

# ANNUAL REPORT 2017-2018



LITCHFIELD  
COUNCIL



*Litchfield Council operates on Larrakia country.  
We acknowledge the Larrakia people as the  
Traditional Owners of the Darwin region and  
pay our respects to Larrakia elders past and  
present. We are committed to a positive future  
for the Aboriginal community.*



**LITCHFIELD  
COUNCIL**

*Community effort is essential*

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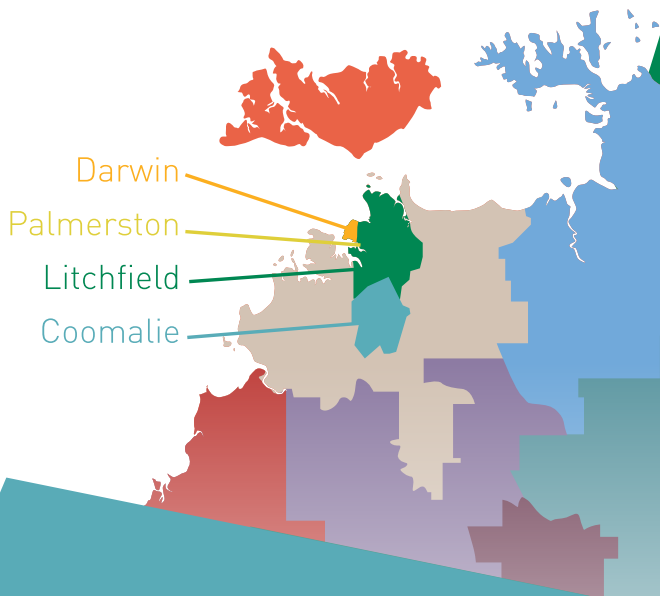
# About Us

The Litchfield Municipality has been the fastest growing region in the Top End over the past five years with a 26 per cent growth in population. Covering approximately 3,100 square kilometres, it is now home to more than 25,500 residents.

The municipality boasts a rural lifestyle with a wide range of well managed services and facilities. It's local government neighbours are the City of Darwin, the City of Palmerston and Coomalie Community Government Council.

Litchfield Council is a local government authority established by the Northern Territory Parliament on 24 May 1985.

Council comprises five elected members, a Mayor and one councillor for each of the four wards – North, South, East and Central – serving a four-year term. The elected members carry out their duties under the provisions of the *Northern Territory Local Government Act* and Regulations.



8,281   
RATEABLE PROPERTIES

624kms   
SEALED ROADS

100kms   
UNSEALED ROADS

 SIGNS  
13,309

RECREATION RESERVES  70

3  WASTE TRANSFER STATIONS

 2,781<sup>\*1</sup>  
REGISTERED DOGS

7.1kms   
DEDICATED BICYCLE PATHS

 CEMETERY 1

<sup>1</sup> Additionally 2,280 dogs have been deemed registered, but not yet issued a tag.

## Vision

Our vision is for the Litchfield Municipality to be the best place to live in the Top End.

# Message from the Mayor



Welcome to the Litchfield Council 2017–18 Annual Report. The year began with a local government general election in August 2017, resulting in four returning elected members and the return of a previous councillor, Mathew Salter. I was personally humbled by the confidence of Litchfield residents in electing me to a second term as Mayor. I feel incredibly privileged and honoured to hold this important role and intend to work hard over the ensuing four years to advance our municipality.

Our population is now more than 25,000, with the Australian Bureau of Statistics reporting Litchfield Council as the fastest growing municipality in the Northern Territory. That growth shows no signs of abating and with it comes the responsibility to plan strategically and well for our future, while continuing to deliver excellent services to our current residents. Council has done this, guided by the recently adopted Strategic Plan 2018–2022. Over the past 12 months we developed and adopted a five-year waste strategy to reduce waste to landfill, improve recycling rates and protect our beautiful natural environment. We also adopted an engagement strategy to improve the opportunities for residents to contribute meaningfully to shaping our community.

Always at the top of our minds is the long term financial sustainability of our Council. We continue to focus our investments on key assets such as roads and recreation reserves. We have been successful in securing external grants for key projects, including \$49,000 for improvements to Howard Park and Humpty Doo Village Green, \$724,000 to complete the last stage of the Anzac Parade Upgrade and \$79,000 to install solar power at the Council office. However, hard decisions will need to be made in the future about our rating system and rate revenue.

To ensure Litchfield continues to be the best place to live in the Top End, we have been represented on the Northern Territory Planning Commission's Activity Centre Plans, strongly advocating to retain the rural amenity while balancing population growth.

In March 2018, Litchfield hosted a leg of the Gold Coast Commonwealth Game's Queens Baton Relay, with nominated local residents running with the baton. This was a wonderful event showcasing our great municipality and concluding with a community celebration at Freds Pass Sports and Recreation Reserve. Council was pleased to hold its first Youth Forum with 77 students attending from our local schools for a day of "visioning" for Litchfield's future. Next year we will build on this event by developing a Youth Policy with our young people.

Like everyone across the Top End, Litchfield Council was greatly impacted by climatic events. Exceptionally wet weather in January was compounded by Cyclone Marcus in March, resulting in extensive damage to roads, recreation reserves and other Council facilities and a repair bill that topped \$2.6 million. We continue to repair roads and work with the Northern Territory Government on National Disaster Recovery and Relief Funding for the extensive works required.

I would like to thank our chief executive officer (CEO) and staff who responded so well to these events to minimise impacts on residents and for their ongoing commitment and enthusiasm for the Litchfield community.

I also thank my Deputy Mayor and fellow councillors for their ongoing support during the year.



POPULATION  
**25,000+**

# Message from the CEO



The 2017–18 year was another busy and productive one for Litchfield Council. We continued to plan strategically and develop our capacity to deliver a high level of service across the municipality, while at the same time dealing with emerging issues that stretch our resources.

The year was influenced by weather events, notably Cyclone Marcus in March which, impacted across Litchfield and resulted in 72 hours of non-stop clearing of key roads and weeks of ongoing work. Trees were still being cleared months after the event and some damaged roads will require significant work before this year's wet season. I would like to take this opportunity to pay tribute to the many Council staff who worked tirelessly with emergency services during and in the aftermath of Cyclone Marcus to ensure residents were safe and supported and that our roads were trafficable as soon as possible. A huge thank you!

Managing thousands of trees on Council owned or controlled property emerged as a significant risk that will impact Council's resources. Council commissioned a tree risk assessment by a qualified arborist for all seven of our recreation reserves and Thorak Regional Cemetery, which has identified extensive tree works required over the coming year. The works are essential but costly and Council will need to manage that financial commitment responsibly and sustainably.

During the year we completed a significant study, fully funded by the Northern Territory Government, to look at current and future needs for public library services in Litchfield. This study has resulted in Council agreeing to receive funding to take over providing the public library service from the Northern Territory Government, which will occur by January 2019. We also continued to undertake technical and design work for many other future projects so that we are well positioned to apply for external funding as opportunities arise.

I have also been pleased this year that our governance continues to improve, and this was reflected in a great result from a routine compliance audit undertaken by the Local Government Division of the Northern Territory Government to ensure Council is executing all its duties in accordance with the *Local Government Act*. Our capacity to deliver for our community was strengthened during the year as we welcomed two new executive members with excellent qualifications and experience to our ranks. I would like to thank them and all staff for their commitment and effort in working for the Litchfield community during another busy year.

Finally, I thank the Mayor and councillors for their ongoing support and leadership as Litchfield continues to grow and prosper.







# Our Council

On 26 August 2017, a local government general election was held.

Mayor Maree Bredhauer – Mayor

Councillor Kirsty Sayers-Hunt<sup>1</sup> – East Ward

Councillor Doug Barden – South Ward

Councillor Mathew Salter<sup>2</sup> – North Ward

Councillor Christine Simpson<sup>3</sup> – Central Ward

<sup>1</sup> Councillor Sayers-Hunt formerly known as Councillor Hunt.

<sup>2</sup> Councillor Letchimi Wright, North Ward Councillor from July 1 to until 26 August 2017.

<sup>3</sup> Councillor Simpson formerly known as Councillor Osborn.

# Council Representatives and Council Committee Appointments

Committee	Position
<b>Mayor Maree Bredhauer</b>	
Howard East Water Advisory Committee	Council's Representative
CEO Performance Appraisal and Remuneration Review Committee	Member
Litchfield Australia Day Event Committee	Chair
Litchfield Australia Day Awards Selection Panel	Chair
Local Government Association	Principal Representative / Voting Member
Howard Springs Rural Activity Centre Area Plan Community Advisory Committee	Member
Coolalinga Rural Activity Centre Area Plan Community Advisory Committee	Member
10 Year Waste Management Strategy Community Reference Group	Chair
Litchfield Women in Business Network Steering Committee	Chair
Risk Management and Audit Committee	Ex-officio
Community Grants Committee	Ex-officio
Council Selected Baton Bearer Nomination Program Local Government Selection Panel	Member
Humpty Doo Rural Activity Centre Area Plan Community Advisory Committee	Council's Representative
<b>Deputy Mayor Kirsty Sayers-Hunt</b>	
Risk Management and Audit Committee	Member
CEO Performance Appraisal and Remuneration Review Committee	Member
Litchfield Australia Day Awards Selection Panel	Member
Local Government Association	Voting Member
Litchfield Women in Business Network Steering Committee	Member
Community Grants Committee	Member
<b>Councillor Doug Barden</b>	
Australian Agricultural Company Limited Community Reference Group	Council's Representative
Freds Pass Upgrade Reference Group	Council's Representative
Risk Management and Audit Committee	Member
Litchfield Australia Day Awards Selection Panel	Member
Development Consent Authority	Litchfield Branch Representative – Alternative
Council Selected Baton Bearer Nomination Program Local Government Selection Panel	Member
Humpty Doo Rural Activity Centre Area Plan Community Advisory Committee	Member
<b>Councillor Mathew Salter</b>	
Howard Park Reserve Committee	Chairperson/Council's Representative
Knuckey Lagoon Reserve Committee	Chairperson/Council's Representative
Litchfield Australia Day Awards Selection Panel	Member
Howard Springs Rural Activity Centre Area Plan Community Advisory Committee	Member
Community Grants Committee	Member
Administrative Review Committee	Member



<b>Councillor Christine Simpson</b>	
Freds Pass Sport & Recreation Management Board	Council's Representative / Nominated Observer
Freds Pass Rural Show Committee	Nominated Observer
CEO Performance Appraisal and Remuneration Review Committee	Member
Litchfield Australia Day Awards Selection Panel	Member
Development Consent Authority	Litchfield Branch Representative
Howard Springs Rural Activity Centre Area Plan Community Advisory Committee	Member
Coolalinga Rural Activity Centre Area Plan Community Advisory Committee	Member
Litchfield Women in Business Network Steering Committee	Member
Council Selected Baton Bearer Nomination Program Local Government Selection Panel	Member
Administrative Review Committee	Member

<b>Councillor Letchimi Wright</b>	
Howard Park Reserve Committee	Chairperson/Council's Representative
Knuckey Lagoon Reserve Committee	Chairperson/Council's Representative
Community Grants Committee	Member
Litchfield Women in Business Network Steering Committee	Member
Risk Management and Audit Committee	Member

## Elected Members Attendance

July 2017 – June 2018

	Total meetings	Ordinary	Special	Total
<b>Maree Bredhauer</b>	18	12	5	17
<b>Kirsty Sayers-Hunt</b>	18	12	4	16
<b>Doug Barden</b>	18	10	5	15
<b>Mathew Salter *</b>	18	9	3	12
<b>Christine Simpson</b>	18	12	5	17
<b>Letchimi Wright *</b>	18	2	1	3

\*Councillor Letchimi Wright, North Ward Councillor from 1 July – 26 August 2017

\*Councillor Mathew Salter, North Ward Councillor from 26 August 2017 – 30 June 2018

## Elected Members Allowances

	ALLOWANCES \$						
	Base	Electoral	Extra Meeting	Reimburse Child Care	Internet Access	Total	Professional Development
<b>Maree Bredhauer</b>	\$73,125	\$19,247			\$600	\$92,972	\$1,084
<b>Kirsty Sayers-Hunt</b>	\$23,066	\$4,813	\$840	\$100	\$600	\$29,419	\$275
<b>Doug Barden</b>	\$13,152	\$4,813	\$5,880		\$600	\$24,445	\$1,084
<b>Mathew Salter</b>	\$9,718	\$3,556	\$3,360		\$393	\$17,027	\$0
<b>Christine Simpson</b>	\$13,152	\$4,813	\$6,720		\$600	\$25,285	\$3,287
<b>Letchimi Wright</b>	\$7,060	\$1,257	\$0		\$157	\$8,474	\$275

# Strategic Framework

Our strategy comprises three priority areas, and within those, we will work on nine outcomes that we know matter to our community. This is underpinned by actions taken to ensure a well-run Council.

