



**Litchfield Council  
Annual Report  
2012 / 2013**



# Litchfield Council

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## Our Vision

**“To promote and support our rural lifestyle”**

## Our Values

### We believe in:

Low cost accountable local government

A safe environment

Quality rural amenities and services

Rural sports and recreation reserves

Communication

### We strive to deliver:

Provide low cost local government for ratepayers that is open, accountable and accessible and has a positive public image.

Create a safe environment that meets community needs.

Ensure a level of service at a sustainable level of rates that protects rural amenities and essential services whilst actively engaging with NT Government to plan for future expansion and provision of services.

Maintain and promote our sports and recreational reserves whilst identifying new areas to be established. Lobby NT and Federal Governments to assist with infrastructure upgrade within the Regional Sports Centre of Freds Pass Reserve.

Communicate effectively with residents on the services we provide as Local Government and actively seek feedback. Engage with the NT Government to maintain close open lines of communication.

Community effort is essential



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*Community effort is essential*

## Council Outline

The Litchfield Municipality was proclaimed by Northern Territory Government Gazettal Notice on 5 September 1985. On 7 December 1985, an election was held to appoint the first Council comprising of a Mayor and four Councillors, each representing a ward.

This first elected body formulated a series of objectives under which Council was to operate. The objectives were based upon the provision of services in what is traditionally known as the “3R’s” – Roads, Rubbish and Recreation Reserves, and on the principle of contracting out the provision of these services.

The level of services under these functions was to be commensurate with Council’s Mission Statement.

Today, Council is maintaining that Mission whilst being mindful of the demands of a changing population in relation to the provision of services. Regional population figures show continual large growth in the Litchfield region and it is anticipated that growth will continue in years to come.

As the composition of the population has changed significantly, there may be a need for a greater emphasis on the provision of “urban” type of services. This would only occur if a majority of residents were to call for these services and were prepared to accept commensurate rate increases and new policies.

All subsequent Councils since the first Council operated under the original or slightly modified objectives.

# 20,650

Regional Population Growth, Australia, 2012 (cat. no 3218.0)

People

# 761.13km

Roads

# 3,100sqkm

Area

Community effort is essential

## Elected Members

The Council is made up of five Elected Members one of whom is the Mayor. They represent the residents from Litchfield's four electoral wards. All are elected by the people. General elections are held every four years, the next one in 2016.

Litchfield Council elected members were declared on Monday 2nd April 2012. At the beginning of their term, Councillors voted to have a 12 month rotation of the appointment of Deputy Mayor. The period of appointment is from April to March in the subsequent year. The South Ward Councillor is the current Deputy Mayor, the appointment being formerly held by the East Ward Councillor.



**Mayor**  
Allan McKay



**South Ward Councillor**  
Vic Statham



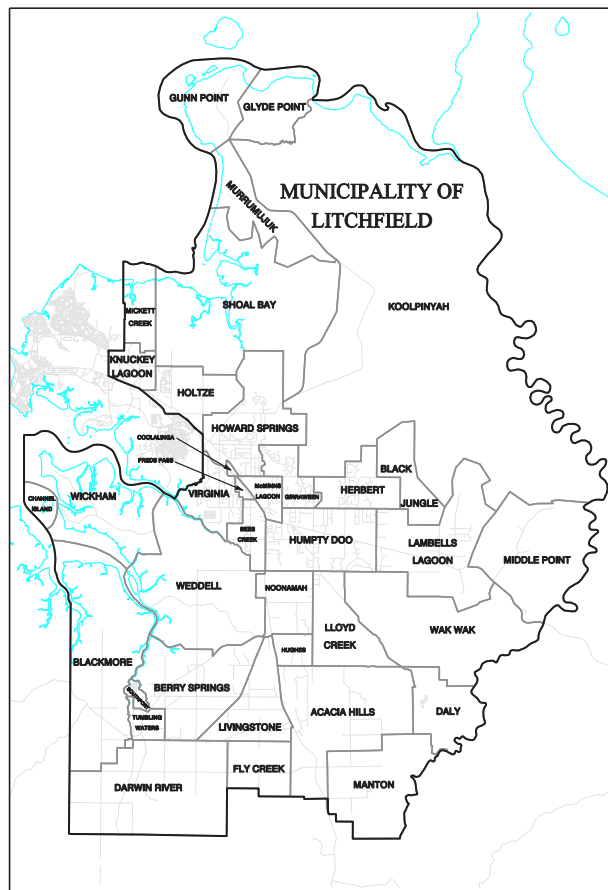
**East Ward Councillor**  
Michael Bowman



**North Ward Councillor**  
Mathew Salter



**Central Ward Councillor**  
Terry Richards



*Community effort is essential*

Council meetings are held on the second Thursday of every month at 6.30pm in the Council Chambers. Meetings are open to the public.

Since 2012 Litchfield Council has had a full time Mayor and four elected members known as Councillors; for appointments contact the Council Secretary (08) 8983 0612 or (08) 8983 0600.

In the year ending 30 June 2013 Council held a total of 12 ordinary meetings, 6 public meetings and 26 special meetings. In addition, elected members represented the Council at various other forums. The total cost for fees and allowances was \$181,030.20

	Mayor	North	East	Central 1/7/12 to 29/5/13	Central 30/5/13 to 30/6/13	South
Base Allowance	\$66,727.35	\$12,001.08	\$21,892.94	\$11,000.99	Vacant	\$14,782.07
Electoral Allowance	\$17,563.16	\$4,391.64	\$4,391.64	\$4,025.67	Vacant	\$4,391.63
Extra Meeting Allowance		\$6,562.00	\$1,681.00	\$6,729.00	Vacant	\$4,890.00
	\$84,290.51	\$22,954.72	\$27,965.58	\$21,755.66		\$24,063.70



Elected Members  
 Back: Mathew Salter, Terry Richards  
 Front: Vic Statham, Allan McKay, Mike Bowman

Community effort is essential

## Council Staff

### Executive Management Group:

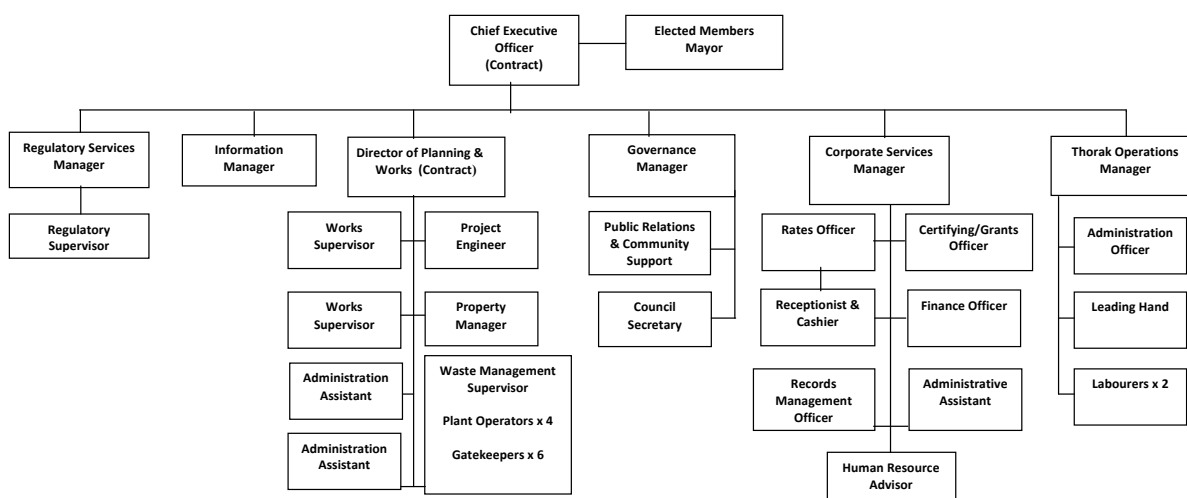
Chief Executive Officer: Russell Anderson  
 Director Planning and Works: Graeme Francis  
 Corporate Services Manager: Diane Chellingworth  
 Governance Manager: Derrick Tranter

### Senior Staff:

Regulatory Services Manager: Will Green  
 Property Manager: Glen Roberts  
 Thorak Operations Manager: Glen Minaker

## Litchfield Council Organisational Chart

### Organisational Chart – 2012 - 2013



Litchfield Council Reception

## Mayor's Report

The year has been a busy one for all members of Litchfield Council, elected members and Council staff alike. Late in the year the Central Ward Councillor Terry Richards resigned as a result of moving interstate, a by-election was therefore called and Ms Judy Cole was elected as the new Council member for the Central Ward, we welcome her to Council.



The year has seen many major improvements in the road system for which we are responsible. The sealing of Jenkins Road enabled Council to complete Finn Road, this has been a major benefit to residents of the South Ward. In addition, Reedbeds Road and the section of Leonino Road to Darwin River has been sealed. All this has been accomplished with the financial assistance of both the Federal and Northern Territory Governments.

Our Council Mobile Workforce Team has progressed well with their tasks and residents have commented favourably on their efforts. The next season will see considerable further improvement as the experience of Council areas gained in this initial period will greatly assist them in planning and carrying out their important duties. I am sure you will all join me in commending them on their accomplishments so far.

\$3,430,097 million still exists in outstanding rates, mainly from the long unclaimed vacant land often termed "Dead Men's Blocks". Council has been successful in selling many of those blocks by auction to obtain long outstanding rates with the added advantage that the sales have given families a chance to own their own block rather than the land remaining dormant and unused. Regrettably, the monies raised by these sales do not all come to Council, of the \$2.9 million raised only \$712,916 was able to be kept by Council. It is my task to persuade the NT Government to put more of the funds raised back into the Litchfield Community where it is needed.

Considerable developments are in progress in our Council area, the main being the Inpex project and its accommodation village at Howard Springs. In addition, the urban residential and commercial development at Coolalinga is progressing rapidly and will see a major change as our area moves rapidly forward and becomes more populated. Despite a slow start, the AAC Abattoir at Livingstone is now progressing and will, in time, present employment opportunities for many Litchfield residents and making further improvement to our area's economy.



Carrying on from last year, Council has undertaken to organise and run the annual Australia Day celebrations at Freds Pass Reserve. The last event was a great success with over 300 people attending the ceremony, an astounding 200 people joining in the Fun Run starting at 6:30am and following it by a hearty breakfast. Next year's event will be even bigger and better.

Our Recreation Reserve Boards of Management have worked hard for their reserve areas and many major improvements have been undertaken. This is very noteworthy as, remember they are all volunteers and give their time and effort freely for the benefit of you, the Litchfield Community. Freds Pass Reserve lost considerable Government funding last year, being badly needed for the upgrade of the numerous buildings that are on the Reserve but not fully building certified. Supporting the Board, I, on behalf of Council, am making a big effort to reclaim the unspent funds originally allocated so that we can ensure that the Reserve becomes and remains an enjoyable place for our Community to come, play and enjoy.



Allan McKay  
Mayor



Citizenship Ceremony



Australia Day Celebrations

## Chief Executive Officer's Report

Litchfield Council continues to address the needs of a rapidly growing population, resulting from extensive development within the Municipality. Considerable additional financial responsibility falls on Council directly as a result of these increases.

The Department of Local Government conducted a "Compliance Review" of Litchfield Council's operations during November 2012. This review conducted under the Local Government Act, resulted in the following statement being issued by the Department: "The commitment by staff recognizes the Litchfield Council's desire to provide quality service delivery outcomes to its constituents."



The development of the Municipality has accelerated considerably with a current population of some twenty thousand residents. This will inevitably continue to increase with the urbanisation of some eighty 800 square metre lots at the new Coolalinga development. Additional major building projects within the Municipality include: the new Correctional Services facility at Holtz, the Australian Agriculture Company Livingstone Abattoir, the \$34 billion Gas Plant and the associated workers village complex at Howard Springs.

A major milestone for the Litchfield Municipality was the installation of a Fixed Wireless service under the National Broadband Network, encompassing the Lambells Lagoon, Noonamah, Livingstone, Berry Springs, Darwin River and Southport areas. This improvement now permits residents of these areas to enjoy the enhanced benefits of high speed broadband technology.

Council has achieved the integration of information technology which now inter connects financial, assets, records and geographic information, thus allowing staff to review all data sources simultaneously. An example: Should there be a dog problem, based on information supplied by a customer, Council staff are now able to instantly:

Locate the property and:

- Identify any animals that are located on that property;
- Identify the owner allegedly of the offending animal;
- Use the contact information from the owner's records to make contact;
- Locate any previous complaints about the potentially offending animal;
- Locate any documentation (including photos) with regard to the complaint;
- Locate any documentation in regard to fines/notices;

This improved technology has now been extended to the following areas within Council: the Thorak Regional Cemetery, asset management, risk management, work health and safety and rate records.

The improved arrangement includes the use of the 'Turbo Tracker' system facilitating the constant location of Council vehicles and equipment. These new developments have placed Council at the forefront of Local Government Councils and State Governments across Australia and in this regard, Litchfield Council and its staff have received numerous national accolades for the introduction and implementation of these technological achievements.

