

FINANCIAL STATEMENTS

2012/2013



Financial Statements For the year ended 30 June 2013

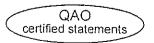
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Statement of Comprehensive Income For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Rates and levies	3 (a)	76,006,921	73,239,522
Sale of goods and major services	3 (b)	2,231,530	2,188,260
Fees and charges	3 (c)	12,212,233	18,264,202
Rental and levies	3 (d)	1,394,492	1,189,138
Interest received	3 (e)	4,865,653	6,106,311
Sales of contract and recoverable works	3 (f)	5,385,290	4,942,619
Other recurrent income	3 (g)	474,469	195,115
Grants, subsidies, contributions and donations	4 (i)	19,181,915	16,734,683
Proceeds from sales of land developed for resale	5	-	281,810
Total operating revenue		121,752,503	123,141,660
Capital revenue			
Grants, subsidies, contributions and donations	4 (ii)	21,112,152	23,991,157
		21,112,152	23,991,157
Total revenue	-	142,864,655	147,132,817
	-		
Capital income	6	-	464,646
Total income	2 _	142,864,655	147,597,463
Expenses			
Recurrent expenses			
Employee benefits	8	(30,232,850)	(27 674 971)
Materials and services	9	(50,232,850) (64,382,798)	(27,674,871) (41,077,403)
Current cost of developed land sold	5	(04,502,790)	(41,077,403) (54,089)
Finance costs	10	(840,416)	(963,347)
Depreciation and amortisation	11	(19,809,614)	(16,563,759)
Total operating expenses		(115,265,678)	(86,333,469)
Capital expenses		(115,205,078)	(80,555,409)
Other capital expenses	12	(11,324,579)	(12,716,289)
fotal expenses		(126,590,257)	(99,049,758)
Net result	_	16,274,398	48,547,705
Other comprehensive income	_		40,547,705
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus		(3,185,945)	37,197,708
Items that may be subsequently reclassified to net result		. , ,	
Available-for-sale -financial assets			
Current year gains/(losses)			
Total other comprehensive income		(3,185,945)	37,197,708
otal comprehensive income for the period	_		
orar comprehensive income for the period		13,088,453	85,745,413

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.



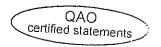
Statement of Financial Position

As at 30 June 2013

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		2013	2012
	Note	\$	\$
Current Assets			
Cash assets and cash equivalents	14	144,149,382	106,900,621
Trade and other receivables	15 (a)	13,845,029	12,032,688
Inventories	16	9,954,424	9,721,801
		167,948,835	128,655,110
Non-current Assets			
Trade and other receivables	15 (b)	7,668,867	7,593,867
Investment properties	18	13,037,737	10,198,144
Property, plant and equipment	19 (a)	895,210,258	888,328,020
Intangible assets	20	34,052	49,991
		915,950,914	906,170,022
TOTAL ASSETS		1,083,899,749	1,034,825,132
Current Liabilities			
Trade and other payables	21	19,740,465	13,852,461
Provisions	22	359,144	211,463
Borrowings	23	1,309,402	387,175
Other	24	143,081	159,391
		21,552,092	14,610,490
Non-current Liabilities	-		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Trade and other payables	21	1,459,135	1,609,215
Provisions	22	2,698,451	1,994,923
Borrowings	23	40,238,159	11,747,045
	· •	44,395,745	15,351,183
TOTAL LIABILITIES	-	65,947,837	29,961,673
NET COMMUNITY ASSETS		1,017,951,912	1,004,863,459
Community Equity			
Investment in capital assets	25	635,659,580	647,472,476
Asset revaluation surplus	26	251,518,548	254,704,493
Retained surplus (deficiency)	27	1,149,404	1,513,413
Reserves	28 _	129,624,380	101,173,077
TOTAL COMMUNITY EQUITY		1,017,951,912	1,004,863,459

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.



Statement of Changes in Equity For the year ended 30 June 2013

		Total	a	Retained surplus	sutplus	Reserves	IVes	Asset rou	Asset revaluation	Council Canital	anital
	Note			(deficit) Note 27	cit) 27	oc atom	0	surplus	lus		Capital
		2013	2017		F	1		Note 26	526	Note 25	25
		6	*117	6102	2012	2013	2012	2013	2012	2013	2012
Rolmon of howing of the second second		4	~	Ś	63	69	\$9	\$	6	6	} •
balance at beginning of period		1,004,863,459	919,118,046	1,513,413	972,336	101.173.077	100 289 276	254 704 402	, cr 707 r10	9	A .
Net result		16,274,398	48,547,705	16.274.398	48.547.705		0171071001	47.104,490	28/'00C'/17	647,472,476	600,349,649
Other comprehensive income for the period					22111.262.						
Revaluations:						<u>.</u>	×				
Property, plant & equipment	61	(2.911.329)	37 197 708								
Change in value of future of			0016121612					(2,911,329)	37,197,708		
rehabilitation costs		(274.616)									
Total comprehensive income for noriced								(274,616)	l		
		13,088,453	85,745,413	· 16,274,398	48,547,705	3	•	(3,185,945)	37,197,708	,	
Transfers (to) from retained earnings											
to capital	27		1	7.306.477	(17.995.381)						
Transfers (to) from retained earnings					1100000000					(7,306,477)	17,995,381
and recurrent reserves	27		*	5,397,254	(9,725,865)	(5,397,254)	9.725.865				
Transfers (to) from capital reserves and capital	25		•	100 100 100	1000 200 00/						
				(001,270,02)	(786,002,02)	33,848,257	(8,842,064)			(4,506,419)	29,127.446
Net transfers in the period											
		1	3	(16,638,407)	(48,006,628)	28,451,303	883,801	ŧ	3	(11.812.896)	47 177 877
Rajance at and of mariad			•							(1-106
		1,017,951,912	1,004,863,459	1,149,404	1,513,413	129,624,380	101,173,077	251,518,548	254,704,493	635.659.580	344 444 449
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The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

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Statement of Cash Flows

For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
Cash flows from operating activities :			
Receipts			
General rates and utility charges		75,350,630	74,554,548
Sale of goods and major services		2,231,530	2,188,260
Rental and levies, fees and charges		13,606,725	19,453,340
Grants, subsidies and contributions		16,626,174	16,734,683
Other income		8,161,921	2,478,705
GST received		10,481,058	9,142,265
Receipts from customers		126,458,038	124,551,801
Interest received		5,177,759	5,360,996
Proceeds from sales of land developed for resale		-	281,810
Payments			,
Payments materials and services		(60,183,118)	(36,671,186)
Payment to employees		(29,881,447)	(27,267,755)
Costs incurred on inventory land held for sale		(2,314,217)	
GST paid		(11,191,628)	(10,066,290)
Payments to suppliers		(103,570,410)	(74,005,231)
Interest expense		(716,171)	(735,130)
Net cash inflow (outflow) from operating activities	34	27,349,216	55,454,246
Cash flows from investing activities:			
Commonwealth government grants		4,023,818	2,550,602
State Government subsidies & grants		5,735,346	2,550,002
Capital contributions		11,336,678	
Payments for property, plant and equipment		(40,740,244)	8,775,397
Proceeds from sale of property plant and equipment	7	205,606	(63,178,908)
Net movement in loans to controlled entities & associates	,		4,169,450
Net movement in loans to community organisations		(75,000)	(7,593,867)
Net cash inflow (outflow) from investing activities	_	(19,513,796)	371,500 (52,338,100)
Cash Rame Gaussian and an	-		<u>_</u>
Cash flows from financing activities:			
Proceeds from borrowings	23	29,800,000	-
Repayment of borrowings	23	(386,659)	(359,950)
Net cash inflow (outflow) from financing activities	_	29,413,341	(359,950)
Net increase (decrease) in cash and cash equivalents held		37,248,761	2,756,196
Cash and cash equivalents at beginning of the financial year	<u> </u>	106,900,621	104,144,425
Cash and cash equivalents at end of the financial year	14	144,149,382	106,900,621

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

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Notes to the Financial Statements For the year ended 30 June 2013

1 Significant accounting policies

1. 1 Basis of preparation

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1. 2 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-forprofit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

I. 3 Basis of consolidation

The financial statements have not been consolidated and do not incorporate the assets and liabilities of the entities controlled by the Isaac Regional Council as at 30 June 2013 and nor do they incorporate the results of the controlled entities for the year ended 30 June 2013. The Council believes that the controlled entities are immaterial and of no major significance to be consolidated. The controlled entities during the period are Isaac Affordable Housing Trust and Moranbah Early Learning Centre.

1. 4 Constitution

The Isaac Regional Council is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.

1. 5 Date of authorisation

The financial statements are authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the management certificate is signed

1. 6 Currency

The Council uses the Australian dollar as its functional currency and its presentation currency

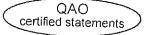
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Notes to the Financial Statements For the year ended 30 June 2013

1. 7 Adoption of new and revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed Effective for below were in issue but not yet effective. annual report periods beginning on are after: AASB 9 Financial Instruments (December 2009) I January 2015 AASB 10 Consolidated Financial Statements 1 January 2013 AASB 11 Joint Arrangements 1 January 2013 AASB 12 Disclosure of interests in other entities 1 January 2013 AASB 13 Fair Value Measurement I January 2013 AASB 119 Employee benefits (completely replaces existing standard) 1 January 2013 AASB 127 Separate Financial Statements (replaces the existing standard together with AASB 10) 1 January 2013 AASB 128 Investments in Associates and Joint Ventures (replaces the existing standard) 1 January 2013 AASB 1053 Application of Tiers of Australian Accounting Standards 1 July 2013 AASB 1055 Budgetary Reporting 1 July 2014 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 1 January 2015 2009) AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure 1 July 2013 Requirements AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 I January 2015 (December 2010) AASB 2010-10 Further Amendments to Australian Accounting Standards -- Removal of Fixed 1 January 2013 Dates for First-time Adopters AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman 1 July 2013 Convergence Project - Reduced Disclosure Requirements AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key I July 2013 Management Personnel Disclosure Requirements AASB 2011-6 Amendments to Australian Accounting Standards - Extending Relief from 1 July 2013 Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation 1 January 2013 and Joint Arrangements Standards AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 I January 2013 AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other 1 July 2012 Comprehensive Income AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 1 January 2013 (September 2011) AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure 1 July 2013 Requirements AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 1 January 2013 (AASB 1) AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement -1 July 2013 Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141] AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting I January 2013 Financial Assets and Financial Liabilities AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets 1 January 2014 and Financial Liabilities [AASB 132] AASB 2012-4 Amendments to Australian Accounting Standards - Government Loans 1 January 2013 [AASB 1] AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual 1 January 2013 Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]

