
WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

General Purpose Financial Report For The Year Ended

30 June 2011

WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

Financial Report For The Year Ended 30 June 2011

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WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I, Geoffrey Wallis Handicott , 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 Code, so as to present fairly the financial position of the Council as at 30 June 2011 and the results for the year then ended; and
- b. the statements are in accordance with the accounting and other records of the Council.

Geoffrey Wallis Handicot
Chief Executive Officer

WAGAIT SHIRE COUNCIL
DATE

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
OPERATING REVENUE			
Rates & Annual Charges	3(a)	166,445	149,347
User Charges & Fees	3(b)	106,709	130,561
Interest	3(c)	13,641	15,439
Grants & Contributions provided for operating purposes	3(e)	833,270	867,466
Other Operating Revenues	3(d)	-	2,991
Profit from Disposal of Assets	5	-	7,516
TOTAL OPERATING REVENUES		1,120,065	1,173,320
OPERATING EXPENSES			
Employee benefits expense	4(a)	271,631	272,291
Depreciation and amortisation expense	4(c)	183,029	137,387
Materials & Contracts	4(b)	429,507	300,770
Other Operating Expenses	4(d)	36,798	25,761
TOTAL OPERATING EXPENSES		920,965	736,209
OPERATING RESULT		199,100	437,111
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		199,100	437,111

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	632,517	918,297
Trade and other receivables	7	<u>50,560</u>	<u>44,263</u>
TOTAL CURRENT ASSETS		<u>683,077</u>	<u>962,560</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	<u>2,014,115</u>	<u>1,687,318</u>
TOTAL NON-CURRENT ASSETS		<u>2,014,115</u>	<u>1,687,318</u>
TOTAL ASSETS		<u><u>2,697,192</u></u>	<u><u>2,649,878</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	30,659	141,299
Provisions		9,074	19,329
Tied Grants Unexpended		<u>15,679</u>	<u>15,211</u>
TOTAL CURRENT LIABILITIES		<u>55,412</u>	<u>175,839</u>
NON CURRENT LIABILITIES			
Provisions		-	3,276
TOTAL NON CURRENT LIABILITIES		<u>-</u>	<u>3,276</u>
TOTAL LIABILITIES		<u>55,412</u>	<u>179,115</u>
NET ASSETS		<u><u>2,641,780</u></u>	<u><u>2,470,763</u></u>
EQUITY			
Accumulated surplus		2,108,557	1,937,540
Road Reserve		180,000	180,000
Motor Vehicle Reserve		10,000	10,000
Asset Revaluation Reserve		<u>343,223</u>	<u>343,223</u>
TOTAL EQUITY		<u><u>2,641,780</u></u>	<u><u>2,470,763</u></u>

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF WORKING CAPITAL FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	632,517	918,297
Trade and other receivables	7	50,560	44,263
TOTAL CURRENT ASSETS		683,077	962,560
LESS			
CURRENT LIABILITIES			
Trade and other payables	9	30,659	141,299
Provisions	9	9,074	19,329
Tied Grants Unexpended	13	15,679	15,211
		55,412	175,839
Reserves			
Road Reserve		180,000	180,000
Motor Vehicle Reserve		10,000	10,000
TOTAL CURRENT LIABILITIES		245,412	365,839
NET CURRENT ASSETS (Working Capital)		437,665	596,721

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Accumulated Surplus	Assets Revaluation Reserve	Roads Reserve	Motor Vehicle Reserve	Total
	\$	\$		\$	\$
Balance at 1 July 2009	1,518,729	343,223	170,000	1,700	2,033,652
Comprehensive income					
Profit for the year	437,111				437,111
Transfers to/from Other Reserves	(18,300)		10,000	8,300	-
Total comprehensive income	418,811	-	10,000	8,300	437,111
Balance at 30 June 2010	1,937,540	343,223	180,000	10,000	2,470,763
Comprehensive income					
Profit for the year	199,100				199,100
Unexpended grants correction	(28,083)				(28,083)
Total comprehensive income	171,017	-	-	-	171,017
Balance at 30 June 2011	2,108,557	343,223	180,000	10,000	2,641,780

