395	(23,572)	-	-	48,995

- 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.
- Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.
- Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	88,790	113,670
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		88,790	113,670
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		136,312	98,858
Adjust for non cash items:			
Depreciation & Amortisation		54,684	54,040
Net Losses/(Gains) on Disposal of Assets		(2,313)	(1,690)
Non Cash Capital Grants and Contributions		(81,563)	(80,410)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investment Properties		(520)	482
Share of Net (Profits) or Losses of Associates/Joint Ventures		(868)	(543)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(7,364)	(2,928)
Increase/(Decrease) in Provision for Doubtful Debts		(175)	518
Decrease/(Increase) in Inventories		(219)	(268)
Decrease/(Increase) in Other Assets		(225)	(3)
Increase/(Decrease) in Payables		(516)	3,766
Increase/(Decrease) in other accrued Expenses Payable		(152)	573
Increase/(Decrease) in Other Liabilities		2,049	1,631
Increase/(Decrease) in Employee Leave Entitlements		1,868	3,454
Increase/(Decrease) in Other Provisions		(8,045)	1,314
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		92,953	78,794

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
(c) Non-Cash Investing & Financing Activities			
S94 Contributions "in kind"		10,953	3,760
Other Dedications		45,306	49,246
Other Infrastructure Assets		25,304	27,404
Total Non-Cash Investing & Financing Activities		81,563	80,410

(d) Financing Arrangements

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

Bank Overdraft Facilities ⁽¹⁾	1,000	1,000
Total Financing Arrangements	1,000	1,000

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

(ii) Secured Loan Liabilities

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		341	1,462
Plant & Equipment		583	1,536
Roads, Bridges & Drainage		480	772
Office Equipment		18	81
Land Development		9,666	3,272
Library Books		129	45
Furniture & Fittings		25	60
Other		215	138
Total Commitments		11,457	7,366
These expenditures are payable as follows:			
Within the next year		11,457	7,366
Total Payable		11,457	7,366
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		11,457	7,366
Total Sources of Funding		11,457	7,366

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

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

Within the next year	104	44
Later than one year and not later than 5 years	279	23
Later than 5 years	-	-
Total Non Cancellable Operating Lease Commitments	383	67

Conditions relating to Operating Leases:

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

(d) Investment Property Commitments

Nil

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000	Amounts 2013	Indicator 2013	Prior Periods 20122011	
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	162,544	4.40 : 1	4.26	5.23
Current Liabilities less Specific Purpose Liabilities ^(2,3)	36,909			
2. Debt Service Ratio				
Debt Service Cost	-	0.00%	0.00%	0.00%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	226,295			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	152,195	39.38%	42.11%	42.25%
Income from Continuing Operations	386,482			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	5,439	3.44%	3.32%	3.64%
Rates, Annual & Extra Charges Collectible	157,924			
4a. Rates Outstanding Percentage (recoverable)				
Rates, Annual & Extra Charges Outstanding <i>minus</i> amounts not recoverable	2,830	1.82%	1.70%	2.12%
Gross Rates, Annual & Extra Charges Collectible	155,355			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	16,776	38.11%	34.04%	33.00%
Depreciation, Amortisation & Impairment	44,019			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

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

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

<div><div>1. Unrestricted Current Ratio</div><table><tr><th>Year</th><th>Ratio</th></tr><tr><td>2010</td><td>4.77</td></tr><tr><td>2011</td><td>5.23</td></tr><tr><td>2012</td><td>4.26</td></tr><tr><td>2013</td><td>4.40</td></tr></table></div>	Year	Ratio	2010	4.77	2011	5.23	2012	4.26	2013	4.40	<div><div>Purpose of Unrestricted Current Ratio</div><p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p></div>	<div><div>Commentary on 2012/13 Result</div><div>2012/13 Ratio4.40 : 1</div><p>A ratio of 4.40 indicates that Council has a very sound liquidity position meaning there are sufficient liquid assets on hand to meet current liabilities as they fall due. A ratio of less than 1.5:1 is deemed unsatisfactory as a council may be unable to meet its short term financial commitments.</p></div>
Year	Ratio											
2010	4.77											
2011	5.23											
2012	4.26											
2013	4.40											
<div><div>2. Debt Service Ratio</div><table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>0.00%</td></tr><tr><td>2011</td><td>0.00%</td></tr><tr><td>2012</td><td>0.00%</td></tr><tr><td>2013</td><td>0.00%</td></tr></table></div>	Year	Ratio %	2010	0.00%	2011	0.00%	2012	0.00%	2013	0.00%	<div><div>Purpose of Debt Service Ratio</div><p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p></div>	<div><div>Commentary on 2012/13 Result</div><div>2012/13 Ratio0.00%</div><p>Council has a Debt Service Ratio of Zero and has been Debt free since 1999.</p></div>
Year	Ratio %											
2010	0.00%											
2011	0.00%											
2012	0.00%											
2013	0.00%											
<div><div>3. Rates & Annual Charges Coverage Ratio</div><table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>42.45%</td></tr><tr><td>2011</td><td>42.25%</td></tr><tr><td>2012</td><td>42.11%</td></tr><tr><td>2013</td><td>39.38%</td></tr></table></div>	Year	Ratio %	2010	42.45%	2011	42.25%	2012	42.11%	2013	39.38%	<div><div>Purpose of Rates & Annual Charges Coverage Ratio</div><p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p></div>	<div><div>Commentary on 2012/13 Result</div><div>2012/13 Ratio39.38%</div><p>This ratio shows that Council's main source of income remain dependant on rates and annual charges. This ratio decreased slightly from 42.11% to 39.38%. This decrease is due to the rates and annual charges increasing from by 5.55% from \$144.2m to \$152.2m, which was less than the overall increase in revenue of 12.26% from \$342.5m to \$386.5m.</p></div>
Year	Ratio %											
2010	42.45%											
2011	42.25%											
2012	42.11%											
2013	39.38%											
<div><div>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</div><table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>4.03%</td></tr><tr><td>2011</td><td>3.64%</td></tr><tr><td>2012</td><td>3.32%</td></tr><tr><td>2013</td><td>3.44%</td></tr></table></div>	Year	Ratio %	2010	4.03%	2011	3.64%	2012	3.32%	2013	3.44%	<div><div>Purpose of Rates & Annual Charges Outstanding Ratio</div><p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p></div>	<div><div>Commentary on 2012/13 Result</div><div>2012/13 Ratio3.44%</div><p>This measure at 3.44% reflects that Council has been able to continue to maintain this ratio well below 5% as an industry benchmark.</p></div>
Year	Ratio %											
2010	4.03%											
2011	3.64%											
2012	3.32%											
2013	3.44%											
<div><div>5. Building & Infrastructure Renewals Ratio</div><table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>38.00%</td></tr><tr><td>2011</td><td>33.00%</td></tr><tr><td>2012</td><td>34.04%</td></tr><tr><td>2013</td><td>38.11%</td></tr></table></div>	Year	Ratio %	2010	38.00%	2011	33.00%	2012	34.04%	2013	38.11%	<div><div>Purpose of Asset Renewals Ratio</div><p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p></div>	<div><div>Commentary on 2012/13 Result</div><div>2012/13 Ratio38.11%</div><p>Council's Building & Infrastructure renewals ratio was 38.11%, which is an increase of 4.07% on the previous year. This ratio represents the expenditure outlays in the year the renewal of existing buildings & infrastructure assets as a percentage of the annual building & infrastructure depreciation expense.</p></div>
Year	Ratio %											
2010	38.00%											
2011	33.00%											
2012	34.04%											
2013	38.11%											