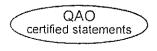


Notes to the Financial Statements	ŀ
For the year ended 30 June 2013	

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AASB 9 and Transition		l January 2013
(AASB 9, AASB 2009 AASB 2012-7 Amendn Requirements	-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8] nents to Australian Accounting Standards arising from Reduced Disclosur	e 1 July 2013
[AASB 7, AASB 12, A	ASB 101 & AASB 127] nent to AASB 1048 arising from the Withdrawal of Australian	1 January 2013
	ments to Australian Accounting Standards – Transition Guidance and	1 January 2013
[AASB 1, 5, 7, 8, 10, 1	l, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, & 2011-7 and Interpretation 12]	
	ments to Australian Accounting Standards - Reduced Disclosure	I July 2013
-	SB 8, AASB 10, AASB 107, AASB 128, AASB 133, AASB 134 &	
	ents to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014
Interpretation 20 Strippin	ng Costs in the Production Phase of a Surface Mine.	I January 2013
effective for reporting retrospectively. The m classification, measur requirements the four replaced with two mea will only be able to be	ces AASB 139 Financial Instruments: Recognition and Measurement, is a periods beginning on or after 1 January 2015 and must be applied hain impact of AASB 9 is to change the requirements for the ement and disclosures associated with financial assets. Under the new current categories of financial assets stipulated in AASB 139 will be assurement categories: fair value and amortised cost and financial assets measured at amortised cost where very specific conditions are met. Fill be required to measure its financial assets at fair value.	
beginning on or after AASB 10 Cons AASB 11 Joint AASB 12 Discl AASB 127 Sep AASB 128 Invo AASB 2011-7 Consolidation and Join These standards aim to statements, joint arrang The AASB is planning	ting standards apply to Isaac Regional Council as from reporting periods I January 2014: olidated Financial Statements Arrangements osure of Interests in Other Entities arate Financial Statements estments in Associates and Joint Ventures Amendments to Australian Accounting Standards arising from the at Arrangements Standards. o improve the accounting requirements for consolidated financial gements and off balance sheet vehicles. t to amend AASB 10. The amendments are expected to clarify how the	
Australian context. He	t control of entities should be applied by not-for-profit entities in an ence, the Isaac Regional Council is not yet in a position to reliably applications of these new and revised standards for the council's financial	
determining which enti Once the AASB finalis	clarifies the concept of control of another entity, and is the basis for ties should be consolidated into another entity's financial statements. es its not-for-profit amendments to AASB 10, Isaac Regional Council of its relationships with other entities, including entities that aren't	
AASB 11 deals with th	e concept of joint control and sets out new principles for determining	

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, the Council will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.



Notes to the Fir	nancial Statements
For the year end	fed 30 June 2013

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013-14 reporting period. This standard is not required to be applied retrospectively, therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012-13 financial statements.

The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The key changes will relate to the level of disclosures required.

The Isaac Regional Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, the necessary changes will be implemented. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for the Isaac Regional Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

Level 1 - Fair values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair values that are based on inputs other than quoted prices that are directly or indirectly observable for the asset or liability.

Level 3 - Fair values that are derived from data not observable in a market.

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

Amendments to AASB 119 Employee Benefits

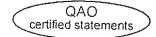
A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

The revised standard includes changed criteria for accounting for employee benefits as "shortterm employee benefits". Had the council applied the revised standard this year annual leave currently classified as a "short-term benefit" would have been reclassified as a "long-term benefit".

However, no reported amounts would have been amended as the Council already discounts the annual leave liability to present value in respect of amounts not expected to be settled within 12 months (refer Note 1.23).

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Isaac Regional Council contributes to the Local Government Superannuation Scheme (Qld) as disclosed in note 32.



Notes to the	Financial Statements
For the year	ended 30 June 2013

The revised standard will require Isaac Regional Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

The reported results and position of the council will not change on adoption of the other pronouncements as they do not result in any changes to the council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The council does not intend to adopt any of these pronouncements before their effective dates.

1. 8 Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Investment Property - note 1.17 and note 18 Valuation and depreciation of property, plant and equipment - note 1.18 and note 19 (b) Impairment of property, plant and equipment - note 1.20 and note 19 (a) Provisions - note 1.25 and note 22 Valuation of finance leases - note 1.21 Contingencies - note 31

1. 9 Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

1. 9 (a) Rates and levies

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of rating period.

1. 9 (b) Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is transferred from retained earnings to the relevant reserve until the funds are expended. Unspent nonreciprocal capital grants are placed in the Constrained grants, subsidies and contributions reserve.

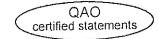
Council spends all recurrent grants in the year received and therefore Council has not established a reserve for this purpose.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

1. 9 (c) Non-cash contributions

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition



Notes to the Financial Statements For the year ended 30 June 2013

1. 9 (d) Cash contributions

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

1. 9 (e) Rental income

Rental revenue from investment and other property is recognised as income on a periodic straight line basis over the lease term.

1. 9 (f) Interest and dividends

Interest received from term deposits is accrued over the term of the investment. Dividends are recognised once they are formally declared by the directors of the controlled entity.

1. 9 (g) Sales revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

The council generates revenues from a number of services including child care, and contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

1. 9 (h) Fees and Charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

1. 10 Financial assets and liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Isaac Regional Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

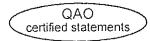
- Cash and cash equivalents (note 1.11)
- Receivables measured at amortised cost less any impairment (note 1.12)
- Other financial assets (finance leases) measured at fair value (note 1.21)
- Financial liabilitics
- Payables measured at amortised cost (note 1.22)
- Borrowings measured at amortised cost (note 1.24)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

The fair value of financial instruments is determined as follows;

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of borrowings, as disclosed in note 23 to the financial statements, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these financial statements.



The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

Isaac Regional Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in note 36.

I. 11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, 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.

1. 12 Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

Loans and advances to controlled entities are recognised in the same way as other receivables. Terms are as per written agreement and interest charged at negotiated rates. Security is held over assets if applicable.

1. 13 Inventories

Stores and raw materials held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution (internal consumption) are:

· goods to be supplied at no, or nominal, charge, and

· goods to be used for the provision of services at no, or nominal, charge.

Inventory for distribution is valued at cost, adjusted when applicable for any loss of service potential.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

1. 14 Other financial assets

Other financial assets are recognised at cost. At present Council does not have any other financial assets.



Notes to the Financial Statements For the year ended 30 June 2013

1. 15 Non current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

1. 16 Investments

Term deposits in excess of twelve months are reported as investments, with deposits of less than twelve months being reported as cash equivalents.

Details of council's investment in controlled entities is disclosed at note 35.

1. 17 Investment property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use.

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the balance sheet date. Where investment property is acquired at no or nominal cost it is recognised at fair value.

Property that is being constructed or developed for future use as investment property is classified as investment property. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

Gains or losses arising from changes in the fair value of investment property are recognised as income or expenses respectively for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

1. 18 Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

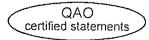
The classes of property plant and equipment recognised by the council are reported in note 19 (a).

(a) Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs. Property, plant and equipment received in the form of physical contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

(b) Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.



Notes to the Financial Statements For the year ended 30 June 2013

(c) Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant & Equipment. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years in regard to all classes of assets, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in note 19 (b).

(d) Capital work in progress

The cost of property, plant and equipment being constructed by the Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

Investment property under construction is classified as investment property. Refer to note 1.17 for further information.

(e) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

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Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in note 19 (a).

(f) Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Isaac Regional Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

1. 19 Intangible Assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate. Details of the estimated useful lives assigned to each class of intangible assets are shown in note 20.

1. 20 Impairment of non current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

1. 21 Leases

Leases of plant and equipment under which the Council as lessee/lessor assumes/transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases. The council has no finance leases.

Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Notes to the Financial Statements For the year ended 30 June 2013

1. 22 Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

I. 23 Liabilities - employee benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

(a) Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is included in note 21 as a payable.

(b) Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

(d) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in note 32.

(c) Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

This liability is reported in note 22 as a provision.

1. 24 Borrowings

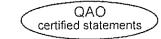
Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

In accordance with the Local Government Regulation 2012 council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1. 25 Restoration provision

A provision is made for the cost of restoration in respect of refuse dumps and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.



Notes to the Financial Statements For the year ended 30 June 2013

Within each restoration provision there may be many site locations some of which can be on council controlled land and some which are not. The following accounting treatments apply depending on the site location:

Restoration on land not controlled by Council

Where the restoration site is on State reserves which the council does not control, the cost of the provisions for restoration of these sites has to be treated as an expense in the year the provision is first recognised. Changes in the provision due to either time, discount rate or expected future cost are treated as an expense or income in the reporting in which they arise.

Restoration on land controlled by Council

Restoration sites that are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any).

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

The council has the following restoration provisions:

(a) Refuse sites

The provision represents the present value of the anticipated future costs associated with the closure of the refuse sites, decontamination and monitoring of historical residues and leaching on these sites.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

The provision recognised for refuse sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2017 and that the restoration will occur progressively over the subsequent four years.

1. 26 Council capital

In accordance with AASB101 paragraphs 5 and 6 the following disclosure is provided as the council considers such presentation is relevant to the understanding of the council's financial performance.

The Council's capital account at the reporting date, represents the amount the community has invested in capital assets to deliver future services, plus any equity and property investments it holds, less the amount it has borrowed to fund these assets. At the creation of the council any operating assets and liabilities that required to be recognised, were brought to account through the capital account.

The maintenance of the Councils capital capacity is fundamental to its long term sustainability to continue to deliver essential services to the community, it has therefore been separately identified and the change in value is reported in the Statement of Changes in Equity and note 25.

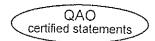
1. 27 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.



Notes to the Financial Statements For the year ended 30 June 2013

1. 28 Retained surplus (deficit)

The retained surplus represents that part of the Council's equity, that corresponds to the amount of cash (reported within cash and cash equivalents) that is held for this purpose, and has not been restricted to meet specific future funding needs at the reporting date. These funds are available as a general funding source in future years. A retained deficit represents an overall funding shortfall which needs to be recovered in future years to maintain a fully funded position.

1. 29 Reserves held for funding future capital expenditure

These are cash backed reserves and represent funds, from revenue sources, that are accumulated to meet anticipated future capital asset funding requirements. In each case the amount relates to a perceived future requirement which is not currently a liability.

Unspent loan cash reserve

The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) which has been received in respect of approved loan funds from QTC that have been drawn down but not expended on the specific capital projects. As the funds are expended they are transferred to the council's capital account. Refer notes 14 and 28 (a).

Constrained grants and subsidy contributions reserve

The amounts reported in this reserve at balance date correspond to the amount of cash (reported within cash and cash equivalents) which has been received in respect of capital works where the required capital works have not yet been carried out. Where non-reciprocal grants, subsidies and contributions are received for specific capital projects, amounts equivalent to the capital grants received are transferred from retained surplus to the constrained works reserve. When the grant monies are expended on the respective projects, an equivalent amount is transferred out of the constrained works reserve to retained surplus. The Council does not reallocate amounts in this reserve to any other reserve or for any other purpose.

Grants, subsidies and contributions reimbursed reserve

This reserve is credited with grants, subsidies and contributions of monetary revenue received during the reported period which the council has identified as being a reimbursement of capital funds expended in a prior period.

Buildings reserve

This reserve has been established to provide funding for future housing/building projects.

Plant and Equipment reserve

This reserves was created to provide funding for new plant and equipment costs.

