

# Lithgow City Council

**DRAFT** GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2012

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***"A centre of regional excellence that:***

- encourages community growth and development,*
- contributes to the efficient and effective management of the environment, community and economy for present and future generations."*



# Lithgow City Council

## Balance Sheet

as at 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	10,535	13,358
Investments	6b	8,310	2,409
Receivables	7	3,707	3,606
Inventories	8	691	743
Other	8	175	97
<b>Total Current Assets</b>		<b>23,418</b>	<b>20,213</b>
<b>Non-Current Assets</b>			
Inventories	8	378	378
Infrastructure, Property, Plant & Equipment	9	362,816	344,113
<b>Total Non-Current Assets</b>		<b>363,194</b>	<b>344,491</b>
<b>TOTAL ASSETS</b>		<b>386,612</b>	<b>364,704</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	3,998	5,345
Borrowings	10	1,038	1,180
Provisions	10	3,361	3,218
<b>Total Current Liabilities</b>		<b>8,397</b>	<b>9,743</b>
<b>Non-Current Liabilities</b>			
Payables	10	606	606
Borrowings	10	17,918	15,823
Provisions	10	6,315	5,974
<b>Total Non-Current Liabilities</b>		<b>24,839</b>	<b>22,403</b>
<b>TOTAL LIABILITIES</b>		<b>33,236</b>	<b>32,146</b>
<b>Net Assets</b>		<b>353,376</b>	<b>332,558</b>
<b>EQUITY</b>			
Retained Earnings	20	244,905	240,705
Revaluation Reserves	20	108,471	91,853
<b>Council Equity Interest</b>		<b>353,376</b>	<b>332,558</b>
<b>Total Equity</b>		<b>353,376</b>	<b>332,558</b>

# Lithgow City Council

## Income Statement

for the financial year ended 30 June 2012

(1) \$ '000	Notes	Actual 2012	Actual 2011
<b>Income from Continuing Operations</b>			
<b>Revenue:</b>			
Rates & Annual Charges	3a	20,019	19,046
User Charges & Fees	3b	4,798	3,579
Interest & Investment Revenue	3c	944	1,011
Other Revenues	3d	653	730
Grants & Contributions provided for Operating Purposes	3e,f	7,819	7,761
Grants & Contributions provided for Capital Purposes	3e,f	6,030	7,574
<b>Other Income:</b>			
Net gains from the disposal of assets	5	46	29
<b>Total Income from Continuing Operations</b>		<b>40,309</b>	<b>39,730</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & On-Costs	4a	13,096	12,816
Borrowing Costs	4b	1,725	1,511
Materials & Contracts	4c	8,455	9,154
Depreciation & Amortisation	4d	9,100	8,275
Other Expenses	4e	3,733	3,480
<b>Total Expenses from Continuing Operations</b>		<b>36,109</b>	<b>35,236</b>
<b>Net Operating Result for the Year</b>		<b>4,200</b>	<b>4,494</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>(1,830)</b>	<b>(3,080)</b>

# Lithgow City Council

## Notes to the Financial Statements for the financial year ended 30 June 2012

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

\$ '000	Notes	2012 Actual Current	2012 Actual Non Current	2011 Actual Current	2011 Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		833	-	1	-
Cash-Equivalent Assets <sup>1</sup>					
- Deposits at Call		1,185	-	6,628	-
- Short Term Deposits		8,517	-	6,729	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>10,535</b>	<b>-</b>	<b>13,358</b>	<b>-</b>
<b>Investment Securities (Note 6b)</b>					
Nil					
- Long Term Deposits		8,310	-	2,409	-
<b>Total Investment Securities</b>		<b>8,310</b>	<b>-</b>	<b>2,409</b>	<b>-</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>18,845</b>	<b>-</b>	<b>15,767</b>	<b>-</b>

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

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

#### Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"

<b>10,535</b>	<b>-</b>	<b>13,358</b>	<b>-</b>
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#### Investments