## Everything you need



Roads and transport



Waste and cleanliness



Community and economic prosperity

## A great place to live



Culture and social life



Recreation



Development and open space

## A beautiful and safe natural environment



Animals and wildlife



Natural environment



Water and drainage



Powerful and effective advocacy



Engaging our community



Good governance



Modern service delivery

Enabled by: A well run Council

# Council's six Major Roles

Council carries out its important functions by doing six things:

01



## Advocate

We advocate for the interests of our community, at Territory and Commonwealth level, and with various industry and sector groups. Our advocacy spans areas which affect our communities but for which we are not directly responsible, such as land use, transport, water management, economic development and health and education. We consult with our community on numerous issues, so we can build a strong advocacy platform with governments and other investors and influencers.

## Community Engagement

Council can't make Litchfield the best place to live in the Top End without working with its communities, in large and small ways. We need communities to champion our waste and animal control objectives. Community is an essential glue for all social, recreation, sports and arts activities, and we work hard to educate on important matters, such as biodiversity and weed control.



02

03



## Fund

We fund a limited number of activities and events that we don't operate ourselves, through grants, programs and scholarships, notably community boards who operate our seven reserves.

## Regulate

Within our mandates, we are in a position to regulate, at a local level, many areas that contribute to high quality of life for Litchfield residents and visitors, such as permissible road use, dog controls, incentives to deposit and recycle waste, development guidelines and the way our reserves are best used for maximum community benefit.



04

05



## Service Delivery

We employ and subcontract capable staff who directly maintain roads, drains, and recreation reserves, as well as carry out slashing and weed control for Council land, road reserves and easements. Other services include dog control, waste management, community development and operation of the Thorak Regional Cemetery. We review services regularly, to make sure they are delivering what the community wants, in a way that provides value for money.

## Partner

Most of the amenity that makes up a great place to live is not provided by Council, but is provided by others. Some examples of providers with whom Council may partner include child care, healthcare and employment providers, tourism operators, environmental protection agencies, farmers, and road and water authorities.



06

# Our Success Measures

Council measures success in many ways, with each of our services, funding endeavours, partnerships and advocacy efforts having associated success measures.

The Litchfield Council Municipal Plan 2017–18 includes a series of key performance indicators used to evaluate the successful implementation of the Plan.

The following diagram shows how Council has performed, making Litchfield the best place to live in the Top End.

**We are successful when:**

## FRIENDLY AND CONNECTED

### Safety

Community Survey, more than 70% of residents feel safe.



**86%** of residents feel safe at home during the day

### Dogs

More than 5,000 dogs registered.



**2984** registered dogs

## SPACIOUS BUT CLOSE TO EVERYTHING

### Roads

Community Survey, more than 60% of residents are satisfied with the roads.



**72%** of residents rated Council's maintenance of local roads as very good or good

### Services

Community Survey, more than 60% of residents are satisfied with Council overall.



**64%** of residents said Council's overall performance was very good or good

## NATURAL AND SCENIC

### Open space

Community Survey, more than 60% of resident are satisfied with recreation reserves.



**92%** of residents rated the recreation reserves as very good or good

### Waste

Less waste to landfill each year.



**7713** tonnes of waste to landfill, which is 970 tonnes less than last year - 8683 tonnes in 2016–17

## REVENUE

### Rates coverage

more than 50%.

**>54.9%**

Rate coverage Ratio

### Current year overdue rates

less than 5%.

**<7.8%**

Current year overdue rates

### Operating surplus

between 0 – 10%.

**>7.01:1**

Liquidity Ratio

# Risk Management and Audit Committee

The Risk Management and Audit Committee (RMAC) is an advisory committee of Council responsible for monitoring Council's compliance with the proper standards of financial management and the Local Government (Accounting) Regulations and the Accounting Standards.

The RMAC comprises three members: an independent chair Iain Summers and two appointed councillors, Cr Kirsty Sayers-Hunt and Cr Doug Barden (since August 2017). Cr Letchimi Wright was on the committee from 1 July 2017 until August 2017.

The RMAC met four times during the financial year. Matters presented to the RMAC were consistent with the agreed workplan and included:

- the 2016–17 Annual Report and Financial Statements
- implementing and review of the risk register, including monitoring progress on treatments to reduce risk for Council in all areas of operations
- reviewing the 2017–2018 key performance indicators
- three internal audits were undertaken on:
  - procurement practices
  - permits for undertaking work on Council controlled land
  - work Health and Safety at the waste transfer stations
- endorsing a three-year internal audit plan.

## Freedom of Information

Litchfield Council is a public sector organisation under the *Northern Territory Information Act*.

In the 2017–2018 financial year, Council responded to the following Freedom of Information (FOI) requests:

FOI requests open as at 1 July 2017	2
Applications to access personal information	0
Applications to access government information	2
Accepted applications withdrawn	0
Unaccepted applications	0
Accepted applications finalised	2
Applications still open as at 30 June 2018	0

# Our Staff

As of 30 June 2018, Council was operating with 3.8 full time equivalent (FTE) less staff than the adopted 2017–18 staffing plan.

Municipal Plan 2017–18 Staffing Plan	Actual Operating Staffing Plan at 30 June 2018
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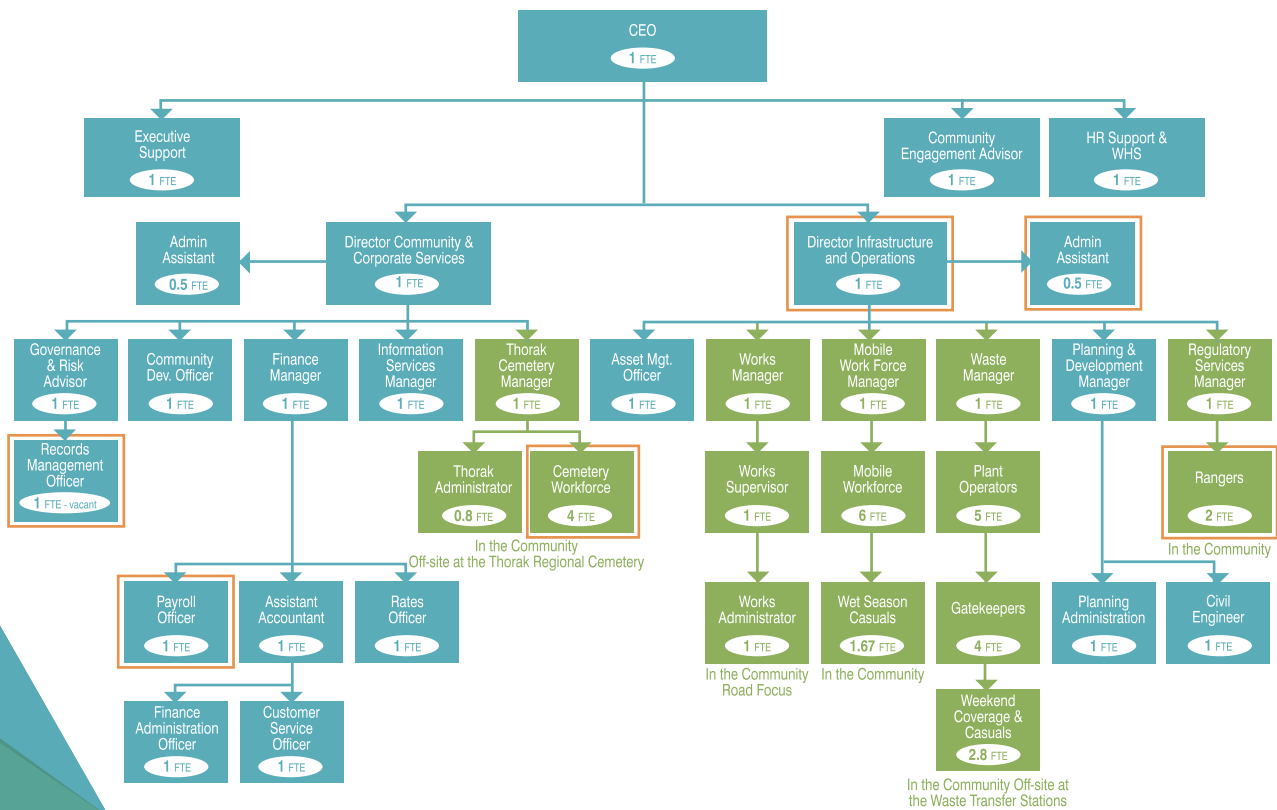
**54.27 FTE positions**

**50.47 full time staff**

The variance of 3.8 FTE is due to the following four vacancies at 30 June 2018.

- Director Infrastructure and Operations 1 FTE
- Administration Assistant to Director Infrastructure and Operation 0.5 FTE
- Ranger 1 FTE
- Records Management Officer 1 FTE
- Finance part-time arrangement 0.1 FTE
- Cemetery part-time arrangement 0.2 FTE

External staff	33.27	Variance
Office staff	22	New Position
<b>Total</b>	<b>55.27</b>	



## Employment Data (total head count)

TOTAL STAFF

58



## YEARS OF SERVICE





# Year in Review

Dog Management By-laws introduced on

**5 July 2017**



William Road and Carveth Road sealed



The five-year Litchfield Council **Waste Strategy** adopted in March 2018

The **Strategic Plan 2018-2022** was adopted in December 2017



Litchfield Council welcomed the **Queen's Baton Relay**

with **14 local residents** holding the honour of running with the baton through Litchfield. The event culminated with a community function at Lakeview Hall.





# Year in Review

The Litchfield Council Bendigo Bank

## 2018 Youth Forum

was held in April 2018 during Northern Territory Youth Week. Seventy Year 9 students from three schools participated in developing a youth vision for the municipality.



Litchfield Council, as a major sponsor, proudly supported the **39th Freds Pass Rural Show** with partnership funding of

# \$40,000

The **four-year Community Engagement Strategy** was adopted in January 2018

## \$3million Freds Pass Sport and Recreation Reserve upgrades

continued, with the completion of the centre road, various electrical upgrades, fencing and toilet facilities for the Freds Pass Rural Markets.

Two **Litchfield Women in Business Network** events.