Roads Infrastructure reserve

This reserve has been established for future construction work on roads and to enable the future introduction of business principles to construction operations.

Water reserve

This reserve has been established to provide funding for future water projects.

Sewerage reserve

This reserve has been established to provide funding for future sewerage projects.

Other Infrastructure reserve

This reserve has been established for future projects associated with infrastructure assets within the Isaac Regional Council.

Community Facilities reserve

This reserve has been established to provide funding for future community facilities within the Isaac Regional Council.

Carry Over Capital reserve

This reserve has been established to provide funding for carry over capital projects not funded through carry over of funded depreciation.

Notes to the Financial Statements

For the year ended 30 June 2013

1. 30 Reserves held for funding future recurrent expenditure:

These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

Natural Disaster reserve

This reserve has been established to fund the trigger point for any future natural disasters which may occur for Isaac Regional Council.

Constrained Works - Operational Grants reserve

This reserve has been established to constrain unspent grant monies.

Planning & Environmental Enforcement-Operational reserve

This reserve has been established to fund the compliance requirements of planning and environmental applications in the proceeding year.

Mines Operating Projects reserve

This reserve has been established to identify operating revenue that has the potential to be refunded to the contributor.

NDRRA Funding - Operational Grants reserve

This reserve has been established to constrain unspent NDRRA funding received in advance.

Community Recovery - Operational Grants reserve

Reserves held for funding future recurrent expenditure as yet to be identified under the Community Recoveries Grant purposes.

1. 31 Rounding and comparatives

The financial statements have been rounded to the nearest \$1.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. Note 12 - Loss on Sale of Capital Assets comparative has been reclassified to Note 13 - Loss on Write-off of Capital Assets to reflect the amount's correct classification as being loss on write off rather than loss on sale.

1. 32 Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

For details see note 33.

1. 33 Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

The Council pays payroll tax to the Queensland Government on certain activities.

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Notes to the Financial Statements For the year ended 30 June 2013

1. 34 Carbon Pricing

Council has been, and will continue to be indirectly impacted through increased costs arising from the carbon pricing mechanism. Taking this into consideration the council has carefully assessed the current and immediate future political predictions on carbon tax pricing and considers that the impact on the council current financial position will not be materially affected. The council will continue to monitor the impact of carbon pricing as future political policies are determined.

In 2011, the Australian Government introduced a Clean Energy Legislation package. One aspect of this package which has, and will continue to, impact council directly and indirectly is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian economy.

The pricing mechanism commenced on 1 July 2012 and set a fixed price path for the first three years (\$23 per tonne of CO2-equivalent emissions adjusted in real terms by 2.5% per annum) before moving to a flexible price mechanism from 1 July 2015. It provides a framework for setting a cap on greenhouse gas emissions by capping the number of carbon units available once the flexible price period commences, which can be adjusted over time to ensure that the government's reduction targets are met.

It is likely that the way this mechanism is priced and/or applies will change, depending upon the outcome of the Australian Federal election on 7 September 2013.

Council's latest modelling indicates that electricity and fuel is likely to increase as follows:

Year	Electricity (\$)	Fuel (\$)
2014	2.5%	2.5%
2015	2.5%	2.5%

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Notes to the financial statements For the year ended 30 June 2013

2 (a) Components of council functions

The activities relating to the Council's components reported on in Note 2 (a) are as follows :

Office of the CEO

Comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Planning & Environmental Services

Management of the development of the region and approval processes for development & building. Management of environmental licences and approvals.

Governance & Community Services

Comprises community services & council facilities including cultural, welfare, recreational services and corporate communications.

This function includes libraries and community centres/halls.

Commercial Services

Provides water supply and sewerage services as well as refuse collection and disposal services. Management of council's fleet and other commercial business activities which includes saleyards, aerodromes and private works.

Corporate Services

Comprises the support functions for management of information technology, human resources, customer services and administration.

Financial Services

Comprises the support functions for management of the Council's finance, asset management and purchasing and procurement.

Technical & Civil Services

Provides and maintains the regional council's roads, drainage, bridges, parks and cemeteries. Support management to provide leadership in the implementation of policies and procedures relevant to the Isaac Regional Council.

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2 Analysis of results by function

(b) Revenue, expenses and assets have been attributed to the following functions :

Functions	Inc	ome	Total	Total	Net	Assets
	Grants	Other	income	expenses	result	
				10111	for period	
	2013	2013	2013	2013	2013	2013
·	\$	\$	\$	\$	\$	\$
Office of the CEO	116,044	201,905	317,949	3,519,629	(3,201,680)	-
Planning & Environmental Services	23,662	14,968,457	14,992,119	4,346,936	10,645,183	377,183
Governance & Community Services	2,340,573	2,082,471	4,423,044	16,242,458	(11,819,414)	200,083,930
Commercial Services	3,868,668	30,844,022	34,712,690	36,170,602	(1,457,912)	248,877,943
Corporate Services	139,592	207,418	347,010	9,630,630	(9,283,620)	1,786,243
Financial Services	3,637,930	60,234,149	63,872,079	4,127,012	59,745,067	165,838,212
Technical & Civil Services	18,483,165	5,716,599	24,199,764	52,552,990	(28,353,226)	466,936,238
Total	28,609,634	114,255,021	142,864,655	126,590,257	16,274,398	1,083,899,749

Prior Year

Functions	Inc	ome	Total	Total	Net	Assets
	Grants	Other	income	expenses	result	
				-	for period	
	2012	2012	2012	2012	2012	2012
	\$	\$	\$	\$	\$	S
Office of the CEO	128,950	61,045	189,995	3,028,718	(2,838,723)	-
Planning & Environmental Services	-	9,987,810	9,987,810	5,349,677	4,638,133	-
Governance & Community Services	560,289	4,349,634	4,909,923	16,636,650	(11,726,727)	215,441,843
Commercial Services	1,901,215	44,655,513	46,556,728	27,147,965	19,408,763	236,928,863
Corporate Services	131,952	149,842	281,794	7,389,372	(7,107,578)	470,793
Financial Services	6,198,264	53,905,493	60,103,757	5,144,532	54,959,225	128,499,852
Technical & Civil Services	12,639,905	12,927,551	25,567,456	34,352,844	(8,785,388)	453,483,781
Total	21,560,575	126,036,888	147,597,463	99,049,758	48,547,705	1,034,825,132

Notes to the financial statements For the year ended 30 June 2013

		2013	2012
3 Revenue analysis	Note	S	s
(a) Rates and levies			
General rates	1.9(a)		
Separate rates		43,890,335	33,748,5
Disaster Management levy		17,610,979	25,075,6
Water		101,974	98,1
Water consumption, rental and sundries		7,509,656	6,637,6
Sewerage		428,840	1,779,0
Sewerage connection fees		6,605,276	5,621,2
Garbage charges		229,257	174,3
Rates and utility charge revenue	-	3,100,840	2,826,9
Less: Discounts		79,477,157	75,961,5
Less: Pensioner remissions		(3,303,972)	(2,552,7
	-	(166,264)	(169,2
Net rates and utility charges	-	76,006,921	73,239,52
(b) Sale of goods and major services Recycling services			
Green waste services		176,840	177,5:
		251,945	258,10
Airport services	-	1,802,745	1,752,5
		2,231,530	2,188,20
(c) Statutory fees and charges			
Development fees		1 704 701	
Building fees & charges		1,724,721	6,726,65
Environmental Fees		254,053	320,53
Animal registrations		197,542	179,60
Other statutory fees		101,296	107,05
User fees and charges		5,345	-
	-	<u>9,929,276</u> 12,212,233	10,930,35 18,264,20
(d) Rental and levies	_		
Housing rentals		781,888	338,98
Investment property rentals		342,069	431,00
Community housing rental income		97,627	100,95
Other property rental income		172,908	318,19
		1,394,492	1,189,13
(c) Interest received			.,,
Investments			
Over due rates and utility charges		4,702,145	5,845,05:
over due fales and utility enarges		163,508	261,25
		4,865,653	6,106,31
(f) Sales of contract and recoverable works			
Revenue		5,385,290	4,942,619
The amount recognised as revenue from contract works during the period is the		5,385,290	4,942,619
amount receivable in respect of invoices issued during the period			
There are no contracts in progress at the period end.			
The contract work carried out is not subject to retentions.			
(g) Other recurrent income			
Other income		474,469	195,115
		474,469	195,115
Grants, subsidies, contributions and donations	1.003		
(i) Recurrent - grants, subsidies, contributions	1.9(b)		
and donations are analysed as follows:			
General purpose grants			
		4,931,436	8,720,538
State Government subsidies & grants Donations		13,919,034	7,721,709
		75,945	50,367
Contributions Total recurrent revenue		255,500	242,069
I UNZU LEGHITEHE TEVETINE		19,181,915	16,734,683

The 1st two quarters of the 2014 Financial Assistance Grant for the amount of \$2,984,692 was paid to Council in June 2013.

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Notes to the financial statements For the year ended 30 June 2013

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		2013	2012
	Note	\$	\$
(ii) Capital - grants, subsidies, and contributions			
are analysed as follows:			
(a) Monetary revenue designated for capital funding purposes:			
Commonwealth government grants		4,023,818	2,550,60
State Government subsidies & grants		5,735,346	2,567,720
Contributions		11,352,988	8,942,00
	_	21,112,152	14,060,33
(b) Non-monetary revenue received is analysed as follows:	1.9(c)		
Developer assets contributed by developers at fair value		-	9,930,820
			9,930,820
Total capital revenue		21,112,152	23,991,15
(iii) Conditions over contributions			
Non-reciprocal grants and contributions which were recognised as revenues durin			
the reporting period and which were obtained on the condition that they be expendent	led		
in a general specified manner (eg.headworks) by the contributor but had not been			
expended at the reporting date:			
Grants for infrastructure		6,938,051	773,381
Contributions for infrastructure		11,352,988	6,542,082
		18,291,039	7,315,463
Non-reciprocal grants and contributions which were recognised as revenues during previous reporting period and were expended during the current reporting period	g a		
Grants for infrastructure		383,126	611,325
Contributions for infrastructure		267,002	1,885,252
	_	650,128	2,496,577
Gain (loss) on the disposal of inventory land developed for resale			
Proceeds from sales of land developed for resale		-	281,810
Current cost of developed land sold	17	-	(54,089)
-		-	227,721
Capital income			
Gain on the sale of capital assets	7		
Revaluation of investment property - land and buildings	18	_	464.646
			464,646
		· · · · · · · · · · · · · · · · ·	404,040
Gain (loss) on the disposal of capital assets (a) Non-current assets classified as held for sale			/ · · · · ·
(a) Non-current assets classified as held for sale Less: Carrying value of asset sold		-	695,909
Loss. Carrying value of asset solu	<u>. </u>		(595,449)
			100,460
(b) Proceeds from the sale of plant and equipment		205,606	240,364
Less: Book value of plant and equipment sold		(265,955)	(106,405)
		(60,349)	133,959
(c) Proceeds from the sale of land and buildings		-	3,233,177
Less: Book value of land and buildings sold		-	(3,455,227)
-			(222,050)
Total gain (loss) on the disposal of capital assets	6 8. 12	((0.240)	
Burn (1000) on the disposit of capital asses	6&12	(60,349)	12,369