Nil

a. "At Fair Value through the Profit & Loss"

b. "Held to Maturity"

6(b-ii)

Investments

8,310	-	2,409	-
<b>8,310</b>	<b>-</b>	<b>2,409</b>	<b>-</b>

# Lithgow City Council

## Notes to the Financial Statements for the financial year ended 30 June 2012

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

\$ '000	Amounts	Indicator	Prior Periods	
	2012	2012	2011	2010
<b>Local Government Industry Indicators</b>				
<b>1. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(1)</sup>	<u>15,643</u>	<b>1.86 : 1</b>	2.07	3.94
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	<u>8,397</u>			
<b>2. Debt Service Ratio</b>				
Debt Service Cost	<u>2,529</u>	<b>7.79%</b>	6.25%	2.88%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<u>32,449</u>			
<b>3. Rates &amp; Annual Charges Coverage Ratio</b>				
Rates & Annual Charges	<u>20,019</u>	<b>49.66%</b>	47.94%	48.72%
Income from Continuing Operations	<u>40,309</u>			
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual & Extra Charges Outstanding	<u>990</u>	<b>4.70%</b>	4.58%	4.64%
Rates, Annual & Extra Charges Collectible	<u>21,043</u>			
<b>5. Building &amp; Infrastructure Renewals Ratio</b>				
Asset Renewals <sup>(4)</sup>	<u>11,802</u>	<b>147.80%</b>	332.09%	308.00%
Depreciation, Amortisation & Impairment	<u>7,985</u>			

#### Notes

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

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

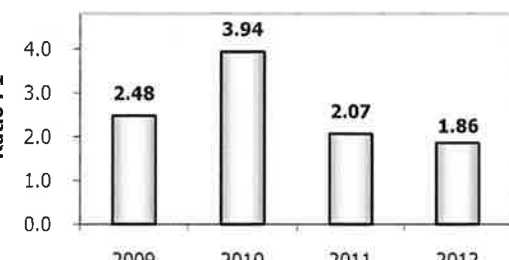
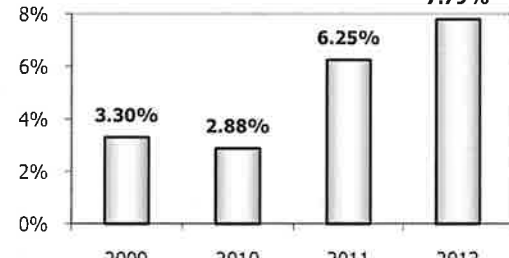
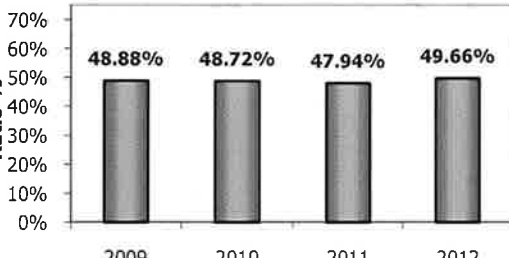
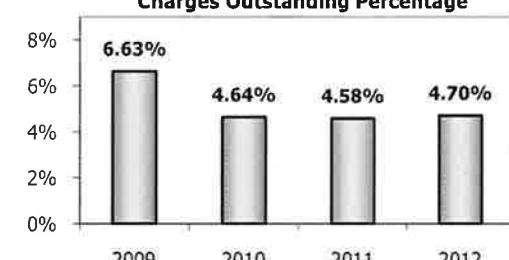
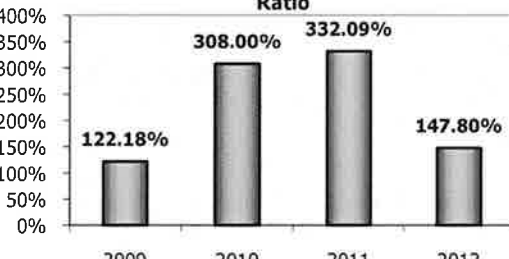
<sup>(2)</sup> Refer to Note 10(a).

