



Wagait Shire Council

ABN 65 843 778 569

**General Purpose Financial Report
for the year ended 30 June 2010**

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Wagait Shire Council ABN 65 343 773 569

General Purpose Financial Report
for the year ended 30 June 2010

WAGAIT SHIRE COUNCIL
GENERAL PURPOSE FINANCIAL REPORTS
FOR THE YEAR ENDED 30 JUNE 2010

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TABLE OF CONTENTS

	<u>Page No.</u>
Auditor's Report (s.181(1)(a))	i
Chief Executive Officer's Certificate (r.9(7))	ii
General Purpose Financial Reports	
- Statement of Comprehensive Income	1
- Statement of Financial Position	2
- Statement of Working Capital	3
- Statement of Changes in Equity	4
- Statement of Cash Flows	5
Notes to the Financial Statements	
Note 1 Summary of Significant Accounting Policies	6
Note 2a Functions	10
Note 2b Components of Functions	11
Note 3 Operating Revenues	12
Note 4 Operating Expenses	13
Note 5 Gain or Loss on Disposal of Assets	15
Note 6 Cash	15
Note 7 Receivables	16
Note 8 Property, Plant and Equipment	17
Note 9 Creditors and Provisions	18
Note 10 Statement of Cash Flows	18
Note 11 Commitments for Expenditure	19
Note 12 Statement of Performance Measurement	19
Note 13 Conditions over Grants & Contributions	20
Note 14 Financial Instruments	21

WAGAIT SHIRE COUNCIL

GENERAL PURPOSE FINANCIAL REPORTS

FOR THE YEAR ENDED so JUNE 2010

TABLE OF CONTENTS

Auditor's Report (s.181(1)(a))

Chief Executive Officer's Certificate (r.9(7))

General Purpose Financial Reports » Statement of Comprehensive Income - Statement of Financial Position

- Statement of Working Capital - Statement of Changes in Equity Statement of Cash Flows

Notes to the Financial Statements

Note 1

Note 2a

Note 2b

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

Note 10

Note 11

Note 12

Note 13

Note 14

Summary of Significant Accounting Policies Functions Components of Functions Operating Revenues Operating Expenses Gain or Loss on Disposal of Assets Cash

Receivables Property, Plant and Equipment Creditors and Provisions Statement of Cash Flows Commitments for Expenditure Statement of Performance Measurement Conditions over Grants & Contributions

Financial Instruments

E

1U

11

12

13

15

15

16

17

18

18 19

19

ÉU

21

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**WAGAIT SHIRE COUNCIL
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010
CHIEF EXECUTIVE OFFICER'S CERTIFICATE**

I, Wally Lenyszyn, the Chief Executive Officer of the Wagait Shire council, do hereby certify that:

- (a) the annual financial statements have been properly drawn up in accordance with applicable Accounting Standards, the *Local Government Act, Local Government (Accounting) Regulations and Local Government Accounting Code*, so as to present fairly the financial position of the Council as at 30 June 2010 and the results for the year then ended; and
- (b) the statements are in accordance with the accounting and other records of the Council.

**Wally Lenyszyn
Chief Executive Officer**

WAGAIT SHIRE COUNCIL

DATE

WAGAIT SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I, Wally Lenyszyn, the Chief Executive Officer of the Wagait Shire council, do hereby certify

that:

(a) the annual financial statements have been properly drawn up in accordance with applicable Accounting Standards, the Local Government Act, Local Government (Accounting) Regulations and Local Government Accounting Code, so as to present fairly the financial position of the Council as at 30 June 2010 and the results for the

year then ended; and

(b) the statements are in accordance with the accounting and other records of the

Council.

Wally Lenyszyn Chief Executive Officer

WAGAIT SHIRE COUNCIL

DATE

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**WAGAIT SHIRE COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

		2010	2009
	Notes	\$	\$
OPERATING REVENUES			
Rates & Annual Charges	3(a)	149,347	86,685
User Charges & Fees	3(b)	130,561	147,821
Interest	3(c)	15,439	19,764
Grants & Contributions provided for operating purposes	3(e)	867,466	380,590
Other Operating Revenues	3(d)	3,091	7,668
Profits from Disposal of Assets	5	7,516	455
TOTAL OPERATING REVENUES		<u>1,173,420</u>	<u>642,983</u>
OPERATING EXPENSES			
Employee Costs	4(a)	272,291	254,971
Materials & Contracts	4(b)	300,768	142,448
Depreciation & Amortisation	4(c)	137,387	131,264
Other Operating Expenses	4(d)	25,364	65,748
TOTAL OPERATING EXPENSES		<u>735,810</u>	<u>594,431</u>
OPERATING RESULT		437,610	48,551
OTHER COMPREHENSIVE INCOME		0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>437,610</u>	<u>48,551</u>

This statement is to be read in conjunction with the accompanying Notes.