QAO certified statements

Notes to the financial statements For the year ended 30 June 2013

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			2013	2012
8	Employee benefits	Note	S	\$
	Total staff wages and salaries		22,550,302	21,769,594
	Councillors' remuneration		634,748	671,097
	Annual, sick and long service leave entitlements		3,845,642	3,252,611
	Superannuation	32	2,560,368	2,509,288
	-		29,591,060	28,202,590
	Other employee related expenses		1,874,481	1,038,799
	1 5	-	31,465,541	29,241,389
	Less : Capitalised employee expenses		(1,232,691)	
		-	30,232,850	(1,566,518) 27,674,871
	1	-		27,074,871
	Councillor remuneration represents salary, and other allowances paid in respect of			
	carrying out their duties. Total Council employees at June 2013:		0010	
	Elected members	-	2013	2012
	Administration staff		9	9
			189	198
	Depot and outdoors staff	-	166	207
	Total full time equivalent employees	-	364	414
9	Materials and services			
	Audit of annual financial statements by the Auditor-General of Queensland		88,200	330,000
	Professional fees including legal fees		4,398,536	2,239,643
	Donations Paid		293,195	333,701
	Electricity		2,362,595	2,138,323
	Refuse collection		589,435	3,494,174
	Plant and vehicle expense		2,541,045	1,571,740
	IT and telecommunications		2,511,268	1,335,679
	Contracts		7,811,069	5,628,617
	Insurance		1,311,066	1,818,425
	Rentals - Operating leases		1,176,122	1,276,192
	Other material and services		41,300,267	20,910,909
		-	64,382,798	41,077,403
^	19:			
U	Finance costs			
	Finance costs charged by the Queensland Treasury Corporation		716,171	735,130
	Bank charges		124,245	132,760
	Impairment of receivables and bad debts written off		-	95,457
		<u></u>	840,416	963,347
1	Depreciation and amortisation	.18(e)		
	(a) Depreciation of non-current assets			
			726,382	628,346
	Land and improvements		120,302	
	Buildings		1,269,603	914,120
	Buildings Plant and equipment		1,269,603	914,120 2,602,408
	Buildings Plant and equipment Road, bridge and drainage		1,269,603 2,896,071	2,602,408
	Buildings Plant and equipment		1,269,603 2,896,071 8,161,672	2,602,408 5,813,592
	Buildings Plant and equipment Road, bridge and drainage		1,269,603 2,896,071 8,161,672 3,032,499	2,602,408 5,813,592 3,003,582
	Buildings Plant and equipment Road, bridge and drainage Water		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426	2,602,408 5,813,592 3,003,582 3,027,953
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694	2,602,408 5,813,592 3,003,582 3,027,953 54,175
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694	2,602,408 5,813,592 3,003,582 3,027,953 54,175
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426
1	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets Computer software		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675 15,939 15,939	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426 34,333 34,333
]	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets Computer software		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675 15,939 15,939	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426 34,333 34,333
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets Computer software Fotal depreciation and amortisation		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675 15,939 15,939 19,809,614	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426 34,333 34,333 16,563,759
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets Computer software Fotal depreciation and amortisation Capital expenses Loss on the sale of capital assets Loss on write-off of capital assets	7	1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675 15,939 15,939 15,939 19,809,614 60,349	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426 34,333 34,333 16,563,759 (12,369)
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets Computer software Fotal depreciation and amortisation Capital expenses Loss on the sale of capital assets Loss on write-off of capital assets	13	1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675 15,939 15,939 15,939 19,809,614 60,349 8,018,415	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426 34,333 34,333 16,563,759
	Buildings Plant and equipment Road, bridge and drainage Water Sewerage Waste Management Aerodrome (b) Amortisation of other intangible assets Computer software Fotal depreciation and amortisation Capital expenses Loss on the sale of capital assets Loss on write-off of capital assets		1,269,603 2,896,071 8,161,672 3,032,499 3,090,426 75,694 541,328 19,793,675 15,939 15,939 15,939 19,809,614 60,349	2,602,408 5,813,592 3,003,582 3,027,953 54,175 485,250 16,529,426 34,333 34,333 16,563,759 (12,369)

Notes to the financial statements For the year ended 30 June 2013

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		2013	2012
	Note	\$	\$
3 Loss on write-off of capital assets are as follows:			
Land and improvements		1,006,352	2,776,63
Buildings		570,050	2,770,00
Road, bridge and drainage		5,975,948	9,105,51
Water		142,871	63,10
Sewerage		309,309	19,75
Waste Management			
Aerodrome		13,885	- 763,64
	12 -	8,018,415	······
	12	0,010,415	12,728,65
Cash assets and cash equivalents	1.11		
Cash at bank and on hand		29,992,518	2,603,23
Deposits at call		114,156,864	104,297,38
Balance per statement of cash flows		144,149,382	106,900,62
Councils cash and cash equivalents are subject to a number of internal and externa discretionary or future use. These include:	al restrictions	that limit amounts	available for
Externally imposed expenditure restrictions at the reporting date relate to the fo	llouine coost		
Unspent loan monies			
Unspent government grants and subsidies	28 (i)	26,100,475	3,929,954
	28 (ii)	10,261,629	1,543,480
Unspent developer contributions	28 (ii)	34,577,554	21,322,870
Internally imposed expenditure restrictions at the reporting date relate to the fol	llowing assets		
Funds set aside by council and held in reserves for future projects Total unspent restricted cash held in reserves	28	<u>58,684,722</u> 129,624,380	74,376,773
Cash and deposits at call are held in the following banks: ANZ Bank, Queensland			
Country Credit Union, National Australia Bank, Westpac Banking Corporation,			
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury.			
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables	1.12		
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current	1.12		
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges	1.12	1,884,635	1,228,344
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies	1.12	1,884,635 2,555,741	1,228,344
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest	1.12		-
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable	1.12	2,555,741	1,228,344 1,657,884 1,176,241
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors	1.12	2,555,741 1,345,778	- 1,657,884
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable	1.12	2,555,741 1,345,778 2,359,002	- 1,657,884 1,176,241 7,975,794
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision	1.12	2,555,741 1,345,778 2,359,002 5,667,120	- 1,657,884 1,176,241 7,975,794
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors	1.12	2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157	- 1,657,884 1,176,241 7,975,794 (205,916
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments	1.12	2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments	1.12	2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029 7,668,867	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688 7,593,867
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current Loans and advances to controlled entities and associates		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current Loans and advances to controlled entities and associates Interest is charged on outstanding rates at a rate of 11% per annum. No interest		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029 7,668,867	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688 7,593,867
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current Loans and advances to controlled entities and associates		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029 7,668,867	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688 7,593,867
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current Loans and advances to controlled entities and associates Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rate: and utility charges, fees and other debtors receivable Movement in accumulated impairment losses (trade and other receivables)		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029 7,668,867	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688 7,593,867
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current Loans and advances to controlled entities and associates Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rate: and utility charges, fees and other debtors receivable Movement in accumulated impairment losses (trade and other receivables) is as follows:		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029 7,668,867 7,668,867	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688 7,593,867 7,593,867
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current Loans and advances to controlled entities and associates Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors receivable Movement in accumulated impairment losses (trade and other receivables) is as follows: Opening balance 		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029 7,668,867 7,668,867	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688 7,593,867 7,593,867
Country Credit Union, National Australia Bank, Westpac Banking Corporation, Bank of Queensland and Queensland Treasury. Trade and other receivables (a) Current Rateable revenue and utility charges Accrued government operating grants and subsidies Accrued interest GST recoverable Other debtors Less: Impairment provision Prepayments (b) Non-current Loans and advances to controlled entities and associates Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rate: and utility charges, fees and other debtors receivable Movement in accumulated impairment losses (trade and other receivables) is as follows:		2,555,741 1,345,778 2,359,002 5,667,120 (199,404) 13,612,872 232,157 13,845,029 7,668,867 7,668,867	1,657,884 1,176,241 7,975,794 (205,916) 11,832,347 200,341 12,032,688 7,593,867 7,593,867

Notes to the financial statements For the year ended 30 June 2013

			2013	2012
		Note	\$	\$
16	Inventories	1.13		
	Current			
	Inventories for internal use:			
	Quarry and road materials		1,601,955	1,373,552
	Stores and materials		1,128,720	599,124
			2,730,675	1,972,676
	Valued at cost, adjusted when applicable for any loss of service potential			
	Land purchased for development and sale	17	7,223,749	7,749,125
			9,954,424	9,721,801
7	Land purchased for development and sale	1.15		
	Balance at the beginning of financial year	1.15	7,749,125	7,803,214
	Transferred from other asset category		(2,839,593)	7,005,214
	Land acquired in period		2,314,217	-
	Less: Cost of developed land sold		2,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(54,089
	Balance at end of the financial year		7,223,749	7,749,125
	Land purchased for development and sale is valued at the lower of cost and net realisable value.			
8 1	nvestment properties			
	Property held for rental income and capital growth		13,037,737	10,198,144
	Fair value at end of financial year	-	13,037,737	10,198,144
N	Avement in assets during the reporting period:	_		
	Property held for rental income and capital growth			
	Fair value at beginning of financial year		10,198,144	9,733,498
	Fair value of assets transferred from other asset category		2,839,593	-
	Revaluation adjustment to income statement		2,000,000	464,646
	Fair value at end of financial year		13,037,737	10,198,144
		<u></u>		
	Valuation of investment properties, being the current replacement cost, was provided			
	by Australia Pacific Valuers Pty Ltd Trading as APV Valuers and Asset			
	Management as at 30 June 2013. The valuers have extensive experience in valuing			
	properties of this nature in the Isaac Regional Council and surrounding areas. Fair			
	value was determined by reference to market based evidence including observable			
	historical sales data in the relevant market for properties of similar nature and specification.			
	Investment property comprises			

Investment property comprises

45 residential units in Utah Drive, Moranbah which are rented out

Industrial land in Goonyella Road, Moranbah which is held for future developmen

Income from the investment property is shown in note 3. Operating expenses in respect of investment property are shown in note 5.