Thorak Regional Cemetery has increased its visitor 'experience' by the introduction of a new opportunity to inspect "The Chapel", on the Web, by 'stepping' into the Cemetery for a 360 degree view using Google Street View. This enhanced 'experience' is another Litchfield Council first as Google has a normal policy of not displaying cemeteries or their environs.

During the fiscal year, Council departed from a twenty year old policy of solely employing contractors for Council works. A small but versatile Council Mobile Work Force has been formed and personnel equipped with tractors and equipment sufficient to successfully complete the annual slashing of road and easement reserves. The versatility and flexibility of this crew has ensured immediate response to high priority issues which could not have been achieved under the previous contract arrangement.

Litchfield Council's commitment to upgrading major roads within their jurisdiction has continued during this period with an additional 19 kilometres of gravel road being upgraded and sealed and 7 kilometres of new sealed roads being transferred to Council resulting from ongoing land development within the Municipality.

Within the last financial year, Council's allocation of budgetary funding resulted in the completion of the remaining 3.5 kilometres section of Finn Road. This has provided the benefit of major time reduction and distance economy to the residents of the Berry Springs, Livingstone and Darwin River areas. The new Finn Road now connects with the Elizabeth River Bridge to Cox Peninsula Road, thus giving a more direct route to Darwin City.

Rate recovery action has continued as a priority for Council with two land auctions for non-payment of rates being held. These auctions attracted considerable interest and resulted in a rate recovery of \$379,046 from the first sale of 15 lots and \$333,870 from the second sale of 14 lots. The sale proceeds of the auctions, excluding the rate monies owed to Council were passed to the Office of the Public Trustee for the land owners concerned to claim at a future date.

It is essential for Litchfield Council to continue to respond to the challenges of changing demographics and increasing population by the implementation of a responsible financial framework. In support of Council, its staff has an ongoing task and agenda aimed to maximise outcomes thus enhancing the future development of a Council which continues to deliver quality public services.



Russell W Anderson  
Chief Executive Officer

## Regulatory Services Report

Since the commencement of the Litchfield Council Rural Dog Management By-laws on the 1st March 2010, the Regulatory Services Section has seen an increase in reports to Council regarding dog management issues.



The By-laws endeavour to ensure the Litchfield Community can utilise roads, streets and public areas without fear or apprehension of dogs, reduce the number of dog attacks within the Community, reduce the number of dogs that are “at large” (roaming) and the management and control of nuisance dog behaviours such as barking.

The current By-laws provide Council with the authority to control, manage or destroy aggressive/dangerous dogs within the Litchfield Municipality.

The Regulatory Services Section comprises one Manager and two officers employed to respond to reports of wandering dogs, dog attacks, stray aggressive dogs, feral dog control and management, fence inspections, investigate alleged breaches of By-laws, issuing Notices for alleged contraventions of By-laws, impounding stray dogs, gathering statements, photos and documenting all actions taken within Council’s complaint management system.

The Regulatory Services Section had 615 Customer requests generated in the 2012/2013 year, including 150 reports of attacks or menaces by dogs.

Council holds a microchip day on the last Wednesday of every month (excluding December) at the Litchfield Council Office, 7 Bees Creek Road, Freds Pass from 9:00am until 12 noon.

Please contact (08) 8983 0600 to make an appointment. This year, the Regulatory Services staff have micro chipped a total of 289 dogs.

ACTIVITY	2010/11	2011/12	2012/13
Dogs at Large Reports	152	317	406
Dog Attack - Animal	38	76	79
Dog Attack - Person	5	8	24
Dog Menace - Animal	7	5	9
Dog Menace - Person	13	27	38
Dog Nuisance - Barking	25	21	36
Barking Collar Hire	10	15	12
Containment System Hire	10	29	9
Pig Issues	2	1	0
Horse Issues	4	3	2

## Infrastructure Report

During the 2012/2013 Financial Year, Council completed a major program of reconstructing and/or upgrading 19 kilometres of road, a substantial reseal program and 5 major crossroad culverts to reduce inundation issues. Council were also successful in obtaining \$168,000 in additional LATM and Black Spot funding and completed the projects noted below.

### Capital works on roads \$ 7,017,758.67

Finn Road  
Acacia Gap Road  
Strangways (Hayball- Spencley) Reedbeds Road  
Kentish Road  
Leonino Road (West of Reedbeds to Darwin River)  
McKinlay Road

### Reseals \$ 279,975.16

Bugle Court  
Bundey Road  
Koel Way  
Evelina Court  
London Road  
Mulgara Road  
Raintree Court  
Bruce Court  
Anglesey Road  
Centro Road

### Capital Culvert Works \$136,784.63

Girraween Road /Hillier Road  
Parkin Road  
Wells Creek Road  
Lowther Road/Burdens Creek  
70 Pioneer Drive

### LATM Grants 50/50 \$108,820.88

Campbell Road – passing lane  
Fred's Pass Road – car parking

### Blackspot \$113,361.65

Brandt Road – upgrade intersection

### Street Lights - Capital Works \$5892.00

Ninnis Court  
Pioneer Drive

*Acacia Gap Road*



*Bundey Road*



*Strangways Road*



*Community effort is essential*

## Planning

### Litchfield subdivisions and developments

A total of 25 subdivision applications, 102 development applications and 7 exceptional development applications were received during 2012-2013.

Key developments underway or completed during the year included:

- **Ichthys Project (Inpex) Howard Springs workers Accommodation Village:** Council is still working closely to ensure its needs are met in relation to haul roads, access to and from the accommodation village and the Finn Road / Jenkins Road intersection.
- **Beddington subdivision:** Ongoing assessments and inspections to ensure that the subdivision is completed to Council Standards.
- **Secure Care Facility – Willard Road:** Occasional inspections to make sure works completed in our road reserves are completed to Council Standards.
- **Coolalinga Residential Development:** Ongoing liaison with developer's designers, inspections on stormwater connections and accesses.
- **AACo (Australian Agriculture Company) Livingstone Abattoir:** Ongoing communication with regards to the installation of the gas main to the abattoir.

*Reedbeds Road*



*Coolalinga Development*



*Campbell Road*



## Mobile Work Force

The Mobile Work Force commenced minor operations in December 2012, and extended into slashing works as of January 2013. Significant levels have been achieved over the short period of time the Mobile Work Force have been operating, with the team developing skills, obtaining licenses and knowledge, they are functioning as a cohesive faction. The Mobile Work Force is certainly achieving the intended outcomes outlined in the Litchfield Council Business Plan plus the flexibility and ability to respond more promptly than previously under the contractor engagement system.

The approved Business Plan for the Mobile Work Force resolved that a seven person outdoor work team was required to meet the annual requirements of Council's slashing and weed spraying program, plus the carrying out of other roadside maintenance projects such as litter collection, whipper-snipping, chain-sawing, road patching and drain cleaning. To be eligible for these positions, employees were required to pass a physical test, medical test and criminal history check, a competency certificate in tractor and slasher operations and to hold or obtain a Certificate in Chemical Handling. Following employment, training has included Jobsite Risk Evaluation and suitable risk control methods, developing safe work procedures and safe systems of work, First Aid, Chainsaw, Traffic Control and Safe Tractor Competencies.

### *Machinery Purchased:*

- 5 Tractor/Slashers
- 2 Front deck mowers
- 1 Service Truck with maintenance equipment,
- 1 Tipper Truck
- 2 Spray Unit fitted Utes
- 2 Quad bikes
- 2 Trailers

*Tractor*



### **Projects undertaken: Commencing December 2012**

- Noxious and other weed spraying;
- Slashing and mowing road reserves to reduce fire hazards and improve driver visibility;
- Maintaining firebreaks on Council excised lands;
- Hazardous tree and branch removal from road reserves and drains;
- Litter collection;
- Push through improved fire access corridors on Trenow Road, Mira Road and Mira Road South;
- Front deck mowing in urban Southport;
- Lift the maintenance standard on the Freds Pass Road /Arnhem Highway corner block;
- Firebreak slashing and ground maintenance at all 3 Waste Transfer Stations;
- Fuel supply deliveries to Humpty Doo and Howard Springs Transfer Stations, twice weekly;
- Working with NT Fire Services and Bushfires NT to form improved fire breaks on Council land;
- Assist Cemetery management with mowing when needed; and
- Ground maintenance and termite treatment at Council Office.

## Waste Management Report

Council continued to manage the three Waste Transfer Stations, at Humpty Doo, Berry Springs and Howard Springs. This financial year saw the continuing reduction of unnecessary waste and recyclable products going to land fill, resulting in the reduction of transportation costs to Shoal Bay. Improved recycling and disposal facilities saw greater amounts of steel, cardboard, glass, cans, batteries and oil being separated. There was an overall 200 tonne reduction from 2011/12.

### Summary of Recyclable Products:

	Waste oil (litres)	Batteries (tonnes)	Co-mingle (bins)	Cardboard (bins)	Scrap steel (tonnes)
<b>Humpty Doo</b>	11,123.70	12.60	290	1,031	542.33
<b>Howard Springs</b>	7,525	37.80	157	389	285.12
<b>Berry Springs</b>	0	0	52	99	39.78

The twelve tonne compactor unit at the Humpty Doo site in Spencely Road hydraulically compresses domestic waste into 36m<sup>3</sup> steel hook bins for transportation to the Shoal Bay Waste Management Facility. The other two sites use the same capacity bins using earthmoving machinery for compaction, but these are only compacting approximately four to five tonnes.

### Waste disposed at the Waste Transfer Stations:

Tonnes of waste disposed	Humpty Doo	Howard Springs	Berry Springs	Totals
<b>Domestic waste to Shoal Bay</b>	6,696.77	2,780.4	1,876.60	11,353.77
<b>Commercial waste</b>	609.80	Not catered for	Not catered for	609.80
<b>Total Tonnes to Shoal Bay Landfill</b>				<b>11,963.57 Tonnes</b>

*Howard Springs Waste Transfer Station*





**Green Waste:**

During the financial year the following rates applied to the handling green waste (nil cost to residents of Litchfield Municipality) and providing mulch.

**Humpty Doo Waste Transfer Station:**

\$15/m<sup>3</sup> to purchase processed green waste (mulch).  
Total estimate volume of green waste processed;  
Total mulch sold

5,410m<sup>3</sup>  
1,533 m<sup>3</sup> @ \$15m<sup>3</sup> = \$22,965

**Howard Springs Waste Transfer Station:**

\$15/m<sup>3</sup> to purchase processed green waste (mulch).  
Total estimate volume of green waste processed;  
Total mulch sold

5,577m<sup>3</sup>  
1,068m<sup>3</sup> @ \$15m<sup>3</sup> = \$20,190

**Berry Springs Waste Transfer Station:** Nil

Minimal green waste received but not mulched  
Estimate total mulch stock in hand June 30

4,000m<sup>3</sup> @ \$15m<sup>3</sup> = \$60,000

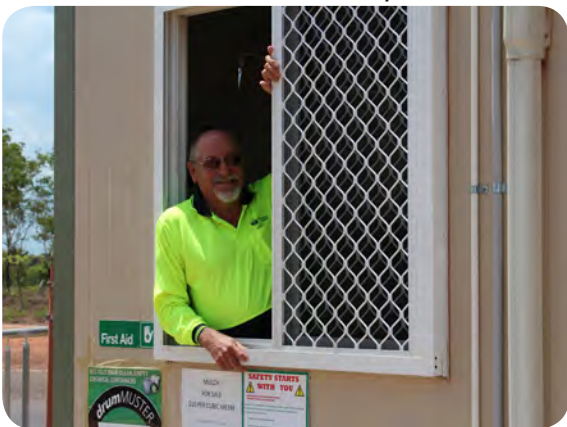
As mulch sales were considerably less than incoming green waste it was identified that, should this continue, Council would end up with a stockpile of an estimated 8,000m<sup>3</sup> at a total cost to Council of some \$120,000.

As a result of this over supply of green waste Council resolved to therefore charge \$5.00 for the disposal of green waste and to reduce the sale price of mulch by \$5.00, i.e. \$10m<sup>3</sup>. This reduction has resulted in an increase in mulch sales from the facility.

*Mulch*



*Transfer Station Gatekeepers*



*Humpty Doo Waste Transfer Station*



## Recreation Reserves

Litchfield Council has seven Recreation Reserves, each of them with its unique range of recreation sporting areas, including children's playgrounds and facilities available for both individual community use and organised group activity. There are clean ablutions available to the public during opening hours. Daily access is free.

Six of the Reserves have their own group of keen and dedicated management volunteers. Freds Pass Reserve being the rural area's central sporting hub has a few similarly dedicated workers but by necessity are salaried given the extent of work required to have the grounds in good shape for the continual evening and weekend activities.

The annual operational needs and maintenance of all the Reserves are funded by the Council with user groups also contributing to these ongoing costs.