# Council and the Community

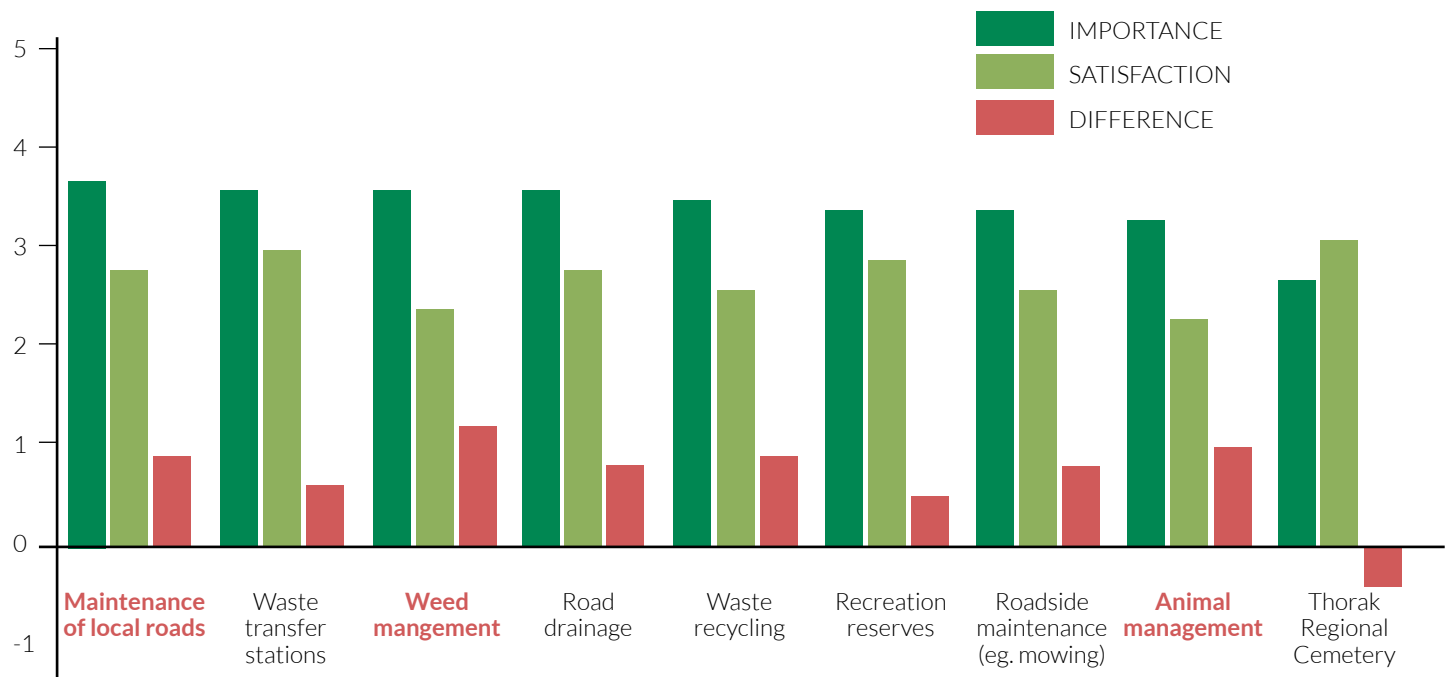
## 2018 Community Survey

The 2018 Community Survey received 300 responses from residents in the Council area, ranking the importance of Council services and satisfaction of those services.

The responses were spread across all four wards with a large proportion of females completing the survey.

The below table shows the scores out of five for the importance and satisfaction of Council services.

Scores out of five



**64%**  
of the respondents  
rated Council as  
doing an excellent  
or good job.

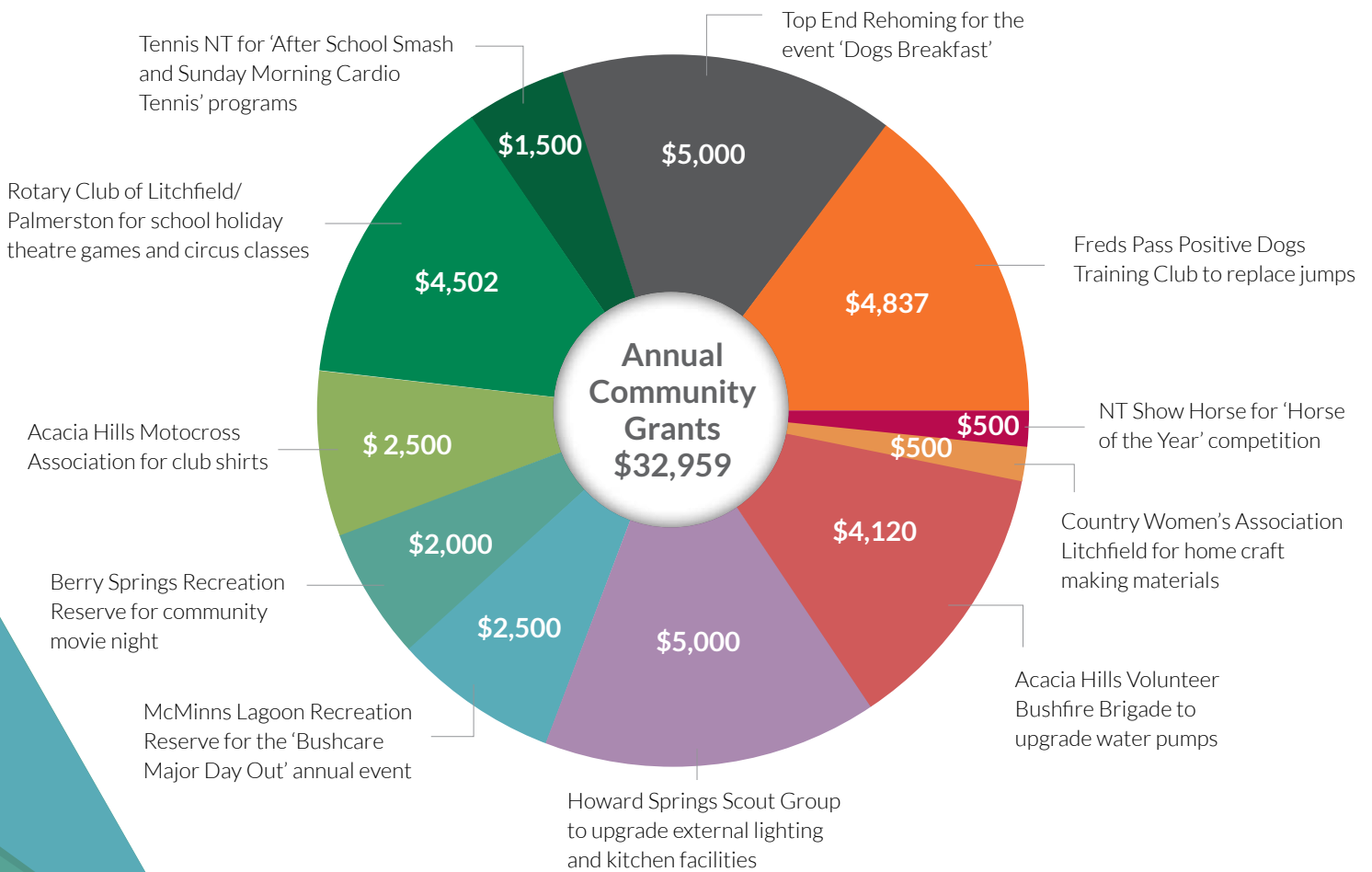
The services with the biggest gap between importance and satisfaction are areas that Council will investigate to minimise the gap into the future.

Since the survey was completed, Council has endorsed the new five-year Waste Management Strategy, is working towards an Animal Management Plan and working in collaboration with the Northern Territory Government on updating the Northern Territory Weed Management Plan.



## Community Grants Scheme

The Litchfield Council Community Grants Scheme is an initiative where recycling efforts of the community are turned into cash, allowing community organisations to apply for funding up to \$5,000 and individuals up to \$500. Annual Community Grants totalling \$32,959 were provided to 11 community groups.



2016-17 Annual Community Grant funds awarded

**\$22,500**

2017-18 Annual Community Grant funds awarded

**\$32,959**

An increase of 46% in funding.

In 2017-18, Council provided \$3,000 worth of Community Initiatives Grants for Litchfield Community Members and Groups to support projects and events:

- Assistance for young locals to attend national and international sporting competitions
- Rural Carols by Candlelight
- Land care activities
- Weed control at Livingstone Recreation Reserve





## Australia Day

On 26th January 2018, Council hosted the Annual Australia Day Event at Freds Pass Sport and Recreation Reserve. The celebrations included a fun run/walk, followed by a free barbecue breakfast, flag raising ceremony, citizenship ceremony and activities for children and families. This year's event attracted about 300 visitors.

On the day, Council honoured residents and groups with the 2018 Litchfield Australia Day Community Awards for:

### Litchfield Young Citizen of the Year: **Caitlin Hughes.**

Caitlin was awarded for her participation and coaching achievements with Dream Calisthenics and her assistance to the club in inspiring and mentoring younger members.

### Litchfield Citizen of the Year: **Miriam McDonald.**

Miriam is Principal of Taminmin College and was awarded Principal of the Year in 2015. Miriam received her Australia Day award for her work with young people including forming successful partnerships with local businesses resulting in developing of local career pathways for students.

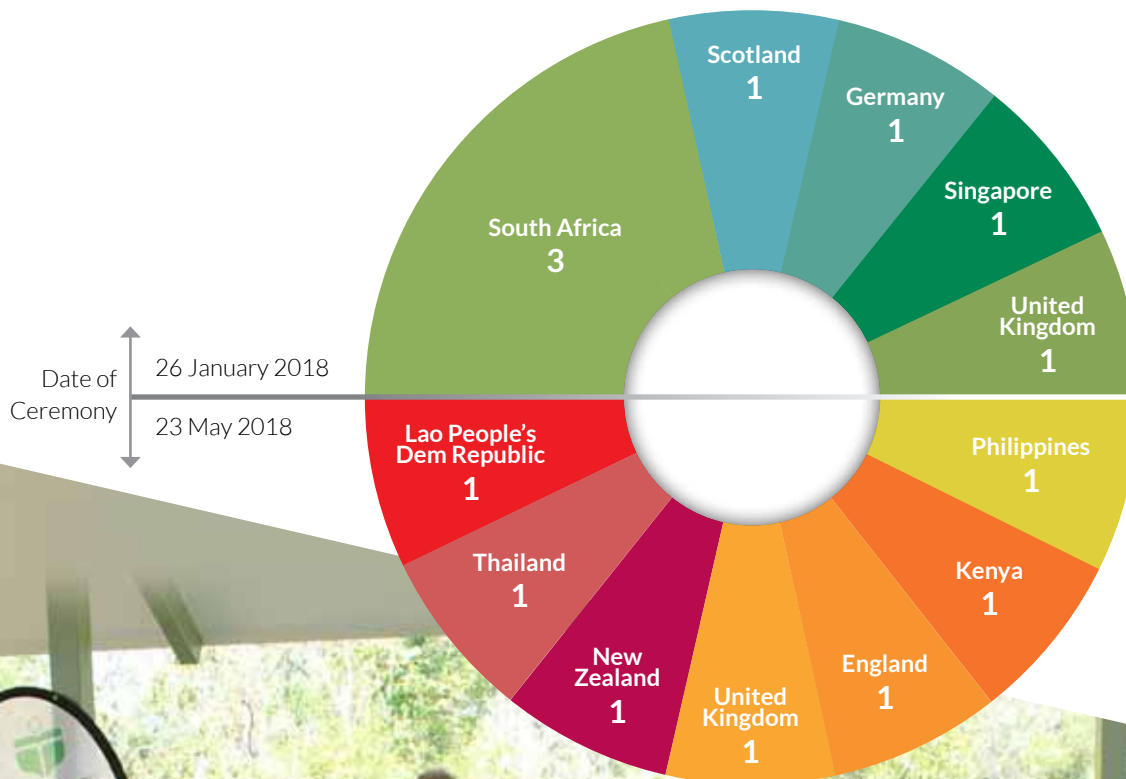
### Litchfield Community Event of the Year: **Smile-A-Mile 30th Birthday Celebration.**

The Smile-A-Mile event was held in July 2017 offering a free, fun and an enjoyable day for families, while acknowledging the importance of childhood and supporting families and carers in a parenting role.