WAGAIT SHIRE COUNCIL

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

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OPERATING REVENUES Rates & Annual Charges 149,347 86,685 User Charges & Fees 130,561 147,821 Interest 15,439
19,764 Grants & Contributions provided for operating purposes 3(e) 867,466 380,590 Other Operating Revenues 3(d) 3,091
7,668 Profits from Disposal of Assets 5 7,516 455

TOTAL OPERATING REVENUES 1,113,420 542,953"

OPERATING EXPENSES Employee Costs 272,291 254,971 Materials & Contracts 142,448 Depreciation & Amortisation
137233? 131,264 Other Operating Expenses 25,364

TOTAL OPERATING EXPENSES Tssjin' 594,4@

OPERATING RESULT 437,610 48,551

OTHER COMPREHENSIVE INCOME [I D

TOTAL COMPREHENSIVE INCOME FOR THE YEAR E 48,551

This statement is to be read in conjunction with the accompanying Notes.

**WAGAIT SHIRE COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

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	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash on hand and at bank	6	918,377	485,184
Receivables	7	<u>44,263</u>	<u>39,280</u>
TOTAL CURRENT ASSETS		<u>962,640</u>	<u>524,464</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	8	<u>1,687,318</u>	<u>1,690,914</u>
TOTAL NON-CURRENT ASSETS		<u>1,687,318</u>	<u>1,690,914</u>
TOTAL ASSETS		<u>2,649,958</u>	<u>2,215,378</u>
CURRENT LIABILITIES			
Creditors	9	140,879	5,858
Provisions	9	19,329	19,329
Tied Grants Unexpended	13	<u>15,211</u>	<u>153,263</u>
TOTAL CURRENT LIABILITIES		<u>175,419</u>	<u>178,450</u>
NON-CURRENT LIABILITIES			
Provisions	9	<u>3,276</u>	<u>3,276</u>
TOTAL NON-CURRENT LIABILITIES		<u>3,276</u>	<u>3,276</u>
TOTAL LIABILITIES		<u>178,695</u>	<u>181,726</u>
NET ASSETS		<u>2,471,262</u>	<u>2,033,652</u>
EQUITY			
Accumulated surplus		1,956,340	1,518,729
Asset Revaluation Reserve		343,223	343,223
Road Reserve		170,000	170,000
Motor Vehicle Reserve		<u>1,700</u>	<u>1,700</u>
TOTAL EQUITY		<u>2,471,263</u>	<u>2,033,652</u>

This statement is to be read in conjunction with the accompanying Notes.

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CURRENT ASSETS Cash on hand and at bank E 918,377 485,184 Receivables T 44,263 39,280

TOTAL CURRENT ASSETS 952,541! 524,464

NONCURRENT ASSETS Property, Plant & Equipment B 1,687,318 1,690,914

TOTAL NONCURRENT ASSETS 1,687,318 1,690,914 TOTAL ASSETS 2,649,958 2,21

CURRENT LIABILITIES Creditors 9 140,879 5,858 Provisions 9 19,329 19,329 Tied Grants Unexpended 13 15,211 153,263

TOTAL CURRENT LIABILITIES 175,419 178,450

LIABILITIES Provisions E 3,276 3,276

TOTAL NONCURRENT LIABILITIES 3,276 3,276 TOTAL LIABILITIES 178,695 181,726

NET ASSETS 2,471,262 2,033,652

EQUITY Accumulated surplus 1,956,340 1,518,729 Asset Revaluation Reserve 343,223 343,223 Road Reserve 170,000 170,000

Motor Vehicle Resen/e 1,700 1,700

TOTAL EQUITY 2,471,263 2,033,652

This statement is to be read in conjunction with the accompanying Notes.