Operational and repairs and maintenance for the seven Reserves \$719,750.00

### Grants Allocated to the Reserves 2012/2013

Livingstone Recreation Reserve - Hall Rear Verandah \$80,695.00

Various - Howard Park, Humpty Doo, Knuckkeys Lagoon, Livingstone and Berry Springs Building Compliance - \$44,000.00

### Grants Allocated to the Reserves from Litchfield Council 2012/2013

Freds Pass Reserve - Tractor \$27,000.00

Knuckey Lagoon Reserve - Reseal basketball/netball court \$30,000.00

*Knuckey Lagoon court reseal*



*Livingstone Reserve verandah*



*Freds Pass Reserve tractor*



## Thorak Regional Cemetery Report

Litchfield Council has been responsible for the operation and maintenance of Thorak Regional Cemetery since 2008. The Cemetery provides families in the Northern Territory with full burial options including interment for cremated remains. Separate sections are available for the Greek Orthodox, the Muslim faith, children under 10 and open areas for all denominations. For those who prefer cremation over burial, Thorak Regional Cemetery operates a modern crematorium.

The recently renovated Chapel can accommodate up to 200 people and includes a small kitchenette for catering purposes. The view overlooking the tranquil cemetery provides a perfect setting for funerals or other celebrations of life.



The past fiscal year has seen a few changes at Thorak Regional Cemetery. The customer service office has been upgraded and increased in size and includes a window case set aside for the sales of cremation urns.

The Flower and Ornament Policy has been updated and improved to help maintain a tidy appearance and minimize objects that may affect the safety of the public and staff.

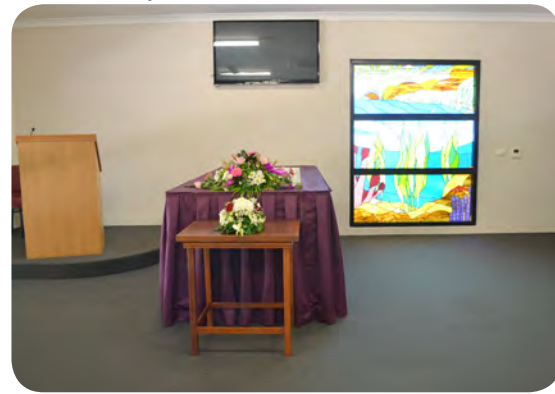
This year, plans have been put in place for a new interment opportunity for cremated remains. As an addition to the Courtyard of Tranquillity, a new Columbarium will provide an alternative to in ground inurnment. The red granite structure will allow an urn of cremated remains to be housed in above ground, enclosed niches with the outside panel used to memorialize a loved one.

Together with Litchfield Council's plans for a new website, Thorak Regional Cemetery has also been a part of this upgrade. Once complete, families will be able to "step" into the cemetery for a view of the main road, Customer Service office, and Chapel. All of our services, price lists, and frequently asked questions will be available to help families choose their correct option.

The ongoing commitment of the Thorak Regional Cemetery staff is to provide friendly professional service amidst an aesthetically pleasing, park like environment.

The operation and management is fully in accordance with the Northern Territory Cemeteries Act and Regulations.

*The Chapel*



*Garden of Remembrance*



*Community effort is essential*

Berry Springs Market



Citizen of the Year



Australia Day Citizenship Ceremony



**Community  
Effort  
is  
Essential**

Lambells Lagoon farmer



Good Shepherd Lutheran College



Local authors

Community effort is essential

## Principal Activities of Council

The Business Plan is presented to take into consideration the administrative structure in a format that provides information about all Council's operations. Council's operations incorporate two principal activities - "**Council**" and "**Cemetery**".

Council is required to provide details of its activities including a description of the activity, description of the programs and any subprograms contained within each activity, and a four year financial outlook summary.

Each activity has a series of objectives and performance indicators, towards which Council works to meet these goals during the financial year.

The "**Council**" programs include:

- Governance
- Corporate Services
- Regulatory Services
- Infrastructure
- Waste Management
- Community Services
- Property and Recreation Management

The "**Cemetery**" programs include:

- Burials
- Cremations
- Grounds Maintenance

Under each principal activity are programs and performance indicators that provide measures from which Council can assess the achievements of each program.

Services or functions are provided under each program and are listed on the following pages:

## Principal Activity: Council

Program	Service/Program or Function
1) Governance	Provision of support and governance to Council incorporating the areas of the CEO, Elected Members, Public Relations, Community Support, Information Management, and providing services in relation to Governance and the conduct of Civic functions.
2) Corporate Services	Provision of general administration support to Council including Rates, Human Resources, Financial Services, Record Management, and corporate relations.
3) Regulatory Services	Implementing the Council by-laws for dog management and provide support to landowners to control feral dogs.
4) Infrastructure	<p>Provide for the maintenance of Council's road network comprising 571km of sealed roads, 179km of unsealed roads and drainage systems and 7.1km of cycle path.</p> <p>Provide slashing and weed control for Council's land, road reserves and easements.</p>
5) Waste Management	Provide a waste management service to the Litchfield Municipality by making available three waste transfer stations for the disposal of domestic garbage and at each transfer station site provide an area for the disposal of green waste and resource recovery.
6) Community Services	<p>Provide financial assistance for the on-going maintenance and preservation of the Litchfield Collection at the Taminmin Library.</p> <p>Provide encouragement and financial assistance to students of Taminmin High School to further their education.</p> <p>Assist Litchfield Municipal families with infant burial costs.</p>

7) Property Management

Provide financial and strategic support to the seven Council recreational reserves to assist with the provision of both active and passive recreation facilities.

Provide ongoing maintenance to recreational areas under Council's responsibility outside the seven designated recreation reserves

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## Principal Activity: Cemetery

Program	Service/Program or Function
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8) Thorak Regional Cemetery

Manage and maintain Thorak Regional Cemetery to the highest standard.

Provide a service for local residents and those from outside the Litchfield Municipality for the use of the burial and cremation facilities at Thorak Regional Cemetery.

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## Statement of Key Performance Indicators & Targets

### Governance

KPI's	12/13	Actions to 30/06/2013
Compliance with statutory and regulatory requirements	100%	Achieved
Councillors meeting attendance	>10 meetings	Achieved

### Corporate

KPI's	12/13	Actions to 30/06/2013
Reduce balance of outstanding rates	>30%	Achieved
Compliance with acquittal procedure for Grants and allocated funding	100%	Achieved
Council operating within budget of a variance less than	5%	Achieved

### Regulatory Services

KPI's	12/13	Actions to 30/06/2013
Provide Dog Safety program to schools within the Municipality	>4 schools	Ongoing improvement
Dog microchip records on Council's registration data base	>3000 records	Achieved

### Infrastructure

KPI's	12/13	Actions to 30/06/2013
Provide safe unsealed roads within the Municipality by grading all unsealed roads	> 4 rounds	Achieved Ongoing
Clearing and rehabilitation of open unlined drains	>25%	Achieved
Effective weed management program to minimise spread of noxious weeds within the Municipality	>2 rounds of spraying	Achieved Ongoing



## Waste Management

KPI's	12/13	Actions to 30/06/2013
Reduce tonnage of waste transferred to Shoal Bay	>10%	Achieved Ongoing
Increase recycling at the three transfer stations	>10%	Achieved

## Community Services

KPI's	12/13	Actions to 30/06/2013
Providing active support and participation in Community generated events	>12 attendance	Achieved
Community organisation access and usage of Council's website	>12 organisations	Achieved

## Property and Recreation

KPI's	12/13	Actions to 30/06/2013
To ensure Council's seven reserves are supported with adequate assistance to the Boards with minor new works to be compliant	100%	Ongoing
The maintenance of Council properties to meet all legislation requirements	>50%	Ongoing

## Cemetery

KPI's	12/13	Actions to 30/06/2013
Increase new revenue services	> 2 new services	Achieved
Community satisfaction with the operations, grounds and services	>75%	Achieved

# Litchfield Council

ABN: 45 018 934 501

General Purpose Financial Report  
For The Financial Year Ended 30 June 2013

Community effort is essential

## Introduction to the 2012/13 Financial Statements

Each year Litchfield Council is required to present a set of audited financial statements in accordance with the Local Government Act, Local Government (Accounting) Regulations and complies with both accounting and reporting requirements of the Australian Accounting Standards. These financial statements quantify the financial strength and performance of Council.



Additional information and greater detail are provided in the Notes to and forming part of the Financial Statements. The Financial Statements are audited and an Auditor's Report is issued giving an opinion on whether the statements present fairly Council's financial position and performance for the period.

## Executive Summary – Financial Highlights for 2012/13

Litchfield Council delivered improved financial results for the 2012/13 financial year with a profit of \$1.8 million compared to the previous year's result of a loss of \$1.9 million. There are non-cash transactions in the Statement of Comprehensive Income such as book entries (asset revaluation reserve and depreciation) and gifted infrastructure that have been removed to identify this operational profit. Refer Table 1.

The major items contributing to this favourable result are:-

- Council's decision to in-source day labour functions instead of using contractors. The reduction in materials and contracts far outweighs the additional employee costs;
- increase in rates revenue resulting from 3.8% increase together with 1% increase in rateable properties; and
- increase in Cemetery income.

Table 1

	2013	2012
Total Comprehensive Income/(Loss) for the year	43,470,119	47,905,719
Less revenue book entries:-		
Asset Revaluation Reserve	44,687,314	62,071,029
Plus expenses book entries	-	-
Depreciation	4,609,204	11,133,117
Profit/loss from disposal of assets	129,552	2,289,623
Land Under Roads	2,462,735	-
	7,201,491	13,422,740
	5,984,296	-
	-	742,570
Less Capital grants and contributions	4,203,817	1,161,081
<b>NET OPERATIONAL PROFIT/(LOSS)</b>	<b>1,780,479</b>	<b>(1,903,651)</b>

The profit together with the non-cash transactions has resulted in an increase of Council's net worth of 18% compared to the prior reporting period. This can be attributed to changes in accounting policies as follows:-

- **Land Under Roads**

From 1 July 2012, Council will no longer be recognising land under roads as a Council asset and has written off prior years' transactions. Council has made every reasonable effort to apply Standard AASB1051 Land Under Roads but believe that the land under roads cannot be reliably determined.

- **Roads and Depreciation**

Unsealed roads will no longer be depreciated. The maintenance program results in the continued upkeep of the condition of the road. The maintenance program costs are expensed in the year the works were carried out. Only the bitumen component of a sealed road is depreciable as all components beneath this level do not deteriorate. Council's change in accounting policy for depreciation of sealed and unsealed roads is a better representation of the fair value.

- **Driveways**

All of Council's assets have now been brought on with the recognition of driveways in the 2012/13 financial year. In the prior year, Council believed that driveways did not meet the recognition criteria for an asset. Upon further investigation, Council is satisfied that the asset now meets all components of the definition of an asset. Refer Note 8 - Property Plant and Equipment in the Notes to and forming part of the Financial Statements for more information.

- **Financial Reserves**

Council has adopted a more detailed description of financial reserves held for greater clarity. The financial reserves provide a source of funds for future commitments to ensure long-term financial sustainability; smooth out uneven cash flows; avoid unnecessary borrowings; lessen the impact of unforeseen events/emergencies and provide an equitable distribution of costs between current and future ratepayers. Refer to Note 17 - Movements in reserves in the Notes to and forming part of the Financial Statements for more information.

In the 2013/14 reporting period, there will be a greater emphasis on maintaining Council's existing assets providing greater assurance that current services will be reliably delivered. Together with the continuing rate recovery process (which resulted in a 21.3% decrease in rate arrears in the 2012/13 financial year), Council expects continued sound financial results.

# LITCHFIELD COUNCIL

## GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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## Independent Auditor's Report to the Members of Litchfield Council

We have audited the accompanying financial report of Litchfield Council, which comprises the statement of financial position and statement of working capital as at 30 June 2013, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management's statement.

### *Management's Responsibility for the Financial Report*

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Northern Territory Local Government Act 2012, and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial report of Litchfield Council presents fairly, in all material respects, the Council's financial position as at 30 June 2013 and financial performance for the year then ended in accordance with Australian Accounting Standards and Northern Territory Local Government Act 2012.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



Julie Crisp  
Partner  
Chartered Accountants  
Darwin, 4 November 2013



**LITCHFIELD COUNCIL**

**CHIEF EXECUTIVE OFFICER'S STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2013**

I, Russell Anderson, the Chief Executive Officer of the Litchfield Council, certify that the Annual Financial Statements:

- (a) have been drawn up properly in accordance with all applicable Accounting Standards, the applicable Local Government Act and Local Government (Accounting) Regulations so as to present fairly the financial position of the Council, its results and cash flows for the year ended 30 June 2013; and
- (b) are in accordance with the accounting and other records of the Council.



