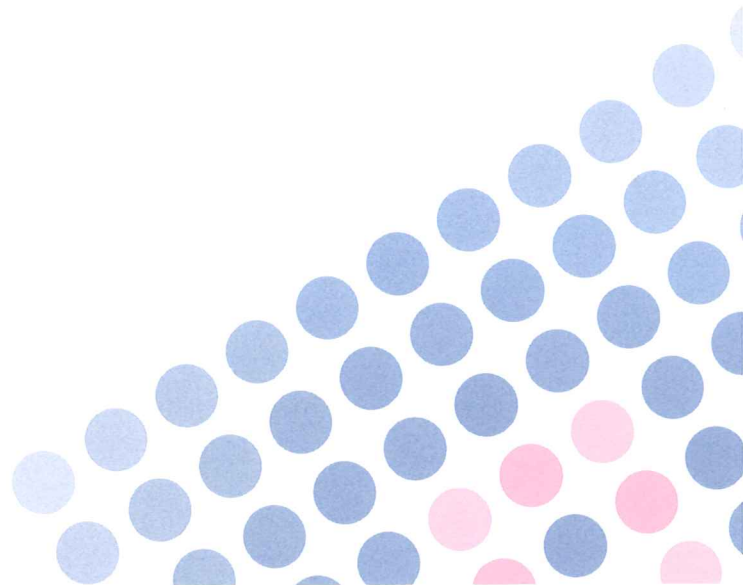


WAGAIT SHIRE COUNCIL
ABN 65 843 778 569

General Purpose Financial Report

for

the Year Ended 30 June 2013



WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

Financial Report For The Year Ended 30-Jun-13

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WAGAIT SHIRE COUNCIL

Independent audit report to members of Wagait Shire Council

Scope

The financial report and Council's responsibility

The financial report comprises the Statement of Financial Performance, Statement of Financial Position, Statement of Working Capital, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Financial Statements for Wagait Shire Council ("the Council") for the year ended 30 June 2013.

The Council is responsible for preparing a financial report that presents fairly the financial position and performance of the Council and that complies with Accounting Standards and other mandatory financial reporting requirements in Australia and relevant provisions of the Local Government Act and Local Government (Accounting) Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Council. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia and relevant provisions of the Local Government Act and Local Government (Accounting) Regulations, a view which is consistent with our understanding of the Council and its financial position, and of its performance as represented by the results of its operations and cash flows.

WAGAIT SHIRE COUNCIL

Independent audit report to the members of Wagait Shire Council (contd)

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial reports, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgment of the appropriateness or reasonableness of the business plans or strategies adopted by the Committee and management of the Council.

Independence

We are independent of the Council, and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion:

- (a) the prescribed accounting records, other records and registers required to be kept by the Council has been properly kept throughout the year;
- (b) the receipt, expenditure and investment of moneys and the acquisition and disposal of assets by the Council during the year have been in accordance with the prescribed requirements;
- (c) the financial statements have been properly drawn up in accordance with the prescribed requirements and are in agreement with the accounts and records;
- (d) the financial statements present fairly the financial position of the Council as at 30 June 2013 and the results of its operations and its cash flows for the year then ended;
- (e) the Council has complied with the provisions of the Local Government Act in respect of the conduct of its financial affairs;
- (f) the financial statements are in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and the applicable sections of the Local Government Act, Accounting Code and Regulations.

WAGAIT SHIRE COUNCIL

Independent audit report to the members of Wagait Shire Council (contd)

Emphasis of Matter – Inherent uncertainty regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters:

The Council is dependent on operating grants from Government funding agencies. The financial statements have been prepared on a going concern basis in the expectation that such funding will continue.



Barry Hansen
Registered Company Auditor


Dated *29 August 2013*

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

I, Michael Campaign , 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 2013 and the results for the year then ended; and
- b. the statements are in accordance with the accounting and other records of the Council.