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 14. Investment Properties

\$ '000	Notes	Actual 2013	Actual 2012
(a) Investment Properties at Fair value			
<u>Investment Properties on Hand</u>		<u>32,385</u>	<u>31,610</u>
Reconciliation of Annual Movement:			
Opening Balance		31,610	31,900
- Capitalised Expenditure - this year		255	192
- Net Gain/(Loss) from Fair Value Adjustments		520	(482)
CLOSING BALANCE - INVESTMENT PROPERTIES		32,385	31,610

(b) Valuation Basis

The basis of valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2013 revaluations were based on Independent Assessments made by:
Mr Dennis Rylaarsdam AAPI of Lunney Watt & Associates PTY Ltd

(c) Contractual Obligations at Reporting Date

Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.

(d) Leasing Arrangements

Details of leased Investment Properties are as follows;

Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are due:

Within 1 year	1,507	1,044
Later than 1 year but less than 5 years	1,947	2,070
Later than 5 years	100	-
Total Minimum Lease Payments Receivable	3,554	3,114

(e) Investment Property Income & Expenditure - summary

Rental Income from Investment Properties:		
- Minimum Lease Payments	1,098	1,098
- Other Income	157	165
Direct Operating Expenses on Investment Properties:		
- that generated rental income	(442)	(434)
Net Revenue Contribution from Investment Properties	813	829
plus:		
Fair Value Movement for year	520	(482)
Total Income attributable to Investment Properties	1,333	347

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 15. Financial Risk Management

\$ '000

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	88,790	113,670	88,790	113,670
Investments				
- "Held to Maturity"	232,000	170,726	232,000	170,726
Receivables	30,745	22,755	30,745	22,755
Total Financial Assets	351,535	307,151	351,535	307,151
Financial Liabilities				
Payables	32,205	30,830	32,205	30,830
Total Financial Liabilities	32,205	30,830	32,205	30,830

Fair Value is determined as follows:

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

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

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

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

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2013				
Possible impact of a 1% movement in Interest Rates	3,208	3,208	3,208	3,208
2012				
Possible impact of a 1% movement in Interest Rates	2,844	2,844	2,844	2,844

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

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

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

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

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

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

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

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

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

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

	2013 Rates & Annual Charges	2013 Other Receivables	2012 Rates & Annual Charges	2012 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	23,533	-	15,955
Overdue	5,389	2,730	4,841	3,041
	5,389	26,263	4,841	18,996
(ii) Movement in Provision for Impairment of Receivables			2013	2012
Balance at the beginning of the year			1,082	564
+ new provisions recognised during the year			253	553
- amounts already provided for & written off this year			(428)	(35)
Balance at the end of the year			907	1,082

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2013									
Trade/Other Payables	13,245	18,960	-	-	-	-	-	32,205	32,205
Total Financial Liabilities	13,245	18,960	-	-	-	-	-	32,205	32,205
2012									
Trade/Other Payables	13,076	17,754	-	-	-	-	-	30,830	30,830
Total Financial Liabilities	13,076	17,754	-	-	-	-	-	30,830	30,830

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

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

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	32,205	0.0%	30,830	0.0%
	<u>32,205</u>		<u>30,830</u>	

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 27 June 2013.

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

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

Note that for Variations* of Budget to Actual :

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

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

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	151,405	152,195	790	1%	F
User Charges & Fees	19,528	21,940	2,412	12%	F
This favourable variance is due to Council's income for swimming pools exceeding budget as a result of increased popularity of Aquatic centres in particular programs such as Learn to Swim have been well attended during the financial year. Additional income associated with Development Application fees, Engineering compliance and construction certificates has been received when compared to the 2012/13 original budget.					
Interest & Investment Revenue	11,600	14,550	2,950	25%	F
The increase interest and investment revenue was largely due to Council's investment portfolio remaining larger than anticipated along with higher interest rates being earned on Council's investments than anticipated when 2012/13 budget was originally adopted.					
Other Revenues	11,426	13,871	2,445	21%	F
This favourable result is due to increased income being received for Reinstatement of Roads & Footpaths when compared to the budget. This increase was due to higher than expected Reinstatement works conducted on Council's Roads & Footpaths during 2012/13.					
Additionally, Council recognised an increase in the fair value of Council's investment properties through the income statement. In complying with relevant Accounting Standards, Council is required to recognise all investment properties, which are those properties which are held for either the purpose of capital appreciation or generating rental income at their fair values. The fair values, which are essentially their current market value, for all Council owned properties are provided by an independent, registered valuer. For 2012/13 financial year the total fair value of all investment properties was \$32.4 Million. Council was required to record as income through the income statement this increase in fair value of \$520,000.					