Chief Executive Officer  
4 November 2013

## LITCHFIELD COUNCIL

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>OPERATING REVENUE</b>			
Rates and annual charges	3A	7,415,613	6,912,580
Interest revenue	3B	1,122,328	1,309,061
Grants and contributions provided for operating purposes	3C	2,657,957	2,682,650
Other operating revenue	3D	1,280,765	1,102,954
Profit from disposal of assets	5	29,858	-
<b>Total Operating Revenue</b>		<b>12,506,521</b>	<b>12,007,245</b>
<b>OPERATING EXPENSES</b>			
Employee costs	4A	3,893,287	2,524,007
Materials and contracts		4,813,107	8,657,464
Depreciation and amortisation	4B	4,609,204	11,133,117
Other operating expenses	4C	1,989,790	2,729,425
Loss from disposal of assets	5	159,410	2,289,623
Land Under Roads derecognised	1(e)	2,462,735	-
<b>Total Operating Expenses</b>		<b>17,927,533</b>	<b>27,333,636</b>
<b>OPERATING RESULTS (DEFICIT) BEFORE CAPITAL AMOUNTS</b>		<b>(5,421,012)</b>	<b>(15,326,391)</b>
Grants and contributions provided for capital purposes	3E	4,203,817	1,161,081
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>		<b>(1,217,195)</b>	<b>(14,165,310)</b>
<b>Other Comprehensive Income</b>			
Asset revaluation reserve		44,687,314	62,071,029
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>43,470,119</b>	<b>47,905,719</b>

# LITCHFIELD COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	16,609,144	15,318,802
Receivables	7	3,908,040	4,530,362
<b>Total current assets</b>		<b>20,517,184</b>	<b>19,849,164</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	263,952,642	215,986,022
Work in progress	1d	3,269	3,563,538
<b>Total non-current assets</b>		<b>263,955,911</b>	<b>219,549,560</b>
<b>Total Assets</b>		<b>284,473,095</b>	<b>239,398,724</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Creditors	9	4,611,907	3,271,276
Provisions	9	341,593	118,243
<b>Total current liabilities</b>		<b>4,953,500</b>	<b>3,389,519</b>
<b>Non-current liabilities</b>			
Provisions	9	80,375	40,104
<b>Total non-current liabilities</b>		<b>80,375</b>	<b>40,104</b>
<b>Total Liabilities</b>		<b>5,033,875</b>	<b>3,429,623</b>
<b>Net Assets</b>		<b>279,439,220</b>	<b>235,969,101</b>
<b>EQUITY</b>			
Accumulated surplus		47,383,633	55,090,763
Asset revaluation reserve	17	219,966,152	175,278,838
Other reserves	17	12,089,435	5,599,500
<b>Total Equity</b>		<b>279,439,220</b>	<b>235,969,101</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

## LITCHFIELD COUNCIL

### STATEMENT OF WORKING CAPITAL AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	6	16,609,144	15,318,802
Receivables	7	<u>3,908,040</u>	<u>4,530,362</u>
<b>Total current assets</b>		<u>20,517,184</u>	<u>19,849,164</u>
<b>Current liabilities</b>			
Creditors	9	4,611,907	3,271,276
Provisions	9	<u>341,593</u>	<u>118,243</u>
<b>Total current liabilities</b>		<u>4,953,500</u>	<u>3,389,519</u>
<b>Net current assets</b>		<u>15,563,684</u>	<u>16,459,645</u>
<b>Current ratio</b> (This is the ratio of current assets to current liabilities)		4.1:1	5.9:1

The Statement of Working Capital should be read in conjunction with the accompanying notes.

## LITCHFIELD COUNCIL

### STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Accumulated Surplus</b>			
Balance at beginning of reporting year		55,090,763	68,208,353
Change in net assets resulting from operations		(1,217,195)	(14,165,310)
Transfers to other reserves		(6,586,254)	-
Transfers from other reserves		96,319	1,047,720
Balance at end of the reporting year		<u>47,383,633</u>	<u>55,090,763</u>
<b>Asset Revaluation Reserve</b>			
Balance at beginning of reporting year		175,278,838	113,207,809
Other comprehensive income for the year		44,687,314	62,071,029
Balance at end of the reporting year	17	<u>219,966,152</u>	<u>175,278,838</u>
<b>Other Reserves</b>			
Balance at beginning of reporting year		5,599,500	6,647,220
Transfers to reserves		(96,319)	(1,047,720)
Transfers from accumulated surplus		6,586,254	-
Balance at end of the reporting year	17	<u>12,089,435</u>	<u>5,599,500</u>
<b>Total equity at end of the reporting year</b>		<u><b>279,439,220</b></u>	<u><b>235,969,101</b></u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## LITCHFIELD COUNCIL

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from rates and annual charges		8,176,923	8,288,937
Interest received		854,485	1,454,431
Operating grants and contributions		3,007,994	3,280,687
Capital grants and contributions		1,744,374	-
Receipt of monies held in trust		75,763	-
Other operating receipts		1,505,891	1,152,350
Employee costs		(3,629,666)	(2,508,329)
Payments to suppliers		(3,817,571)	(7,454,164)
Other operating payments		(1,959,712)	(4,287,549)
Payments of monies held in trust		(11,863)	(22,675)
<b>Net cash flows from operating activities</b>	<b>10b</b>	<b>5,946,618</b>	<b>(96,312)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of assets		102,764	74,759
Acquisition of property, plant and equipment		(4,759,040)	(1,464,018)
<b>Net cash flows used in investing activities</b>		<b>(4,656,276)</b>	<b>(1,389,259)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,290,342</b>	<b>(1,485,571)</b>
Cash and cash equivalents at the beginning of the year		15,318,802	16,804,373
<b>Cash and cash equivalents at the end of the year</b>	<b>10a</b>	<b>16,609,144</b>	<b>15,318,802</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Note 1: Summary of Significant Accounting Policies**

This note sets out the principal accounting policies adopted in the preparation of the financial statements by Council as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**The Local Government Reporting Entity**

The consolidated fund through which the Council controls resources to carry on its functions has been included in the financial statements forming part of this report.

A summary of activities along with their contribution to the operating result and their net assets is provided at note 2(a). In the process of reporting on the local government as a single unit, all transactions and balances between those activities (for example, loans and transfers between activities) have been eliminated.

The Council is required under the Local Government Act to maintain a separate and distinct Trust Fund to account for all moneys and property received by the Council in trust which must be applied only for the purpose of, or in accordance with, the trusts relating to those moneys.

A separate statement of moneys held in the Trust Fund is available for inspection at the Council's office by any person free of cost.

**Statement of Compliance**

The financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards and Interpretations, the requirements of the Local Government Act, the Local Government (Accounting) Regulations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements were authorised for issue on 4 November 2013.

**Basis of Preparation**

The financial statements have been prepared on an accrual basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets. Historical cost is based on the fair value of the consideration given in exchange for assets.

All amounts are presented in Australian Dollars, unless otherwise noted.

**Critical Accounting Judgements**

In the application of the Council's accounting policies, management is required to make judgements, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements. Actual results may differ from these estimates.

**Adoption of New and Revised Accounting Standards**

In the current year, the Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

## LITCHFIELD COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 1: Summary of Significant Accounting Policies (Continued)

##### Adoption of New and Revised Accounting Standards (continued)

No new or revised Standards or Interpretations were adopted in the current period that have affected the presentation of information reported in these financial statements.

##### Future Australian Accounting Standard Requirements

The following Standards and Interpretations were issued but are not yet effective:

Standard	Effective annual reporting periods, beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9.	1 January 2013	30 June 2014
AASB 10: Consolidated Financial Statements	1 January 2013	30 June 2014
AASB 11: Joint Arrangements	1 January 2013	30 June 2014
AASB 12: Disclosure of Interests in Other Entities	1 January 2013	30 June 2014
AASB 13: Fair Value Measurements, AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 and AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements	1 January 2013	30 June 2014
AASB 119 (2011): Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2010-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1 January 2013	30 June 2014
AASB 127 (2011): Separate Financial Statements	1 January 2013	30 June 2014
AASB 128 (2011): Investments in Associates and Joint Ventures	1 January 2013	30 June 2014
AASB 2011-7 amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2013	30 June 2014
AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1 January 2013	30 June 2014

All other Standards and Interpretations on issue but not yet effective are not expected to have an impact on the Council

##### The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

###### (a) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

###### Rates

Rates are recognised as revenue when the Council obtains control over the asset comprising the receipt.

Rates are enforceable debt linked to rateable property that will be recovered when the property is sold, and therefore control normally passes at the time of levying, or where earlier upon receipt of rates paid in advance. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenues.

Uncollected rates are recognised as receivables. A provision is recognised when full collection is no longer probable.



**Note 1: Summary of Significant Accounting Policies (Continued)**

**(a) Revenue Recognition (continued)**

Grants and Other Contributions

Grants and other contributions are recognised as revenues when the Council obtains control over, or the right to receive the assets, it is probable that future economic benefits comprising the asset will flow to the Council, and the amount can be reliably measured.

Control over granted and contributed assets is normally obtained upon their receipt (or acquittal) or upon notification that a grant has been secured and is valued at the fair value at the date of transfer.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

Interest Revenue

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to Council and it can be measured reliably.

**(b) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position. The Council did not have an overdraft during the year.

**(c) Financial Assets**

The Council classifies its financial assets as loans and receivables and investments. The classification depends on the purpose for which the financial instrument was acquired. The Council determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment.

Impairment of Financial Assets

Financial assets are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition that indicates that it is probable that the entity will be unable to collect all amounts due.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

## LITCHFIELD COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 1: Summary of Significant Accounting Policies (Continued)

##### (c) Financial Assets (continued)

###### Impairment of Financial Assets (continued)

The carrying amount of financial assets, including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against an allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

###### Derecognition of Financial Assets

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Council recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Council retains substantially all the risk and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### (d) Work in Progress

Work in progress ("WIP") represents assets under construction not completed at year end. WIP is recognised at cost, less any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. WIP represents:

	2013	2012
	\$	\$
Roads and cycle tracks under construction	-	3,563,538
Certification of reserve buildings	3,269	-
	<u>3,269</u>	<u>3,563,538</u>

##### (e) Property, Plant and Equipment

###### Recognition of Property, Plant and Equipment

Property, plant and equipment is recognised at cost when control of the asset passes to the Council. Cost includes expenditure that is directly attributable to the acquisition. Cost related to property, plant and equipment gifted, donated or granted to the Council is the fair value of the asset plus costs directly attributable to the acquisition.

###### Land under roads

Council has elected not to value or recognise as an asset land under roads acquired prior to 1 July 2008 in accordance with the election available under AASB 1051.

Land under roads acquired from 1 July 2008 is not recognised as an asset as in the opinion of the Council the fair value of land under roads cannot be reliably determined.

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies (Continued)

(e) Property, Plant and Equipment (continued)

Land under roads (continued)

The aggregate effect of the change is as follows:

	2008/09	2009/10	2010/11	2011/12	Total
<b>Statement of financial position</b>					
Property, plant and equipment	(656,376)	(707,871)	(885,185)	(213,303)	(2,462,735)

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following depreciation rates were used for each class of asset:

	2013	2012
Buildings and infrastructure	10-70 years	10-70 years
Driveways	5-15 years	n/a
Plant and equipment, motor vehicles, office furniture and equipment	3-11 years	3-11 years
Sealed roads (bitumen)	30 years	30 years
Unsealed roads	n/a	10 years

Change in accounting policy

*Driveways*

Council is electing to recognise driveways in the 2012/13 financial year. The replacement value of driveways was determined by an independent valuation prepared by Maloney Field Services on 1 July 2011. In the prior year Council believed that the driveways did not meet the recognition criteria for an asset. Upon further investigation Council is satisfied that the asset now meets all components of the definition of an asset.

*Roads*

Unsealed roads will no longer be depreciated. The maintenance program results in the continued upkeep of the condition of the road. The maintenance program costs are expensed in the year the works are carried out. Only the bitumen component of a sealed road is depreciable as all components beneath this level do not deteriorate.

Council's change in accounting policy for depreciation of sealed and unsealed roads is a better representation of the fair value.

Valuation of Property, Plant and Equipment

*Land and buildings*

Subsequent to initial recognition, land is measured on a replacement cost basis less impairment losses. Buildings have been measured on a depreciated replacement value basis less any impairment losses. The replacement value of land was determined by an independent valuation prepared by the Australian Valuation Office (South Australia) on 30 June 2006. The replacement value of buildings was determined by an independent valuation prepared by Maloneys Field Services on 1 July 2011.

In respect of land and buildings and plant and equipment, the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets are restated separately.

## LITCHFIELD COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 1: Summary of Significant Accounting Policies (Continued)

##### (e) Property, Plant and Equipment (continued)

###### Valuation of Property, Plant and Equipment (continued)

###### *Office equipment, motor vehicle and plant and equipment*

Office equipment, motor vehicles and plant and equipment have not been valued and are measured at cost less accumulated depreciation and any impairment losses.

###### *Infrastructure assets*

Infrastructure assets are measured at replacement cost less accumulated depreciation. The replacement cost adopted for 2012/2013 is as follows:

Sealed roads	\$ 326,000
Unsealed roads	\$ 250,000
Formed roads	\$ 73,000

These rates are the valuation rates plus 4.5% which is equivalent to the increase of costs by contractors.