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

<sup>(4)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/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.

Notes to the Financial Statements  
for the financial year ended 30 June 2012

Note 13a(ii). Statement of Performance Measurement - Graphs (Consolidated)

<p><b>1. Unrestricted Current Ratio</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio : 1</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>2.48</td> </tr> <tr> <td>2010</td> <td>3.94</td> </tr> <tr> <td>2011</td> <td>2.07</td> </tr> <tr> <td>2012</td> <td>1.86</td> </tr> </tbody> </table>	Year	Ratio : 1	2009	2.48	2010	3.94	2011	2.07	2012	1.86	<p><b>Purpose of Unrestricted Current Ratio</b></p> <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>	<p><b>Commentary on 2011/12 Result</b></p> <p>2011/12 Ratio 1.86 : 1</p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio : 1											
2009	2.48											
2010	3.94											
2011	2.07											
2012	1.86											
<p><b>2. Debt Service Ratio</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>3.30%</td> </tr> <tr> <td>2010</td> <td>2.88%</td> </tr> <tr> <td>2011</td> <td>6.25%</td> </tr> <tr> <td>2012</td> <td>7.79%</td> </tr> </tbody> </table>	Year	Ratio %	2009	3.30%	2010	2.88%	2011	6.25%	2012	7.79%	<p><b>Purpose of Debt Service Ratio</b></p> <p>To assess the impact of loan principal &amp; interest repayments on the discretionary revenue of council.</p>	<p><b>Commentary on 2011/12 Result</b></p> <p>2011/12 Ratio 7.79%</p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio %											
2009	3.30%											
2010	2.88%											
2011	6.25%											
2012	7.79%											
<p><b>3. Rates &amp; Annual Charges Coverage Ratio</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>48.88%</td> </tr> <tr> <td>2010</td> <td>48.72%</td> </tr> <tr> <td>2011</td> <td>47.94%</td> </tr> <tr> <td>2012</td> <td>49.66%</td> </tr> </tbody> </table>	Year	Ratio %	2009	48.88%	2010	48.72%	2011	47.94%	2012	49.66%	<p><b>Purpose of Rates &amp; Annual Charges Coverage Ratio</b></p> <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>	<p><b>Commentary on 2011/12 Result</b></p> <p>2011/12 Ratio 49.66%</p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio %											
2009	48.88%											
2010	48.72%											
2011	47.94%											
2012	49.66%											
<p><b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>6.63%</td> </tr> <tr> <td>2010</td> <td>4.64%</td> </tr> <tr> <td>2011</td> <td>4.58%</td> </tr> <tr> <td>2012</td> <td>4.70%</td> </tr> </tbody> </table>	Year	Ratio %	2009	6.63%	2010	4.64%	2011	4.58%	2012	4.70%	<p><b>Purpose of Rates &amp; Annual Charges Outstanding Ratio</b></p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p><b>Commentary on 2011/12 Result</b></p> <p>2011/12 Ratio 4.70%</p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio %											
2009	6.63%											
2010	4.64%											
2011	4.58%											
2012	4.70%											
<p><b>5. Building &amp; Infrastructure Renewals Ratio</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>122.18%</td> </tr> <tr> <td>2010</td> <td>308.00%</td> </tr> <tr> <td>2011</td> <td>332.09%</td> </tr> <tr> <td>2012</td> <td>147.80%</td> </tr> </tbody> </table>	Year	Ratio %	2009	122.18%	2010	308.00%	2011	332.09%	2012	147.80%	<p><b>Purpose of Asset Renewals Ratio</b></p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p><b>Commentary on Result</b></p> <p>2011/12 Ratio 147.80%</p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio %											
2009	122.18%											
2010	308.00%											
2011	332.09%											
2012	147.80%											