# Australian Citizenship Ceremonies

Litchfield Council conducted two Australian Citizenship ceremonies in 2017-18.

	2015-16	2016-17	2017-18
<b>Citizenship Ceremonies</b>	5	4	2
<b>Number of New Citizens</b>	38	49	14





## Community Recreation Reserves

Each year Council provides funding towards managing and operating each of the seven recreation reserves in Litchfield:

Reserve	2016-17	2017-18
<b>Freds Pass Sport and Recreation Reserve</b>	\$646,000	\$689,665
<b>McMinns Lagoon Recreation Reserve</b>	\$17,500	\$21,925
<b>Livingstone Recreation Reserve</b>	\$52,000	\$54,390
<b>Humpty Doo Village Green</b>	\$86,500	\$95,510
<b>Berry Springs Recreation Reserve</b>	\$102,000	\$61,135
<b>Howard Park Recreation Reserve</b>	\$101,000	\$137,573
<b>Knuckey Lagoon Recreation Reserve</b>	\$20,000	\$18,506

### Freds Pass Sport and Recreation Reserve

Situated on Bees Creek Road and covers 80-hectares set amongst native bushland, just off the Stuart Highway.

The reserve is a regional sporting and recreation facility with spectacular grounds, including an ornamental lake, picnic and barbecue facilities and a large open sided hall to hire. The reserve is home to more than 20 sporting and community groups and boasts seven polocrosse fields, a turf wicket, cricket nets, rugby league and rugby union fields, equestrian and dressage ovals, a soccer pitch, football ovals, paintball and an archery range.

In 2017-18 significant improvements were undertaken at the reserve as part of the \$3 million Northern Territory Government upgrade project including:

Construction of the centre road corridor	\$1.3m
New perimeter fence	\$110k
Electrical works	\$683k
Construction of public toilets	\$269k
Provision of toilets at the Litchfield Football Club	\$41k

A new playground was also built at the reserve for the Freds Pass Reserve Playgroup with \$199,000 funding from the Northern Territory Government Community Benefit Fund.

Many major events were held at the Reserve in 2017-18, including the Commonwealth Games Queen's Baton Relay, Freds Pass Rural Show, Horses for Courses, Ichthys Project Employee Fun Day, Classic Holden Car Club fundraisers and the Supplejack Downs to Darwin Ride.



## Berry Springs Recreation Reserve

Set on eight hectares adjacent to the Berry Springs Primary School with many facilities available to the public, including an oval, cricket pitch, tennis and basketball courts and barbecue facilities, as well as a large open sided community hall.

During 2017–18, the reserve continued to provide regular local markets and events such as the Mango Festival, car show and the Annual Territory Day celebrations.

During 2017–18 the reserve received the following grants to undertake works:

- two Community Benefit Fund grants for resurfacing the carpark and installing a solar hot water system for \$37,407 and \$9,247, respectively.
- a Northern Territory Government grant of \$47,154 to construct a gazebo and barbecue. Works will commence in the 2018–19 year.

## Howard Park Recreation Reserve

Located on Whitewood Road in Howard Springs the reserve covers just over four hectares of land. There are two spacious halls for hire, large grassy picnic areas and a large children's playground. The reserve offers locals and visitors a space for rest and relaxation, a game of cricket or a skate at the skate park, with an undercover viewing platform.

Council manages Howard Park with a Committee made up of local residents and user group representatives, to guide the management and direction.

In 2016–17 Council received a \$20,000 Northern Territory Government Local Government Special Purpose Grant to upgrade the irrigation at the reserve. The total spend for this project in 2017–18 was about \$14,000, with the remaining funds carried over to 2018–19 for further irrigation upgrades.

A \$15,000 Australian Government Stronger Communities Grant, matched with \$15,000 from Council, was received to upgrade the kitchens in both halls. Works will be undertaken in 2018–2019.

## McMinns Lagoon Recreation Reserve

Situated on 41 hectares of unspoilt wetland, the reserve is well-known for its abundant wildlife offering nature enthusiasts and bird watchers a wide spectrum of bird life and butterfly activity all year around. In 2017–18 the reserve received a grant from Bendigo Bank in Coolalinga for power upgrades, including solar, and upgrades to the walkways.

In 2017 the reserve held its inaugural Bush Care Major Day Out and attracted more than 200 visitors who took walking tours and participated in activities around the reserve.

## Livingstone Recreation Reserve

The 65 hectare reserve situated on Livingstone Road in Livingstone. The reserve features a large open sided hall with wheelchair access and views of the reserve's sports oval. Facilities also include a fully lit beach volleyball court, children's playground, and an undercover barbecue area with picnic tables. Livingstone Reserve is home to the Litchfield Horse and Pony Club.

In 2017–18 the Livingstone Recreation Reserve Committee successfully received several grants to improve the reserve including:

- \$9,825 to upgrade park tables and chairs
- \$49,999.60 to re-roof and upgrade the electrics in the hall
- \$8,180 from two Northern Territory Government Community Benefit Grants to engineer and certify the re-roof and new storage container
- \$9,000 to design new meeting rooms
- \$9,790 to relocate the compound .

## Humpty Doo Village Green

The five hectare reserve is located on Challoner Circuit in Humpty Doo. This reserve has a large open sided community hall, scout hall, fully shaded skate park, lawn bowls, barbecue facilities and large playground.

Annually, the reserve holds the Litchfield Cenotaph ANZAC Day Memorial Service in partnership with Litchfield Lions, and during 2017–18 other events included the National Children's Week celebrations in partnership with Smile-A-Mile Toy Library and a school holiday program with Taminmin Community Library.

During 2017–18, the reserve received grant funding of \$33,824 to undertake improvements.

The reserve supports many regular user groups, including Fibrecraft, Scouts, bowls, Chi Kung and a community garden.

## Knuckey Lagoon Recreation Reserve

Set on 19 hectares on Brandt Road in Knuckey Lagoon, the reserve has an air-conditioned room, an open sided hall with amenities, barbecue facilities and a basketball court as well as natural bushland with six themed walking trails. This reserve is also home to a World War II heritage site.

Similar to Howard Park, Council manages Knuckey Lagoon reserve directly with a committee made up of local residents and user group representatives.

# New Initiatives

Litchfield Council's Municipal Plan 2017–2018 included new initiatives to address strategic priorities and community needs.

New Initiative	Budget	Status	Actual Cost
Feral Dog Program	\$10,000	✓	\$6,301
Promoting Responsible Dog Ownership	\$10,000	✓	\$7,091
Southport Progress Association Mira Square – Masterplan completed for application to Crown Land for land transfer	\$5,000	✓	\$8,120
Queen's Baton Relay	\$10,000	✓	\$12,743 <sup>1</sup>
Tree Management	\$30,000	✓	\$66,019 <sup>2</sup>
Women's Business Network Meetings	\$10,000	✓	\$4,455
Mayoral Robe & Chain	\$3,000	✓	\$2,812
Asbestos Audits on Reserve Infrastructure	\$10,000	✓	\$7,220
Meters on Council Bores	\$15,000	✗	\$0 <sup>3</sup>
		Commenced, to be completed in 2018–19 under operational budget	
Data Backup – Business Continuity	\$16,000	✓	\$14,944
Private Roads Strategy – Current funds allocated to legal fees and consultancy.	\$30,000	✓	\$15,920
		Commenced, to be completed 2018–19 under operational budget	
Records Management Improvement	\$51,000	✗	\$18,643
		Commenced, to be completed 2018–19 under operational budget	

<sup>1</sup> Additional \$5,000 donation from Bendigo Bank

<sup>2</sup> Additional \$70,000 from the Infrastructure Reserve was approved at the November 2017 Council Meeting (Resolution 17-18/102). Hazardous Tree Removals and Tree Hazard Inspection Report issued to Council. Awaiting additional report after Cyclone Marcus

<sup>3</sup> Project delayed due to Cyclone Marcus

# Financial Summary

In 2017-18, Council's actual results show income and expenditure were in line with the adopted 2017-18 Municipal Plan. The improved result of almost \$1 million was primarily due to an increase in grants and meant Council did not need to draw the originally budgeted amount from reserves.

## Income in 2017-18

An additional \$700,000 compared to original budget was achieved through additional rates and charges, grant funding from external sources and the introduction of Dog Registrations not budgeted for.

Budget: \$17.0 million

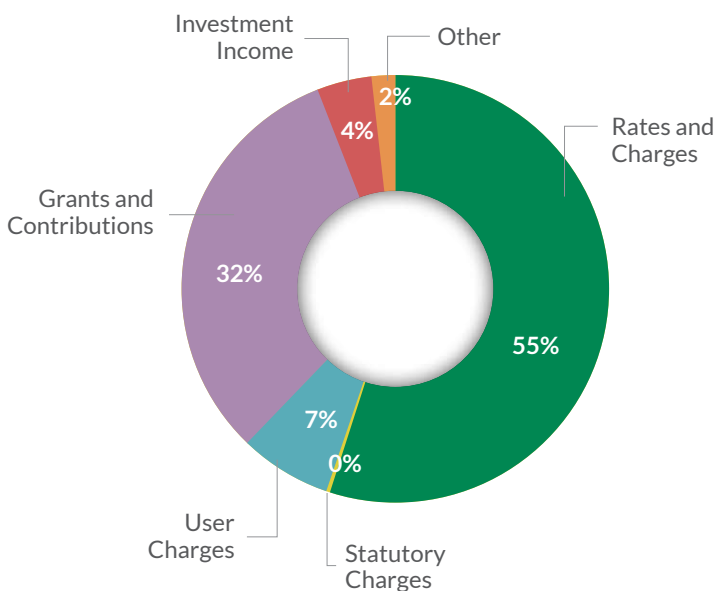
Result: \$17.7 million

Four-year Trend - INCOME

Over the four-year trend the income has reduced as significant grant funding for capital improvements in prior years has not been received to a similar value in 2017-18. Furthermore, the special rate for developing the Humpty Doo Waste Transfer Station expired in 2016-17 and reduced the overall rates income for Council.

2017-18	2016-17	2015-16	2014-15
\$17.7M	\$19.8M	\$22.9M	\$15.3M

### Income by source



## Expenses in 2017-18

Total expenses for the year resulted in a \$320,000 reduction compared to the original budget even though Council was confronted with additional expenditures related to natural disasters. Overall, Council is continuing to restrain operational spending as outlined in the long term financial plan.