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 Variance*	
REVENUES (continued)				
Operating Grants & Contributions	34,286	36,650	2,364	7% F
Capital Grants & Contributions	53,541	144,095	90,554	169% F
<p>This favourable variance was predominately due to Council receiving \$35 Million from the NSW State Government's Housing Accelerated Fund (HAF) reported as S94 contributions. The HAF was established to assist NSW Councils in funding the gap between what developers pay in Section 94 contributions and what Council requires to fund essential infrastructure listed in Section 94 Contribution Plans. The HAF is administered by the Department of Planning and Infrastructure and the NSW Treasury. At the time of preparing the original budget it was not known that this funding was available.</p> <p>In addition a number of non cash land and infrastructure assets were dedicated to Council during the year in lieu of payments of subdividor contributions, which was higher than anticipated when compared to the original budget.</p>				
Net Gains from Disposal of Assets	2,000	2,313	313	16% F
<p>This favourable variance is related to the sale of Lot 1 in DP 882329, Lot 1 in DP 651335 and Part Lot 11 in DP 1164558, Corner of Schofields and Windsor Roads, Rouse Hill to Transport NSW who compulsory acquired the land for the North West Rail Link. At the time of preparing the original budget this land was not included.</p>				
Share of Net Profits - Joint Ventures & Associates	-	868	868	0% F
<p>This was a result of Council's profit share in Westpool. Westpool is an entity set up as a joint venture with a number of other Council's for self insurance purposes. It is difficult to estimate the number of claims that would be incurred in any given year, and therefore the size of the surplus/ deficit for this joint venture. As such, Council, has not included a profit or loss from interests in Joint Ventures in the original budget.</p>				
EXPENSES				
Employee Benefits & On-Costs	108,405	104,857	3,548	3% F
Materials & Contracts	35,463	37,070	(1,607)	(5%) U
Depreciation & Amortisation	54,000	54,684	(684)	(1%) U
Other Expenses	47,900	53,559	(5,659)	(12%) U
<p>This unfavourable variance was predominately due to an increase in tipping charges for Domestic Waste resulting from increased processing costs at the Eastern creek waste disposal facility. Council has an existing agreement for the disposal of its domestic waste at the Alternative Waste Treatment facility at Eastern Creek. This facility is one of two Alternative Waste Technology Facilities currently in Sydney, which allows waste to be diverted from landfill which provides superior financial and environmental outcomes. At the time of preparing the 2012/13 original budget the increased costs per tonne were not known and therefore not included.</p>				

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----	
Budget Variations relating to Council's Cash Flow Statement include:				
Cash Flows from Operating Activities	89,289	92,953	3,664	4.1% F
This favourable variance was predominately due to Council receiving \$35 Million from the NSW State Government's Housing Accelerated Fund (HAF) reported as S94 contributions. The HAF was established to assist NSW Councils in funding the gap between what developers pay in Section 94 contributions and what Council requires to fund essential infrastructure listed in Section 94 Contribution Plans. The HAF is administered by the Department of Planning and Infrastructure and the NSW Treasury. At the time of preparing the 12/13 original budget this funding amount was not known therefore not included.				
Cash Flows from Investing Activities	(56,252)	(117,833)	(61,581)	109.5% U
This is mainly a result of major capital projects that were revoted from the prior year. Some of the major projects include: Construction of Redevelopment of Blacktown Showground on Richmond Road at Blacktown and the completion of Knoxs Road Railway over bridge at Doonside.				
Cash Flows from Financing Activities	-	-	-	0.0% F

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	5,288	12,567	289	537	(4,303)	4	14,382	564,589	(584,211)	(5,240)	(804)
Roads	10,947	12,856	-	685	(74)	-	24,414	220,330	(229,999)	14,745	2,700
Traffic Facilities	494	-	-	17	(1)	-	510	8,780	(10,038)	(748)	-
Tree Planting	1,028	27	-	89	(133)	-	1,011	-	(1,130)	(119)	-
Parking	279	-	-	9	(1)	-	287	-	(317)	(30)	-
Open Space	15,513	24,064	10,664	2,982	(6,078)	-	47,145	401,720	(467,740)	(18,875)	(1,900)
Community Facilities	16,612	1,078	-	524	(1,352)	-	16,862	11,490	(19,614)	8,738	-
Overbridges	771	34	-	22	(1)	-	826	390	-	1,216	-
Streetscapes	278	-	-	10	(1)	-	287	4,045	(4,690)	(358)	-
E2 Conservation	72	1,333	-	5	(374)	(4)	1,032	12,503	(13,535)	-	4
S94 Contributions - under a Plan	51,282	51,959	10,953	4,880	(12,318)	-	106,756	1,223,847	(1,331,274)	(671)	-
Total S94 Revenue Under Plans	51,282	51,959	10,953	4,880	(12,318)	-	106,756				-
S94 not under Plans	386	-	-	12	-	-	398	-	(398)	-	-
Total Section 94	51,668	51,959	10,953	4,892	(12,318)	-	107,154				
Voluntary Planning Agreements - Second Ponds Creek	39,500	-	-	-	-	-	39,500				
Voluntary Planning Agreements	257	-	3,972	28	(3,972)	-	285				
Total Contributions	91,425	51,959	14,925	4,920	(16,290)	-	146,939	1,223,847	(1,331,672)	(671)	-

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

It should be noted that of the \$94 Million in unspent S94 funds held as restricted assets as at 30th June 2013, land acquisitions and works totalling \$13.5 million had been approved and voted by Council under the following Contribution plan:

		\$'000
Contribution Plan No. 1 -	1980's Release Areas	6,423
Contribution Plan No. 2 -	Local Roadworks	-
Contribution Plan No. 3 -	Open Space in Established Residential Areas	1,415
Contribution Plan No. 4 -	Mount Druitt Redevelopment Areas	-
Contribution Plan No. 5 -	Parklea Release Area	5,577
Contribution Plan No. 6 -	Woodcroft	-
Contribution Plan No. 7 -	Car Parking in the Blacktown City Centre	-
Contribution Plan No. 10 -	Tree Planning on Nature Strips	25
Contribution Plan No. 11 -	Sec. 94 under Plans	-
Contribution Plan No. 12 -	Local Drainage Charlotte Road, Rooty Hill	-
Contribution Plan No. 13 -	New Tribes Mission Site - Open Space	-
Contribution Plan No. 15 -	Metella Road Floodplain	-
Contribution Plan No. 20 -	Riverstone & Alex Avenue Precinct	42
Contribution Plan No. 21 -	Marsden Park Industrial Precinct	-
Contribution Plan No. 22 -	Area 20 Precinct	-
Contribution Plan No. 23 -	Riverstone West Precinct	-
All Contribution Plans -	Administration Charges	-
		13,482

Reconciliation of Note 6 (C) Developer contributions cash reserve to Note 17 Section 94 closing balance.