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WAGAIT SHIRE COUNCIL
STATEMENT OF WORKING CAPITAL
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash on hand	6	918,377	485,184
Receivables	7	44,263	39,280
TOTAL CURRENT ASSETS		<u>962,640</u>	<u>524,464</u>
Less CURRENT LIABILITIES			
Current			
Creditors	9	140,879	5,858
Provisions	9	19,329	19,329
Tied Grants Unexpended	13	15,211	153,263
		<u>175,419</u>	<u>178,450</u>
Reserves			
Road Reserve		170,000	170,000
Motor Vehicle Reserve		1,700	1,700
TOTAL CURRENT LIABILITIES		<u>347,119</u>	<u>350,150</u>
NET CURRENT ASSETS (Working Capital)		<u>615,521</u>	<u>174,314</u>

WAGAIT SHIRE COUNCIL STATEMENT OF WORKING CAPITAL FOR THE YEAR ENDED 30 JUNE 2010

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CURRENT ASSETS Cash on hand E 515,3?? 485,184 Receivables T 44,263 EEIEBÜ

TOTAL CURRENT ASSETS 962,5-#III _ 524,464 Less CURRENT LIABILITIES

Current Creditors 9 140,879 5,858 Provisions 9 19,329 19,329 Tied Grants Unexpended 13 15,211 153,263

175,419 178,450 Reserves Road Reserve

170,000 170,000 Motor Vehicle Reserve 1,700 1,700

TOTAL CURRENT LIABILITIES 347,119 350,150

NET CURRENT ASSETS (Working Capital) 615,521 174,314

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**WAGAIT SHIRE COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

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	2010 \$	2009 \$
ASSET REVALUATION RESERVE		
Balance at beginning of reporting period	343,223	343,223
Balance at end of the reporting period	343,223	343,223
ACCUMULATED SURPLUS		
Balance at beginning of reporting period	1,518,729	1,490,178
Total comprehensive income for the year	437,610	48,551
Transfers to/from Road Reserve		(20,000)
Balance at end of the reporting period	1,956,339	1,518,729
ROADS RESERVE ACCOUNT		
Balance at beginning of reporting period	170,000	150,000
Transferred to/from accumulated surplus	0	20,000
Balance at end of the reporting period	170,000	170,000
MOTOR VEHICLE RESERVE ACCOUNT		
Balance at beginning of reporting period	1,700	1,700
Balance at end of the reporting period	1,700	1,700
TOTAL EQUITY AT END OF THE REPORTING PERIOD	2,471,262	2,033,652

WAGAIT SHIRE COUNCIL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

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ASSET REVALUATION RESERVE Balance at beginning of reporting period 343,223 343,223

Balance at end of the reporting period 343,223 343,223

ACCUMULATED SURPLUS Balance at beginning of reporting period 1,518,729 1,490,178 Total comprehensive income for the year 437,610 45,551 Transfers to/from Road Reserve (20,000)

Balance at end of the reporting period 1,956,339 1,518,729

ROADS RESERVE ACCOUNT Balance at beginning of reporting period 170,000 150,000 Transferred to/from accumulated surplus D 20,000

Balance at end of the reporting period 170,000 170,000

MOTOR VEHICLE RESERVE ACCOUNT Balance at beginning of reporting period 1,700

Balance at end of the reporting period 1,700

TOTAL EQUITY AT END OF THE REPORTING PERIOD 2,411,262 2,033,652

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**WAGAIT SHIRE COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts:</u>			
Receipts from rates & annual charges		155,973	86,685
Receipts from user charges & fees		122,043	144,187
Interest received		15,439	19,764
Grants & contributions		729,414	469,053
<u>Payments:</u>			
Payments to employees		272,291	243,145
Payments for material & contracts		165,747	144,119
Other operating payments		25,366	65,600
Net cash provided by (or used in) operating activities	10(b)	<u>559,465</u>	<u>266,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts:</u>			
Proceeds from sale of assets		27,274	455
<u>Payments:</u>			
Purchase of assets		(153,546)	(131,870)
Net cash provided by (or used in) investing activities		<u>(126,272)</u>	<u>(131,415)</u>
Net increase/decrease in cash held		<u>433,193</u>	<u>135,410</u>
Cash at beginning of reporting period	10(a)	<u>485,184</u>	<u>349,774</u>
Cash at end of reporting period	10(a)	<u>918,377</u>	<u>485,184</u>

WAGAIT SHIRE COUNCIL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

2010 2009

_ Notes 5 5 CASH FLOWS FROM

OPERATING ACTIVITIES Receipts: Receipts from rates & annual charges 155,973 86,685 Receipts from user charges & fees 122,543 144,187 Interest received 15,439 19,764 Grants & contributions 729,414 469,053 Payments: Payments to employees 272,291 243,145 Payments for material & contracts 165,747 144,119 Other operating payments 25,366 65,600 Net cash provided by (or used in) operating activities 10(b) 559,455 255,325