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		266,857	277,916
Operating grants receipts		618,949	729,414
Payments to suppliers and employees		(675,400)	(463,384)
Interest received		<u>13,641</u>	<u>15,439</u>
Net cash provided by/(used in) operating activities	10	<u>224,047</u>	<u>559,385</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	27,274
Purchase of property, plant and equipment and road construction		<u>(509,827)</u>	<u>(153,546)</u>
Net cash provided by/(used in) investing activities		<u>(509,827)</u>	<u>(126,272)</u>
Net increase/(decrease) in cash held		(285,780)	433,113
Cash and cash equivalents at beginning of financial year		<u>918,297</u>	<u>485,184</u>
Cash and cash equivalents at end of financial year	6	<u><u>632,517</u></u>	<u><u>918,297</u></u>

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 1 Summary of Significant Accounting Policies

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

1.1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) equivalent to International Reporting Standards, the Local Government Act 2008 and Local Government (Accounting) Regulations.

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.

The financial statements has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

1.2 Accounting Policies

(a) Income Tax

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.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Asset	Range of estimated
Buildings	20 years
Vehicles	5 years
Earth Moving Equipment	3 years
Road Structure	10 years
Office equipment	3 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1051.

(d) 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.

(e) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for any goodwill and any intangible assets with indefinite lives.

(f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Economic Dependence

During the year the Council received grants from government departments and the future operation of the Council is dependent upon continued funding from government departments.

(o) New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements and their impact on the association is as follows:

AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The association has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
 - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.
- *AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).*

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the association.

- *AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)*

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the association is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.

- *AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).*

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the association.

- *AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).*

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the association.

- *AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011)*

This Standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standard financial statements;
- AASB 7 is amended to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 7 to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- adding sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the association.

- *AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).*

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- *AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).*

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards; and AASB 7: Financial Instruments: Disclosures; establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the association.

- *AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).*

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the association has not yet determined any potential impact on the financial statements from adopting AASB 9.

- *AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).*

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the association.

- *AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).*

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the association.

- *AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).*

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9; and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7].

This Standard is not expected to impact the association.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 2 a. Functions

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS/ACTIVITIES. DETAILS OF THOSE FUNCTIONS/ACTIVITIES ARE PROVIDED

	GENERAL PUBLIC SERVICES			PUBLIC ORDER & SAFETY			ECONOMIC AFFAIRS			ENVIRONMENTAL PROTECTION		
	Budget 2011 \$000	Actual 2011 \$000	Actual 2010 \$000	2011 \$000	Actual 2011 \$000	Actual 2010 \$000	Budget 2011 \$000	Actual 2011 \$000	Actual 2010 \$000	Budget 2011 \$000	2011 \$000	2010 \$000
OPERATING REVENUES												
Rates	168,300	166,445	149,347									
User charges & Fees	2,700	11,434	27,899				49,000	23,399	50,695			
Interest	13,000	13,641	19,764									
Other operating revenues												
Contributions & Donations												
Grants - NT recurrent	128,985	115,229	145,017				43,604	30,057	49,157	-	-	-
Grants - NT capital	2,000	106,752	95,052				-	401,225	401,225			
Grants - C'Vealth recurrent	9,000	17,665	9,674									
Grants - C'Vealth capital												
Profit on Sale of Asset												
Contributions & Donations												
TOTAL REVENUES	323,985	431,166	446,753	-	-	-	92,604	454,681	501,077	-	-	-
OPERATING EXPENSES												
Employee Costs	163,800	193,008	147,168	1,430	10,288	2,444	19,600	7,888	14,744	7,650	12,067	11,107
Material and Contracts	75,600	98,993	94,467	900	94	896	33,800	251,020	146,915	6,450	14,120	16,096
Interest Charges												
Depreciation & Amortisation		92,650	69,543					54,639	41,006			
Loss on Sale of Asset												
Other Operating Expenses	25,400	36,799	24,744									
TOTAL EXPENSES	264,800	421,450	335,922	2,330	10,382	3,340	53,400	313,547	202,665	14,100	26,187	27,203
TOTAL	59,185	9,716	110,831	- 2,330 -	10,382 -	3,340	39,204	141,134	298,412	- 14,100 -	26,187 -	27,203