	\$'000
Note 17 Developer Contributions recognised as a restricted asset	\$107,154
Less: Note 7 Restricted Receivables	(14,472)
Total - S94 Developer Contributions restricted cash assets Note 6 (C)	\$92,682

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 - 1980's Release Area

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	(2,473)	663	289	193	(877)	-	(2,205)	12,937	(23,765)	(13,033)	-
Roads	(69)	219	-	24	(2)	-	172	4,805	(4,363)	614	-
Open Space	3,544	914	-	270	(572)	-	4,156	7,127	(15,381)	(4,098)	-
Community Facilities	9,634	330	-	272	(117)	-	10,119	2,333	(3,297)	9,155	-
Overbridges	771	34	-	22	(1)	-	826	390	-	1,216	-
Total	11,407	2,160	289	781	(1,569)	-	13,068	27,592	(46,806)	(6,146)	-

CONTRIBUTION PLAN NUMBER 2 - Local Roadworks

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	408	309	-	124	(9)	-	832	3,021	(1,801)	2,052	-
Total	408	309	-	124	(9)	-	832	3,021	(1,801)	2,052	-

CONTRIBUTION PLAN NUMBER 3 - Open Space in Established Areas

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	779	2,494	-	159	(2,885)	-	547	3,129	(15,549)	(11,873)	-
Total	779	2,494	-	159	(2,885)	-	547	3,129	(15,549)	(11,873)	-

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 4 - Mount Druitt Development Area

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	5,516	124	-	108	(7)	-	5,741	424	-	6,165	-
Roads	(2,270)	-	-	-	-	-	(2,270)	550	(41)	(1,761)	-
Total	3,246	124	-	108	(7)	-	3,471	974	(41)	4,404	-

CONTRIBUTION PLAN NUMBER 5 - Parklea Release Area

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	1,675	407	-	128	(9)	-	2,201	853	(1,508)	1,546	-
Roads	12,296	741	-	479	(32)	-	13,484	1,716	(1,078)	14,122	2,700
Open Space	10,728	2,478	10,664	2,469	(2,574)	-	23,765	10,721	(37,312)	(2,826)	-
Community Facilities	6,647	748	-	241	(1,234)	-	6,402	1,515	(7,995)	(78)	-
Total	31,346	4,374	10,664	3,317	(3,849)	-	45,852	14,805	(47,893)	12,764	2,700

CONTRIBUTION PLAN NUMBER 6 - Woodcroft

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	196	-	-	6	-	-	202	-	-	202	-
Open Space	217	-	-	6	-	-	223	-	-	223	-
Community Facilities	78	-	-	2	-	-	80	-	-	80	-
Total	491	-	-	14	-	-	505	-	-	505	-

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 7 - Car Parking in the Blacktown City Centre

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Parking	279	-	-	9	(1)	-	287	-	(317)	(30)	-
Total	279	-	-	9	(1)	-	287	-	(317)	(30)	-

CONTRIBUTION PLAN NUMBER 10 - Tree Planting on Nature Strips

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Tree Planting	1,028	27	-	89	(133)	-	1,011	-	(1,130)	(119)	-
Total	1,028	27	-	89	(133)	-	1,011	-	(1,130)	(119)	-

CONTRIBUTION PLAN NUMBER 13 - New Tribes Mission Site (Open Space)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	41	-	-	1	-	-	42	-	-	42	-
Total	41	-	-	1	-	-	42	-	-	42	-

CONTRIBUTION PLAN NUMBER 15 - Metella Road Floodplain

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	366	110	-	22	(439)	-	59	1,419	(1,598)	(120)	-
Total	366	110	-	22	(439)	-	59	1,419	(1,598)	(120)	-

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 16 - Blacktown CBD (Northern Precinct)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	399	-	-	14	(1)	-	412	2,941	(3,635)	(282)	-
Traffic Facilities	494	-	-	17	(1)	-	510	8,524	(9,762)	(728)	-
Streetscapes	278	-	-	10	(1)	-	287	4,045	(4,690)	(358)	-
Open Space	194	-	-	7	-	-	201	3,920	(4,464)	(343)	-
Community Facilities	253	-	-	9	(1)	-	261	4,889	(5,569)	(419)	-
Total	1,618	-	-	57	(4)	-	1,671	24,319	(28,120)	(2,130)	-

CONTRIBUTION PLAN NUMBER 17 - Quakers Hill Commercial Precinct

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Traffic Facilities	-	-	-	-	-	-	-	256	(276)	(20)	-
Total	-	-	-	-	-	-	-	256	(276)	(20)	-

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 20 - Riverstone & Alex Avenue Precincts

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	8	11,263	-	80	(2,967)	-	8,384	383,228	(391,612)	-	(800)
Roads	183	11,587	-	44	(30)	-	11,784	104,444	(116,228)	-	-
Open Space	10	18,178	-	70	(47)	-	18,211	167,002	(185,213)	-	(1,900)
E2 Conservation	72	1,333	-	5	(374)	(4)	1,032	9,848	(10,880)	-	4
Total	273	42,361	-	199	(3,418)	(4)	39,411	664,522	(703,933)	-	(2,696)

* Please note the following in relation to the Over or (Under) Funding Projections for CP20

- Projected future contributions are subject to further arrangements with the State Government in regard to funding above the \$30,000 per lot S94E Cap.
- Total estimated developer contribution income is \$465 Million based on 15,500 lots capped at \$30,000 per lot, meaning the funding shortfall is \$239 Million
- However the projected cost of works shown above, does not include "non-essential infrastructure", as defined by the Department of Planning & Infrastructure which totals \$38 Million.

CONTRIBUTION PLAN NUMBER 21 - Marsden Park Industrial Precinct

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	-	-	-	-	(4)	4	-	124,906	(124,906)	-	(4)
Roads	-	-	-	-	-	-	-	38,116	(38,116)	-	-
Open Space	-	-	-	-	-	-	-	164,659	(164,659)	-	-
Community Facilities	-	-	-	-	-	-	-	2,404	(2,404)	-	-
E2 Conservation	-	-	-	-	-	-	-	939	(939)	-	-
Total	-	-	-	-	(4)	4	-	331,024	(331,024)	-	(4)

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 22 - Area 20 Precinct

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	-	-	-	-	-	-	-	25,028	(25,028)	-	-
Roads	-	-	-	-	-	-	-	19,973	(19,973)	-	-
Open Space	-	-	-	-	-	-	-	45,162	(45,162)	-	-
Community Facilities	-	-	-	-	-	-	-	349	(349)	-	-
E2 Conservation	-	-	-	-	-	-	-	1,716	(1,716)	-	-
Total	-	-	-	-	-	-	-	92,228	(92,228)	-	-

CONTRIBUTION PLAN NUMBER 23 - Riverstone West Precinct

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	-	-	-	-	-	-	-	15,794	(15,794)	-	-
Roads	-	-	-	-	-	-	-	44,764	(44,764)	-	-
Total	-	-	-	-	-	-	-	60,558	(60,558)	-	-

S94 CONTRIBUTIONS - NOT UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	386	-	-	12	-	-	398	-	(398)	-	-
Total	386	-	-	12	-	-	398	-	(398)	-	-

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

The scheme administrators have advised Council's estimated share of the deficit is \$6.3 Million as at 30 June 2013. However, they may call Council to make an immediate payment sufficient to offset this deficit at any time. As the scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils, the amount of such a payment is not able to be reliably quantified.