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Notes to the financial statements

For the year ended 30 June 2013 19 (a) Property, plant and equipment

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s Total			2013	6	A	1,056,258,314		40,/40,244	-		(825,325)	(8,919,545)	10.000	705,024,01	(2,798,505)		535,729	1 005 013 734
Works in progress		Cost	2013	6	5	45,220,299	ANC ONT ON	40,140,244	(66,012,079)									19 948 464
Aerodrome	Tr.I.T	v aluation	2013	v	,	11,486,114	•		233,298			•	1		(2,798,505)	1	'	8.920.907
Waste Management	Valuation	A attautori	2013	69	101 000	P4C,828	•	C UX CXC	700'N05	ı		(5,88,51)			-	ł		1,175,361
Sewerage	Valuation	Intinnto .	2013	64	L76 628 961	100'070'071	•	10 270 407	104,010,01	ŀ	102 0127	(100,040)			•		010 111 281	146,/11.253
Water	Valuation		5102	~	167 570 382		•	3 107 606	20061010	•	1040 PL1)	(7)7'11	•		•	ı	170 503 715	1/0,202,110
Road, bridge and drainage	Valuation	2106	C107	•••	490.632.064		;	28.377.537		•	(6 600 622)	/	10,920,352				122 323 331	1 1
Plant and equipment	Cost	2013	1 1	~	22,069,956		1	4,492,800		(CCC, CZ8)	I		•			•	25.739.401	
Buildings	Valuation	2013	ţ	\$	119,350,861			8,479,365		•	(583,813)			•	1		127,246,413	1
Land and improvements	Valuation	2013		,	70,226,677	,		2,582,334			(1,006,352)			•	535 729		72,338,388	

ıd impairment		
Accumulated depreciation and impairment	Dpening balance	
Accumu	Openin	1

Recognition of future rehabilitation costs

Closing gross value

Revaluation adjustment to the ARS* Revaluation adjustment to Income

Disposals Write-offs

Internal transfers from work in progress

Opening gross value

Asset Values

Additions at cost

Basis of measurement

Net value at 30 June 2013 Range of estimated useful life in years Addition of renewal assets Addition of other assets	1 0141 auditions in period * ARS denotes - Asset Revaluation Surplus
--	---

		07 - 01							525 770
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895 210 258	19.948.464	7,220,684	813,789	103,349,163	118,591,053	457,156,748	cnc'04/'c1	100,134,001	100171100
						104 107 140	15 706 505	106 221 351	66.112.501
200,702,976		1,/00,223	7/0'100	000,400,00	22.2 Care				
			361 570	43 367 000	51.912.663	66,172,583	9,942,896	21,025,062	6,225,887
158,546		1	-						
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447.310		447,310		r	-				158 546
130,100,01							r	,	•
100 100 01		•	•	•	•	1/1,00/,01			Ţ
(901,130)		•		/		12 720 177	٩		93,504
(001-11-00)	· · · · · · · · · · · · · · · · · · ·			(231.292)	(31,401)	(624,674)	•	(13,763)	-
(557 400)			-	1	•	-	(22.6.22)		
19,793,675		241,328	+60,61	0.71 50 00 50			(557 400)		,
127'000'000		046 183	75 604	3 090 426	3.032.499	8,161,672	2,896,071	1,269,603	720,382
167 030 204		711.585	285.878	966,206,04	coc,112.04	00151/0111			2000
		-			49 011 565	44 897 408	7.604.225	19,769,222	CC+,1+2,C

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005 303	671'000	•	535 770	471,000	

33,664,610 7,611,363 41,275,973

33,128,881 7,611,363 40,740,244



Notes to the financial statements For the year ended 30 June 2013

19 (a) Property, plant and equipment - prior year

rogress Total					27,341,038 969,434,300	63.178.908 63.178 908		078'055'5	- (45,299,647)	(5,062,761)	116 156 251		35,233,450
Works in progress			7107 			63.1			(45,2		6	2	
Aerodrome	Valuation	10000	3107	9	3,306,264	'	003 020 0	4060-262	1	1	(1.750.970)		
Waste Management	Valuation	2012	1 0	i i	491,0/0			010 725	012'055	•			878 504
Sewerage	Valuation	2012	6	243 000 311	0+0'/07'071	1	,	102 001 6	1705/01/2	-	(25,500)		128.873.367
Water	Valuation	2012	60	166 185 405		F		1.474.467	2.6	-	(89,490)	I	167.570,382
Road, bridge and drainage	Valuation	2012	s	448 857 640	21 26 2262	1		18.197.617			(11,656,643)	35,233,450	490,632,064
Plant and equipment	Cost	2012	ŝ	17.222.311		1	-	5,300,001	(452 356)	/anden /	-		22,069,956
Buildings	Valuation	2012	69	107,586,529		-	•	13,000,571	(1.236.239)		•	•	119,350,861
Land and improvements	Valuation	2012	Ś	71,653,891	1		-	4,880,752	(3,374,166)	1008 110 ()	(nnirr/i-)	t	70,226,677

888 328 020	45.220.299	10,774,529	542,716	88,370,411	118,658,817	445,734,656	14,465,731	99,581,639	64,9/9,222
167,930.294		711,585	285,878	40,502,956	48,911,565	44,897,408	577,900,1	12,107,222	1.002.01.000
		1				007 100 11	260 202	19 769 277	5.247.455
(007,407,1)						ŧ	1	•	1
(1 064 050)		1	•	,	1	(1,964,258)	•	-	*
(3,727,745)		(987,326)	•	(), (44)	(tor'ny)	(0-11-0-0-)			
(621,100,1)				LE TAAN	1082 901	(2.551.125)	•	,	(157,166)
			,	'	•	•	(345,951)	(500,667)	(C) 1(77+)
16.529.426		902,004	011,40	12.42				1000 0000	1301 0072
00062 0060 00		1050 201	54175	3,027,953	3.003.582	5,813,592	2,602,408	914,120	628,346
158 504 000		1.213.661	231,703	37,480,747	45,934,367	43,599,199	80/,14C,C	1 201,000,71	07167167
								10 200 302	5 100 150

Accumulated depreciation and impairment

Depreciation provided in period

Opening balance

Revaluation adjustment to the ARS*

Depreciation on write-offs

Depreciation on disposals

Closing accumulated depreciation

and impairment balance

Net value at 30 June 2012

Internal transfers from work in progress

Contributed assets at valuation

Opening gross value

Asset Values

Additions at cost

Basis of measurement

Revaluation adjustment to the ARS*

Disposals Write-offs Closing gross value



10 - 50

3 - 10

5 - 100

5 - 100

5 - 100

5-20

3 - 100

5 - 100

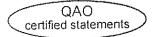
* ARS denotes - Asset Revaluation Surplus

Range of estimated useful life in years

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Notes to the financial statement	nts
For the year ended 30 June 20	13

		2013	2012
(b) Property, plant and equipment valuations were determined by reference to the following:	Note	\$	\$
Land and improvements The Fair Value of Land and Improvements is measured at current market value as at 30 June 2013, as independently determined by Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management, registered valuers, using a "desktop" approach. Fair value was derived using indexes developed with reference to market based evidence and construction guides, including observable historical sales data for properties of similar nature and specification within the Isaac Region and surrounding areas.			
Land under infrastructure and reserve land does not have a value for the purpose of a Local Government's financial statements.			
Buildings The Fair Value of buildings as at 30 June 2013 was independently determined by Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management, registered valuers, using a "desktop" approach. Fair value is the Gross current value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The Gross Current Value of the assets has been assessed on the basis of replacement with a new asset having similar service potential and includes allowances for preliminaries and professional fees. The Gross Current Value costings have been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook) and APV's internal market research and costings.			
The depreciation of the assets has been carried out on a component level by conducting a condition assessment on each of the various components within each building/asset. (I.e. floor, building envelope, floor coverings. fit-out. roof, mechanical services and other services).			
Plant and equipment Plant and equipment is measured at original cost less accumulated depreciation.			
Road, bridge and drainage Road, bridges and drainage network infrastructure assets have been independently revalued by Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management, registered valuers, based on information provided by Council as at 30 June 2013. The Gross Current Replacement Value costings have been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Construction Handbook), surrounding areas and the internal database of costings of the valuers.			
There is no market for Council's road, bridges and network infrastructure assets as these are held to provide essential services to the community. Accordingly, the fair value of these infrastructure assets are measured at written down current replacement cost. The Fair Value is the Gross Current Replacement Value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The Depreciation of the assets has been carried out by conducting a condition assessment of each asset at component level.			



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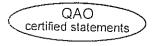
Notes to the financial statements	
For the year ended 30 June 2013	

		2013	2012
	Note	\$	\$
Water and Sewerage			
Water and Sewerage infrastructure asset have been independently revalued by			
Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management,			
registered valuers based on information provided by Council and using a "desktop"			
approach as at 30 June 2013. The "desktop" valuation adjusts the figures from the previous valuation by reference to indexation. The methodology used to achieve that			
is as follows:			
The Indexation Percentage for the Infrastructure Valuations has been derived from			
reference to costing guides issued by the Australian Institute of Quantity Surveyors,			
Rawlinson's (Australian Construction Handbook), Construction Data from the			
Australian Bureau of Statistics and APV's internal market research and costings.			
Condition for these assets has been assigned via a desktop analysis taking into			
account the assets age and material profiles, past historical and current maintenance			
practices, capacity, functionality and capabilities.			
There is no market for Council's water and sewerage infrastructure assets as these are			
held to provide essential services to the community. Accordingly, the fair value of			
these infrastructure assets are measured at written down current replacement cost.			
The Fair Value is the Gross Current Replacement Value less accumulated			
depreciation calculated to reflect the consumed or expired service potential of the			
asset. The Depreciation of the assets has been carried out by conducting a condition assessment of each asset at component level.			
determined by Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management, registered valuers, using a "desktop" approach, using indexes developed with reference to construction guidelines, data from the Australian Burcau of Statistics and market research. Fair value is the Gross current replacement value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The depreciation of the assets has been carried out on a component level by conducting a condition assessment on each of the various components within each waste management asset. There is no market for Council's waste management infrastructure assets as these are			
held to provide essential services to the community. Accordingly, the fair value of			
these infrastructure assets are measured at written down current replacement cost.			
The Fair Value is the Gross Current Replacement Value less accumulated			
depreciation calculated to reflect the consumed or expired service potential of the			
asset. The Depreciation of the assets has been carried out by conducting a condition			
assessment of each asset at component level.			
erodrome			
Aerodrome assets have been independently revalued by Australian Pacific Valuers			
Pty Ltd trading as APV Valuers and Asset Management, registered valuers, based on			
information provided by Council as at 30 June 2013. The Gross Current Replacement Value costings have been derived from reference to costing guides			
issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates			
Manual, Rawlinson's (Australian Construction Handbook), surrounding areas and			
the internal database of costings of the valuers.			
The Fair Value is the Gross Current Replacement Value less accumulated			
The Fair Value is the Gross Current Replacement Value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The Depreciation of the assets has been carried out by conducting a condition			

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assessment of each asset at component level.

The revaluation provides both total replacement values and remaining useful life values.