The valuation was performed by an independent valuation consultant (Maloney Field Services) and the effective date of the revaluation was 1 July 2011. The valuation is performed every 5 years.

###### *Revaluation increments and decrements*

Revaluation increments and decrements arising from recognising these assets at valuation are offset against one another within the class of assets. Net revaluation increments in the carrying amounts of these assets are recognised directly in the Asset Revaluation Reserve, except to the extent that the increment reverses a decrement that was previously recognised as an expense in the net profit or loss in respect of the same class of assets in which case the increment is recognised as revenue in the net profit or loss. Net revaluation decrements in carrying amounts are recognised as an expense in the net profit or loss, except to the extent that the decrement reverses a previous revaluation increment in respect of the same class of asset credited directly to the asset revaluation reserve, in which case the decrement is debited directly to the reserve to the extent that the credit exists in respect of the same class of assets.

###### *Impairment of Assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of the Council such as roads, cycle paths, public buildings and the like, value in use is represented by the deprival value of the asset, approximated by written down replacement cost.

##### (f) Financial Liabilities

###### Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

##### (g) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**(g) Employee Benefits**

*Employee benefits expected to be settled within 12 months*

Provisions in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

*Employee benefits not expected to be settled within 12 months*

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the entity in respect of services provided by the employees up to reporting date.

*Superannuation*

Upon employment the Council's employees are able to elect a defined contribution superannuation plan including Local Government Superannuation Scheme established in respect of certain municipalities in South Australia and the Northern Territory.

**(h) Budget Information**

Note 2(a) provides budget information of revenues and expenditure of each of the major activities of the Council. Budget figures represented are those approved by Council at the beginning of the financial year.

**(i) Income Tax**

The Council is tax exempt under Sec 50-25 of the Income Tax Assessment Act 1997, being a local governing body.

**(j) Goods and Services Tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to, the Australian Taxation Authority is included as part of receivables or payables.

**(k) Rounding of Amounts**

Unless otherwise indicated, amounts in the financial report have not been rounded and are presented in full dollars.

**(l) Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

*Useful lives of property, plant and equipment*

The Council reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. The estimated useful lives are disclosed at note 1(e).

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

Note 2(a): Functions

Revenues, expenses and assets have been attached to the following functions/activities. The Council believes that it is not practical to reliably attribute the carrying amounts of the assets to the functions/activities.

	General Public Services			Public Order and Safety			Economic Affairs		
	Budget 2013	Actual 2013	Actual 2012	Budget 2013	Actual 2013	Actual 2012	Budget 2013	Actual 2013	Actual 2012
<b>Operating Revenue</b>									
Rates	5,048,900	5,281,409	4,823,591	-	-	-	-	-	-
User fees and charges	21,000	34,224	27,401	13,000	30,627	-	5,000	25,128	6,102
Interest	675,000	1,038,451	1,211,904	-	-	-	-	-	-
Other operating revenues	-	10,368	15,030	1,000	145	20,058	-	17,081	269,260
Grants - NT recurrent	1,300	1,000	1,300	-	-	-	-	-	-
Grants - NT capital	-	-	14	-	-	-	-	171,877	15,181
Grants - C'th recurrent	420,088	420,088	404,798	-	-	-	2,236,869	2,236,869	2,276,538
Grants - C'th capital	-	-	-	-	-	-	1,197,185	919,426	410,540
Contributions and donations	-	-	-	-	-	-	288,000	440,084	735,360
Gain on disposal of assets	-	-	-	-	-	-	-	27,313	-
<b>Total revenues</b>	6,166,288	6,785,540	6,484,038	14,000	30,772	20,058	3,727,054	3,837,778	3,712,981
<b>Operating Expenditure</b>									
Employee benefits	1,166,642	1,232,706	995,336	235,532	254,384	179,412	1,327,070	1,162,777	594,877
Materials and contracts	84,000	91,391	-	2,000	7,996	1,833	2,199,709	2,308,215	2,790,745
Interest charges	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	1,081,392	1,019,103	-	9,301	-	-	3,466,191	10,113,793
Other operating expenses	1,365,997	1,230,361	1,009,008	84,100	89,062	99,509	319,318	365,841	2,711,661
Loss on disposal of assets	136,000	37,868	-	25,000	398	-	9,034,965	121,143	-
Total expenditure	2,752,639	3,673,718	3,023,447	346,632	361,141	280,754	12,881,062	7,424,167	16,211,076
<b>Net Surplus/(Deficit)</b>	3,413,649	3,111,822	3,460,591	(332,632)	(330,369)	(260,696)	(9,154,008)	(3,586,389)	(12,498,095)

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

Note 2(a): Functions (continued)

	Environmental Protection		Housing and Community		Health	
	Budget 2013	Actual 2013	Budget 2013	Actual 2013	Budget 2013	Actual 2013
<b>Operating Revenue</b>						
Rates	2,151,927	2,134,204	-	-	-	-
User fees and charges	96,348	147,076	-	-	-	-
Interest	-	76,937	-	-	-	-
Other operating revenues	-	52,781	-	-	-	-
Grants - NT recurrent	-	-	-	-	-	-
Grants - NT capital	-	-	-	-	-	-
Grants - C'th recurrent	-	-	-	-	-	-
Grants - C'th capital	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-	-
<b>Total revenues</b>	<b>2,248,275</b>	<b>2,410,998</b>	-	-	-	-
<b>Operating Expenditure</b>						
Employee benefits	717,462	862,345	-	-	-	-
Materials and contracts	1,277,800	1,367,524	-	-	-	-
Interest charges	-	-	-	-	-	-
Depreciation and amortisation	-	52,320	-	-	-	-
Other operating expenses	128,200	157,655	10,000	10,000	-	-
Loss on disposal of assets	75,000	-	-	-	-	-
<b>Total expenditure</b>	<b>2,198,462</b>	<b>2,439,844</b>	<b>10,000</b>	<b>10,000</b>	<b>13,000</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>	<b>49,813</b>	<b>(28,846)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(13,000)</b>	<b>-</b>

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

Note 2(a): Functions (continued)

	Recreation, Culture and Religion		Education		Social Protection	
	Budget 2013	Actual 2013	Budget 2013	Actual 2013	Budget 2013	Actual 2013
<b>Operating Revenue</b>						
Rates	-	-	-	-	-	-
User fees and charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other operating revenues	-	-	-	-	-	-
Grants - NT recurrent	-	-	-	-	-	-
Grants - NT capital	124,695	124,695	-	-	-	-
Grants - C'th recurrent	-	-	-	-	-	-
Grants - C'th capital	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-	-
<b>Total revenues</b>	124,695	124,695	-	-	-	-
<b>Operating Expenditure</b>						
Employee benefits	-	-	-	-	-	-
Materials and contracts	757,068	766,283	897,170	-	-	-
Interest charges	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Other operating expenses	-	-	4,000	3,000	-	-
Loss on disposal of assets	-	-	-	-	-	-
<b>Total expenditure</b>	757,068	766,283	897,170	3,000	4,000	-
<b>Net Surplus/(Deficit)</b>	(632,373)	(641,588)	(897,170)	(4,000)	(3,000)	-



LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

Note 2(a): Functions (continued)

	Cemetery		Eliminations		Total	
	Budget 2013 \$	Actual 2013 \$	Budget 2013 \$	Actual 2013 \$	Budget 2013 \$	Actual 2013 \$
<b>Operating Revenue</b>						
Rates	-	-	-	-	7,200,827	7,415,613
User fees and charges	703,001	945,244	-	-	838,349	1,182,299
Interest	5,000	6,940	-	-	680,000	1,122,328
Other operating revenues	18,200	18,091	-	-	19,200	98,466
Grants - NT recurrent	-	-	-	-	1,300	1,000
Grants - NT capital	85,000	85,000	-	-	209,695	381,572
Grants - C'th recurrent	-	-	-	-	2,656,957	2,656,957
Grants - C'th capital	-	-	-	-	1,197,185	919,426
Contributions and donations	-	-	-	-	288,000	440,084
Gain on disposal of assets	6,000	2,545	-	-	6,000	29,858
<b>Total revenues</b>	<b>817,201</b>	<b>1,057,820</b>	<b>-</b>	<b>-</b>	<b>13,097,513</b>	<b>14,247,603</b>
<b>Operating Expenditure</b>						
Employee benefits	393,396	381,075	-	-	3,840,102	3,893,287
Materials and contracts	437,300	271,698	-	-	4,757,877	4,813,107
Interest charges	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Other operating expenses	107,700	133,872	-	-	2,019,315	1,989,791
Loss on disposal of assets*	-	-	-	-	9,270,965	159,409
<b>Total expenditure</b>	<b>938,396</b>	<b>786,645</b>	<b>-</b>	<b>-</b>	<b>19,888,259</b>	<b>15,464,798</b>
<b>Net Surplus/(Deficit)</b>	<b>(121,195)</b>	<b>271,175</b>	<b>(1,002,265)</b>	<b>-</b>	<b>(6,790,746)</b>	<b>(1,217,195)</b>

\* Refer Economic Affairs - Variance is due to no budget amendment at year end

## LITCHFIELD COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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#### Note 2(b): Components of Functions

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

##### **General Public Services**

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services. Also includes, where applicable, natural disaster relief.

##### **Public Order and Safety**

Fire protection, local emergency services, animal control and impounding, control of public places, control of signs, boarding and advertising.

##### **Economic Affairs**

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

##### **Environmental Protection**

Waste management, pollution reduction, protection of biodiversity and landscape and protection and remediation of soil, groundwater and surface water.

##### **Housing and Community**

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

##### **Health**

No services provided.

##### **Recreation, Culture and Religion**

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

##### **Education**

No services provided.

##### **Social Protection**

No services provided.

##### **Cemetery**

The activities include burials, cremations, chapel hire, niche walls and garden of angels for children.

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
<b>Note 3: Revenue and Other Income</b>		
<b>Note 3A Rates and Annual Charges</b>		
<i>Ordinary rates</i>		
Residential	7,415,613	6,912,580
<b>Total rates and annual charges</b>	<b>7,415,613</b>	<b>6,912,580</b>
<b>Note 3B Interest</b>		
Interest on overdue rates and charges	341,251	396,122
Interest on investments	781,077	912,939
<b>Total interest revenue</b>	<b>1,122,328</b>	<b>1,309,061</b>
<b>Note 3C Grants and Contributions for Operating Purposes</b>		
<i>General purpose grants (untied)</i>		
FAG - General purpose component	420,088	404,798
FAG - Road component	2,236,869	2,276,538
	<b>2,656,957</b>	<b>2,681,336</b>
<i>Northern Territory operating grants</i>		
Special purpose grants - ADC NT Regional Grant	1,000	1,314
	<b>1,000</b>	<b>1,314</b>
<b>Total general purpose grants (untied)</b>	<b>2,657,957</b>	<b>2,682,650</b>
<b>Total grants and contributions for operating purposes</b>	<b>2,657,957</b>	<b>2,682,650</b>
<b>Note 3D Other Operating Revenues</b>		
Cemetery income	945,244	685,630
Rent	18,091	14,318
Other	317,430	403,006
<b>Total other operating revenue</b>	<b>1,280,765</b>	<b>1,102,954</b>

# LITCHFIELD COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

<b>Note 3: Operating Revenues (continued)</b>		
	2013	2012
	\$	\$
<b>Note 3E Grants and Contributions for Capital Purposes</b>		
<i>Nothern Territory Capital Grants</i>		
Special purpose grants - Departments of Infrastructure, Transport, Regional Development and Local Government	230,455	15,181
Special purpose grants - NT Government	124,695	-
Special purpose grants - Department of Lands, Planning and the Environment	26,422	-
<b>Total Northern Territory capital grants</b>	<u>381,572</u>	<u>15,181</u>
<i>Commonwealth Capital Grants</i>		
Specific purpose - Roads to Recovery 2 (Auslink)	919,426	410,540
<b>Total Commonwealth capital grants</b>	<u>919,426</u>	<u>410,540</u>
<b>Total capital grants</b>	<u>1,300,998</u>	<u>425,721</u>
<i>Contributions</i>		
Developer contributions:		
Road works - capital	2,902,819	735,360
<b>Total contributions</b>	<u>2,902,819</u>	<u>735,360</u>
<b>Total grants and contributions for capital purposes</b>	<u>4,203,817</u>	<u>1,161,081</u>
<b>Note 4: Operating Expenses</b>		
<b>Note 4A Employee costs</b>		
Salaries and wages	3,257,894	2,090,553
Employee leave benefits	240,186	127,795
Superannuation	305,210	204,511
Workers compensation insurance	24,802	49,321
Fringe benefit tax	10,697	11,935
Other - training costs (excluding salaries)	54,498	39,892
<b>Total operating employee costs</b>	<u>3,893,287</u>	<u>2,524,007</u>
<b>Note 4B Depreciation and Amortisation</b>		
Buildings	924,982	806,848
Infrastructure: Roads, bridges and footpaths	3,355,367	10,113,793
Office equipment and plant and equipment	167,861	164,337
Motor vehicles	160,994	48,139
<b>Total Depreciation and Amortisation</b>	<u>4,609,204</u>	<u>11,133,117</u>