	HOUSING & COMMUNITY AMENITIES			HEALTH			RECREATION, CULTURE & RELIGION			TRANSPORT & COMMUNICATION		
	Budget 2011 \$000	Actual 2011 \$000	Actual 2010 \$000	2011 \$000	Actual 2011 \$000	Actual 2010 \$000	Budget 2011 \$000	Actual 2011 \$000	Actual 2010 \$000	Budget 2011 \$000	2011 \$000	2010 \$000
OPERATING REVENUES												
Rates												
User charges & Fees	52,800	67,520	50,562				5,200	4,356	5,080			
Interest												
Other operating revenues												
Contributions & Donations												
Grants - NT recurrent							20,000	120,341	114,341			
Grants - NT capital	-	42,000	42,000									
Grants - C'Vealth recurrent												
Grants - C'Vealth capital												
Profit on Sale of Asset												
Contributions & Donations												
TOTAL REVENUES	52,800	109,520	92,562	-	-	-	25,200	124,697	119,421	-	-	-
OPERATING EXPENSES												
Employee Costs	22,220	18,302	16,001				73,470	30,078	80,826			
Material and Contracts	34,519	18,839	21,639				18,500	46,442	20,755			
Interest Charges												
Depreciation & Amortisation								35,745	26,838			
Loss on Sale of Asset												
Other Operating Expenses							1,000	-	621			
TOTAL EXPENSES	56,739	37,141	37,640	-	-	-	92,970	112,265	129,040	-	-	-
TOTAL	- 3,939	72,379	54,922	-	-	-	- 67,770	12,432	- 9,619	-	-	-

	SOCIAL PROTECTION			ELIMINATIONS			TOTAL		
	Budget 2011 \$000	Actual 2011 \$000	Actual 2010 \$000	2011 \$000	Actual 2011 \$000	Actual 2010 \$000	Budget 2011 \$000	Actual 2011 \$000	Actual 2010 \$000
OPERATING REVENUES									
Rates							168,300	166,445	149,347
User charges & Fees							109,700	106,709	130,561
Interest							13,000	13,641	14,887
Other operating revenues									
Contributions & Donations									3,544
Grants - NT recurrent							192,589	265,626	319,515
Grants - NT capital							2,000	148,752	137,052
Grants - C'Vealth recurrent							9,000	17,667	9,674
Grants - C'Vealth capital								401,225	401,225
Profit on Sale of Asset									7,515
Contributions & Donations									
TOTAL REVENUES	-	-	-	-	-	-	494,589	1,120,065	1,173,320
OPERATING EXPENSES									
Employee Costs							288,170	271,631	272,291
Material and Contracts							169,769	429,507	300,768
Interest Charges									
Depreciation & Amortisation								183,029	137,387
Loss on Sale of Asset									
Other Operating Expenses							26,400	36,798	25,763
TOTAL EXPENSES	-	-	-	-	-	-	484,339	920,965	736,209
TOTAL	-	-	-	-	-	-	10,250	199,100	437,111

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

b. Components of Functions

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

GENERAL PUBLIC SERVICES

Administration, legislative and executive affairs, financial and fiscal affairs, general research and general services. (Also includes Natural Disaster relief)

PUBLIC ORDER & SAFETY

This division includes outlays on administration and operating services connected with public order and safety within the scope of local government. Such services include fire protection, local emergency services, animal control and impounding, control of public places, control of signage, hoardings and advertising, community policing and probationary matters.

ECONOMIC AFFAIRS

General economic, agriculture and forestry, fuel and energy, other labour and employment affairs and transport and other industries, saleyards and tourism.

ENVIRONMENTAL PROTECTION

General environment services.

HOUSING & COMMUNITY AMENITIES

Housing, housing and community development, water supply and street lighting.

HEALTH

Well baby clinics, dental health services and home nursing services, nursing and convalescent home services, immunisation, infant nutrition and child health, Family planning services.

RECREATION, CULTURE & RELIGION

Facilities and venues, recreation parks and reserves, culture and religion services, museums and libraries.

EDUCATION

Administration, inspection, support, operation etc. of education programs and services.

SOCIAL PROTECTION

Council did not provide services under this function for the year.