Budget: \$30.55 million

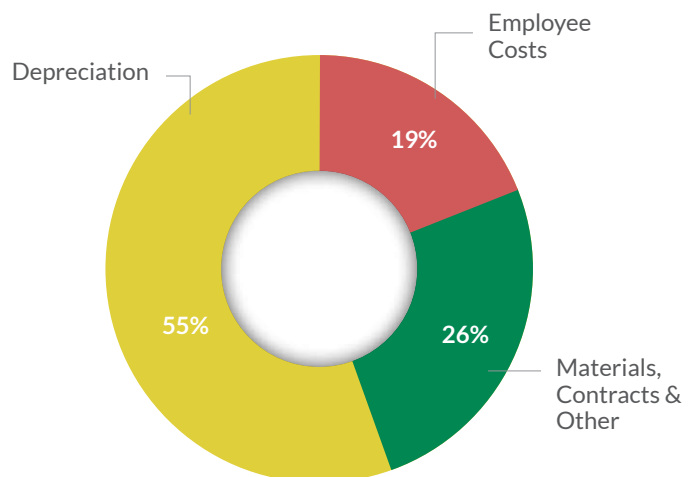
Result: \$30.23 million

Four-year Trend - EXPENSES

The increase of expenditure from last year to this year is a result of the unexpected natural disaster expenditure after Cyclone Marcus, amounting to \$738,000.

2017-18	2016-17	2015-16	2014-15
\$30.2M	\$29.8M	\$29.9M	\$21.3M

### Expenses by source



## How does the Net Result compare with previous years?

Net Result including non-monetary elements

2017-18	2016-17	2015-16	2014-15
(\$9.0M)	(\$8.8M)	(\$2.4M)	(\$4.1M)

Council's Net Deficit has increased compared to the prior year due to unbudgeted expenses related to Cyclone Marcus. A reduction in income from the year before due to the expiry of the Special Rate has accelerated that impact.

## Current Ratio

This current ratio reflects the ability of Council to cover current liabilities with money held in financial reserves. While the current ratio has decreased compared to the prior year, Council is far above the local government benchmark of 1.5.

### Liquidity Ratio

2016-17	2017-18
8.5:1	7.01:1

## Rates Outstanding

Council is committed to the ongoing collection of outstanding rates and charges. Over the past five years Council has successfully reduced the outstanding rates from 64.95 per cent to 20.61 per cent. Council acknowledges that this is still well above the Local Government Basic Standard of 5 per cent and will continue to focus on collection.

### Per cent of rates and charges outstanding

2016-17	2017-18
23.47%	20.61%

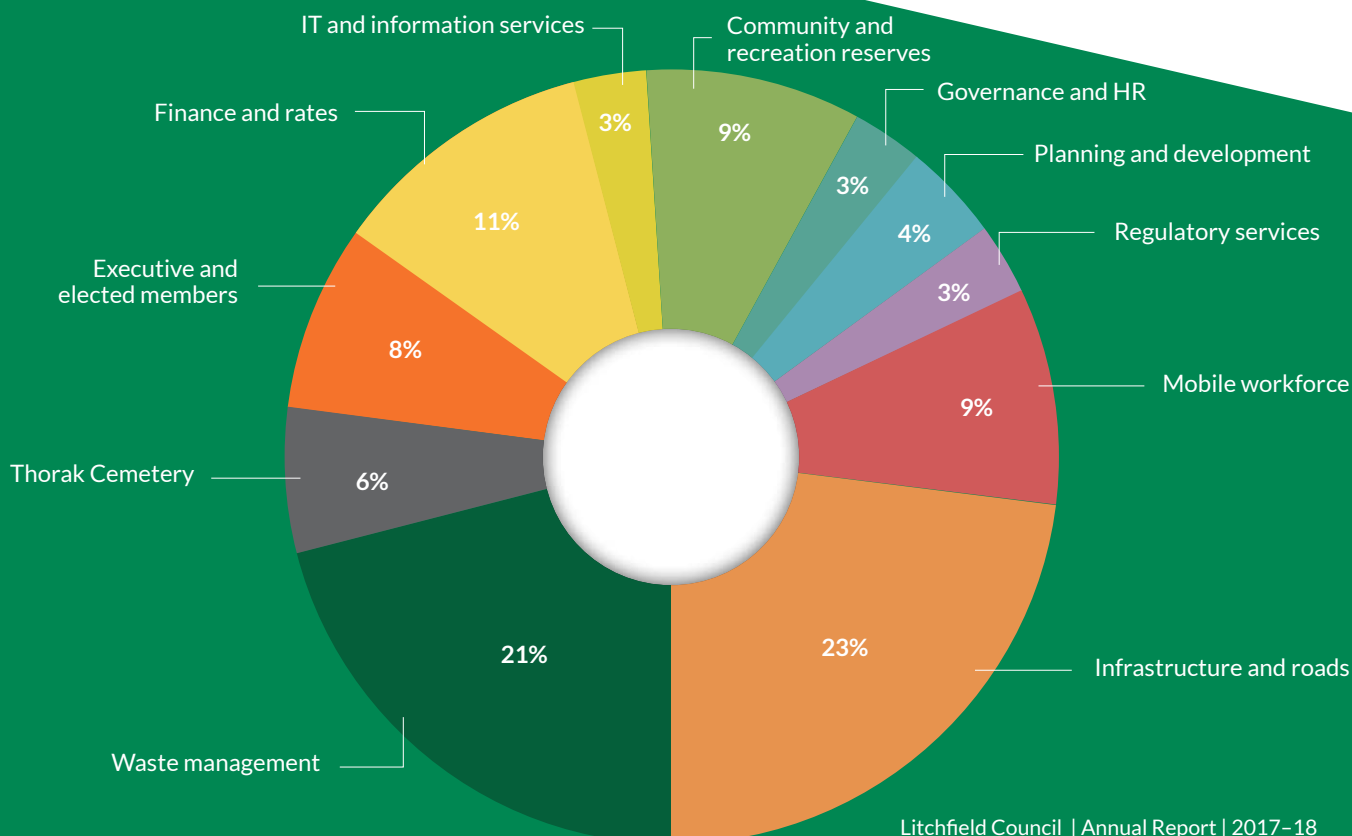
## Financial Reserves

The financial reserves provide a source of funds for future commitments to assist in meeting obligations to current and future generations. The increase from the previous year is due to additional funds being transferred to the financial reserves from a change in policy. Council is now tying all funds available to specific areas for future use. This makes Council's financial situation more transparent. These cash backed reserves however will be depleted over future years as Council addresses demands for renewing and replacing its substantial infrastructure assets.

### Balance of Financial Reserves

2016-17	2017-18
\$14.1m	\$21.7m

For every \$100 of expenditure, Council delivers the following services:



# Performance Reporting

## Council Leadership

### Directorate – Office of the Chief Executive

Responsible Officer	Chief Executive Officer
Number of FTEs	3
Strategic Priority	2 – A Great Place to Live 4 – A vibrant economy An Efficient & Effective Council
Outcome	4.1 Economic Development 4.2 Strong Local Business 4.3 Local Employment Engage Our Community Good Governance Partnerships & Advocacy Modern Service Delivery
Council Roles	Advocacy, Community Engagement, Revenue/Funding, Regulation, Partnering

### Program Description

Provide leadership, ensuring good governance, clear and consistent communication, reputation management, media monitoring and management, community engagement, sound resource management practices and deliver timely services and safe operations.

## Achievements

High level of support to the Office of the Mayor and Chief Executive Officer.

Developing and implementing the Community Engagement Strategy and Action Plan.

Two Litchfield Women in Business Network events: Speed Networking and Leave No Woman Behind.

2018 Community Survey receiving 300 responses.

Elected Members support and Council meetings.






Business, governance, strategy, legislation and policy reviewing and planning.

## 2017–18 Budget and Results

	2017–18 Budget	2017–18 Result
Operational Revenue	\$0	\$13,923
Operational Expenditure	\$1,071,161	\$1,031,460
<b>Net Operating Surplus (costs)</b>	<b>(\$1,071,161)</b>	<b>(1,017,537)</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>



## Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Develop a Professional Development Program for Councillors	>2	0	
Annual Community Survey	1	1	
Community perception of safety from Council's Annual Community Survey	>70%	86% of residents feel safe at home during the day	
Overall community satisfaction from Council's Annual Community Survey	>60%	64%	
Media response time	<24 hours	<24 hours	



# Human Resources and Work Health and Safety

## Directorate – Office of the Chief Executive

Responsible Officer	HR & WHS Advisor
Number of FTEs	1
Strategic Priority	An Effective & Sustainable Council
Outcome	Good Governance
Council Role	Service Delivery

### Program Description

Manage and deliver a suite of Human Resource Management services and Council's Work Health and Safety (WHS) responsibilities.

## Achievements




Strengthened organisational capability with a 12-month People and Culture Program, including STAR workplace assessment.

17 recruitment campaigns in 2017–18 and subsequent on-boarding.

A new Litchfield 2017 Enterprise Agreement.

All staff training – Procurement and Fraud Awareness.

## Key Performance Indicators

KPI	Target	Actual	2017–18 Result
Staff turnover rate	<20%	18%	
Organisational development initiatives	3	3	
Professional development training for each staff member	>1	>3	



# Planning and Development

## Directorate - Infrastructure and Operations

Responsible Officer	Planning and Development Manager
Number of FTEs	4.5
Strategic Priority	1 – Everything You Need 2 – A Great Place to Live 3 – A Beautiful Natural Environment 4 – A Vibrant Economy
Outcome	1.1 Roads 1.3 Waste 1.6 Drainage 2.5 Community 2.6 Sense of Place 3.1 Protection 3.2 Open Space 3.4 Sustainability
Council Roles	Service Delivery, Advocacy

### Program Description

Assess and provide comment on land use and development applications, planning scheme amendments and strategic plans and policies relating to the Litchfield municipality, in accordance with Council policy requirements and considering community impact, amenity protection and sustainability.

Approve design and construction documentation, undertake onsite inspections and provide clearance for future Council assets in new developments and subdivisions.

## Achievements

### Land Use Planning

Council's role in the Northern Territory planning and development process is as a referral agency with the opportunity to assess all development proposals and planning applications (for both strategic planning and statutory land use planning) within the municipality.

#### Strategic Planning

Council has assessed and provided comments for Planning Scheme Amendment, Rezoning, Concurrent and Area Plan applications which all required Ministerial approval. Of the eight received, Council provided support for three of the applications.

	2016-17	2017-18
Number of applications received	3	8

#### Statutory Land Use Planning

Of all the development applications received and referred to Council for comment, 12 were proposals to subdivide.

	2016-17	2017-18
Number of applications received	56	69

#### Mining Leases and Permits

Mining Leases and Permits are managed under the *Mining Act*. As part of their approval process Council can make submissions.




	2016-17	2017-18
Number of applications received	20	30



## 2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$162,430	\$52,619
Operational Expenditure	\$609,494	\$640,925
<b>Net Operating Surplus (costs)</b>	<b>\$447,064</b>	<b>(\$588,306)</b>
Capital Revenue	\$763,409	\$157,791
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$763,409</b>	<b>\$157,791</b>

## Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Comments submitted on applications	>95	100%	
Issue works permits associated with a Development Permit	<5 days	<5 days	
Issue clearances for development	<10 days	<10 days	



# Infrastructure and Works

## Directorate - Infrastructure and Operations

Responsible Officer	Road Network Manager
Number of FTEs	4
Strategic Priority	1 – Everything You Need 2 – A Great Place to Live 3 – A Beautiful Natural Environment
Outcome	1.1 Roads 1.6 Drainage 2.4 Recreation 3.4 Sustainability
Council Role	Service Delivery

### Program Description

Develop, schedule, contract and implement annual programs for capital works, infrastructure asset renewal, maintenance and upgrade; prepare designs, specifications, estimates and tender documentation for works; supervise contracts; conduct routine maintenance inspections; apply for grants; and ensure timely responses to ratepayer requests for services.