Michael Campaign
Chief Executive Officer


10/9/2013

WAGAIT SHIRE COUNCIL
DATE

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
30 JUNE 2013

	Note	2013 \$	2012 \$
OPERATING REVENUE			
Rates & Annual Charges	3(a)	170,063	165,570
User Charges & Fees	3(b)	170,321	88,584
Interest	3(c)	29,342	32,444
Grants & Contributions provided for operating purposes	3(d)	105,857	186,488
TOTAL OPERATING REVENUES		<u>475,583</u>	<u>473,086</u>
OPERATING EXPENSES			
Employee benefits expense	4(a)	296,716	243,837
Depreciation and amortisation expense	4(c)	152,046	170,734
Materials & Contracts	4(b)	29,541	185,754
Other Operating Expenses	4(d)	28,735	23,542
TOTAL OPERATING EXPENSES		<u>507,038</u>	<u>623,867</u>
OPERATING RESULT		<u>(31,455)</u>	<u>(150,781)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(31,455)</u>	<u>(150,781)</u>

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 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	874,001	811,790
Trade and other receivables	6	<u>21,979</u>	<u>34,718</u>
TOTAL CURRENT ASSETS		<u>895,980</u>	<u>846,508</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	<u>1,723,723</u>	<u>1,805,199</u>
TOTAL NON-CURRENT ASSETS		<u>1,723,723</u>	<u>1,805,199</u>
TOTAL ASSETS		<u><u>2,619,703</u></u>	<u><u>2,651,707</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	10,075	7,383
Provisions	9	10,539	13,489
Tied Grants Unexpended	11	<u>88,379</u>	<u>88,671</u>
TOTAL CURRENT LIABILITIES		<u>108,993</u>	<u>109,543</u>
TOTAL LIABILITIES		<u>108,993</u>	<u>109,543</u>
NET ASSETS		<u><u>2,510,710</u></u>	<u><u>2,542,164</u></u>
EQUITY			
Accumulated surplus		1,977,487	2,008,941
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>2,510,710</u></u>	<u><u>2,542,164</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 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	874,001	811,790
Trade and other receivables	6	21,979	34,718
TOTAL CURRENT ASSETS		895,980	846,508
LESS			
CURRENT LIABILITIES			
Trade and other payables	8	10,075	7,383
Provisions	9	10,539	13,489
Tied Grants Unexpended	11	88,379	88,671
		108,993	109,543
Reserves			
Road Reserve		180,000	180,000
Motor Vehicle Reserve		10,000	10,000
TOTAL CURRENT LIABILITIES		298,993	299,543
NET CURRENT ASSETS (Working Capital)		596,987	546,965

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Accumulated Surplus	Assets Revaluation Reserve	Roads Reserve	Motor Vehicle Reserve	Total
	\$	\$		\$	\$
Balance at 1 July 2011	2,108,557	343,223	180,000	10,000	2,641,780
Comprehensive income					
Profit/(Loss) for the year	(150,781)				(150,781)
Prior years equity correction	51,166				51,166
Total comprehensive income	(99,615)	-	-	-	(99,615)
Balance at 30 June 2012	2,008,942	343,223	180,000	10,000	2,542,165
Comprehensive income					
Profit/(Loss) for the year	(31,455)				(31,455)
Total comprehensive income	(31,455)	-	-	-	(31,455)
Balance at 30 June 2013	1,977,487	343,223	180,000	10,000	2,510,710

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 2013

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(e) 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.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(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 Council'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.

(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 Council 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.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(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 Council has decided not to early adopt. A discussion of those future requirements and their impact on the Council is as follows:

- *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 Council 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.

- 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 Council.

- *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 Council has not yet determined any potential impact on the financial statements from adopting AASB 9.

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 Council.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 2 a. Functions

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

	GENERAL PUBLIC SERVICES			PUBLIC ORDER & SAFETY			ECONOMIC AFFAIRS AND TRANSPORT			ENVIRONMENTAL PROTECTION		
	Budget 2013	Actual 2013	Actual 2012	Budget 2013	Actual 2013	Actual 2012	Budget 2013	Actual 2013	Actual 2012	Budget 2013	Actual 2013	Actual 2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
OPERATING REVENUES												
Rates	173,160	170,063	165,570									
User charges & Fees	2,500	-	2,500				63,300	72,913	14,361			
Interest	25,700	29,342	32,444									
Grants - NT recurrent	116,000	105,857	119,126				38,888		56,459		-	-
Grants - NT capital	22,500	-	-									
Grants - C'Vealth recurrent	10,000	-	10,903									
TOTAL REVENUES	349,860	305,262	330,543	-	-	-	102,188	72,913	70,820	-	-	-
OPERATING EXPENSES												
Employee Costs	155,079	159,484	136,144				17,350	19,251	-	5,450	5,500	12,067
Material and Contracts	43,500	14,475	90,470				38,800	1,488	25,187	500	2,216	14,120
Interest Charges												
Depreciation & Amortisation		76,023	85,367					45,614	51,220			
Other Operating Expenses	53,007	28,735	23,542				3,000			1,500		
TOTAL EXPENSES	251,586	278,717	335,523	-	-	-	59,150	66,353	76,407	7,450	7,716	26,187
TOTAL	98,274	26,545	(4,980)	-	-	-	43,038	6,560	(5,587)	(7,450)	(7,716)	(26,187)