Note 3 Operating Revenues

	2011	2010
	\$	\$
a. RATES AND CHARGES		
Ordinary Rates		
— Residential/Business/Rural Flat Rate	166,445	149,347
TOTAL RATES & ANNUAL CHARGES	166,445	149,347
b. USER CHARGES & FEES		
— Jetty & Boat Ramp Maintenance Contract	24,119	51,325
— Power & Water Contract Income	63,620	45,756
— Workshop Fees and Charges Income	9,091	24,223
— Rental Fees	3,900	4,807
— Community Centre Income	5,536	3,818
— Employment Subsidies	-	-
— Other Fees & Charges	443	632
TOTAL USER CHARGES & FEES	106,709	130,561
c. INTEREST		
— Interest on overdue rates & charges		552
— Interest on investments	13,641	14,887
TOTAL INTEREST REVENUE	13,641	15,439
d. OTHER OPERATING REVENUES		
— Contract Income		-
— Other (specify if material)		2,991
TOTAL OTHER OPERATING REVENUES	-	2,991
e. GRANTS		
Operating Grants		
<u>General Purpose (Untied)</u>		
— general purpose component	17,665	9,674
— road component	30,057	49,157
Total General Purpose (Untied)	47,722	58,831
<u>NT Current Grants</u>		
— general purpose component	235,570	257,468
— Other		1,890
Total NT Current Grants	235,570	259,358
Total Operating Grants	283,292	318,189
Capital Grants		
— Utilities Grant	401,225	401,225
— Other	148,753	148,052
Total Capital Grants	549,978	549,277
Total Grants	833,270	867,466

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 4 Operating Expenses

	2011	2010
	\$	\$
a. EMPLOYEE COSTS		
Salaries and Wages	241,056	232,148
Superannuation	18,993	16,995
Workers Compensation Insurance	3190	3,286
Recruitment & relocation	2563	9,851
Travelling & Accommodation	2632	3,394
Training & Development	3,197	6,617
Total Operating Employee Costs	<u>271,631</u>	<u>272,291</u>
b. MATERIALS AND CONTRACTS		
Accounting Services	12,544	4,900
Advertising	825	1,242
Bank Fees	865	968
Capital Purchases	640	2,430
Cleaning	3,529	3,706
Consultants Fees	14,864	12,935
Contractors	232,704	157,186
Council Refreshments	270	441
Electricity	8,394	10,099
Information Technology set-up	9,551	16,121
Printing & Stationery	1,878	3,288
Purchase of Materials	50,470	18,771
Repairs & Maintenance	41,951	17,805
Repairs & Maintenance - Vehicles	5,657	6,237
Subscriptions	2,543	2,700
Telephone	6,672	12,379
Vehicle Registration	503	781
Vehicle, Plant & Equipment	21,634	11,760
Other	14,013	17,021
Total Materials & Contracts	<u>429,507</u>	<u>300,770</u>
c. DEPRECIATION & AMORTISATION		
Plant and equipment	18,251	13,473
Office Equipment & Furniture	24,638	19,556
Motor Vehicles	26,229	6,399
Buildings	73,215	73,215
Infrastructure	40,696	24,744
Total Depreciation & Amortisation Expenses	<u>183,029</u>	<u>137,387</u>
d. OTHER OPERATING EXPENSES		
Auditor's Remuneration - Audit Services	5,850	5,200
Preparation of financial statements	5,550	
Insurance	11,832	11,128
Other	13,566	9,433
Total Other Operating Expenses	<u>36,798</u>	<u>25,761</u>

Note 5 Gain or Loss on Disposal of Assets

Proceeds from disposal	27,274
Less Carrying amount of assets sold	<u>19,758</u>
Gain (or Loss) on disposal	<u>- 7,516</u>
TOTAL GAIN (OR LOSS) ON DISPOSAL OF ASSETS	<u>- 7,516</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 6 Cash and Cash Equivalents

	Note	2011 \$	2010 \$
Cash on Hand		400	400
Cash at Bank		632,117	917,897
TOTAL CASH ASSETS	11	632,517	918,297

RESTRICTED CASH SUMMARY

<u>Purpose</u>			
EXTERNAL RESTRICTIONS			
- Included in liabilities		15,679	15,211
TOTAL EXTERNAL RESTRICTIONS		15,679	15,211
INTERNAL RESTRICTIONS			
- Included in liabilities		-	163,904
		-	163,904
TOTAL INTERNAL RESTRICTIONS			
TOTAL UNRESTRICTED		632,517	739,182
TOTAL CASH & INVESTMENTS AVAILABLE		648,196	918,297

RESTRICTED CASH DETAIL

<u>Purpose</u>			
EXTERNAL RESTRICTIONS			
Included in liabilities			
Specific Purpose Unexpended Grants (*)		15,679	15,211
TOTAL EXTERNAL RESTRICTIONS		15,679	15,211
INTERNAL RESTRICTIONS			
Included in liabilities			
Employee Leave Entitlements		22,605	22,605
Creditors		30,389	141,299
TOTAL INTERNAL RESTRICTIONS		52,994	163,904

(*) Grants that are not yet expended for the purposes for which the grants were obtained.