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

(iv) Other Guarantees

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

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

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

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

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

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities (continued)

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

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

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

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

(iv) Workers Compensation Insurance - Bank Guarantee

Since 1 September 1991, Council has been self insured for workers compensation. A condition of being approved to hold a self insurance licence is that Council must either lodge a security deposit with the Workcover Authority or provide a bank guarantee to secure total outstanding claims liabilities.

Workercover has determined Council's bank guarantee to be \$5.587 Million for the 2013/14 financial year upon reviewing the report from Council's actuary. The security amount is in line with the media release announced by the Minister for Finance and Services, the Hon Greg Pearce on 24 August 2012 that Government-owned entities, local government and public university self-insurers will be eligible for a release in security, with potentially further increases over the next two years.

The bank guarantee for the 2012/13 financial year is currently \$6.261 million.

Council has supported this bank guarantee with an internally restricted investment with a value of \$5.9 Million as at 30 June 2013.

(v) Waste Management Activities

Council may in the future need to undertake rehabilitation of Council's landfill and disposal sites. Accordingly the rehabilitation is considered as a potential contingent liability in relation to possible future remediation costs which at this stage cannot be determined.

(vi) Open Space Recreation Facilities

Depending upon the outcome of future investigations into Council's various parks and reserves, it is possible that future remediation may be required at some locations. Neither the scope or actual cost of such remediation works is certain at this stage.

In relation to an area of land which Council has leased for a number of years from Sydney Water at Prospect, it has been identified that remediation work will be required in the future.

Again neither the scope or actual cost of the works required is certain at this stage.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

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

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

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000

ASSETS NOT RECOGNISED (continued):

(ii) Infringement Notices/Fines (continued):

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000

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

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

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

Subsidiaries

Note 19(a)

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

Associated Entities & Joint Venture Entities

Note 19(b) (i)&(ii)

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

Joint Venture Operations

Note 19(c)

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

Subsidiaries, Associated Entities and Joint Ventures Not Recognised

Note 19(d)

Accounting Recognition:

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

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

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual	Actual	Actual	Actual
	2013	2012	2013	2012
Associated Entities	-	-	-	-
Joint Venture Entities	868	543	5,406	4,538
Total	868	543	5,406	4,538

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures (continued)

\$ '000

(a) Subsidiaries (ie. Entities & Operations controlled by Council)

Council has no interest in any Subsidiaries.

(b) Associated Entities & Joint Venture Entities

(i) ASSOCIATED ENTITIES

Council has no interest in any Associated Entities.

(ii) JOINT VENTURE ENTITIES

(a) Carrying Amounts

Name of Entity	Principal Activity	2013	2012
Westpool & United Independent Pools	Self Insurance	5,406	4,538
Total Carrying Amounts - Joint Venture Entities		5,406	4,538

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2013	2012	2013	2012	2013	2012
Westpool & United Independent Pools	19%	19%	19%	19%	11%	11%

(c) Movement in Carrying Amounts

	Westpool & United Independent Pools	
	2013	2012
Opening Balance	4,538	3,995
Share in Operating Result	868	543
Council's Equity Share in the Joint Venture Entity	5,406	4,538

(d) Share of Joint Ventures Assets & Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
2013					
Westpool & United Independent Pools	10,174	5	734	4,039	5,406
Totals	10,174	5	734	4,039	5,406
2012					
Westpool & United Independent Pools	8,534	6	655	3,347	4,538
Totals	8,534	6	655	3,347	4,538

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

	2013			2012		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Westpool & United Independent Pools	2,238	1,370	868	2,535	1,992	543
Totals	2,238	1,370	868	2,535	1,992	543

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		2,320,331	2,225,403
a. Correction of Prior Period Errors	20 (c)	54,585	(3,930)
b. Net Operating Result for the Year		136,312	98,858
Balance at End of the Reporting Period		<u>2,511,228</u>	<u>2,320,331</u>

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	485,206	382,570
Total	<u>485,206</u>	<u>382,570</u>

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	382,570	382,570
- Revaluations for the year	102,636	-
- Balance at End of Year	<u>485,206</u>	<u>382,570</u>

TOTAL VALUE OF RESERVES

<u>485,206</u>	<u>382,570</u>
-----------------------	-----------------------

(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
---------	-------	----------------	----------------

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

Correction of errors disclosed in this year's financial statements:

As part of the revaluation of buildings and operational land it was identified that certain properties Council owns had not previously been recognised. In addition as part of this revaluation process it was discovered that certain Buildings and operational land that are now not owned by Council. The revaluation in the 2012/2013 financial year identified these errors and an adjustment has been made against the current year balances of IPPE and retained earnings to correct the errors as it was considered impractical to restate the prior year comparatives.

- Buildings not recognised previously	165
- Buildings previously recognised incorrectly	(405)
- Operational Land not recognised previously	1,168
- Operational Land previously recognised incorrectly	(2,357)
- Depreciation overstated	56,014

It is noted that prior to the revaluation, \$3.675 Million of community land was reclassified as Operational land, \$248k worth of operational land was reclassified as Community land and \$43k worth of operational land was reclassified as Land Under Roads.

Correction of errors as disclosed in last year's financial statements:

Landcom Credit Bank

In October, 1997, Council entered into an agreement with Landcom to establish a mechanism known as the "Credit Bank" to recognise the value of dedicated land and works provided by Landcom to Council as part of the Parklea Release Area encompassing Glenwood, Stanhope & Stanhope Gardens. The intent of the Credit Bank is to maintain a credit/debit system to formally account for and offset the cost estimates in the Section 94 contribution plan to be levied on the development in this Release Area against the value of dedicated land and works from Landcom to Council.

As part of the agreement, when the developable land in this Release Area is completed by Landcom, a final reconciliation of the Credit Bank is to be performed. As per the terms of the agreement, when the final reconciliation is completed, any credit balance in the Credit Bank must be paid by Council to Landcom, whilst any debit balance in the Credit Bank must be paid by Landcom to Council.

As at 1 July 2011, there was a credit balance of \$3.930 million in the Credit Bank, which represents an amount potentially payable by Council to Landcom. As part of preparing the 2011/12 financial statements an adjustment to Council's opening retained earnings balance as at 1 July 2011 by \$3.930 million is required to recognise the amount potentially payable to Landcom as at 1 July 2011. This credit bank was finalised during the 2012/2013 financial year.

(3,930)

Total Prior Period Adjustments - Prior Period Errors

54,585

(3,930)

(d) Voluntary Changes in Accounting Policies

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

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 21. Financial Result & Financial Position by Fund

\$ '000

Council utilises only a General Fund for its operations.

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

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

Note 23. Events occurring after the Reporting Period

Events that occur between the end of the reporting period (ending 30 June 2013) 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 10/10/13.

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 2013.

(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 2013 and which are only indicative of conditions that arose after 30 June 2013.

