



## BUSINESS PAPER

### EXTRAORDINARY MEETING OF COUNCIL

To be held on

Monday, 11 December 2017  
1pm

at

Armidale Council Chambers

#### **Members**

Councillor Simon Murray (Mayor)  
Councillor Dorothy Robinson (Deputy Mayor)  
Councillor Peter Bailey  
Councillor Jon Galletly  
Councillor Diane Gray  
Councillor Libby Martin  
Councillor Andrew Murat  
Councillor Debra O'Brien  
Councillor Margaret O'Connor  
Councillor Ian Tiley  
Councillor Bradley Widders

AGENDA

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1	Civic Prayer and Recognition of Traditional Owners	
2	Statement in relation to live streaming of Council Meeting	
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6.1	Annual Financial Statements for 2016/17 and audit report.....	3

**Item:** 6.1 **Ref:** AINT/2017/19875  
**Title:** Annual Financial Statements for 2016/17 and audit report **Container:** ARC17/1643  
**Author:** John Duggan, Program Leader Financial Accounting  
**Attachments:** 1. General Purpose Financial Reports  
 2. Special Purpose Financial Reports  
 3. Special Schedules

**RECOMMENDATION:**

**That Council notes the finalisation of the Financial Statements for the Armidale Regional Council as required by Section 419 of the *Local Government Act 1993*.**

**Background:**

Section 419 of the *Local Government Act 1993* requires Council to present its audited financial reports at a Council meeting, together with the auditor's reports, as soon as practicable after receiving a copy of the auditor's report.

Council endorsed the Annual Financial Statements at its meeting of 25 October 2017. External audit has completed their review and provided Council with an Audit report. They will be advertised during the week commencing 18 December for public comment. The detail included in the public notices is as follows:

A summary of the Financial Statements is provided below:	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
<b>Income Statement</b>		
Total income from continuing operations	93,254	68,710
Total expenses from continuing operations	76,977	58,055
<b>Operating result from continuing operations</b>	<b>16,277</b>	<b>10,655</b>
<b>Net operating result for the period</b>		
<b>Net result for the period</b> (after net assets transferred from former councils)	<b>16,277</b>	<b>10,655</b>
	<b>861,345</b>	<b>10,655</b>
Net operating result before grants and contributions provided for capital purposes	10,005	7,201
<b>Statement of Financial Position</b>		
Total current assets	86,130	81,634
Total current liabilities	(20,227)	(17,065)
Total non-current assets	822,969	813,030
Total non-current liabilities	(27,527)	(32,531)
<b>Total equity</b>	<b>861,345</b>	<b>845,068</b>
<b>Other financial information</b>		
Unrestricted current ratio (times)	2.21x	1.75x
Operating performance ratio (%)	12.3%	17.7%
Debt service cover ratio (times)	6.00x	8.19x
Rates and annual charges outstanding ratio (%)	6.8%	27.8%
Infrastructure renewals ratio (%)	44.1%	45.0%

The Auditor, James Sugumar from the Audit office of New South Wales, will be attending the meeting, tabling the audit report and providing a brief overview for Council.

It should be noted that:

- The figures for the 2016 year are simply a combination of the previous Guyra Shire and Armidale Dumaresq Councils.
- The 2016 figures are for the period 1 July 2015 to 12 May 2016, approximately 85% of a normal year.
- The 2017 Figures are for the period 13 May 2016 to 30 June 2017 approximately 115% of a normal year.
- The results for both years are not consistent with a normal year and should be viewed that way.

#### **Key Issues and Risks**

Council has approval from the Office of Local Government to submit its audited Financial Statements by 31 December 2017. Council will meet this deadline.

#### **Integrated Planning and Reporting Framework**

Draft Community Strategic Plan 2017-2027, Community Outcome 2 – Council provides the community with value for money when managing its budget and operations.

#### **Stakeholder Engagement**

Council's Auditor and the Office of Local Government were consulted in respect to the preparation of the financial statements.

The LGA Section 419 requires council to present its audited financial reports, together with the auditor's reports, at a meeting of the council and that any submissions are considered. The Financial Statements will be advertised for a period of 28 days and members of the community are able to make submissions to be considered by Council at a future meeting.

#### **Financial Implications**

The completion of Financial Statements enables accurate and up to date data to be included in Councils Long Term Financial Plan and future budgets.

#### **Next Steps**

- Financial Statements will be submitted to the Office of Local Government
- The statements will be advertised and call for any public submissions
- A report will be provided back to Council following the advertising period.