Note 7 Trade and Other Receivables

	Note	2011 \$	2010 \$
CURRENT			
Rates and Annual Charges		13,310	(2,739)
User Charges & Fees		8,564	33,674
Other		28,686	13,328
Total	11	50,560	44,263
Less: Provision for Doubtful Debts		-	-
Total Unrestricted Receivables		50,560	44,263

Note 8 Property, Plant and Equipment

Office equipment:			
At cost		164,250	159,892
Accumulated depreciation		(125,465)	(100,829)
		38,785	59,063
Buildings			
At cost		1,413,815	1,413,815
Accumulated depreciation		(556,130)	(482,915)
		857,685	930,900
Plant and equipment:			
At cost		229,519	134,869
Accumulated depreciation		(91,380)	(73,129)
		138,139	61,740
Motor Vehicles			
At Cost		131,146	92,964
Accumulated depreciation		(32,628)	(6,399)
		98,518	86,565
Roads, bridges, footpaths			
At Cost		813,910	441,275
Accumulated depreciation		(332,922)	(292,226)
		480,988	149,049
Land			
At cost		400,000	400,000
		400,000	400,000
Total property, plant and equipment		2,014,115	1,687,317

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Roads, bridges, footpaths \$	Office Equipment & Furniture \$	Motor Vehicles \$	Total \$
Balance at 1 July 2009	400,000	1,004,115	42,916	147,403	73,844	22,639	1,690,917
Additions			49,437	26,390	4,775	72,943	153,545
Disposals			(17,140)			(2,618)	(19,758)
Depreciation expense		(73,215)	(13,473)	(24,744)	(19,556)	(6,399)	(137,387)
Balance at 30 June 2010	400,000	930,900	61,740	149,049	59,063	86,565	1,687,317
Additions		47,000	47,650	372,635	4,360	38,182	509,827
Disposals							-
Depreciation expense		(73,215)	(18,251)	(40,696)	(24,638)	(26,229)	(183,029)
Carrying amount at 30 June 2011	400,000	904,685	91,139	480,988	38,785	98,518	2,014,115

Note 9 Trade and Other Payables

	2011 \$	2010 \$
CURRENT		
Creditors		
Goods and Services Tax	8,709	757
PAYG Held	19,603	253
Payments received in advance	408	740
Sundry Creditors	1,939	139,549
Total Creditors	30,659	141,299
Provisions		
Annual leave	9,074	19,329
Long service leave	-	3,276
Total Provisions	9,074	22,605

Note 10 Statement of Cash Flows

a. Reconciliation of Cash

For the purposes of statement of cash flows, cash includes cash on hand and "at call" deposits with other financial institutions. Term deposits are also included. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand and at Bank	632,517	918,297
Balances as per Statement of Cash Flow	632,517	918,297

b. Reconciliation of cash flow from operations with profit after income tax

	2011 \$	2010 \$
Profit for the year	199,100	437,111
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
— Depreciation	183,029	137,387
— Net (gain)/loss on disposal of property, plant and equipment	-	(7,516)
Changes in assets and liabilities		
— (Increase)/decrease in receivables	(6,297)	(4,983)
— Increase/(decrease) in creditors	(110,640)	135,438
— Increase/(decrease) in provisions and unexpended grants	(41,145)	(138,052)
Net cash provided by (or used in) operating activities	224,047	559,385

Note 11 Commitments for Expenditure

a. Capital Commitments

Capital expenditure committed for at the reporting date	6	-
— Buildings		-

These expenditures are payable as follows:

— Not later than one year	9	-
— Later than one year and not later than 2 years		-
— Later than 2 years and not later than 5 years		-
— Later than 5 years		-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 12 STATEMENT OF PERFORMANCE MEASUREMENT FOR THE YEAR ENDED 30 JUNE 2011