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

Note 24. Discontinued Operations

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

Blacktown City Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 25. Intangible Assets

\$ '000

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

	Actual 2013 Carrying Amount	Actual 2012 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7/12)	467	-
Net Book Value - Opening Balance	467	-
Movements for the year		
- Purchases	637	467
- Amortisation charges	(93)	-
Closing Values:		
Gross Book Value (30/6/13)	1,104	467
Accumulated Amortisation (30/6/13)	(93)	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹</u>	<u>1,011</u>	<u>467</u>

¹. The Net Book Value of Intangible Assets represent:

- Software	1,011	467
	1,011	467

Blacktown City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

Council leased for a period of 55 years the former Marsden Park Sanitary Depot site (Lot 11 and Lot 12, DP262886) located at 920 Richmond Road, Marsden Park from 1 January 1955 to 31 December 2004. Due to contamination of the site, it has been identified that Council has certain obligations with remediation work required at the site.

In May 2012, it was agreed with the owner of the site that Council's contribution towards the remediation costs would total \$3.5 million (excluding GST). Under the terms of the deed, \$500,000 was payable on execution of the deed which occurred during the 2011/12 financial year, a further \$500,000 was payable on completion of site works and the balance payable of \$2.5 Million on the production of the Site Auditor's Certificate which occurred during the 2012/13 financial year. These payments were settled in accordance with the deed during the 2012/2013 financial year.

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2013	2012
Former Marsden Park Sanitary depot.	2012	-	3,000
Balance at End of the Reporting Period	10(a)	<u>-</u>	<u>3,000</u>

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

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

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	3,000	2,500
Amounts capitalised to new or existing assets:		
Increase in the provision during the financial year	-	1,000
Payment incurred attributable to Provision	(3,000)	(500)
Total - Reinstatement, rehabilitation and restoration provision	<u>-</u>	<u>3,000</u>

Amount of Expected Reimbursements

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



Blacktown Council

Independent auditor's report to the Council – s417(2) Report on the general purpose financial statements

Report on the financial statements

We have audited the accompany financial statements of Blacktown City Council, which comprise the statement of financial position as at 30 June 2013 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accompanying notes to the financial statements and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillors' responsibility for the financial statements

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993 and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial statements.

Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in notes 2(a) and 16 and the

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Projections disclosed in note 17 to the financial statements, nor the attached Special Schedules, and accordingly, we express no opinion on them.

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

Auditor's opinion:

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2 (the Division); and
- (b) the financial statements:
 - (i) have been presented, in all material respects, in accordance with the requirements of this Division
 - (ii) are consistent with the Council's accounting records
 - (iii) present fairly, in all material respects, the Council's financial position as of 30 June 2013 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

Peter Buchholz
Partner

Sydney
21 October 2013



The Mayor
Councillor L Robinson
Blacktown City Council
DX 8117
BLACKTOWN

Dear Councillor Robinson

Report on the conduct of the audit for year ended 30 June 2013 – Section 417(3)

We have completed our audit of the financial reports of Blacktown City Council for the year ended 30 June 2013, in accordance with Section 415 of the Local Government Act, 1993.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial reports are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial reports are presented fairly in accordance with Australian Accounting Standards as well as the statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

This report should be read in conjunction with our audit opinion on the general purpose financial statements provided under Section 417(2) of the Local Government Act, 1993.

Flowing from our audit, there are a number of comments we wish to raise concerning the trends in Council's finances. These are set out below.

Operating Result

Council's operating surplus increased from \$99 million to \$136 million during the period under review. The operating result before capital items was, however, a deficit of \$8 million compared to \$3 million in the previous year. A significant increase in capital grants and contributions (up \$42 million) contributed to this result.

Cash Position

Council's overall cash position increased from \$284 million to \$321 million during the period under review. The following table highlights the composition of cash.

	June 2013	June 2012
	\$m	\$m
Externally restricted	175	142
Internally restricted	120	121
Unrestricted	26	21
Total	321	284

Working Capital

Council's net current assets declined from \$205 million to \$156 million during the period under review.

The value of net current assets needs to be adjusted in order to establish Council's available working capital.

	June 2013	June 2012
	\$m	\$m
Net current assets	156	205
Less: External restrictions		
– Cash	38	97
– Debtors	217	6
Less: Internal restrictions		
– Cash	120	122
– Debtors	-	-
Less: Real estate assets		
– Current	19	25
	(38)	(45)
Add: Current liabilities to be funded from other sources	59	65
Available Working Capital	21	20

The effective unrestricted or available working capital upon which Council could build its 2013/14 budget was \$21 million.



Performance Indicators

The financial reports disclose a number of indicators in Note 13 and these are detailed below:

	June 2013	June 2012
	%	%
Unrestricted Current Ratio	440	426
Debt Service Ratio	0	0
Rate Coverage Ratio	39	42
Rates Outstanding Ratio	3.4	3.3
Asset Renewals Ratio	38	34

The Unrestricted Current Ratio improved and remained in excess of the accepted industry benchmark of 100%.

Council's Debt Service Ratio is nil reflecting a debt free position it has held for many years.

The Rate Coverage Ratio declined to 39% of operating revenue, reflecting a significant increase in capital grants and contributions during the period.

The Rates Outstanding Ratio was steady and is below the accepted industry benchmark of 5%. In terms of those debtors that Council actively pursues the ratio is 1.8%.

The Assets Renewals Ratio indicates that infrastructure is only being renewed at 38% of the rate at which it is depreciating.

Council is considered to be in a sound and stable financial position reflecting prudent financial management over many years. Most indicators stand better than accepted industry benchmarks.

General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner. We thank the General Manager and his staff for the co-operation and courtesy extended to us during the course of our audit.

Yours faithfully

PricewaterhouseCoopers

PL Buchholz
Partner
21 October 2013

Blacktown City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

To be a vibrant, healthy and safe City
"A CITY OF EXCELLENCE"



Blacktown City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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Background

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

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

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

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

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

Blacktown City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 09 October 2013.