Notes to the financial statements For the year ended 30 June 2013

			2013	2012
		Note	\$	\$
20 1	Intangible assets			
	Net carrying value at period end:			
	Computer software		34,052	49,9
		-	34,052	49,9
	Computer software			
	Opening gross carrying value		484,987	484,9
			484,987	484,9
	Accumulated amortisation	-		
	Opening balance		434,996	400,6
	Amortisation in the period		15,939	34,3
		-	450,935	434,99
		-		
	Net carrying value at end of the financial year		34,052	49,99
	The computer software has a finite life of 3 years.	<u></u>		
1 T	Frade and other payables			
-	Current			
	Accruais		213,053	492,11
	Creditors		16,180,606	10,475,53
	GST payable		685,014	212,82
	Employee related accruals		711,827	714,02
	Annual leave	1.23(b)	1,690,060	1,687,01
	Other entitlements	1.25(0)	259,905	270,94
			19,740,465	13,852,46
	Non Current			10,002,40
	Creditors for operational expenses		312,265	624,53
	Annual leave	1.23(b)	1,146,870	-
		1.25(0)	1,459,135	<u>984,68</u> 1,609,21
	the present value. Further details on employee entitlements are reported in Note 1.23			
2 Pi	rovisions			
2 Pi	rovisions Current			
2 Pi	rovisions	1.23(e)	359,144	
2 Pi	rovisions Current Long service leave	1.23(e)	359,144 359,144	
2 Pı	rovisions Current Long service leave Non-Current	300000		
2 Pi	rovisions Current Long service leave Non-Current Long service leave	1.23(e) 1.23(e)		211,463
2 Pi	rovisions Current Long service leave Non-Current Long service leave Property restoration:	300000	359,144	211,463
2 Pi	rovisions Current Long service leave Non-Current Long service leave	300000	359,144 2,046,652 651,799	211,463
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration:	300000	359,144 2,046,652	211,463
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites	300000	359,144 2,046,652 651,799	211,463
? P1	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions:	300000	359,144 2,046,652 651,799	211,463
? Pi	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave	300000	359,144 2,046,652 651,799 2,698,451	211,463 1,994,923 - 1,994,923
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year	300000	359,144 2,046,652 651,799 2,698,451 2,206,386	211,463 1,994,923 - 1,994,923 1,977,298
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222	211,463 1,994,923 1,994,923 1,994,923 1,977,298 375,901
? P1	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812)	211,463 1,994,923 - 1,994,923 1,997,298 375,901 (146,813
? Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222	211,463 1,994,923 - 1,994,923 1,997,298 375,901 (146,813
? Pi	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812)	211,463 1,994,923 - 1,994,923 1,997,298 375,901 (146,813
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812)	211,463 1,994,923 - 1,994,923 1,997,298 375,901 (146,813
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796	211,463 1,994,923 - 1,994,923 1,997,298 375,901 (146,813
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site Balance at end of the financial year	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796 651,799	211,463 1,994,923 1,994,923 1,997,298 375,901 (146,813 2,206,386
2 Pı	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site Balance at end of the financial year Current portion	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796 651,799	211,463 1,994,923 1,994,923 1,997,298 375,901 (146,813 2,206,386
! P1	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site Balance at end of the financial year	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796 651,799 651,799	211,463 1,994,923 1,994,923 1,997,298 375,901 (146,813 2,206,386 - - -
	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site Balance at end of the financial year Current portion Non-current portion	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796 651,799	1,977,298 375,901 (146,813 2,206,386
	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site Balance at end of the financial year Current portion Non-current portion This is the present value of the estimated future cost of restoring the refuse sites	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796 651,799 651,799	211,463 1,994,923 - 1,994,923 1,977,298 375,901 (146,813 2,206,386 - - -
	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site Balance at end of the financial year Current portion Non-current portion This is the present value of the estimated future cost of restoring the refuse sites under the State Government environmental regulations at the end of its useful life.	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796 651,799 651,799	211,463 1,994,923 - 1,994,923 1,977,298 375,901 (146,813 2,206,386 - - -
	rovisions Current Long service leave Non-Current Long service leave Property restoration: Refuse sites Details of movements in provisions: Long service leave Balance at the beginning of financial year Amount provided for in the period Amount paid in the period Balance at end of the financial year Refuse sites Increase in provision - new site Balance at end of the financial year Current portion Non-current portion This is the present value of the estimated future cost of restoring the refuse sites	300000	359,144 2,046,652 651,799 2,698,451 2,206,386 701,222 (501,812) 2,405,796 651,799 651,799	211,463 1,994,923 - 1,994,923 1,977,298 375,901 (146,813 2,206,386 - - -

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certified statements	\mathcal{I}
Page 31	

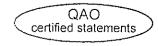
Notes to the financial statements For the year ended 30 June 2013

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			2013	2012
		Note	\$	\$
23	3 Barrowings			
	(a) Bank overdraft			
	The council does not have a bank overdraft facility.			
	(b) Unsecured borrowings			
	Unsecured borrowings are provided by the Queensland Treasury Corporation.			
	All borrowings are in \$A denominated amounts and carried at amortised cost, interest			
	being expensed as it accrues. No interest has been capitalised during the current or			
	comparative reporting period. Expected final repayment dates vary from 28 May 2030 to 14 April 2033.			
	There have been no defaults or breaches of the loan agreement during the period.			
	Principal and interest repayments are made quarterly in arrears.			
	Details of borrowings at balance date are:			
	Current			
	Queensland Treasury Corporation		1,309,402	387,17
	Non Current			
	Queensland Treasury Corporation		40,238,159	11,747,04
			-	-
	Determent of the second second			
	Details of movements in borrowings: Queensland Treasury Corporation			
	Balance at the beginning of financial year		12,134,220	12,494,17
	Loans raised		29,800,000	12,494,17
	Principal repayments		(386,659)	(359,950
	Balance at end of the financial year		41,547,561	12,134,220
	Classified as :			
	Current		1,309,402	387,17
	Non-current		40,238,159	11,747,045
			41,547,561	12,134,220
	The loan market value at the reporting date was \$42,589,914.92.			
	This represents the value of the debt if Council repaid it at that date. As it is the			
	intention of Council to hold the debt for its term, no provision is required to be made in these accounts.			
	No assets have been pledged as security by the council for any liabilities.			
	Borrowings are all in \$A and are underwritten by the Queensland State Government.			
4	Other liabilities Current			
	Capital Cash contributions with future reciprocal obligation	-	143,081	159,391
		-	143,081	159,391
;	Council capital	1.26		
	(i) Calculation of capital value and retained surplus:			
	Cash and cash equivalents		144,149,382	106,900,621
	Less restricted cash:		// **	
	Reserves (excluding the asset revaluation)		(103,523,905)	(97,243,123)
	Unspent loan capital fund reserve Revenue received in advance		(26,100,475)	(3,929,954)
	Revenue received in advance Working capital cash (including employee entitlements)		(143,081)	(159,391)
	Retained surplus (deficit) available for distribution	27 -	<u>(13,232,517)</u> 1,149,404	(4,054,740)
			635,659,580	1,513,413 647,472,476
	Total council capital value	25 (ii)		

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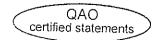
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Notes to the financial statements For the year ended 30 June 2013

	it colded 50 June 2015			
			2013	2012
		Note	\$	\$
(ii))(a) Movement in council capital account			
	Balance at beginning of the financial year		647,472,476	600,349,649
	Adjustments from (to) retained surplus:		. ,	
	Transfer of capital income in the period		-	464,646
	Transfer of capital expenses in the period		(11,324,579)	(12,716,289)
	Transfer of non monetary capital revenue		· · · · · ·	9,930,820
	Transfer of revenue expended on capital assets		-	17,871,585
	Transfer of unfunded depreciation		(4,181,898)	(4,193,382)
	Transfer of the working capital cash		8,200,000	6,638,001
	Total transfers (to) from retained surplus	-	(7,306,477)	17,995,381
	Transfer (to) from restricted reserves:	-	(1,500,177)	11,770,001
	Net transfer (to) from Unspent loan cash reserve	28 (a)(i)	(22,170,521)	5,732,966
	Grants, subsidies and contributions reserve	28 (a)(ii)	1,364,793	3,881,654
	Transfer (to) from general reserves:	28 (b)(1)	1,004,790	5,001,054
	Grants, subsidies and contributions reimbursed reserve	20 (0)(1)		2 452 090
	Other Infrastructure Reserve		-	3,453,080
	Community Facilities Reserve		2,315,869	-
	Carry Over Capital Reserve		-	1,885,252
	Total transfers (to) from reserves	-	13,983,440	14,174,494
		-	(4,506,419)	29,127,446
101	al council capital at end of the financial year	-	635,659,580	647,472,476
The an	nount by which the Council has increased (decreased) its capital capacity			
	ver future services to the community before inflation adjustments		(11,812,896)	47,122,827
	,	-	(11,012,070)	77,162,021
26 (i) Ass	et revaluation surplus			
	vements in the asset revaluation surplus were as follows:			
	ance at the beginning of financial year		254,704,493	217,506,785
	5 5 5		204,704,475	217,500,705
(a)	Adjustments to property, plant and equipment through revaluations:	19		
	and and improvements	17	(93,504)	
	Road, bridge and drainage		(2,817,825)	27 107 709
-	(one) 0.1257 and diamage			37,197,708
Cha	nge in value of future rehabilitation costs charged to the surplus		(2,911,329)	-
	ince at end of the financial year		(274,616)	-
			251,518,548	254,704,493
(ii) Ass	set revaluation surplus analysis			
	closing balance of the asset revaluation surplus is comprised of the			
	wing asset categories:			
	and and improvements		17,061,130	17 420 250
	luildings			17,429,250
	.ozd, bridge and drainage		27,542,271	27,542,271
	Valer		113,534,192	116,352,017
	ewerage		50,346,400	50,346,400
د	cwclage		43,034,555	43,034,555
		2722	251,518,548	254,704,493
27 Retaine		1.28		
	ement in retained surplus			
	alance at the beginning of financial year		1,513,413	972,336
	et result		16,274,398	48,547,705
			17,787,811	49,520,041
Tì	ransfers (to) from capital account:			-12,020,041
	Transfer of capital income	6	_	(464,646)
	Transfer of capital expenses	12	11 324 570	,
	Non monetary capital revenue	4	11,324,579	12,716,289
	General revenue used for capital funding purposes	4	-	(9,930,820)
	Adjustment for unfunded depreciation		-	(17,871,585)
			4,181,898	4,193,382
	Transfer to adjust the working capital cash et capital account transfers		<u>(8,200,000)</u> 7,306,477	(6,638,001) (17,995,381)

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Notes to the financial statements For the year ended 30 June 2013