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

**Note 4: Operating Expenses (continued)**

	2013 \$	2012 \$
<b>Note 4C Other Operating Expenses</b>		
Auditor's remuneration:		
- Audit services	42,000	40,000
- Other services	57,180	62,913
Legal expenses	117,323	95,455
Mayoral and deputy mayoral allowance	112,478	34,274
Elected members' fees and allowances	69,936	65,494
Insurance	188,262	147,946
Electricity	125,618	114,536
Telephone	66,922	63,710
Other	1,210,071	2,105,097
<b>Total other operating expenses</b>	<u>1,989,790</u>	<u>2,729,425</u>

**Note 5: Gain or Loss on Disposal of Assets**

*Gain (or loss) on disposal of plant and equipment*

Gain on disposal of assets	29,858	-
Loss on disposal of assets	159,410	2,289,623
<b>Total (loss)/gain on disposal of assets</b>	<u>(129,552)</u>	<u>(2,289,623)</u>

**Note 6: Cash and Cash Equivalents**

	2013 \$	2012 \$
<b>Cash</b>		
Cash at bank	1,627,205	1,950,649
Short term deposits	14,980,489	13,366,903
Change advance and petty cash	1,450	1,250
<b>Total cash</b>	<u>16,609,144</u>	<u>15,318,802</u>
<i>Total cash consists of:</i>		
Current cash	16,609,144	15,318,802
<b>Total cash and cash equivalents available</b>	<u>16,609,144</u>	<u>15,318,802</u>
<b>Restricted Cash and Cash Equivalents Summary</b>		
<i>Purpose</i>		
<b>External restrictions</b>		
- Included in liabilities	-	-
- Included in revenue	110,002	-
<b>Total external restrictions</b>	<u>110,002</u>	<u>-</u>

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

**Note 6: Cash and Cash Equivalents (continued)**

	2013 \$	2012 \$
<b>Internal restrictions</b>		
Included in liabilities:		
- Employee leave benefits	421,968	158,347
Included in reserves:		
- Cemetery reserves	484,228	254,263
- Infrastructure development levy reserve	1,078,319	-
<b>Total internal restrictions</b>	<u>1,984,515</u>	<u>412,610</u>
Total unrestricted	<u>14,514,627</u>	<u>14,906,192</u>
<b>Total cash and cash equivalents available</b>	<u>16,609,144</u>	<u>15,318,802</u>

**Note 7: Receivables**

<b>Unrestricted receivables</b>		
<i>Purpose</i>		
Rates and annual charges	3,430,097	4,360,445
Accrued revenues (interest)	288,825	20,982
Other	189,118	317,973
Total	<u>3,908,040</u>	<u>4,699,400</u>
Less: Provision for doubtful debts	-	(169,038)
<b>Total unrestricted receivables</b>	<u>3,908,040</u>	<u>4,530,362</u>
Restricted receivables	-	-
<b>Total restricted receivables</b>	-	-
<b>Total receivables</b>	<u>3,908,040</u>	<u>4,530,362</u>
<b>Total receivables are aged as follows:</b>		
Current	878,671	338,955
30 to 60 days	19,029	-
60 to 90 days	-	-
More than 90 days	3,010,340	4,360,445
<b>Total receivables</b>	<u>3,908,040</u>	<u>4,699,400</u>

The average credit period on rates and other receivables is 30 days. No interest is charged for the first 30 days from the date of invoice. Thereafter, interest is charged at 17% per annum on the outstanding balance. The Council has recognised an allowance for doubtful debts for all properties that are not able to have a statutory charge applied because there is a limited means of being able to recover this income.

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

**Note 7: Receivables (continued)**

	2013	2012
	\$	\$
<i>Age of receivables that are past due but not impaired:</i>		
30 to 60 days	19,029	-
60 to 90 days	-	-
More than 90 days	3,010,340	4,191,407
<b>Total past due but not impaired</b>	<u>3,029,369</u>	<u>4,191,407</u>

There is no allowance for doubtful debts included in trade receivables (30 June 2012: \$169,038).

<i>Age of impaired receivables:</i>		
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	-	169,038
<b>Total impaired receivables</b>	<u>-</u>	<u>169,038</u>

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

	Property, Plant and Equipment						Carrying amount movements during the year						2013		
	\$			\$			\$			\$			\$		
	At cost/ Fair value	Accumulated depreciation	Carrying amount	Asset purchases	Asset disposals (cost)	Asset disposals (depreciation)	Asset reclassifications (cost)	Asset reclassifications (depreciation)	Depreciation expense	Revaluation (cost)	Revaluation (depreciation)	At cost/ Fair value	Accumulated depreciation	Carrying amount	
<b>Unrestricted</b>															
Land	6,053,735	-	6,053,735		(2,462,735)				(924,982)			3,591,000	-	3,591,000	
- Council owned (freehold)	29,705,627	(11,814,952)	17,890,675	80,695								29,786,322	(12,739,934)	17,046,388	
Buildings															
Infrastructure:															
- Sealed roads	176,154,191	(60,965,770)	115,188,421	8,346,936	(327,600)	6,552			(1,423,425)	10,714,612	40,548,959	194,888,139	(21,833,684)	173,054,455	
- Unsealed roads	77,572,382	(36,113,391)	41,458,991	146,400						(44,959,096)	36,113,391	32,759,686	-	32,759,686	
- Culverts	27,421,951	(8,671,785)	18,750,166	150,859					(438,858)			27,572,810	(9,110,643)	18,462,167	
- Kerbs and gutters	1,123,083	(453,984)	669,099						(21,339)			1,123,083	(475,323)	647,760	
- Driveway vehicle crossings	20,774,068	(8,890,047)	11,884,021						(383,265)			20,774,068	(9,273,312)	11,500,756	
- Footpaths	450,796	(199,273)	251,523						(13,367)			450,796	(212,640)	238,156	
- Road signs	2,387,150	(401,556)	1,985,594						(156,827)			2,387,150	(558,383)	1,828,767	
- Inverts	26,320	(9,893)	16,427						(877)			26,320	(10,770)	15,550	
- Point Generic	495,502	(197,459)	298,043		(43,250)	38,925			(22,529)	(4,325)		452,252	(181,063)	271,189	
- Driveways									(877,540)	8,734,805	(5,342,106)	8,734,805	(6,219,646)	2,515,159	
- Bicycle Paths	638,870	(202,625)	436,245									638,870	(219,966)	418,904	
Office Equipment	687,212	(320,218)	366,994		(93,818)	61,738	(9,400)	3,144	(17,341)			583,994	(379,743)	204,251	
Plant and Equipment	622,171	(139,311)	482,860	34,894	(168,588)	91,949	(202,552)	16,645	(43,454)			285,925	(74,171)	211,754	
Other Assets															
- Other Structures	21,229	(21,229)	-									21,229	(21,229)	-	
- Motor Vehicles	343,383	(90,155)	253,228	1,028,977	(190,014)	63,339	211,952	(19,789)	(160,993)			1,394,298	(207,598)	1,186,700	
<b>Total unrestricted</b>	344,477,670	(128,491,648)	215,986,022	9,788,761	(3,286,005)	262,503	-	-	(4,609,204)	(25,514,004)	71,320,244	325,470,747	(61,518,105)	263,952,642	



LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

**Note 8: Property, Plant and Equipment**

	2012			Carrying amount movements during the year							2013			
	At cost/ Fair value	Accumulated depreciation	Carrying amount	Asset purchases	Asset disposals (cost)	Asset disposals (depreciation)	Asset reclassifications (cost)	Asset reclassifications (depreciation)	Depreciation expense	Revaluation (cost)	Revaluation (depreciation)	At cost/ Fair value	Accumulated depreciation	Carrying amount
	\$													
Restricted														
Land														
Buildings														
Infrastructure														
Office Equipment														
Plant and Equipment														
Other Assets														
<b>Total restricted</b>	<b>344,477,670</b>	<b>(128,491,648)</b>	<b>215,986,022</b>	<b>9,788,761</b>	<b>(823,270)</b>	<b>262,503</b>	<b>-</b>	<b>-</b>	<b>(4,609,204)</b>	<b>(27,976,739)</b>	<b>71,320,244</b>	<b>325,470,747</b>	<b>(61,518,105)</b>	<b>263,952,642</b>
<b>Total unrestricted and restricted</b>														

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

Note 8: Property, Plant and Equipment

	2011				Carrying amount movements during the year							2012			
	At cost/ Fair value	Accumulated depreciation	Carrying amount		Asset purchases	Asset disposals (cost)	Asset disposals (depreciation)	Asset reclassifications (cost)	Asset reclassifications (depreciation)	Depreciation expense	Revaluation (cost)	Revaluation (depreciation)	At cost/ Fair value	Accumulated depreciation	Carrying amount
	\$														
<b>Unrestricted</b>															
Land															
- Council owned (freehold)	5,840,432	-	5,840,432	213,303									6,053,735	-	6,053,735
Buildings	16,708,562	(7,866,098)	8,842,464	271,464						(806,848)	12,725,601	(3,142,006)	29,705,627	(11,814,952)	17,890,675
Infrastructure:															
- Sealed roads	133,881,380	(11,205,674)	122,675,706	1,563,120	(675,973)	137,056				(4,936,587)	41,385,664	(44,960,565)	176,154,191	(60,965,770)	115,188,421
- Unsealed roads	30,621,770	(3,541,457)	27,080,313	-	(4,195,897)	2,418,600				(4,122,541)	51,146,509	(30,867,993)	77,572,382	(36,113,391)	41,458,991
- Culverts	-	-	-	463,306	-	-	-			(433,506)	26,958,645	(8,238,279)	27,421,951	(8,671,785)	18,750,166
- Kerbs and gutters	-	-	-	-	-	-				(21,339)	1,123,083	(432,645)	1,123,083	(453,984)	669,099
- Driveaway vehicle crossings	-	-	-	-	-	-				(385,265)	20,774,068	(8,504,782)	20,774,068	(8,890,047)	11,884,021
- Footpaths	-	-	-	-	-	-				(13,367)	450,796	(185,906)	450,796	(199,273)	251,523
- Road signs	-	-	-	-	-	-				(159,143)	2,387,150	(242,413)	2,387,150	(401,556)	1,985,594
- Inverts	-	-	-	-	-	-				(877)	26,320	(9,015)	26,320	(9,893)	16,427
- Point Generic	-	-	-	-	-	-				(23,827)	495,502	(173,632)	495,502	(197,459)	298,043
- Bicycle Paths	-	-	-	-	-	-				(17,341)	638,870	(185,284)	638,870	(202,625)	436,245
Office Equipment	780,354	(295,600)	484,754	75,297	-	-				(130,020)	(168,439)	105,402	687,212	(320,218)	366,994
Plant and Equipment	-	-	-	473,732	-	-				(33,909)	148,439	(105,402)	622,171	(139,311)	482,860
Other Assets	-	-	-	-	-	-				-	-	-	-	-	-
- Heritage Collection	-	-	-	-	-	-				-	-	-	-	-	-
- Library Books	-	-	-	-	-	-				-	-	-	-	-	-
- Other Structures	21,229	(21,229)	-	-	-	-				-	-	-	-	-	-
- Motor Vehicles	255,305	(52,746)	202,559	146,977	(58,899)	10,731				(48,140)	-	-	21,229	(21,229)	-
- Other	-	-	-	-	-	-				-	-	-	-	(90,155)	253,228
<b>Total unrestricted</b>	<b>188,109,032</b>	<b>(22,982,804)</b>	<b>165,126,228</b>	<b>3,207,199</b>	<b>(4,930,769)</b>	<b>2,566,387</b>				<b>(11,132,710)</b>	<b>158,092,208</b>	<b>(96,942,520)</b>	<b>344,477,670</b>	<b>(128,491,648)</b>	<b>215,986,022</b>

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

Note 8: Property, Plant and Equipment

	2011 \$				Carrying amount movements during the year \$						2012 \$				
	At cost/ Fair value	Accumulated depreciation	Carrying amount		Asset purchases	Asset disposals (cost)	Asset disposals (depreciation)	Asset reclassifications (cost)	Asset reclassifications (depreciation)	Depreciation expense	Revaluation (cost)	Revaluation (depreciation)	At cost/ Fair value	Accumulated depreciation	Carrying amount
<b>Restricted</b>															
Land															
Buildings															
Infrastructure															
Office Equipment															
Plant and Equipment															
Other Assets															
<b>Total restricted</b>															
<b>Total unrestricted/restricted</b>	<b>188,109,032</b>	<b>(22,982,804)</b>	<b>165,126,228</b>		<b>3,207,199</b>	<b>(4,930,769)</b>	<b>2,566,387</b>	<b>-</b>	<b>-</b>	<b>(11,132,710)</b>	<b>158,092,208</b>	<b>(96,942,520)</b>	<b>344,477,670</b>	<b>(128,491,648)</b>	<b>215,986,022</b>