Len Robinson
MAYOR



Councillor
COUNCILLOR



Kerry Robinson
GENERAL MANAGER



Wayne Rogers
RESPONSIBLE ACCOUNTING OFFICER

Blacktown City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

	Land Developments		Deregulated Approvals	
	Category 1		Category 1	
\$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Income from continuing operations				
Access charges	-	-	-	-
User charges	-	-	2,014	1,731
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	2,472	1,704	-	-
Other income	81	61	-	-
Total income from continuing operations	2,553	1,765	2,014	1,731
Expenses from continuing operations				
Employee benefits and on-costs	25	15	1,371	1,221
Borrowing costs	-	-	-	-
Materials and contracts	-	-	5	3
Depreciation and impairment	-	-	13	11
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	399	494	71	73
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	137	130	105	97
Total expenses from continuing operations	561	639	1,565	1,405
Surplus (deficit) from Continuing Operations before capital amounts	1,992	1,126	449	326
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	1,992	1,126	449	326
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	1,992	1,126	449	326
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(598)	(338)	(135)	(98)
SURPLUS (DEFICIT) AFTER TAX	1,394	788	314	228
plus Opening Retained Profits	61,899	60,279	3,968	3,569
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	399	494	71	73
- Corporate taxation equivalent	598	338	135	98
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	64,290	61,899	4,488	3,968
Return on Capital %	10.33%	4.84%	28.69%	23.20%
Required Return on Capital %	3.77%	3.03%	3.77%	3.03%
Subsidy from Council	-	-	-	-

Blacktown City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

	Commercial Waste		Property Management	
	Category 2		Category 2	
\$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Income from continuing operations				
Access charges	769	688	-	-
User charges	-	-	1,783	1,719
Fees	-	-	-	-
Interest	20	27	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Fair Value Revaluation Profit - Investment Properties	-	-	70	210
Profit from the sale of assets	-	-	-	-
Other income	-	-	-	-
Total income from continuing operations	789	715	1,853	1,929
Expenses from continuing operations				
Employee benefits and on-costs	107	99	148	158
Borrowing costs	-	-	-	-
Materials and contracts	94	95	64	34
Depreciation and impairment	27	23	220	220
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	6	5	405	387
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	655	462	892	890
Total expenses from continuing operations	889	684	1,729	1,689
Surplus (deficit) from Continuing Operations before capital amounts	(100)	31	124	240
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(100)	31	124	240
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(100)	31	124	240
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	(9)	(37)	(72)
SURPLUS (DEFICIT) AFTER TAX	(100)	22	87	168
plus Opening Retained Profits	1,215	1,179	44,977	44,350
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	6	5	405	387
- Corporate taxation equivalent	-	9	37	72
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	1,121	1,215	45,506	44,977
Return on Capital %	-33.11%	8.59%	0.44%	1.05%
Required Return on Capital %	3.77%	3.03%	3.77%	3.03%
Subsidy from Council	111	-	929	451

Blacktown City Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2013

	Land Developments		Deregulated Approvals	
	Category 1		Category 1	
\$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
ASSETS				
Current Assets				
Cash and cash equivalents	19,137	19,077	2,948	2,883
Investments	25,403	17,694	1,936	1,455
Receivables	472	21	-	-
Inventories	19,278	25,107	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	64,290	61,899	4,884	4,338
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	-	-	99	88
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	-	-	99	88
TOTAL ASSETS	64,290	61,899	4,983	4,426
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	-	-	3	3
Interest bearing liabilities	-	-	-	-
Provisions	-	-	438	404
Total Current Liabilities	-	-	441	407
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	54	51
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	54	51
TOTAL LIABILITIES	-	-	495	458
NET ASSETS	64,290	61,899	4,488	3,968
EQUITY				
Retained earnings	64,290	61,899	4,488	3,968
Revaluation reserves	-	-	-	-
Council equity interest	64,290	61,899	4,488	3,968
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	64,290	61,899	4,488	3,968

Blacktown City Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2013

	Commercial Waste		Property Management	
	Category 2		Category 2	
\$ '000	Actual 2013	Actual 2012	Actual 2013	Actual 2012
ASSETS				
Current Assets				
Cash and cash equivalents	518	828	13,256	12,378
Investments	377	377	-	-
Receivables	56	47	350	507
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	951	1,252	13,606	12,885
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	302	361	27,932	22,809
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	12,550	12,480
Other	-	-	-	-
Total Non-Current Assets	302	361	40,482	35,289
TOTAL ASSETS	1,253	1,613	54,088	48,174
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	12	63	33	75
Interest bearing liabilities	-	-	-	-
Provisions	3	3	4	3
Total Current Liabilities	15	66	37	78
Non-Current Liabilities				
Payables	-	227	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	24	44	31
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	251	44	31
TOTAL LIABILITIES	15	317	81	109
NET ASSETS	1,238	1,296	54,007	48,065
EQUITY				
Retained earnings	1,121	1,215	45,506	44,977
Revaluation reserves	117	81	8,501	3,088
Council equity interest	1,238	1,296	54,007	48,065
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	1,238	1,296	54,007	48,065

Blacktown City Council

Special Purpose Financial Statements for the financial year ended 30 June 2013

Contents of the Notes accompanying the Financial Statements

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Blacktown City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Division of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

Name	Brief Description of Activity
Land Development	The development and marketing of residential and commercial land throughout the City.
Deregulated Approvals	The provision of Contestable Development Services relating to the approval and inspection of building and engineering works.

Category 2

Name	Brief Description of Activity
Commercial Waste	The provision of waste removal services to the commercial sections of the City.
Property Management	The protection of Council's commercial and residential assets and maximisation of returns from Council's lease portfolio.

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

Blacktown City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies (continued)

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first \$406,000 of combined land values attracts 0%. From \$406,001 to \$2,482,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,482,000, a premium marginal rate of 2.0% applies.

Payroll Tax – 5.45% on the value of taxable salaries and wages in excess of \$689,000.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the Business Activity.

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

Blacktown City Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies (continued)

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June 2013

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.77% at 30/6/13.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.



Blacktown City Council

Independent auditor's report Report on the special purpose financial report

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of **Blacktown City Council** (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2013, the Income Statements by Business Activity for the year then ended, Notes to the financial report for the business activities identified by Council and the Statement by Councillors and Management for Council for the year ended 30 June 2013.

Councillors' responsibility for the financial report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 to the financial statements which form part of the financial report, are appropriate to meet the requirements of the Local Government Code of Accounting Practice and Financial Reporting. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to error or fraud.

Auditor's responsibility

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

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

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



Auditor's opinion:

In our opinion, the financial report presents fairly, in all material respects, the financial position by Business Activities of **Blacktown City Council** as of 30 June 2013 and its financial performance by Business Activities for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial report, and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Council.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

Peter Buchholz
Partner

Sydney
21 October 2013

Blacktown City Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

To be a vibrant, healthy and safe City
"A CITY OF EXCELLENCE"



Blacktown City Council

Special Schedules

for the financial year ended 30 June 2013

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Special Schedules¹

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	n/a
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply - Income Statement	n/a
- Special Schedule No. 4	Water Supply - Statement of Financial Position	n/a
- Special Schedule No. 5	Sewerage Service - Income Statement	n/a
- Special Schedule No. 6	Sewerage Service - Statement of Financial Position	n/a
- Notes to Special Schedules No. 3 & 5		n/a
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¹ Special Purpose Schedules are not audited.