28

		2013	2012
	Note	\$	\$
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended:			·
Constrained grants and subsidy contributions reserve		(23,337,626)	(14,037,605)
Buildings reserve		(4,500,000)	-
Roads Infrastructure reserve		4,295,107	-
Water reserve		2,071,000	-
Sewerage reserve		3,263,477	-
Other Infrastructure reserve		7,066,269	(3,171,100)
Carry Over Capital reserve		(18,200,365)	(3,076,677)
Transfers (to) recurrent reserves for future project funding, or from reserves funds		(29,342,138)	(20,285,382)
that have been expended: Constrained Works - operational grants reserve			
Planning & Environmental enforcement-operational reserve		574,128	(3,521,079)
Mines operating projects reserve		-	(373,379)
NDRRA Funding - operational grants reserve		(2,319,851)	(2,442,630)
Community Recovery - operational grants reserve		7,117,585	(3,438,385)
		<u> </u>	49,608 (9,725,865)
			(9,725,805)
Balance at end of the financial year	-	1,149,404	1,513,413
28 Reserves	1.29		
(a) Restricted capital reserves			
Funded depreciation on capital assets in period		15,627,716	12,370,377
Less: Funds utilised in the period		(15,627,716)	(12,370,377)
Balance at end of the financial year	-		
Balance at the beginning of financial year		3,929,954	9,662,920
Loan funds drawn down in period.		29,800,000	
Loan cash expended in period.		(7,629,479)	(5,732,966)
Balance at end of the financial year	_	26,100,475	3,929,954
(ii) Constrained grants and subsidy contributions reserve	_		
Balance at the beginning of financial year		22 666 250	12 210 200
Transfer from retained earnings non reciprocal grants, subsidies and contributions		22,866,350	12,710,399
received and allocated to specific capital projects		21,112,152	14,060,337
Transfers to the capital account funds expended in the period		(1,364,793)	(3,881,654)
Transfer from retained earnings for future expenditure		2,225,474	(22,732)
Balance at end of the financial year	_	44,839,183	22,866,350
Total restricted capital reserves		70,939,658	26,796,304
(b) Other reserves			20,790,904
(i) Grants, subsidies and contributions reimbursed reserve		-	_
(ii) Buildings reserve		8,000,000	3,500,000
(iii) Plant and Equipment reserve		1,245,000	1,245,000
(iv) Roads Infrastructure reserve		2,521,212	6,816,319
(v) Water reserve		2,375,721	4,446,721
(vi) Sewerage reserve		1,023,248	4,286,725
(vii) Other Infrastructure reserve		8,717,244	18,099,382
(viii) Community Facilities reserve		43,487	43,487
(ix) Carry Over Capital reserve		24,300,969	20,084,044
(2) Summary of recurrent reserves held for funding future projects:		48,226,881	58,521,678
(i) Natural Disaster reserve		50,000	
(ii) Constrained Works - Operational Grants reserve		50,000	50,000
(iii) Planning & Environmental Enforcement-Operational reserve		3,111,941 373,379	3,686,069
(iv) Mines Operating Projects reserve		6,922,521	373,379
(v) NDRRA Funding - Operational Grants reserve		v,><<,J&1	4,602,670 7,117,585
(vi) Community Recovery - Operational Grants reserve		÷	25,392
		10,457,841	15,855,095
Total general recorded			
Total general reserves	-	58,684,722	74,376,773
Total reserves		129,624,380	101,173,077

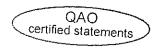
Movements in capital reserves are analysed as follows: (i) Grants, subsidies and contributions reimbursed reserve Balance at the beginning of financial year

QAO certified statements

3,453,080

Notes to the financial statements For the year ended 30 June 2013

		2013	2012
	Note	\$	\$
Transfer to the capital account funds expended in the period			(3,453,080)
Balance at end of the financial year			
(ii) Buildings reserve			
Balance at the beginning of financial year		3,500,000	3,500,000
Transfer from retained earnings for future expenditure		5,050,000	-
Transfer to retained earnings funds expended		(550,000)	-
Balance at end of the financial year	-	8,000,000	3,500,000
(iii) Plant and Equipment reserve			
Balance at the beginning of financial year		1,245,000	1,245,000
Balance at end of the financial year	-	1,245,000	1,245,000
·	-		1,210,000
(iv) Roads Infrastructure reserve			
Balance at the beginning of financial year	,	6,816,319	6,816,319
Transfer to retained earnings funds expended	-	(4,295,107)	-
Balance at end of the financial year	-	2,521,212	6,816,319
(v) Water reserve			
Balance at the beginning of financial year		4,446,721	4,446,721
Transfer to retained earnings funds expended		(2,071,000)	
Balance at end of the financial year		2,375,721	4,446,721
	_		
(vi) Sewerage reserve			
Balance at the beginning of financial year		4,286,725	4,286,725
Transfer to retained earnings funds expended	_	(3,263,477)	-
Balance at end of the financial year		1,023,248	4,286,725
(vii) Other Infrastructure reserve			
Balance at the beginning of financial year		18,099,382	14,928,282
Transfer from retained earnings for future expenditure		301,100	3,171,100
Transfer to the capital account funds expended in the period		(2,315,869)	-
Transfer to retained earnings funds expended		(7,367,369)	-
Balance at end of the financial year	_	8,717,244	18,099,382
(viii) Community Facilities reserve			
Balance at the beginning of financial year		43,487	1 028 720
Transfer to the capital account funds expended in the period		-107 -	1,928,739 (1,885,252)
Balance at end of the financial year		43,487	43,487
(ix) Carry Over Capital reserve			
Balance at the beginning of financial year		20,084,044	31,181,861
Transfer from retained earnings for future expenditure Transfer to the capital account funds expended in the period		18,200,365	3,076,677
	_	(13,983,440)	(14,174,494)
Balance at end of the financial year		24,300,969	20,084,044
lovements in recurrent reserves are analysed as follows:			
(i) Natural Disaster reserve			
Balance at the beginning of financial year		50,000	50,000
Balance at end of the financial year		50,000	50,000
(ii) Constrained Works - Operational Grants reserve			
Balance at the beginning of financial year		2 606 060	164.000
Transfer from retained earnings for future expenditure		3,686,069 3,111,941	164,990
Transfer to retained earnings funds expended		(3,686,069)	3,586,069 (64,990)
Balance at end of the financial year		3,111,941	3,686,069
·······		5,111,741	5,000,005



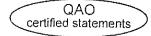
r the year ended 30 June 2013		UNAUDITED	
		2013	2012
	Note	s	\$
(iii) Planning & Environmental Enforcement-Operational reserve			
Balance at the beginning of financial year		373,379	-
Balance at end of the financial year	-	373,379	373,37
(iv) Mines Operating Projects reserve			
Balance at the beginning of financial year		4,602,670	2,160,04
Transfer from retained earnings for future expenditure		3,547,680	2,695,53
Transfer to retained earnings funds expended		(1,227,829)	(252,90
Balance at end of the financial year	-	6,922,521	4,602,67
(v) NDRRA Funding - Operational Grants reserve			
Balance at the beginning of financial year		7,117,585	3,679,20
Transfer from retained earnings for future expenditure		-	7,118,60
Transfer to retained earnings funds expended		(7,117,585)	(3,680,21
Balance at end of the financial year	_		7,117,58
(vi) Community Recovery - Operational Grants reserve			
Balance at the beginning of financial year		25,392	75,000
Transfer to retained earnings funds expended		(25,392)	(49,608
Balance at end of the financial year	_	······································	25,392
Operating leases Minimum lease payments in relation to non-cancellable operating leases are as follows: Within one year Later than 1 year but not later than 5 years Later than 5 years Operating leases are entered into for motor vehicles. Lease payments are generally fixed, but with inflation clauses on which future rentals are determined. Contractual Commitments Contractual commitments are as follows: Civic Centre - \$55,000 Completed 2012 Management of 4 Council Aquatic Centres - \$412,971 - per year Town Maintenance		669,913 1,492,616 5,997,658 8,160,187	541,682 1,313,026 5,311,155 7,165,863 27,726 879,507
Town Maintenance Contracts - \$689,381 renewed 10-11 - per year		207,758	897,140
Library Lease - \$10,320 - per year		21,290	9,797
Recreation Reserve - \$126,500 - per year		221,462	347,962
Waste Management Collection \$131,802 - per year		430,794	562,596
		2,114,590	2,724,728
Capital Commitments Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities are as follows:			
Infrastructure		3,242,710	10,242,890
Other Assets	<u> </u>	<u>1,364,477</u> 4,607,186	3,483,782
		-,007,100	10,720,072
These expenditures are payable :			
		4,607,186	13,726,672
These expenditures are payable : Within one year		4,607,186	13,726,672
These expenditures are payable :		4,607,186 - 0	13,726,672

30 Events after balance date There were no material financial adjusting events after balance date.

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Notes to the financial statements For the year ended 30 June 2013

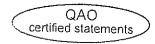
		2013	2012
	Note	\$	\$
 31 Contingent liabilities Details and estimates of maximum amounts of contingent liabilities are as follows: (a) Native Title Claims over Council Land At 30 June 2012, thirteen native title claims have been received in respect of council land covering a total area of 162.8 hectares in the Isaac Regional Council area. The land has a carrying amount of \$3.03 million. At reporting date it is not possible to make an estimate of any probable outcome of these claims, or any financial effects. 			
Local Government Workcare The Isaac Regional Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is:	-	897,604	661,307
Local Government Mutual The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2012 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.			
Superannuation The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 Employee Benefits.		14,173,836	15,881,102
The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.			
The scheme has three elements referred to as: The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and The Accumulation Benefits Fund (ABF)			
The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009.			
The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.			
Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.			
The audited general purpose financial report of the scheme as at 30 June 2012 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.			



Notes to the	financial	statements
For the year	ended 30	June 2013

•

			2013	2012
		Note	s	\$
	The most recent actuarial assessment of the scheme was undertaken as at 1 July	11010	5	ف
	2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but			
	modest financial position and remains vulnerable to adverse short and medium term			
	experience."			
	Following the previous actuarial assessment in 2009, councils were advised by the			
	trustee of the scheme, following advice from the scheme's actuary, that additional			
	contributions may be imposed in the future at a level necessary to protect the			
	entitlements of Regional DBF members. In the 2012 actuarial report the actuary has			
	recommended no change to the employer contribution levels at this time.			
	Under the Local Government Act 2009 the trustee of the scheme has the power to			
	levy additional contributions on councils which have employees in the Regional DBF			
	when the actuary advises such additional contributions are payable - normally when			
	the assets of the DBF are insufficient to meet members' benefits.			
	The next actuarial investigation will be conducted as at 1 July 2015.			
	The amount of superannuation contributions paid by Isaac Regional Council			
	to the scheme in this period for the benefit of employees was:		2,560,368	2,509,28
3	Trust funds	1.32		
	Trust funds held for outside parties:	1.24		
	Monies collected or held on behalf of other entities yet			
	to be paid out to or on behalf of those entities		41,980	41,98
	Security deposits		758,549	577,96
		-	800,529	619,94
	The Isaac Regional Council performs only a custodial role in respect of these monics,			
	and because the monies cannot be used for Council purposes, they are not brought to			
	account in these financial statements.			
1				
	Reconciliation of net result for the year to net cash inflow (outflow) from operating activities			
	Net result	_	16,274,398	48,547,705
	Non-cash operating items:			
	Impairment of receivables and bad debts written off	10	-	95,457
	Depreciation and amortisation	11	19,809,614	16,563,759
	Current cost of developed land sold	17		54,089
	Investing and development activities:		19,809,614	16,713,305
	Capital grants, subsidies and contributions	4	(01.110.150)	(02.001.157
	Capital income	4 6	(21,112,152)	(23,991,157
	Capital expenses	12	11,324,579	(464,646) 12,716,289
	Payment for land for sale and development costs in the period	.2	(2,314,217)	12,710,209
			(12,101,790)	(11,739,514)
	Changes in operating assets and liabilities :	_		
	(Increase) decrease in receivables		(1,308,334)	(3,013,343)
	(Increase) decrease in inventories (excluding land)		(757,999)	(560,141)
	Increase (decrease) in payables		5,233,917	5,277,146
	Increase (decrease) in provisions		199,410	229,088
			3,366,994	1,932,750
	Net cash inflow from operating activities		27,349,216	55,454,246