## Achievements

Unsealed roads were graded three times during 2017–18 and a full maintenance grade was completed, including table drains, off let drains and table drain blocks, at a cost of more than \$80,000.

Sections of Mocatto Road, Whitestone Road, Warren Road and Parkin Roads have been re-sheeted at a cost of almost \$50,000.

Line marking was completed on 26 roads throughout the municipality at a cost of more than \$130,000.

Road shoulders were repaired on all or part of 16 roads, some in preparation for resealing.

Roadside trees were trimmed and obstructions removed in 40 locations at a cost of almost \$60,000, helping to keep residents safe when driving in the Litchfield municipality.

Council spent \$2,159,384 resealing 46 km across 33 roads. Savings from the budget (\$2,649,404) were allocated to complete the following projects:

- sealing: William Road and Carveth Road
- Mango Industry Strategic Roads Project: Survey, design and geotech report for Horsnell Road, Chibnall Road and Mocatto Road and design for Kentish Road.

Stage 2 of the upgrade was widening and strengthening a section of Anzac Parade at a cost of \$500,685.





## Natural Disaster – Cyclone Marcus

Tropical Cyclone Marcus crossed land over the Top End on 17 March 2018, uprooting countless trees, disrupting power and water supplies and causing significant damage to infrastructure, especially roads.

All repairs associated with clean up works resulting from Cyclone Marcus have been completed this year. Approximately 86 roads were affected. More than 295 tree lopping jobs were recorded at a cost of more than \$610,000.

Capital Works Project	Budget	Status
Shoulder widening, sealing and edge lining of narrow seal.	\$300,000	Works not undertaken due to Cyclone Marcus.
Re-sheeting of roads (Renewal)	\$400,000	Complete (cost - \$355,200)
Purchase of three Armadillo Traffic Counters	\$18,645	Complete (cost - \$16,500)
Purchase and install three safety rails along Leonino Road Chainage 12.25, 7.98 and 12.4.	\$100,000	Complete (cost - \$88,937)
Painting the Council Chambers roof	\$18,181	Complete (cost - \$19,824)

### Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Works (Operating) Program – as adopted completed in timeframes	>90%	95%	
Works (Capital) Program – as adopted completed within agreed timeframes	>90%	95%	
Drainage and roads meet a condition rating of satisfactory or above	>75%	90%	
Emergency works response mobilised	<48 hours	<12 hours for two major emergency events	

# 363

tonnes of asphalt was used on patching potholes



# Mobile Workforce

## Directorate - Infrastructure and Operations

Responsible Officer	Mobile workforce (MWF) Manager
Number of FTEs	8.67
Strategic Priority	1 – Everything You Need 3 – A Beautiful Natural Environment
Outcome	1.1 Roads 1.4 Cleanliness 1.6 Drainage 3.2 Open Space 3.3 Weeds 3.5 Fire
Council Role	Service Delivery

### Program Description

Provide an effective and efficient maintenance service for Council's road verges, drainage easements, signs, reserves, excised lands, areas surrounding waste transfer stations and Council buildings using well-maintained plant and equipment.

## Achievements

Two rounds of slashing and mowing of over 800 kms of road.

Litter collection.

Maintaining road signs and guide posts with 2525 guide posts installed and 750 straightened or removed, and 774 road signs repaired or installed.

Approximately 1000 kms of Council owned fire breaks and road reserves were sprayed and slashed.

Weed management continued to be a focus for the Mobile Work Force. Council worked with Bushfires NT and Weeds Branch NT to maintain strong weed management and burn programs through slashing and spraying.







Cyclone Marcus clean-up activities were also undertaken, including tree removal, clean up, and fence repairs.

Capital Works Project	Budget	Status
Building of shed	\$450,000	Special purpose grant funding 50 per cent of project – construction for shed was tendered, however requires retendering following design review, works to occur in 2019
Tractor with loader replacement	\$150,000	Complete (cost - \$134,500)
Tractor mount post hole digger	\$5,000	Complete (cost - \$4,500)

## 2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$1,226,644	\$1,224,690
<b>Net Operating Surplus (costs)</b>	<b>(\$1,226,644)</b>	<b>(\$1,224,690)</b>
Capital Revenue	\$30,000	\$2,495
Capital Expenditure	\$380,000	\$134,503
<b>Net Capital Surplus (costs)</b>	<b>(\$350,000)</b>	<b>(\$132,008)</b>

## Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Slashing and mowing 900 kms road network (equivalent to 7,200kms per round) before July fire bans	2 rounds	100% for first round, 97% of second round	
Fire breaks and road reserves slashing of 1000 km within Council excised land	>75%	90%	
Replace non-compliant signs in the sign program to Australian standards	100%	90%	
Reduce lost time due to plant and equipment breakdown	<20 lost hours	Achieved	
Plant serviced within three days of service due date	100%	90%	
Weed spraying roadside furniture (signs, guide posts, culverts, power poles and pits), Target Gamba grass and classified weeds, 900 km verges and 1000 km excised lands	150,000 litres	Achieved	

# Waste Management

## Directorate - Infrastructure and Operations

Responsible Officer	Waste Manager
Number of FTEs	12.8
Strategic Priority	1 – Everything You Need 2 – A Great Place To Live 3 – A Beautiful Natural Environment
Outcome	1.2 Waste 2.5 Community 3.2 Sustainability
Council Role	Service Delivery, Community Engagement

### Program Description

Implementing an environmentally sustainable, safe and cost-effective waste management system through Council's waste transfer stations and recycling operations.

Provide ongoing community information in relation to recycling and disposal of waste materials and enhance the community's awareness of environmental initiatives.

## Achievements

The following chart provides an overview of the total waste received at the three transfer stations combined and a comparison to previous years:




WASTE TYPE	Total 2015-16	Total 2016-17	Annual 2017-18	Performance compared to previous year
Landfill Waste Shoal Bay (tonnes)	9411	8683	7713	↓
Batteries (tonnes)	100	109	87	↓
<b>Recyclables</b>				
Cardboard (cubic metre)	4320	4658	5745	↑
Cardboard (tonnes)	175	142	183	↑
Co-mingle (cubic metre)	1141	1435	1654	↑
Co-mingle (tonnes)	107	130	134	↑
Construction waste (tonnes)	463	457	459	↑
Domestic vehicle (vehicles)	134215	134318	140873	↑
Green waste utility or trailer (cubic metre)	3315	3993	12364	↑
Green waste commercial (tonnes)	291	301	396	↑
Mulch sales (cubic metre)	3886	4313	3439	↓
Non-Litchfield residents (users)	254	195	171	↓
Scrap metal (tonnes)	1292	1207	1241	↑
Used oil (litres)	52411	54013	61716	↑
White goods (tonnes)	109	105	123	↑
Wood mulch sold (cubic metre)	1310	272	961	↑
Tyres (tonnes)	1734	1435	756	↓
Air conditioners (tonnes)	317	11	6	↓
Crushed Concrete (tonnes)			780	
Cash for Cans (tonnes)			2117	
E-Waste - TVs and Computers (tonnes)			12	

Capital Works Project	Budget	Status
Bobcat replacement	\$80,000	Complete (cost - \$82,204)

## 2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$2,986,838	\$2,995,508
Operational Expenditure	\$2,828,104	\$2,613,368
<b>Net Operating Surplus (costs)</b>	<b>\$158,734</b>	<b>\$382,140</b>
Capital Revenue	\$13,000	\$5,841
Capital Expenditure	\$305,000	\$146,009
<b>Net Capital Surplus (costs)</b>	<b>(\$292,000)</b>	<b>(\$140,168)</b>

## Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Waste tonnage transferred to Shoal Bay	<10,000	7713 tonnes	
% of green waste received that is on-sold as mulch	>80%	100%	
Community Education Programs	2	New signs purchased to assist the community at the transfer stations	



## Regulatory Services

### Directorate - Infrastructure and Operations

Responsible Officer	Ranger Supervisor
Number of FTEs	3
Strategic Priority	2 – A Great Place to Live
Outcome	2.5 Animal Control
Council Roles	Service Delivery, Regulations, Community Engagement

#### Program Description

Administer Council's Animal Management By-Laws, promote responsible dog ownership through public education and initiatives; assist with the management and control of feral dogs and address abandoned vehicles.

### Achievements

Council's new Dog Management By-laws came into effect in July 2017 with the introduction of dog registration. Of the 5223 dogs on Council's microchip database, 2997 have been registered with Council.

Activities carried out this financial year include:

	2016-17	2017-18	Variance
Infringements for dog related offences	95	107	↑
Dogs impounded	383	389	↑
Dogs transferred to rescue groups	111	119	↑

Council's De-sexing Initiative provided 100 x \$100 vouchers to dog owners to assist with the cost of de-sexing their dog.

Dog Awareness Program presented by Rangers to students at Bees Creek Primary School.

Rangers successfully completed Certificate IV in Government Investigations.

Customer requests	2015-16	2016-17	2017-18	Variance
Dog at Large	325	399	417	↑
Dog Menace Animal	15	13	13	
Dog Attack Animal	78	69	64	↓
Lost Dog Reports	237	154	178	↑
Dog Menace Person	27	31	27	↓
Dog Attack Person	14	3	11	↑
Nuisance Barking	55	43	42	↓
Unregistered Dog	N/A	N/A	15	↑
Trap Request	35	19	42	↑
Feral Dog Reports	13	7	1	↓
Surrendered Dog	N/A	N/A	3	
Deceased Dog (removal)	N/A	N/A	8	
Abandoned Vehicle	N/A	N/A	41	
<b>Total</b>	<b>180</b>	<b>265</b>	<b>876</b>	



## 2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$34,000	\$65,354
Operational Expenditure	\$376,940	\$373,204
<b>Net Operating Surplus (costs)</b>	<b>(\$342,940)</b>	<b>(307,850)</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>

## Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Number of dogs registered	>5000	2997 registered dogs, 5223 dogs microchipped.	●
Investigations completed within 14 days	>90%	Achieved	●
Responsible Dog Ownership educational material	Developed and published	Achieved	●
Dog Awareness Education Program delivered to Primary Schools	>2 schools per year	2 classes at Bees Creek Primary School, offered to all schools	●
Animal Management Strategy	Developed	Discussion Paper for the Animal Management Plan has been developed	●



# Finance

## Directorate – Community and Corporate Services

Responsible Officer	Finance Manager
Number of FTEs	8.5
Strategic Priority	An Effective and Sustainable Council
Outcome	Good Governance Modern Service Delivery
Council Role	Service Delivery

### Program Description

Provide financial services to assist Council in making informed decisions regarding allocating resources efficiently and effectively in the short and long term and to ensure Council meets all its statutory and regulatory obligations.

## Achievements

### **Municipal Plan**

Finance has been able to support the organisation in developing a comprehensive budget for the Municipal Plan 2018–19, improving the financial information provided and increasing the transparency for our residents.

### **Monthly and annual financial reporting**

Council has improved the quality and detail on monthly financial reporting presented to Council. Improvements have been made to enable Council to track the financial performance compared to the original budget throughout the year. Additionally, Council approved the annual audited financial statements within legislative timelines with inclusion into the Annual Report.