	HOUSING & COMMUNITY AMENITIES			RECREATION, CULTURE & RELIGION			TOTAL		
	Budget 2013	Actual 2013	Actual 2012	Budget 2013	Actual 2013	Actual 2012	Budget 2013	Actual 2013	Actual 2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
OPERATING REVENUES									
Rates							173,160	170,063	165,570
User charges & Fees	58,200	79,125	71,723	20,000	18,283	-	144,000	170,321	88,584
Interest							25,700	29,342	32,444
Grants - NT recurrent	10,000			5,000	-	-	169,888	105,857	175,585
Grants - NT capital							22,500	-	-
Grants - C'Vealth recurrent							10,000	-	10,903
TOTAL REVENUES	68,200	79,125	71,723	25,000	18,283	-	545,248	475,583	473,086
OPERATING EXPENSES									
Employee Costs	83,501	69,447	66,425	33,210	43,034	35,768	294,590	296,716	243,837
Material and Contracts	47,700	9,885	58,769	6,700	1,477	9,328	137,200	29,541	185,754
Interest Charges									
Depreciation					30,409	34,147	-	152,046	170,734
Other Operating Expenses	54,600			1,700			113,807	28,735	23,542
TOTAL EXPENSES	185,801	79,332	125,194	41,610	74,920	79,243	545,597	507,038	623,867
TOTAL	(117,601)	(207)	(53,471)	(16,610)	(56,637)	(79,243)	(349)	(31,455)	(150,781)

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 AND TRANSPORT

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.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

	2013	2012
	\$	\$
a. RATES AND CHARGES		
Ordinary Rates		
— Residential/Business/Rural Flat Rate	<u>170,063</u>	<u>165,570</u>
TOTAL RATES & ANNUAL CHARGES	<u>170,063</u>	<u>165,570</u>
b. USER CHARGES & FEES		
— Jetty & Boat Ramp Maintenance	63,216	14,361
— Power & Water Contract Income	55,330	51,858
— Workshop and maintenance Charges	6,711	9,118
— Workers Compensation Wages Income	15,882	-
— Community Centre Income	10,300	2,500
— Weed Management Income	13,500	-
— Other Fees & Charges	<u>5,382</u>	<u>10,747</u>
TOTAL USER CHARGES & FEES	<u>170,321</u>	<u>88,584</u>
c. INTEREST		
— Interest on investments	<u>29,342</u>	<u>32,444</u>
TOTAL INTEREST REVENUE	<u>29,342</u>	<u>32,444</u>
d. GRANTS		
Operating Grants		
<u>General Purpose (Untied)</u>		
— general purpose component	1,350	11,200
— road component	<u>34,314</u>	<u>56,459</u>
Total General Purpose (Untied)	<u>35,664</u>	<u>67,659</u>
<u>NT Current Grants</u>		
— general purpose component	70,193	107,926
Total NT Current Grants	<u>70,193</u>	<u>107,926</u>
Total Operating Grants	<u>105,857</u>	<u>175,585</u>
Capital Grants		
— Other	-	10,903
Total Capital Grants	<u>-</u>	<u>10,903</u>
Total Grants	<u>105,857</u>	<u>186,488</u>