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,
 - the Department of Environment, Climate Change and Water, and
 - the Division of Local Government (DLG).
- (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.

Blacktown City Council

Special Schedule No. 1 - Net Cost of Services for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Governance	2,358	99	-	(2,259)
Administration	51,718	14,679	-	(37,039)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	3,042	265	14	(2,763)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	1,812	-	-	(1,812)
Animal Control	1,918	854	-	(1,064)
Other	-	-	-	-
Total Public Order & Safety	6,772	1,119	14	(5,639)
Health	2,300	222	-	(2,078)
Environment				
Noxious Plants and Insect/Vermin Control	154	-	-	(154)
Other Environmental Protection	799	1,558	-	759
Solid Waste Management	34,371	33,615	-	(756)
Street Cleaning	5,218	75	-	(5,143)
Drainage	8,134	2,833	21,564	16,263
Stormwater Management	2,212	-	-	(2,212)
Total Environment	50,888	38,081	21,564	8,757
Community Services and Education				
Administration & Education	3,552	1,671	-	(1,881)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	314	13	-	(301)
Children's Services	16,323	15,281	5	(1,037)
Total Community Services & Education	20,189	16,965	5	(3,219)
Housing and Community Amenities				
Public Cemeteries	14	189	-	175
Public Conveniences	42	-	-	(42)
Street Lighting	6,015	547	-	(5,468)
Town Planning	5,178	3,817	-	(1,361)
Other Community Amenities	612	397	3,504	3,289
Total Housing and Community Amenities	11,861	4,950	3,504	(3,407)
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

Blacktown City Council

Special Schedule No. 1 - Net Cost of Services (continued) for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Recreation and Culture				
Public Libraries	8,348	776	158	(7,414)
Museums	45	-	-	(45)
Art Galleries	1,179	33	-	(1,146)
Community Centres and Halls	3,771	788	1,207	(1,776)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	1,970	541	-	(1,429)
Sporting Grounds and Venues	7,361	2,095	151	(5,115)
Swimming Pools	8,998	4,974	-	(4,024)
Parks & Gardens (Lakes)	17,660	44	35,534	17,918
Other Sport and Recreation	3,949	3,583	-	(366)
Total Recreation and Culture	53,281	12,834	37,050	(3,397)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	2,369	1,287	-	(1,082)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	2,369	1,287	-	(1,082)
Transport and Communication				
Urban Roads (UR) - Local	34,960	918	62,749	28,707
Urban Roads - Regional	2,477	65	4,465	2,053
Sealed Rural Roads (SRR) - Local	2,986	78	5,382	2,474
Sealed Rural Roads (SRR) - Regional	335	9	605	279
Unsealed Rural Roads (URR) - Local	500	13	902	415
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	677	-	-	(677)
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	150	2,236	57	2,143
Footpaths	1,212	1,298	1,020	1,106
Aerodromes	-	-	-	-
Other Transport & Communication	3,590	345	6,778	3,533
Total Transport and Communication	46,887	4,962	81,958	40,033
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	1,547	5,162	-	3,615
Total Economic Affairs	1,547	5,162	-	3,615
Totals – Functions	250,170	100,360	144,095	(5,715)
General Purpose Revenues⁽²⁾		141,159		141,159
Share of interests - joint ventures & associates using the equity method	-	868		868
NET OPERATING RESULT⁽¹⁾	250,170	242,387	144,095	136,312

(1) As reported in the Income Statement

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

Blacktown City Council

Special Schedule No. 7 - Condition of Public Works

as at 30 June 2013

\$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisatio n & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition / standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>>							
Buildings	Buildings	1 to 10%	6,276		444,808	108,997	335,811	3	6,056	9,699	6,981
	sub total		6,276	-	444,808	108,997	335,811		6,056	9,699	6,981
Public Roads	Sealed Roads	1 to 10%	25,045		1,286,520	475,622	810,898	3	56,800	20,040	23,233
	Unsealed Roads	1 to 10%	165		2,616	880	1,736	3	3,580	1,001	1,066
	Bridges	1 to 10%	595		55,377	13,510	41,867	-	-	688	88
	sub total		25,805	-	1,344,513	490,012	854,501		60,380	21,729	24,387
Drainage Works	Drainage	1 to 10%	6,719		604,539	170,398	434,141	4	1,874	2,415	3,146
	sub total		6,719	-	604,539	170,398	434,141		1,874	2,415	3,146
	TOTAL - ALL ASSETS		38,800	-	2,393,860	769,407	1,624,453		68,310	33,843	34,514

Notes:

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

Asset Condition "Key" - as per the DLG Integrated Planning & Reporting Manual

1	Excellent - No work required (normal maintenance)
2	Good - Only minor maintenance work required
3	Average - Maintenance work required
4	Poor - Renewal required
5	Very Poor - Urgent renewal/upgrading required

Blacktown City Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2013

\$'000	Budget	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾	Forecast ⁽³⁾
	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
(i) OPERATING BUDGET											
Income from continuing operations	286,786	299,044	312,645	321,685	327,237	334,267	345,322	363,301	370,518	382,532	394,914
Expenses from continuing operations	245,768	259,190	270,424	281,830	293,678	307,471	322,011	337,350	352,999	369,509	386,940
Operating Result from Continuing Operations	41,018	39,854	42,221	39,855	33,559	26,796	23,311	25,951	17,519	13,023	7,974
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	68,642	60,663	96,706	68,150	73,865	61,195	61,781	68,992	65,152	65,799	66,511
Replacement/Refurbishment of Existing Assets	33,642	24,741	25,478	26,243	27,030	27,841	28,676	29,536	30,422	31,335	32,275
Total Capital Budget	102,284	85,404	122,184	94,393	100,895	89,036	90,457	98,528	95,574	97,134	98,786
Funded by:											
– Loans	-	-	-	-	-	-	-	-	-	-	-
– Asset sales	5,000	5,000	5,150	5,305	5,463	5,628	5,797	5,970	6,150	6,334	6,524
– Reserves	29,596	14,032	49,490	21,109	32,288	23,646	25,119	26,719	28,428	30,285	32,302
– Grants/Contributions	53,541	52,513	52,984	53,761	49,301	46,453	46,852	53,873	49,835	50,279	50,780
– Recurrent revenue	14,147	13,859	14,560	14,218	13,843	13,309	12,689	11,966	11,161	10,236	9,180
– Other	-	-	-	-	-	-	-	-	-	-	-
	102,284	85,404	122,184	94,393	100,895	89,036	90,457	98,528	95,574	97,134	98,786

Notes:

(1) From 12/13 Income Statement.

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

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