	Amounts in \$	Ratio	2011 \$	2010 \$
1. CURRENT RATIO				
Factors				
Current Assets - External Restricted assets	683,077	Ratio	12.04	5.47
Current Liabilities	55,412			
2. DEBT SERVICE RATIO				
Factors				
Net Debt Service Cost		Ratio	0%	0%
Operating Revenue				
3. RATE COVERAGE RATIO				
Factors				
Rate Revenues	166,445	Ratio	15%	13%
Total Revenue	1,120,065			
4. RATES & ANNUAL CHARGES OUSTANDING				
Factors				
Rates & Annual Charges Outstanding	13,310	Ratio	8%	-2%
Rates & Annual Charges Collectible	166,445			

Note 13 Conditions Over Grants & Contributions

	2011		2010	
	\$ Grants	\$ Contrib	\$ Grants	\$ Contrib
Grants and contributions that were obtained on the condition that they be expended on specified purposes or in a future period but which are not yet expended in accordance with those conditions, are as follows:				
Unexpended at the close of the previous reporting period	15,211	0	153,263	0
<u>Less</u>				
Expended during the current reporting period from revenues recognised in previous reporting periods	15,211	0	153,263	0
<u>Plus</u>				
Amounts recognised as liabilities in the current reporting period as they had not yet been expended in accordance with the conditions	15,679	0	15,211	0
Unexpended at the close of the current reporting period and held as restricted assets	15,679	0	15,211	0
Net increase (decrease) in restricted assets in the current reporting period	(30,890)	0	(138,052)	0

Note 14 Financial Instruments

a. Credit risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. Legislative restrictions on Council's investment powers effectively limit investments to financial instruments issued or guaranteed by Australian governments, banks and authorised deposit taking institutions. Rates and other receivables are monitored on an ongoing basis with the result that the Council's exposure to bad debts is not significant.

	Not past Due or Impaired		Past Due or Impaired		
	2011	2010	2011	2010	
Rates Receivables	13,310	2,939	-	-	
Other Receivables	37,250	33,674	-	13,328	
	50,560	30,735	-	13,328	
Ageing of Receivables for 2011					
	Current	31-60 Days	61-90 Days	90+ Days	TOTAL
Rates Receivables					
Other Receivables	50,560				50,560
Total	50,560	-	-	-	50,560
Ageing of Receivables for 2010					
	Current	31-60 Days	61-90 Days	90+ Days	TOTAL
Rates Receivables	-	2,939	-	-	2,939
Other Receivables	33,674			13,328	47,002
Total	30,735	-	-	13,328	44,063

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

b. Interest Rate Risk Exposure

The Council's exposure to interest rate risk consist of:

	2011	Average Interest Rate %	Variable interest Rate Current		Fixed Interest Rate Maturity		Non- interest Bearing \$	Total \$
			\$	< 1 year \$	> 1 - 5 years \$			
Financial Assets								
Cash at Bank		2%	632,517				-	632,517
Short Term Deposit								
Receivables							50,560	50,560
Total			<u>632,517</u>	<u>-</u>	<u>-</u>		<u>50,560</u>	<u>683,077</u>
Financial Liabilities								
Payables							30,659	30,659
Employee benefits - current							9,074	9,074
Tied Grants unexpended							15,679	15,679
Total			<u>-</u>	<u>-</u>	<u>-</u>		<u>55,412</u>	<u>55,412</u>

	2010	Average Interest Rate %	Variable interest Rate Current		Fixed Interest Rate Maturity		Non- interest Bearing \$	Total \$
			\$	< 1 year \$	> 1 - 5 years \$			
Financial Assets								
Cash at Bank		2.00%	124,905					124,905
Short Term Deposit		4.00%	793,392					793,392
Receivables							44,263	44,263
Total			<u>918,297</u>	<u>-</u>	<u>-</u>		<u>44,263</u>	<u>962,560</u>
Financial Liabilities								
Payables							141,299	141,299
Employee benefits - current							22,605	22,605
Tied Grants unexpended							15,211	15,211
Total			<u>-</u>	<u>-</u>	<u>-</u>		<u>179,115</u>	<u>179,115</u>

c. Liquidity Risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting obligations with financial liabilities.

Financial assets and financial liabilities have a range of maturity dates, and Council monitors its cash flow requirements and liquidity levels, and maintains an adequate cash buffer.

Net Fair Value

Council believes that, as the majority of financial instruments mature within 12 months, the carrying financial instruments at cost is a close approximation to their fair value and that any difference would be immaterial.