CASH FLOWS FROM INVESTING ACTIVITIES Receipts: Proceeds from sale of assets 27,274 455 Payment; Purchase of assets (153,546) (131,870)

Net cash provided by (or used in) investing activities

Net increase/decrease in cash held 433,193 135,410

Cash at beginning of reporting period 10(a) 485,184 349,774

Cash at end of reporting period 10(a) 918,377 485,184

**WAGAIT SHIRE COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

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Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis of Preparation

1.1 Compliance with the Australian Equivalents to International Financial Reporting Standards (AEIFRS), Local Government Act 2008 and Local Government Code

These financial statements, which are general purpose financial statements, have been drawn up in accordance with the Australian equivalents to International Financial Reporting Standards, the Local Government Act 2008 and Local Government (Accounting) Regulations.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost accounting and does not take into account changing money values or current valuations of non-current assets except where stated. Cost is based on fair values of consideration given in exchange for assets.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar and are in Australian dollars.

2. Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever occurs first.

Grants, donations and other contributions are recognised as revenues when the Council obtains control comprising the contributions. Control over granted assets is normally obtained upon over the assets their receipt or upon prior notification that the grant has been secured.

Contributions not received which the Council has control are recognised as receivables.

Where contributions recognised as revenues during a reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed.

3. Taxation

Income of local authorities and public authorities is exempt from income tax due to the provisions of Section 50-25 of the Income Tax Assessment Act 1997.

The Council's activities are exempt from all forms of Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). These taxes are payable to and receivable from the Australian Taxation Office are recognised and accrued in the financial statements.

4. Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of twelve months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 2008. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 14.

WAGAIT SHIRE COUNCIL'S NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 1. Summary of Significant Accounting Policies

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**WAGAIT SHIRE COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

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5. Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at valuation.

Assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have not been discounted.

Any gain or loss on the disposal of revalued assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal, and is included in the result of the Council in the year of disposal.

The council has not recognised assets (including land under roads) in accordance with the provisions of AASB 2007-9 "Amendments to the Australian Accounting Standards Arising from the Review of AASs 27, 29 and 31" and AASB 1051 "Land Under Roads" on the basis of an opinion provided by the Australian Research Foundation (dated 16 December 1999) to the Northern Territory Department of Local Government in relation to local government organisations that are situated on Aboriginal land.

Infrastructure assets constructed or purchased during the current financial year have been capitalised and recorded in the accounts and asset register.

All material self-generating and regenerating assets owned by the Council are held for the principle purposes of one or more of aesthetics, heritage, ecology, the environment or recreation, and accordingly AASB 2007-9 "Amendments to the Australian Accounting Standards Arising from the Review of AASs 27, 29 and 31" does not apply.

5.1 Depreciation

To achieve a systematic and rational allocation of the value of non - current assets over their estimated useful lives, depreciation represents the consumption of the service potential embodied in the non - current asset over its useful life to the Council. Depreciation is recognised on a straight - line basis taking into account the residual values of individual assets, using rates, which are reviewed annually. Assets are depreciated from the date of acquisition or, in respect of infrastructure assets, from the first full year after the asset is completed, purchased or contributed.

Asset	Range of estimated useful life
Buildings	20 years
Vehicles	5 years
Earth Moving Equipment	3 years
Office Equipment & Furniture	3 years
Road Structure	10 years

Items or components which form an integral part of an infrastructure asset are recognised as a separate asset. These items or components may be replaced during the life of the complex asset. Each component is depreciated over its individual life or the life of the complex asset if shorter.

5.2 Capital Works in Progress

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

WAGAIT SHIRE COUNCIL NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2010

5. Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at valuation*

Assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have not been discounted.

Any gain or loss on the disposal of revalued assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal, and is included in the result of the Council in the year of disposal.

The council has not recognised assets (including land under roads) in accordance with the provisions of AASB 2007-9

"Amendments to the Australian Accounting Standards Arising from the Review of AASs 27, 29 and 31" and AASB 1051 "Land Under Roads" on the basis of an opinion provided by the Australian Research Foundation (dated 16

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Range of estimated

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Buildings 20 years Vehicles 5 years Earth Moving Equipment 3 years Office Equipment & Furniture 3 years Road Structure 10 years

Items or components which form an integral part of an infrastructure asset are recognised as a separate asset. These items or components may be replaced during the life of the complex asset. Each component is depreciated over its individual life or the life of the complex asset if shorter.

5.2 Capital Works in Progress

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