



Local Government Victoria
2013 Model Accounts

Things to know!

- Limited Changes (good)
- Terminology – now consistent across model budget, standard statements and financial report
- ***Standard statements format now consistent (largely) with Model Budget***
- Format of standard statements – significant reworking
- Comprehensive income statement
- Accounting for impairments (guidance update)
- Amendment to grant classification (operating and recurrent)
- Cash flow – inclusion of trust funds and deposits as an investing activity – likely to be an area of further development
- Cash – included guidance (at note 16) regarding distinction between cash and financial assets
- Amended remuneration bands (\$127,000 - \$130,000)

Standard Statement format - before

Standard Statement of Financial Performance

For the year ending 30 June 2012

	Budget		Variance		Actual
	\$'000	\$'000	%	Ref	\$'000
Revenues from operations					
Rates					
Operating grants and contributions					
Grants and contributions					
Interest					
User charges					
Statutory fees					
Other					

Standard Statement format - after

Standard Statement of Financial Performance

For the year ending 30 June 2012

STANDARD INCOME STATEMENT

For the year ending 30 June 2013

	Actual	Budget	Variance		Ref
	\$'000	\$'000	\$'000	%	
Revenues from op					
Rates					
Operating grants &					
Grants and contrib					
Interest					
User charges					
Statutory fees					
Other					
Income					
Rates and charges	41,195	43,457	(2,262)	(5.2%)	1
Statutory fees and fines	2,445	2,690	(245)	(9.1%)	2
User fees	7,198	7,680	(482)	(6.2%)	
Contributions – cash	661	51	610	1196.0%	3
Contributions – non-monetary assets	0	0	0	0%	
Grants – Operating (recurrent)	13,573	12,617	956	7.6%	4
Grants – Operating (non-recurrent)	950	1,000	(50)	(5%)	
Grants – Capital (recurrent)	810	830	(20)	(2.4%)	
Grants – Capital (non-recurrent)	2,093	5,447	(3,354)	(61.5%)	5

Comprehensive income

101	104	Depreciation and amortisation	12	(10,187)	(14,809)
101	82	Finance costs	13	(247)	(320)
101	99	Other expenses	14	(8,309)	(6,485)
		Total expenses		(79,216)	(78,818)
		Surplus/(deficit)		4,918	(3,661)
101	82	Other comprehensive income			
101	82A	Items that will not be reclassified to surplus or deficit (see new guidance):			
136	60	Impairment of fire impacted infrastructure. (see new guidance)		-	-
116	40.1	Net asset revaluation increment(decrement)		6,637	-
		Share of other comprehensive income of associates and joint ventures accounted for by the equity method		-	-
101	82(f)	Total comprehensive result		11,555	(3,661)
		The above comprehensive income statement should be read in conjunction with the accompanying notes.			

Comprehensive income statement

101	104	Depreciation and amortisation	12	(15,187)	(14,809)
101	82	Finance costs	13	(247)	(320)
101	99	Other expenses	14	(8,309)	(6,485)
		Total expenses		(79,216)	(78,818)
		Surplus/(deficit)		4,918	(3,661)
101	82	Other comprehensive income			
101	82A	Items that will not be reclassified to surplus or deficit (see new guidance):			
136	60	Impairment of fire impacted infrastructure. (see new guidance)		-	-
116	40.1	Net asset revaluation increment(decrement)		6,637	-
		Share of other comprehensive income of associates and joint ventures			
101	82(f)	Total comprehensive income			
		The above information is presented in accordance with the requirements of the Financial Reporting Council's (FRC) Accounting and Reporting Manual (ARM) 11.10.10. For further information, please refer to the relevant guidance in the FRC's Accounting and Reporting Manual (ARM) 11.10.10.			

Other comprehensive income must be classified as amounts that either:

- (a) will not be reclassified subsequently to profit or loss; and
- (b) will be reclassified subsequently to profit or loss when specific conditions are met.

In most instances councils will not recognise items of other comprehensive income that will (may) be subsequently reclassified to profit and loss, and as such the model adopts a simplified disclosure. However preparers need to be aware that any items of comprehensive income that may be subsequently reclassified to profit and loss need to be separately disclosed.

In the local government context items of other comprehensive income that have the potential to be subsequently reclassified to profit and loss are limited to unrealised gains or losses on available for sale financial assets, hedging instruments.

Revenue

Accounting for impairments

An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

In most cases where infrastructure has been impaired (fire/flood) it will have been previously revalued and the treatment of the impairment as an item of other comprehensive infrastructure will be appropriate. However, to satisfy audit requirements, councils are required to be able to demonstrate this to be the case.

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Title

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