### **Rates and accounts receivable collection**

The Rates and Accounts Receivable department within Council has further increased its focus on assisting residents in debt to find suitable payment arrangements and decrease the outstanding rates debt. Council's rates concession policy allows for residents in financial hardship to pay off debt on agreeable payment plans. Council successfully reduced the Outstanding Rates percentage from 23.47 per cent in 2016–17 to 20.61 per cent in 2017–18. The Rates department will continue to assist ratepayers in need while focusing on the overall goal of debt reduction.

### **Front counter customer service**

Council's Customer Service team has been extremely busy in the 2017–18 financial year recording more than 2,300 customer requests with more requests in person or over the phone resolved immediately.

### **Long Term Financial Plan**

In conjunction with the Municipal Plan 2018–2019 the Long-Term Financial Plan was adopted by Council – the 10-year Long Term Financial Plan will be reviewed once the Asset Management Plans for each division are finalised.

### **Accounts payable and payroll**






The Accounts Payable and Payroll department within Council continue to ensure payments are made to contractors and suppliers within the terms outlined on invoices and wages and salaries are paid in accordance with Council's Enterprise Agreement.



## 2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$8,174,865	\$8,275,543
Operational Expenditure	\$1,522,941	\$1,405,621
<b>Net Operating Surplus (costs)</b>	<b>\$6,651,924</b>	<b>\$6,869,922</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>

## Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Compliance with management, statutory and regulatory budgeting and reporting	100%	100%	
Current year's rates outstanding as at 30 June 2018	<15%	7.8%	
Rates coverage ratio-lowering Council's dependency on government grants and other funding sources.	>50%	54.9% Total Income (not including other reportable grants received specifically for new or upgraded assets).	
Liquidity ratio	>1:1	7.01:1	
Asset sustainability ratio	90%	44.8% Target could not be achieved due to current useful lives of Assets, Policy has been adjusted going forward and will be reflected in the 2018/19 financial year.	

## Information Services

### Directorate – Community & Corporate Services

Responsible Officer	Information Services Manager
Number of FTEs	1
Strategic Priority	An Effective & Sustainable Council
Outcome	Engage Our Community Good Governance Modern Service Delivery
Council Role	Service Delivery

#### Program Description

Ensure the delivery of efficient and effective information technology and communications systems, infrastructure and support services, geographical information services and records management to enable improved services for Council's customers, the capture and use of Council knowledge and effective processes.

### Achievements







The Information Communications Technology (ICT) Improvement Plan was finalised in 2017-18 and now guides Council improvements in ICT. The Plan comprises more than 40 actions over six different core areas that require implementation and review over the next five years (up to 2022) and a Core Infrastructure Roadmap, which identifies the required investment to ensure Council continues to work efficiently and stores data securely.

The completion of the data backup project saw an overhaul to the backup process. Infrastructure was established on-site, as well as cloud storage, resulting in a significant risk reduction for both data loss and business continuity.

### 2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$27,500	\$3,106
Operational Expenditure	\$469,156	\$445,877
<b>Net Operating Surplus (costs)</b>	<b>(\$441,656)</b>	<b>(\$442,771)</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>

## Key Performance Indicators

KPI	Target	Actual	2017/2018 Result
Compliance – Incoming documents entered into records management system	<1 day	Complete	
Staff using records management system	>80	Complete	
Acknowledgment of the lodgement of Technology Issue	<1Days	Complete	
Timely Resolution of Technology Issues. – Category 1 Urgent	<2Days	>90%	
Timely Resolution of Technology Issues. – Category 2 Moderate	<5Days	Complete	
Timely Resolution of Technology Issues. – Category 3 Non-Urgent	<15Days	Complete	

# Community Services and Community Development

## Directorate – Community & Corporate Services

Responsible Officer	Director of Community and Corporate Services
Number of FTEs	1
Strategic Priority	2 – A Great Place to Live An Effective & Sustainable Council
Outcome	2.1 – Social Activity 2.2 – Culture 2.3 – Community 2.4 – Recreation
Council Roles	Service Delivery, Advocate, Revenue/Fund, Community Engagement, Partnering

### Program Description

Support Recreation Reserves Committees.

Implement Council's Community Grants Scheme, including the Annual Community Grants Program, community initiatives program and Council Partnerships and support grants.

Identify opportunities for grant funding and support community events and programs.

## Achievements

Event coordination for Australia Day and Community Grants Scheme.

Sourced and secured various grant funding.

Supported community organisations by distributing the Community Grants Scheme funding and ensured the promotion of Litchfield Council.




Worked closely with the Reserve Committees and community groups to increase participation at Council's Recreation Reserves and improve facilities and usability of the reserves.

## 2017-18 Budget and Results

	2017-18 Budget	2017-18 Result
Operational Revenue	\$79,500	\$133,682
Operational Expenditure	\$1,285,840	\$1,317,928
<b>Net Operating Surplus (costs)</b>	<b>(\$1,206,340)</b>	<b>\$(1,184,246)</b>
Capital Revenue	\$0	\$2,033,824
Capital Expenditure	\$0	\$1,615,821
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$418,003</b>



## Key Performance Indicators

KPI	Target	Actual	2017/2018 Result
Grants acquitted within agreed timeframes	100%	100%	
Annual Community Grants awarded	6	11	
Community events and programs supported	4	9	
<ul style="list-style-type: none"> <li>Rural Carols by Candlelight</li> <li>Landcare activities</li> <li>Weed control at Livingstone Recreation Reserve</li> <li>Berry Springs Mango Festival</li> <li>Palmerston Rural Seniors Committee Seniors Fortnight</li> <li>Bushcare Major Day Out McMinns Lagoon</li> <li>Berry Springs Territory Day Event</li> <li>Freds Pass Rural Show</li> <li>ANZAC Day Event Humpty Doo Village Green</li> </ul>			



## Governance and Risk

### Directorate – Community and Corporate Services

Responsible Officer	Governance and Risk Advisor
Number of FTEs	1
Strategic Priority	An Effective & Sustainable Council
Outcome	Good Governance Modern Service Delivery
Council Role	Service Delivery

#### Program Description

Support the Risk Management and Audit Committee and ensure Council's compliance with the *Local Government Act* and other relevant legislation by providing advice, maintaining required registers, and developing and implementing a governance framework that supports best practice governance.

### Achievements

A total of 50 policies were reviewed by Council and 12 administrative policies approved by the Chief Executive Officer.

Council successfully underwent a routine compliance review by the Northern Territory Government Local Government Division.

Three internal audits were conducted on:

- procurement
- process for issuing permits for work undertaken on Council land
- Work Health and Safety at the Waste Transfer Stations.

A Freedom of Information procedures manual was finalised to comply with legislation.

Drafting instructions for Litchfield Council Meeting Procedures By-laws were endorsed by Council and submitted to Parliamentary Counsel.





Governance training was provided by the Australian Institute of Company Directors (sourced through Local Government of Northern Territory) for Elected Members.

With the general election in August 2017, Council conducted a detailed induction program with all elected members, including legislative requirements, emerging issues and information about the organisation and its performance.

### 2017–18 Budget and Results

	2017–18 Budget	2017–18 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$466,900	\$455,396
<b>Net Operating Surplus (costs)</b>	<b>(\$466,900)</b>	<b>(\$455,396)</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>

## Key Performance Indicators

KPI	Target	Actual	2017/2-18 Result
Compliance with legislative requirements as per Department of Local Government Compliance Checklist (DOLG)	100%	100% Audited by Local Government Division of the Northern Territory Government	
Risk Management Audit Committee Meetings	4	4	
Internal Audits conducted in accordance with RMAC endorsed Annual Internal Audit Program	3	3	
Governance and Risk Management Framework Document	Complete	Complete	





# Thorak Regional Cemetery

## Directorate – Community & Corporate Services

Responsible Officer	Thorak Manager
Number of FTEs	5.8
Strategic Priority	2 – A Great Place to Live An Efficient & Sustainable Council
Outcome	2.3 – Community 2.4 – Recreation Modern Service Delivery
Council Roles	Service Delivery, Community Engagement

### Program Description

Operate the Thorak Regional Cemetery in an efficient and effective manner in accordance with approved plans and the *Northern Territory of Australia Cemeteries Act*, Cemeteries regulations and Council policy.

## Achievements

A new Jewish Section and Children's Memorial Beam developed, making available an additional 20 graves and 76 ash plots.

Improvements made to customer information on fees and charges.

Policies and procedures reviewed, resulting in two new policies approved by the Thorak Regional Cemetery Board.

Cremation service extended to include pick up from the morgue.

A Draft Asset Management Plan developed.

Above ground burials now available.

Operational efficiencies trialled throughout the year.

Through TOPROC (Top End Regional Councils) and in partnership with the City of Darwin and City of Palmerston, Council continues to undertake advocacy work with the Northern Territory Government to change the governance and management structure of Thorak Regional Cemetery to ensure long term financial sustainability.



Services	2015-16	2016-17	2017-18	Variance
Burials	142	95	94	↓
Cremations	104	140	181	↑
Chapel Hire	83	55	67	↑
TOTAL	329(11%*)	290 (11%*)	342 (12.3%*)	↑

\* These figures represent Litchfield service users for burials and cremation.

## 2017-18 Budget and Results






















	2017-18 Budget	2017-18 Result
Operational Revenue	\$725,125	\$945,639
Operational Expenditure	\$791,655	\$760,654
<b>Net Operating Surplus (costs)</b>	<b>(\$66,530)</b>	<b>\$184,985</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$25,396
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>(\$25,396)</b>





















## Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Compliance with cemetery regulations	100%	100%	
Achievement of operational budget	100%	100%	











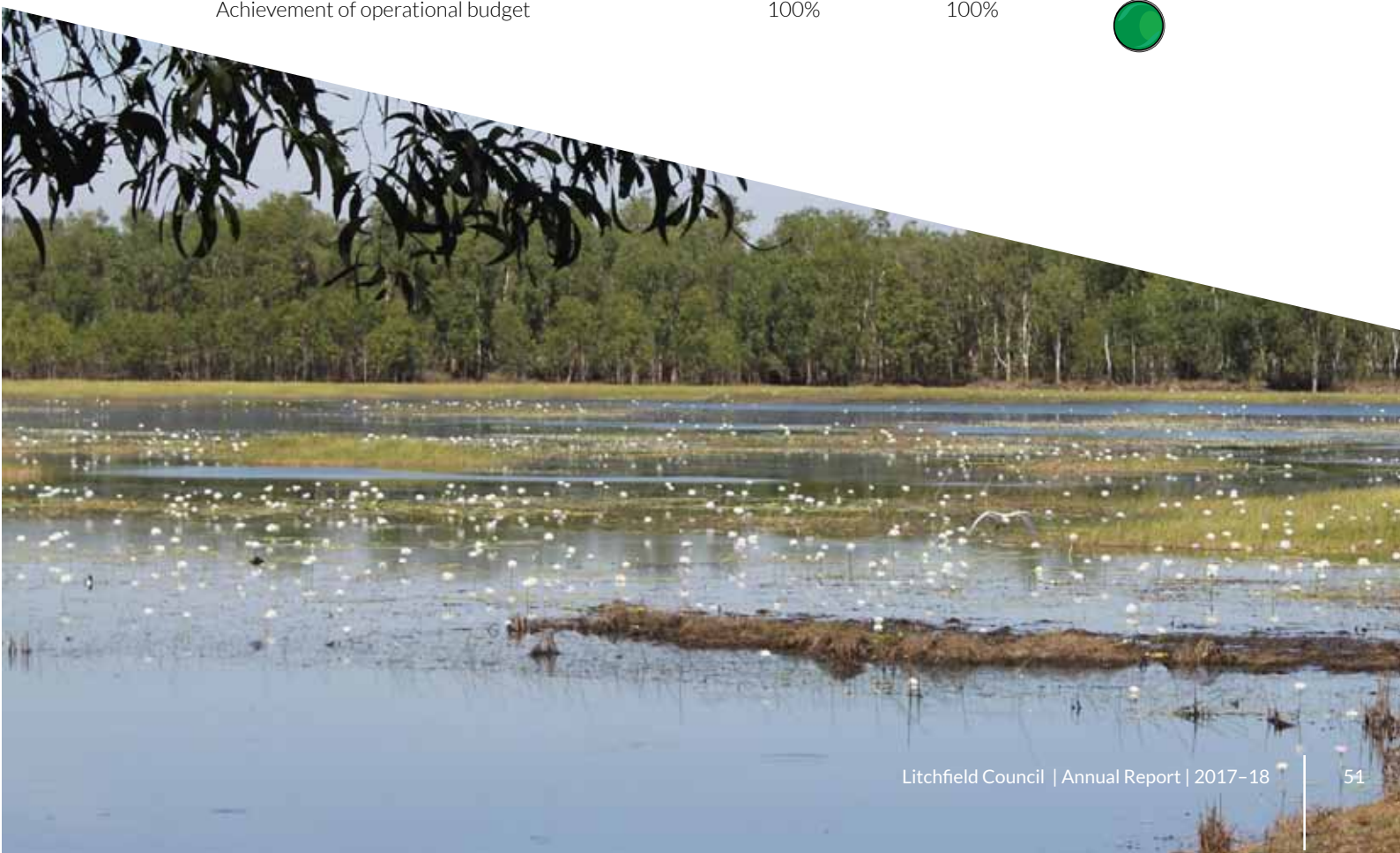
## Summary of Key Performance Indicators