**LITCHFIELD COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**Note 9: Creditors and Provisions**

	2013	2012
	\$	\$
<i>Creditors</i>		
Goods and services	597,234	1,303,702
Payments received in advance	1,944,366	1,759,442
Other payables	<u>2,070,307</u>	<u>208,132</u>
<b>Total creditors</b>	<u><b>4,611,907</b></u>	<u><b>3,271,276</b></u>
<i>Total creditors consist of:</i>		
Current creditors	<u>4,611,907</u>	<u>3,271,276</u>
<b>Total creditors</b>	<u><b>4,611,907</b></u>	<u><b>3,271,276</b></u>
Settlement of trade creditors averages net 30 days.		
<i>Provisions</i>		
Annual leave - current	317,166	100,789
Annual leave - non current	18,431	-
Long service leave - current	21,681	15,353
Long service leave - non current	61,944	40,104
Other	<u>2,746</u>	<u>2,101</u>
<b>Total provisions</b>	<u><b>421,968</b></u>	<u><b>158,347</b></u>
<i>Total provisions consist of:</i>		
Current provisions	<u>341,593</u>	<u>118,243</u>
Non current provisions	<u>80,375</u>	<u>40,104</u>
<b>Total provisions</b>	<u><b>421,968</b></u>	<u><b>158,347</b></u>

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
<b>Note 10: Statement of Cash Flows</b>		
For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and "at call" deposits with financial institutions. Term deposits with maturity period of 90 days or less 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 Statement of Financial Position as follows:		
<b>(a) Reconciliation of Cash and Cash Equivalents</b>		
Cash on hand and at bank	1,628,655	1,951,899
Term deposits	14,980,489	13,366,903
<b>Balance as per Statement of Cash Flows</b>	<b>16,609,144</b>	<b>15,318,802</b>
<b>(b) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities</b>		
Net operating surplus/(deficit) for the year	(1,217,195)	(14,165,310)
Non cash transactions:		
Depreciation and amortisation	4,609,204	11,133,117
Net Loss/(Gain) on disposal of property, plant and equipment	129,552	2,289,623
Land Under Roads derecognised	2,462,735	-
Other non cash expenses	30,078	(221)
Contributed assets	(2,294,330)	(469,145)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	622,322	480,064
Increase/(decrease) in liabilities:		
Trade and other creditors	1,340,631	736,829
Provisions	263,621	(101,269)
<b>Net Cash Flows from/(used by) Operating Activities</b>	<b>5,946,618</b>	<b>(96,312)</b>
<b>(c) Non-cash financial and investing activities</b>		
Contributed assets from external parties	2,294,330	469,145

The Council does not have any other non-cash financing and investing activities.

**(d) Financing facilities**

The Council does not have in place any financing facilities or arrangements.

**LITCHFIELD COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$

**Note 11: Commitments for Expenditure**

**(a) Capital commitments**

There were no capital commitments at 30 June 2013 or 2012.

**(b) Finance lease commitments**

There were no finance lease commitments at 30 June 2013 or 2012.

**(c) Operating leases**

There were no commitments under non-cancellable operating leases at 30 June 2013 or 2012.

**(d) Other expenditure commitments**

There were no other expenditure commitments at 30 June 2013 or 2012.

**Note 12: Performance Indicators**

	Actual 2013		Actual 2012	
	Amounts \$	Indicators	Amounts \$	Indicators
<b>1. Current ratio</b>				
<u>Current assets- external restricted assets</u>	20,407,182	Ratio	19,849,164	Ratio
Current liabilities	4,953,500	<b>4.1:1</b>	3,389,519	5.9:1
<b>2. Debt service ratio</b>				
<u>Net debt service cost</u>	-		-	
Operating revenue	12,506,521	<b>0%</b>	12,005,931	0%
<b>3. Rate coverage ratio</b>				
<u>Rate revenue</u>	7,415,613		6,912,580	
Total revenue	12,506,521	59%	12,005,931	58%
<b>4. Rates and annual charges outstanding percentages</b>				
<u>Rates and annual charges outstanding</u>	3,430,097		4,360,445	
Rates and annual charges collectible	7,415,613	46%	6,912,580	63%

**LITCHFIELD COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
<b>Note 13: Conditions Over Grants and Contributions</b>		
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	-	-
Less:		
Expended during the current reporting period from revenues recognised in previous reporting periods	-	-
Plus:		
Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions	<b>110,002</b>	-
Unexpended at the close of the current reporting period and held as restricted assets	<b>110,002</b>	-
Net increase (decrease) in restricted assets in the current reporting period	<b>110,002</b>	-

**Note 14: Financial Instruments**

**Note 14(a) Financial Risk Management Policies**

The Council's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables and borrowings.

The Council does not have any derivative instruments as at 30 June 2013.

The main risks the Council is exposed to through its financial instruments are liquidity risk, credit risk and interest rate risk.

*Risk Management Objectives*

The Council has given the Corporate Service Manager the power to invest funds of the Council. The Council's objective is to minimise financial risk by investing only in short term deposits with local banks. Before any investments are made, banks are contacted by the Corporate Service Manager to obtain available rates, the Corporate Service Manager will present the information to the Chief Executive Officer, the Governance Manager and the Committee to approve the investment to be made. Monthly reports on investments are prepared and presented at Council meetings. The Chief Executive Officer and Governance Manager of the Council receive monthly investment summaries from banks confirming the amount of investments.

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

**Note 14: Financial Instruments (continued)**

**Note 14(b) Interest rate risk**

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

	Average Interest Rate	Variable Interest Rate	Fixed Interest Rate Maturity		Non Interest Bearing	Total	
			Current	< 1 year			1-5 years
<b>2013</b>							
<b>Financial Assets</b>							
Cash at bank	2.34%	1,627,205	-	-	-	1,627,205	
Interest bearing term deposits	4.43%		14,980,489	-	-	14,980,489	
Cash on hand	n/a		-	-	1,450	1,450	
Receivables - rates	17.00%		3,430,097	-	-	3,430,097	
Receivables - interest	n/a				288,825	288,825	
Receivables - other	n/a		-	-	189,118	189,118	
<b>Total Financial Assets</b>		<b>1,627,205</b>	<b>18,410,586</b>	<b>-</b>	<b>479,393</b>	<b>20,517,184</b>	
<b>Financial Liabilities</b>							
Payables	n/a	-	-	-	4,611,907	4,611,907	
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,611,907</b>	<b>4,611,907</b>	

	Average Interest Rate	Variable Interest Rate	Fixed Interest Rate Maturity		Non Interest Bearing	Total	
			Current	< 1 year			1-5 years
<b>2012</b>							
<b>Financial Assets</b>							
Cash at bank	4.70%	1,950,649	-	-	-	1,950,649	
Interest bearing term deposits	5.77%		13,366,903	-	-	13,366,903	
Cash on hand	n/a		-	-	1,250	1,250	
Receivables - rates	17.00%		4,191,407	-	-	4,191,407	
Receivables - other	n/a		-	-	338,955	338,955	
<b>Total Financial Assets</b>		<b>1,950,649</b>	<b>17,558,310</b>	<b>-</b>	<b>340,205</b>	<b>19,849,164</b>	
<b>Financial Liabilities</b>							
Payables	n/a	-	-	-	3,271,276	3,271,276	
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,271,276</b>	<b>3,271,276</b>	

The Council controls interest risk by only investing in short term deposits with national banks.



# LITCHFIELD COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### Note 14: Financial Instruments (continued)

#### Note 14(c) Credit Risk

Credit risk represents the loss that would be recognised if counter parties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provisions for doubtful debts.

The Council does not have any significant credit risk exposure to any counter party or group of counter parties, and the Council does not have any interest bearing loans.

#### Note 14(d) Net Fair Value

The carrying amount of financial assets and liabilities recorded in the financial statements represent their respective net fair value.

#### Note 14(e) Market Risk

The Council's activities expose it primarily to risk of recoverability of outstanding rates. The risk is controlled by Council as it has legal authority to recover outstanding rates through the sale of rate payers land.

#### Note 14(f) Liquidity Risk

The Council manages liquidity risk by maintaining adequate reserves, and continuously monitoring forecasts and actual cash flows.

### Note 15: Employee Benefits

The aggregate employee benefit liability recognised and included in the financial statements is:

	Note	2013	2012
		\$	\$
Provision for employee benefits:			
Current	9	341,593	118,243
Non current	9	80,375	40,104
Accrued wages and salaries	9	28,142	6,430
Superannuation liability	9	3,041	-

### Note 16: Additional Council Information

#### Postal address:

Litchfield Council  
PO Box 446  
Humpty Doo NT 0836

#### Principal administration office:

Litchfield Council  
7 Bees Creek Road  
Freds Pass NT 0836  
Tel: (08) 8983 0600  
Fax: (08) 8983 1165  
Email: council@lc.nt.gov.au

LITCHFIELD COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$

**Note 17: Special Schedules**

**1. Movement in reserves**

*Asset revaluation reserve*

Balance at beginning of reporting year	175,278,838	113,207,809
Transfer to reserve	56,799,191	62,071,029
Transfer from reserve	12,111,877	-
Balance at end of the reporting year	<u>219,966,152</u>	<u>175,278,838</u>

The asset revaluation reserve arises on the revaluation of property, plant and equipment. Where a revalued item of property and equipment is sold, that portion of asset revaluation reserve which relates to that asset and is effectively realised, is transferred directly into retained earnings.

<i>Other reserves</i>	<i>Infrastructure</i>				
	<i>Development Levy*</i>	<i>Contingency</i>	<i>Election</i>	<i>Road Resealing</i>	<i>Infrastructure</i>
	\$	\$	\$	\$	\$
<b>2012</b>					
Balance at beginning of reporting year	-	519,602	81,000	4,771,300	-
Transfer to reserve	-	-	-	-	-
Transfer from reserve	-	-	(45,455)	-	-
Balance at end of the reporting year	<u>-</u>	<u>519,602</u>	<u>35,545</u>	<u>4,771,300</u>	<u>-</u>
<b>2013</b>					
Balance at beginning of reporting year	-	519,602	35,545	4,771,300	-
Transfer to reserve	1,174,638	2,480,398	45,455	-	4,771,300
Transfer from reserve	(96,319)	-	-	(4,771,300)	-
Balance at end of the reporting year	<u>1,078,319</u>	<u>3,000,000</u>	<u>81,000</u>	<u>-</u>	<u>4,771,300</u>

<i>Other reserves (continued)</i>	<i>Humpty Doo</i>				
	<i>Waste Transfer Station</i>	<i>Property Realignment</i>	<i>Plant and Vehicle Replacement</i>	<i>Cemetery*</i>	<i>Total</i>
	\$	\$	\$	\$	\$
<b>2012</b>					
Balance at beginning of reporting year	-	-	-	1,275,318	6,647,220
Transfer to reserve	-	-	-	-	-
Transfer from reserve	-	-	-	(1,002,265)	(1,047,720)
Balance at end of the reporting year	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,053</u>	<u>5,599,500</u>
<b>2013</b>					
Balance at beginning of reporting year	-	-	-	273,053	5,599,500
Transfer to reserve	1,492,906	600,000	581,682	211,175	11,357,554
Transfer from reserve	-	-	-	-	(4,867,619)
Balance at end of the reporting year	<u>1,492,906</u>	<u>600,000</u>	<u>581,682</u>	<u>484,228</u>	<u>12,089,435</u>

\*Externally restricted reserves

**Infrastructure Development Levy reserve**

These contributions are paid by developers pursuant to the conditions of a development permit for a specific purpose in a designated locality.

**Note 17: Special Schedules (continued)**

**1. Movement in reserves (continued)**

**Contingency reserve**

The contingency reserve is used in unforeseen circumstances.

**Election reserve**

The election reserve represents funds set aside to be used in the Council elections.

**Infrastructure reserve (previously Road resealing reserve)**

The infrastructure reserve represents funds set aside for planning and infrastructure maintenance.

**Humpty Doo waste transfer station**

The Humpty Doo waste transfer station reserve represents funds set aside for stage 2 - recycle shed and ablution block.

**Property realignment reserve**

The property realignment reserve represents funds set aside for the costs associated with formalising road reserves for public roads that exist on private land.

**Plant and vehicle replacement reserve**

The plant and motor vehicle replacement reserve represents funds set aside for plant and motor vehicle replacement.

**Cemetery reserve**

The cemetery reserve represents funds taken over by Litchfield Council from Thorak Regional Cemetery.

**2. Money held in Trust**

The Council operates a trust fund for the payment of security deposits and special purpose receipts other than Government monies.