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 4 Operating Expenses

	2013	2012
	\$	\$
a. EMPLOYEE COSTS		
Salaries and Wages	256,232	216,564
Superannuation	20,490	19,617
Workers Compensation Insurance	3,805	3,804
Recruitment & relocation	9,582	-
Travelling & Accommodation	5,113	1,553
Training & Development	1,494	2,299
Total Operating Employee Costs	<u>296,716</u>	<u>243,837</u>
b. MATERIALS AND CONTRACTS		
Accounting Services	1,124	7,296
Advertising	-	-
Bank Fees	1,161	1,195
Equipment Purchases	530	2,991
Consultants and Council Election Fees	8,051	9,438
Contractors, maintenance and purchases or materials	25,730	110,379
Doubtful/Bad debt expense	3,971	-
Electricity	11,604	8,692
Information Technology expenses	1,589	10,544
Printing & Stationery	2,298	2,488
Repairs & Maintenance - Vehicles	6,960	3,633
Prior year adjustments	(50,805)	-
Subscriptions	5,291	5,363
Telephone	7,567	6,566
Vehicle Registration	431	516
Vehicle, Plant & Equipment expenses	4,039	16,653
Total Materials & Contracts	<u>29,541</u>	<u>185,754</u>
c. DEPRECIATION & AMORTISATION		
Plant and equipment	25,386	18,362
Office Equipment & Furniture	1,300	20,531
Motor Vehicles	19,120	18,593
Buildings	73,215	72,553
Infrastructure	33,025	40,695
Total Depreciation & Amortisation Expenses	<u>152,046</u>	<u>170,734</u>
d. OTHER OPERATING EXPENSES		
Auditor's Remuneration - Audit Services	5,950	5,850
Preparation of financial statements	5,650	5,550
Insurance	17,135	12,142
Total Other Operating Expenses	<u>28,735</u>	<u>23,542</u>

Note 5 Cash and Cash Equivalents

Cash on Hand	222	450
Cash at Bank	873,779	811,340
TOTAL CASH ASSETS	<u>874,001</u>	<u>811,790</u>

RESTRICTED CASH SUMMARY

Purpose		
EXTERNAL RESTRICTIONS		
- Included in liabilities	88,379	88,671
TOTAL EXTERNAL RESTRICTIONS	<u>88,379</u>	<u>88,671</u>
TOTAL UNRESTRICTED	<u>785,622</u>	<u>723,119</u>
TOTAL CASH & INVESTMENTS AVAILABLE	<u>874,001</u>	<u>811,790</u>

RESTRICTED CASH DETAIL

Purpose		
EXTERNAL RESTRICTIONS		
Included in liabilities		
Specific Purpose Unexpended Grants (*)	88,379	88,671
TOTAL EXTERNAL RESTRICTIONS	<u>88,379</u>	<u>88,671</u>
INTERNAL RESTRICTIONS		
Included in liabilities		
Employee Leave Entitlements	10,539	13,489
Creditors	2,253	1,946
TOTAL INTERNAL RESTRICTIONS	<u>12,792</u>	<u>15,435</u>

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

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 6 Trade and Other Receivables

	2013	2012
	\$	\$
CURRENT		
Rates and Annual Charges	3,031	11,576
Other	18,948	23,142
Total	<u>21,979</u>	<u>34,718</u>
Less: Provision for Doubtful Debts	<u>(3,943)</u>	<u>(4,339)</u>
Total Unrestricted Receivables	<u>18,036</u>	<u>30,379</u>

Note 7 Property, Plant and Equipment

Office equipment:		
At cost	168,799	164,250
Accumulated depreciation	<u>(147,296)</u>	<u>(145,996)</u>
	21,503	18,254
Buildings and improvements		
At cost	1,430,632	1,413,815
Accumulated depreciation	<u>(671,715)</u>	<u>(628,683)</u>
	758,917	785,132
Plant and equipment:		
At cost	249,315	229,519
Accumulated depreciation	<u>(182,127)</u>	<u>(109,741)</u>
	67,188	119,778
Motor Vehicles		
At Cost	127,464	92,964
Accumulated depreciation	<u>(70,340)</u>	<u>(51,221)</u>
	57,124	41,743
Roads, bridges, footpaths		
At Cost	825,633	813,910
Accumulated depreciation	<u>(406,642)</u>	<u>(373,618)</u>
	418,991	440,292
Land		
At cost	<u>400,000</u>	<u>400,000</u>
	400,000	400,000
Total property, plant and equipment	<u>1,723,723</u>	<u>1,805,199</u>

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 Equipme nt & Furniture	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	400,000	904,685	91,139	480,988	38,785	98,518	2,014,115
Additions							-
Disposals/Adjustments						(38,182)	(38,182)
Depreciation expense		(72,553)	(18,362)	(40,695)	(20,531)	(18,593)	(170,734)
Balance at 30 June 2012	<u>400,000</u>	<u>832,132</u>	<u>72,777</u>	<u>440,293</u>	<u>18,254</u>	<u>41,743</u>	<u>1,805,199</u>
Balance at 1 July 2012	400,000	832,132	72,777	440,293	18,254	41,743	1,805,199
Additions			19,797	11,724	4,549	34,500	70,570
Depreciation expense	-	(73,215)	(25,386)	(33,025)	(1,300)	(19,120)	(152,046)
Carrying amount at 30 June 2013	<u>400,000</u>	<u>758,917</u>	<u>67,188</u>	<u>418,992</u>	<u>21,503</u>	<u>57,123</u>	<u>1,723,723</u>