		2013	2012
No	ote	\$	\$
5 Controlled Entity			
The financial statements have not been consolidated and do not incorporate the assets and liabil controlled by the Isaac Regional Council as at the 30 June 2013 and nor do they incorporate the controlled entities for the year ended 30 June 2013. The council believes that the controlled ent and no major significance could be consolidated. The controlled entities during the period are Is Housing Trust and Moranbah Early Learning Centre.	e results of ities are in	f the nmaterial	
Isaac Affordable Housing Fund Pty Ltd			
In November 2010, the council formed the Isaac Affordable Housing Fund Pty Ltd			
and has 100% ownership of the company. The company was formed to fund affordable housing	within the	e region.	
The council's total contribution to the company's share capital is \$1.			
Isaac Affordable Housing Fund Pty Ltd (Company) acts as trustee for the Isaac Affordable Hou	sing Trust	Fund	
(IAHT) established under the Trust Deed dated 25th November 2010. Isaac Affordable Housing the trustee for the IAHT for the entire year and the sole activity for the Company was to act as the	Fund Pty	Ltd was	
The Company does not trade in it's own right.	rustee for	the Trust.	
•			
The Trust was established and must be maintained exclusively for public charitable purposes in being the purposes of providing money, property or benefits:	Australia,		
(a) to establish and maintain the Isaac Affordable Housing Fund;(b) to manage the Trust for the purpose of providing affordable housing for the low to middle is in the Isaac Regional Council area.	ncome peo	ople living	
Because the amount of the investment and the transactions of the controlled entity are not considered material, the entity is not consolidated within the council's financial			
statements.			
The Queensland Auditor-General audits the company. Total external audit fees relating			
to the 2012-13 financial year are estimated to be \$5,100 (2012: \$15,200). There are no non-audit services included in this amount.			
A summary of financial transactional and balances for Isaac Affordable Housing Trust follows:			
Isaac Affordable Housing Trust	:	2013	2012
		\$	\$
Revenues	2	2,256,191	3,503,155
Expenses		(207,138)	(166,366
Net Surplus/(Deficit)	2	2,049,053	3,336,789
Assets	10	040 757	10 151 52
Liabilities		2,049,757 5,757,662)	10,151,530
			10,200,403

Moranbah Early Learning Centre Pty Ltd

Moran

In December 2011, the council resolved to establish the Moranbah Early Learning Centre Pty Ltd and has 100% ownership of the company. The company was formed to provide financial support for a community childcare facility within the township of Moranbah. The council's total contribution to the company's share capital is \$10.

The principle activities of the company during the financial year are to provide financial support for a community childcare facility in Moranbah.

Because the amount of the investment and the transactions of the controlled entity are not considered material, the entity is not consolidated within the council's financial statements.

The Queensland Auditor-General audits the company. Total external audit fees relating to the 2012-2013 financial year are to be \$14,780 (2012: 17,800). There are no non-audit services included in this amount.

A summary of financial transactional and balances for Moranbah Early Learning Centre follows:

bah Early Learning Centre Pty Ltd		2013	2012
		\$	\$
	Revenues	1,125,548	521,607
	Expenses	(1,237,828)	(478,982)
	Net Surplus/(Deficit)	(112,280)	42,625
	Assets	1,140,305	1,105,672
	Liabilities	(1,183,783)	(1,063,037)
QAO	Net Assets	(43,478)	42,635
certified statements	Page 39		

Notes to the financial statements For the year ended 30 June 2013

36 Financial Instruments

Isaac Regional Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

Isaac Regional Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council. Isaac Regional Council does not enter into derivatives.

Credit Risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers. Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/ commonwealth bodies or financial institutions in Australia, in line with the requirements of the Statutory Bodies Financial Arrangements Act 1982.

No collateral is held as security relating to the financial assets held by Isaac Regional Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

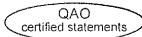
	Note	2013	2012
Financial Assets		S	\$
Cash and cash equivalents - Bank	14	29,992,518	2,603,234
Cash investments held with - QTC	14	30,836,150	10,689,748
Cash investments held with other			- ,
approved deposit taking institutions	14	83,320,714	93,607,639
Receivables - rates	15	1,884,635	1,228,344
Receivables - other	15	19,397,104	18,197,870
Other credit exposure			- ,
Guarantee	31	897,604	661,307
Total		166,328,725	126,988,142

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Other financial assets

Other investments are held with financial institutions, which are rated AAA to BBB+ based on Standard & Poor's agency ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote. Page 40



Notes to the financial statements For the year ended 30 June 2013

36 Financial instruments - continued

Trade and other receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Councils operations, there is a geographical concentration of risk in the Council's area. Because the area is largely agricultural and mining, there is also a concentration in the agricultural and mining sectors.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	Not past due	Past due		Past due Past due		Past due Less	Less	Total
		31 to 60 days	61 to 90 days	Over 90 days	Impaired			
	<u> </u>	\$	\$	\$	\$	\$		
Receivables: 2013	10,517,695	1,156,117	60,950	9,746,381	(199,404)	21,281,739		
2012	9,335,818	609,886	71,323	9,615,103	(205,916)	19,426,214		

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Isaac Regional Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

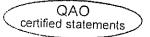
The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 21. The following lines of credit were available at the end of the reporting period:

	2013	2012
	\$	S
Overdraft - QTC working capital facility	-	-
- Available at 30 June	-	-
Overdraft - Bank working capital facility	-	-
- Available at 30 June	-	-

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

2013	0 to 1 year \$	I to 5 years	Over 5 years \$	Total contractual cash flows	Carrying amount S
Trade and other payables	18,102,765		-	18,102,765	18,102,765
Loans QTC	3,500,267	13,922,273	48,906,318	66,328,858	41,547,561
	21,603,032	13,922,273	48,906,318	84,431,623	59,650,326
2012			/ <u>.</u>		
Trade and other payables	12,519,030	-	-	12,519,030	12,519,030
Loans QTC	1,090,381	4,361,522	14,207,500	19,659,403	12,134,220
	13,609,411	4,361,522	14,207,500	32,178,433	24;653,250

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.



Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Isaac Regional Council is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions (if applicable).

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

2013	Net carrying	Change in profit & (loss) from		Change in equity from	
Financial assets and liabilities that are	amount	1% increase	1% decrease	1% increase	1% decrease
held at variable interest rates total:	\$	\$	\$	\$	\$
Loans - QTC	(41,547,561)	(415,476)	415,476	(415,476)	415,476
Net total	(41,547,561)	(415,476)	415,476	(415,476)	415,476
2012					
QTC cash funds	10,689,748	106,897	(106,897)	106,897	(106,897)
Other investments	93,607,639	936,076	(936,076)	936,076	(936,076)
Loans - QTC	(12,134,220)	(121,342)	121,342	(121,342)	121,342
Net total	92,163,167	921,632	(921,632)	921,632	(921,632)

In relation to the QTC loans held by the Council, the following has been applied:

QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

QTC Client Specific Pool - client specific pool products are often rebalanced to a target benchmark duration. This partially exposes clients to the level of interest rates at the time of rebalancing. Sensitivity on these products is provided by QTC through calculating the interest effect over the period.

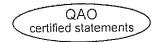
The sensitivity analysis provided by QTC is currently based on a 1% change but this is subject to change.

Fair Value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed below and disclosed in note 23.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.



FINANCIAL STATEMENTS For the year ended 30 June 2013

MANAGEMENT CERTIFICATE

For the year ended 30 June 2013

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

- the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 42, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

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Mayor

Date:

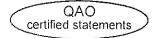
Chief Executive Officer

Name: Cr Anne Baker

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 Name:
 Terry Dodds

 Date:
 25
 / 10 / 2013



INDEPENDENT AUDITOR'S REPORT

To the Mayor of Isaac Regional Council

Report on the Financial Report

I have audited the accompanying financial report of Isaac Regional Council, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about 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 judgement, 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 of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the Auditor-General Act 2009 -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Isaac Regional Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

P J FLEMMING CPA (As Delegate of the Auditor-General of Queensland)



Queensland Audit Office Brisbane

Current-year Financial Sustainability Statement For the year ended 30 June 2013

Measures of Financial Sustainability

- (i) Operating surplus ratio
- Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue) (ii) Asset sustainability ratio
- Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
- (iii) Net financial liabiliti

Total liabilities less current assets divided by total operating revenue

Council's performance at 30 June 2013 against key financial ratios:

Target Actual

Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio	
between 0%	greater than 90%	not greater than	
and 10%		60%	
5.33%	170.08%	-83.78%	

Certificate of Accuracy For the year ended 30 June 2013

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

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Mayor

Name: Cr Anne Baker

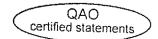
25 / 10 / 2013 Date:

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Chief Executive Officer

Name: Terry Dodds

Date: 25 / 10 / 2013



Current-year Financial Sustainability Statement

For the year ended 30 June 2013

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2013.

QAO certified statements

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Isaac Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Isaac Regional Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement 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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Isaac Regional Council, for the year ended 30 June 2013, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

QUEENSLAND 3 1 OCT 2013 AUDIT OFFICE

P J FLEMMING CPA (as Delegate of the Auditor-General of Queensland)

Queensland Audit Office Brisbane

Long-Term Financial Sustainability Statement

Prepared as at 30 June 2013

Measures of Financial Sustainability

(i) Operating surplus ratio

Operating surplus (Net result excluding all capital items) divided by total operating revenue (excludes capital revenue) (ii) Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals) divided by depreciation expense. (iii) Net financial liabilities ratio

Total liabilities less current assets divided by total operating revenue

Council's performance at 30 June 2013 against key financial ratios:

		surplus ratio	sustainability	liabilities ratio
			ratio	
Target		between 0%	greater than 90%	not greater than
		and 10%		60%
Actuals at 30 June 2013		5.33%	170.08%	-83.78%
Projected for the years ended:	30 June 2014	-0.82%	115.64%	-18.35%
	30 June 2015	3.38%	93.90%	-23.01%
	30 June 2016	5.56%	95.45%	-23.89%
	30 June 2017	3.17%	96.19%	-24.25%
	30 June 2018	2.17%	68.38%	-30.14%
	30 June 2019	1.31%	80.26%	-32.44%
	30 June 2020	0.20%	68.51%	-36.43%
	30 June 2021	1.77%	74.48%	-39.51%
	30 June 2022	3.18%	79.73%	-42.58%

Operating

Asset

Net financial

Financial Management Strategy

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted seven key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three sustainability indicators that have been set by the Department of Local Government, Community Recovery and Resilience to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2013

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor

Name: Cr Anne Baker

Date: 25 / 10 / 2013

Chief Executive Officer

Name: Terry Dodds Date: 25 / 10 / 2013