	2013	2012
	\$	\$
<b>Security deposits/wide load permits</b>		
Balance at beginning of reporting year	-	-
Deposits received	75,763	-
Deposits repaid	(11,863)	-
Balance at end of the reporting year	<u>63,900</u>	<u>-</u>

## LITCHFIELD COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 17: Special Schedules (continued)

3. Comparison of Original Estimates with Actuals	Budget 2013	Actual 2013	Difference
	\$	\$	\$
<i>Expenditure</i>			
General Public Services	2,752,639	<b>3,673,718</b>	921,079
Public Order and Safety	346,632	<b>361,141</b>	14,509
Economic Affairs	12,881,062	<b>7,424,167</b>	(5,456,895)
Environmental Protection	2,198,462	<b>2,439,844</b>	241,382
Housing and Community Amenities	10,000	<b>10,000</b>	-
Health	-	-	-
Recreation, Culture and Religion	757,068	<b>766,283</b>	9,215
Education	4,000	<b>3,000</b>	(1,000)
Social Protection	-	-	-
Cemetery	938,396	<b>786,645</b>	(151,751)
<i>Income</i>			
General Public Services	6,166,288	<b>6,785,540</b>	619,252
Public Order and Safety	14,000	<b>30,772</b>	16,772
Economic Affairs	3,727,054	<b>3,837,778</b>	110,724
Environmental Protection	2,248,275	<b>2,410,998</b>	162,723
Housing and Community Amenities	-	-	-
Health	-	-	-
Recreation, Culture and Religion	124,695	<b>124,695</b>	-
Education	-	-	-
Social Protection	-	-	-
Cemetery	817,201	<b>1,057,820</b>	240,619

#### Note 18: Subsequent Events

There are no events that have occurred after balance date that have been or should have been brought to account in the 2013 Financial Report.

# Thorak Regional Cemetery

Special Purpose Financial Report  
For The Financial Year Ended 30 June 2013

# THORAK REGIONAL CEMETERY

## SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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## Independent Auditor's Report to the Board of Trustees of Thorak Regional Cemetery

We have audited the accompanying financial report, being a special purpose financial report, of Thorak Regional Cemetery, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Board of Trustees' statement. The financial report has been prepared by management of Thorak Regional Cemetery based on the requirements of the Northern Territory of Australia Cemeteries Act 2013 and Cemeteries Regulations as described in, Note 2.

### *Management's Responsibility for the Financial Report*

Management are responsible for the preparation of the financial report in accordance with the basis of accounting described in Note 2 and the financial reporting requirements of the Australian Accounting Standards and Northern Territory of Australia Cemeteries Act 2013 and Cemeteries Regulations. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial report of Thorak Regional Cemetery for the year ended 30 June 2013 is prepared, in all material respects, in accordance with the financial reporting requirements of the Australian Accounting Standards and Northern Territory of Australia Cemeteries Act 2013 and Cemeteries Regulations as described in Note 2.

*Basis of Accounting and Restriction on Distribution and Use*

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Thorak Regional Cemetery to meet the financial reporting requirements of the Australian Accounting Standards and Northern Territory of Australia Cemeteries Act 2013 and Cemeteries Regulations. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Members and should not be distributed to or used by parties other than the Members.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



Julie Crisp  
Partner  
Chartered Accountants  
Darwin, 4 November 2013



## THORAK REGIONAL CEMETARY

### BOARD OF TRUSTEES' STATEMENT

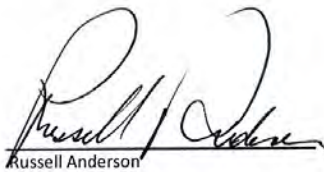
#### FOR THE YEAR ENDED 30 JUNE 2013

As detailed in Note 2 to the financial statements, Thorak Regional Cemetery is not a reporting entity because in the opinion of the Board of Trustees there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board of Trustees' reporting requirements under the Cemeteries Act and Cemeteries Regulations.

The Board of Trustees declare that:

- (a) the attached financial statements and notes thereto are in accordance with Cemeteries Act and Cemeteries Regulations, including compliance with accounting policies in Note 2 and giving a true and fair view of the financial position and performance of Thorak Regional Cemetery; and
- (b) the financial statements are in accordance with the accounting and other records of Thorak Regional Cemetery.

On behalf of the Board of Trustees



Russell Anderson

4 November 2013

## THORAK REGIONAL CEMETERY

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		\$	\$
<b>Income</b>			
Internments		691,671	404,662
Cremations		108,459	105,694
Investment income		6,940	30,847
Exclusive rights fees		29,351	42,689
Ground maintenance		65,178	31,656
Chapel hire		16,545	17,676
Plaque installation and permits		8,518	21,779
Headstone installation and permits		20,736	20,953
Funeral director fees		2,667	2,826
Sundry income		2,119	11,654
Grant income		85,000	-
Rent received		18,091	14,318
Proceeds from sale of assets		2,545	36,845
<b>Total Income</b>		<b>1,057,820</b>	<b>741,599</b>
<b>Expenditure</b>			
Capital works expenditure not capitalised		26,093	113,848
Salaries		341,785	317,949
Administration fees		60,000	37,696
Power and gas		45,696	42,329
Grave digging		51,978	34,910
Superannuation		32,395	28,817
Audit fees		26,460	34,304
IT management		1,096	4,769
Sundry expenses		32,947	35,345
Equipment		33,697	98,784
Insurance		33,525	7,427
Fuel and oil		9,637	10,814
Telephone		5,883	7,218

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## THORAK REGIONAL CEMETERY

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		\$	\$
<b>Expenditure (continued)</b>			
Staff training		6,896	7,477
Legal fees		22,307	16,606
Motor vehicle expenses		17,151	3,512
Stationery and consumables		5,518	4,802
Security		5,378	5,964
Consultant fees		-	675
Registration fees		3,301	2,194
Protective clothing		1,830	1,657
Repairs and maintenance		77,310	-
Cost with building the Chapel/Crematorium		-	917,356
Memorial expenses		5,762	9,411
<b>Total Expenditure</b>		<b>846,645</b>	<b>1,743,864</b>
<b>Net surplus/deficit</b>		<b>211,175</b>	<b>(1,002,265)</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income for the year		-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>211,175</b>	<b>(1,002,265)</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## THORAK REGIONAL CEMETERY

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	333,508	109,852
Receivables	3	65,973	40,874
Investments		189,235	144,411
<b>Total current assets</b>		<b>588,716</b>	<b>295,137</b>
<b>Total Assets</b>		<b>588,716</b>	<b>295,137</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4	104,488	22,084
<b>Total current liabilities</b>		<b>104,488</b>	<b>22,084</b>
<b>Net Assets</b>		<b>484,228</b>	<b>273,053</b>
<b>EQUITY</b>			
Retained surpluses		155,056	(56,119)
Reserves		329,172	329,172
<b>Total Equity</b>		<b>484,228</b>	<b>273,053</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

## THORAK REGIONAL CEMETERY

### STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Retained Surplus</b>			
Balance at beginning of reporting year		(56,119)	946,146
Net surplus/(deficit)		211,175	(1,002,265)
Transfers to other reserves		-	-
Balance at end of the reporting year		<u>155,056</u>	<u>(56,119)</u>
<b>Asset Replacement Reserve</b>			
Balance at beginning of reporting year		329,172	329,172
Transfers to other reserves		-	-
Balance at end of the reporting year		<u>329,172</u>	<u>329,172</u>
<b>Total equity at end of the reporting year</b>		<u><b>484,228</b></u>	<u><b>273,053</b></u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## THORAK REGIONAL CEMETERY

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,103,236	723,302
Payments to suppliers and employees		(844,241)	(1,809,870)
<b>Net cash flows from operating activities</b>	<b>5b</b>	<b>258,995</b>	<b>(1,086,568)</b>
<b>Cash flows from investing activities</b>			
Proceeds from investments		144,411	492,147
Investment income		6,940	30,847
Payments for investments		(189,235)	(144,412)
Proceeds from property, plant and equipment		2,545	36,845
<b>Net cash flows used in investing activities</b>		<b>(35,339)</b>	<b>415,427</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>223,656</b>	<b>(671,141)</b>
Cash and cash equivalents at the beginning of the year		109,852	780,993
<b>Cash and cash equivalents at the end of the year</b>	<b>5a</b>	<b>333,508</b>	<b>109,852</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

## THORAK REGIONAL CEMETERY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 1: General Information

**Postal address:**

Litchfield Council  
PO Box 446  
Humpty Doo NT 0836

**Principal administration office:**

Litchfield Council  
7 Bees Creek Road  
Fred's Pass NT 0836  
Tel: (08) 8983 0600  
Fax: (08) 8983 1165  
Email: council@lc.nt.gov.au

#### Note 2: Summary of Accounting Policies

*Basis of Accounting*

**Financial reporting framework**

Thorak Regional Cemetery ("the Cemetery") is not a reporting entity because in the opinion of the Board of Trustees there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board of Trustees' reporting requirements under the Cemeteries Act and Cemeteries Regulations.

**Statement of compliance**

The financial report has been prepared in accordance with the Cemeteries Act 2013, Cemeteries Regulations 2013 and the accounting policies stated below.

**Significant accounting policies**

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

**(a) Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

*Grant income and other contributions*

Grants, and other contributions are recognised as revenues when the Cemetery obtains control over, or the right to receive, the assets, it is probable that future economic benefits comprising the asset will flow to the Cemetery, and the amount can be reliably measured.

Control over granted and contributed assets is normally obtained upon their receipt (or acquittal) or upon notification that a grant has been secured. Granted and contributed assets are valued at their fair value at the date of transfer.

Where grants and other contributions recognised as revenue during the 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 not discharged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

## THORAK REGIONAL CEMETERY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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#### Note 2: Summary of Accounting Policies (continued)

**(a) Revenue Recognition (continued)**

*Burials, cremations and internments*

Revenue from burials, cremation and internments is recognised when the services have been rendered to the public and can be measured reliably.

*Interest Revenue*

Interest is recognised as it accrues, when it is probably that the future economic benefits will flow to Cemetery and it can be measured reliably.

**(b) Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position. The Cemetery did not have an overdraft during the year.

**(c) Financial Assets**

The Cemetery classifies its financial assets as loans and receivables and held to maturity investments. The classification depends on the purpose for which the financial instrument was acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

*Loans and Receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment.

*Held to Maturity Investments*

Investments with fixed or determinable payments and fixed maturity dates where the Cemetery has a positive intent and ability to hold to maturity are classified as held to maturity investments. Held to maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.



## THORAK REGIONAL CEMETERY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 2: Summary of Accounting Policies (continued)

##### (c) Financial Assets (continued)

###### *Impairment of Financial Assets*

Financial assets are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition that indicates that it is probable that the entity will be unable to collect all amounts due.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets, including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against an allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

###### *Derecognition of Financial Assets*

The Cemetery derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Cemetery neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Cemetery retains substantially all the risk and rewards of ownership of a transferred financial asset, it will continue to recognise the financial asset.

##### (d) Capital Expenditure

Expenditure on property, plant and equipment has not been capitalised as the title to the land is not held by the Board of Trustees thus control of the land and assets can be removed at any time as a result of changes to the Northern Territory Government's arrangements.

When an item of property, plant and equipment is disposed of, the sales proceeds are recognised in profit or loss.

##### (e) Financial Liabilities

###### *Trade and Other Payables*

These amounts represent liabilities for goods and services provided to the Cemetery prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of receipt.

## THORAK REGIONAL CEMETERY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### Note 2: Summary of Accounting Policies (continued)

##### (f) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to, the Australian Taxation Authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the Australian Taxation Authority, is classified as an operating cash flow.

##### (g) Income Tax

The Cemetery is tax exempt under Sec 50-1 of the Income Tax Assessment Act 1997, being a local governing body.

#### Note 3: Receivables

	2013 \$	2012 \$
Trade receivables	65,973	40,874
Allowance for doubtful debts	-	-
	<u>65,973</u>	<u>40,874</u>

#### Note 4: Trade and Other Payables

Accruals	12,155	630
Income received in advance	80,000	-
Provisions for employee entitlements	12,333	21,454
	<u>104,488</u>	<u>22,084</u>

# THORAK REGIONAL CEMETERY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$

**Note 5: Statement of Cash Flows**

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and "at call" deposits with financial institutions. Term deposits with maturity period of 90 days or less 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 Statement of Financial Position as follows:

**(a) Reconciliation of Cash and Cash Equivalents**

Cash on hand and at bank	<u>333,508</u>	<u>109,852</u>
<b>Balance per Statement of Cash Flows</b>	<b><u>333,508</u></b>	<b><u>109,852</u></b>

**(b) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities**

Net surplus/(deficit) for the year	<b>211,175</b>	(1,002,265)
Non cash transactions:		
Investment income	<b>(6,940)</b>	(30,847)
Proceeds from disposal of property, plant and equipment	<b>(2,545)</b>	(36,843)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	<b>(25,099)</b>	49,396
Increase/(decrease) in liabilities:		
Trade and other payables	<b>82,404</b>	(66,009)
<b>Net Cash Flows from/(used by) Operating Activities</b>	<b><u>258,995</u></b>	<b><u>(1,086,568)</u></b>

**(c) Financing facilities**

The Cemetery does not have in place any financing facilities or arrangements.

**Note 6: Legal Title of Assets**

The cash and cash equivalents and investments are owned by Thorak Regional Cemetery however as the Cemetery is not a legal entity these assets have been registered in the name of Litchfield Council which holds these assets in trust for the Cemetery.

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