Note 8 Trade and Other Payables

	2013	2012
	\$	\$
CURRENT		
Creditors		
Goods and Services Tax	(3,444)	791
PAYG Held	3,394	3,312
Accrued wages	6,369	-
Payments received in advance	408	408
Sundry Creditors and accrued expenses	<u>3,348</u>	<u>2,872</u>
Total Creditors	<u>10,075</u>	<u>7,383</u>
Provisions		
Annual leave	<u>10,539</u>	<u>13,489</u>
Total Provisions	<u>10,539</u>	<u>13,489</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 9 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:

	2013	2012
	\$	\$
Cash on hand and at Bank	874,001	811,790
Balances as per Statement of Cash Flow	874,001	811,790

b. Reconciliation of cash flow from operations

Profit/(Loss) for the year	(31,455)	(150,781)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit/(loss)		
— Depreciation	152,046	170,734
— Net (gain)/loss on disposal of property, plant and equipment		38,182
Changes in assets and liabilities		
— (Increase)/decrease in receivables	12,739	15,842
— Increase/(decrease) in creditors	2,692	(23,276)
— Increase/(decrease) in provisions and unexpended grants	(3,241)	128,572
Net cash provided by (or used in) operating activities	<u>132,781</u>	<u>179,273</u>

Note 10 STATEMENT OF PERFORMANCE MEASUREMENT FOR THE YEAR ENDED 30 JUNE 2013

	Amounts in \$		2013	2012
1. CURRENT RATIO				
Factors				
Current Assets - External Restricted assets	895,980	Ratio	7.41	6.92
Current Liabilities	108,993			
2. RATE COVERAGE RATIO				
Factors				
Rate Revenues	170,063	Ratio	36%	35%
Total Revenue	475,583			
3. RATES & ANNUAL CHARGES OUSTANDING				
Factors				
Rates & Annual Charges Outstanding	3,031	Ratio	2%	7%
Rates & Annual Charges Collectible	170,063			

Note 11 Conditions Over Grants & Contributions

	2013		2012	
	\$	\$	\$	\$
	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	88,671	0	15,679	0
Less				
Expended during the current reporting period from revenues recognised in previous reporting periods	88,671	0	15,679	0
Plus				
Amounts recognised as liabilities in the current reporting period as they had not yet been expended in accordance with the conditions	88,379	0	88,671	0
Unexpended at the close of the current reporting period and held as restricted assets	88,379	0	88,671	0
Net increase (decrease) in restricted assets in the current reporting period	88,379	-	88,671	0

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Note 12 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		Past Due or Impaired	
	2013	2012	2013	2012
Rates Receivables	-	912	7,237	-
Other Receivables	18,948	23,142	-	-
Total	18,036	30,379	-	-

Ageing of Receivables for 2013

	Current	31-60	61-90	90+ Days	TOTAL
		Days	Days		
Receivables	18,036	-	-	-	18,036
Total	18,036	-	-	-	18,036

Ageing of Receivables for 2012

	Current	31-60	61-90	90+ Days	TOTAL
		Days	Days		
Receivables	28,939	-	-	1,440	30,379
Total	28,939	-	-	1,440	30,379

b. Interest Rate Risk Exposure

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

	2013	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%	874,001	-	-	-	874,001
Short Term Deposit						18,036	18,036
Receivables							
Total			874,001	-	-	18,036	892,037

Financial Liabilities

Payables						10,075	10,075
Employee benefits -						10,539	10,539
Tied Grants unexpended						88,379	88,379
Total			-	-	-	108,993	108,993

	2012	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%	811,790	-	-	-	811,790
Short Term Deposit						30,379	30,379
Receivables							
Total			811,790	-	-	30,379	842,169

Financial Liabilities

Payables						7,383	7,383
Employee benefits -						13,489	13,489
Tied Grants unexpended						88,671	88,671
Total			-	-	-	109,543	109,543

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.