KPI	Target	Actual	2017-18 Result
Develop a Professional Development Program for Councillors	>2	0	
Annual Community Survey	1	1	
Community perception of safety from Council's Annual Community Survey	>70%	86% of residents feel safe at home during the day	
Overall community satisfaction from Council's Annual Community Survey	>60%	64%	
Media response time	<24 hours	<24 hours	
Staff turnover rate	<20%	18%	
Organisational development initiatives	3	3	
Professional development training for each staff member	>1	>2	
Comments submitted on applications	>95	100%	
Issue works permits associated with a Development Permit	<5 days	<5 days	
Issue clearances for development	<10 days	<10 days	
Works (Operating) Program – as adopted completed in timeframes	>90%	95%	
Works (Capital) Program – as adopted completed within agreed timeframes	>90%	95%	
Drainage and roads meet a condition rating of satisfactory or above	>75%	90%	
Emergency works response mobilised	<48 hours	<12 hours for 2 major emergency events	
Slashing and mowing 900 kms road network (equivalent to 7,200 kms per round) before July fire bans	2 rounds	100% for first round, 97% of second round	
Fire breaks and road reserves slashing of 1000 km within Council excised land.	>75%	90%	
Replace non-compliant signs in the signage program to Australian standards	100%	90%	
Reduce lost time due to plant and equipment breakdown	<20 lost hours	Achieved	
Plant serviced within three days of service due date	100%	90%	
Weed spraying roadside furniture (signs, guide posts, culverts, power poles and pits) Target Gamba grass and classified weeds, 900 km verges and 1000 km excised lands	150,000 litres	Achieved	

KPI	Target	Actual	2017-18 Result
Waste tonnage transferred to Shoal Bay	<10,000	7713 tonnes	
% of green waste received that is on-sold as mulch	>80%	100%	
Community Education Programs	2	New signage purchased to assist the community at the transfer stations	
Number of dogs registered	>5000	2997 registered dogs, 5223 dogs total on dog register.	
Investigations completed within 14 days	>90%	Achieved	
Responsible Dog Ownership educational material	Developed and published	Achieved	
Dog Awareness Education Program delivered to Primary Schools	>2 schools per year	Two classes at Bees Creek Primary School, offered to all schools	
Animal Management Strategy	Developed	Draft Discussion Paper for the Animal Management Plan has been developed	
Compliance with management, statutory and regulatory budgeting and reporting	100%	100%	
Current year's rates outstanding as at 30 June 2018	<15%	7.8%	
Rates coverage ratio – lowering Council's dependency on government grants and other funding sources	>50%	54.9%	
Liquidity ration	>1:1	7.01:1	
Asset sustainability ratio	90%	44.8%	
Compliance – Incoming documents entered into records management system	< 1 day	Complete	
Staff using records management system	80%	Complete	
Acknowledgment of the lodgement of Technology Issue	< 1 day	Complete	
Timely Resolution of Technology Issues – Category 1 Urgent	< 2 days	> 90%	
Timely Resolution of Technology Issues – Category 2 Moderate	< 5 days	Complete	
Timely Resolution of Technology Issues – Category 3 Non-Urgent	< 15 days	Complete	
Grants acquitted within agreed timeframes	100%	100%	



KPI	Target	Actual	2017-18 Result
Annual Community Grants awarded	6	11	
Community events and programs supported Rural Carols by Candlelight Landcare activities Weed control at Livingstone Recreation Reserve Berry Springs Mango Festival Palmerston Rural Seniors Committee Seniors Fortnight Bushcare Major Day Out McMinns Lagoon Berry Springs Territory Day Event Fred's Pass Rural Show ANZAC Day Event Humpty Doo Village Green	4	9	
Compliance with legislative requirements as per Department of Local Government Compliance Checklist (DOLG)	100%	100% Audited by Local Government Division of the Northern Territory Government.	
Risk Management Audit Committee Meetings Number	4	4	
Internal Audits conducted in accordance with RMAC endorsed Annual Internal Audit Program	3	3	
Governance and Risk Management Framework Document	Complete	Complete	
Compliance with cemetery regulations	100%	100%	
Achievement of operational budget	100%	100%	



# Litchfield Council

## General Purpose Financial Reports for the year ended 30 June 2018

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# Annual Financial Statements for the year ended 30 June 2018

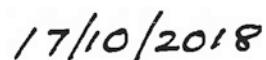
## Officer's Statement

I, Kaylene Conrick, the Chief Executive Officer of the Litchfield Council, hereby certify that the Annual Financial Statements:

- (a) have been drawn up in accordance with the applicable Australian Accounting Standards, the *Local Government Act* and the Local Government (Accounting) Regulations so as to present fairly the financial position of the Council and the results for the year; and
- (b) are in accordance with the accounting and other records of Council.



**Kaylene Conrick**  
Chief Executive Officer



**Date**

# STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 30 June 2018

		2018	2017
	Notes	\$	\$
<b>INCOME</b>			
Rates	2	9,811,439	9,812,902
Statutory charges	2	64,359	36,922
User charges	2	1,175,109	1,096,342
Grants, subsidies and contributions	2	5,703,928	7,869,167
Investment income	2	758,200	812,587
Reimbursements	2	60,224	15,217
Other income	2	150,389	140,916
<b>Total Income</b>		<b>17,723,648</b>	<b>19,784,053</b>
<b>EXPENSES</b>			
Employee costs	3	5,737,007	5,562,439
Materials, contracts & other expenses	3	7,875,804	7,467,712
Depreciation, amortisation & impairment	3	16,615,287	16,829,399
<b>Total Expenses</b>		<b>30,228,098</b>	<b>29,859,550</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(12,504,450)</b>	<b>(10,075,497)</b>
Net gain / (loss) on disposal	4	(14,626)	28,396
Amounts received specifically for new or upgraded assets	2	2,127,544	245,000
Physical resources received free of charge	2	1,351,911	887,075
<b>NET SURPLUS / (DEFICIT)</b>		<b>(9,039,621)</b>	<b>(8,915,026)</b>
transferred to Equity Statement			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Gain on revaluation of infrastructure, property, plant & equipment		52,548,161	-
<b>Total Other Comprehensive Income</b>		<b>52,548,161</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>43,508,540</b>	<b>(8,915,026)</b>

This Statement is to be read in conjunction with the attached Notes.

\*Refer to Note 19



# BALANCE SHEET

for the year ended 30 June 2018

		2018	2017
	Notes	\$	\$ Restated*
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,215,070	1,930,063
Trade & other receivables	5	2,178,778	2,486,043
Other financial assets	5	20,586,716	19,574,537
<b>Total Current Assets</b>		<b>24,980,564</b>	<b>23,990,643</b>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	7	315,500,765	273,259,047
Other Non-current Assets	6	3,042,080	2,144,459
<b>Total Non-current Assets</b>		<b>318,542,845</b>	<b>275,403,506</b>
<b>Total Assets</b>		<b>343,523,409</b>	<b>299,394,149</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8	2,244,294	1,573,163
Provisions	8	621,414	720,061
<b>Total Current Liabilities</b>		<b>2,865,708</b>	<b>2,293,224</b>
<b>Non-current Liabilities</b>			
Provisions	8	387,981	339,745
<b>Total Non-current Liabilities</b>		<b>387,981</b>	<b>339,745</b>
<b>Total Liabilities</b>		<b>3,253,689</b>	<b>2,632,969</b>
<b>NET ASSETS</b>		<b>340,269,720</b>	<b>296,761,180</b>
<b>EQUITY</b>			
Accumulated Surplus		22,733,631	39,373,634
Asset Revaluation Reserves	9	295,859,891	243,311,730
Other Reserves	9	21,676,198	14,075,816
<b>TOTAL EQUITY</b>		<b>340,269,720</b>	<b>296,761,180</b>

This Statement is to be read in conjunction with the attached Notes.

\* Refer to Note 19

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
<b>2018</b>					
Balance at end of previous reporting period		39,373,634	243,311,730	14,075,816	296,761,180
Restated opening balance		39,373,634	243,311,730	14,075,816	296,761,180
<b>Net Deficit for Year</b>		<b>(9,039,621)</b>	-	-	<b>(9,039,621)</b>
<b>Other Comprehensive Income</b>					
<i>Amounts which will not be reclassified subsequently to operating result</i>					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	52,548,161	-	52,548,161
Transfers between reserves		(7,600,382)		7,600,382	-
<b>Balance at end of period</b>		<b>22,733,631</b>	<b>295,859,891</b>	<b>21,676,198</b>	<b>340,269,720</b>
<b>2017</b>					
<b>Restated*</b>					
Balance at end of previous reporting period		45,776,256	243,311,730	14,412,618	303,500,604
Adjustment due to prior period error		2,175,602	-	-	2,175,602
Restated opening balance		47,951,858	243,311,730	14,412,618	305,676,206
<b>Net Surplus / (Deficit) for Year</b>		<b>(8,915,026)</b>			<b>(8,915,026)</b>
<b>Other Comprehensive Income</b>					
<i>Amounts which will not be reclassified subsequently to operating result</i>					
Transfers between reserves		336,802	-	(336,802)	-
<b>Balance at end of period</b>		<b>39,373,634</b>	<b>243,311,730</b>	<b>14,075,816</b>	<b>296,761,180</b>

This Statement is to be read in conjunction with the attached Notes

\* Refer to Note 19

# CASH FLOW STATEMENT

for the year ended 30 June 2018

	2018	2017
Notes	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Rates - general & other	10,066,513	9,689,096
Fees & other charges	1,389,907	1,361,838
Investment receipts	751,346	806,120
Grants utilised for operating purposes	6,131,723	8,459,355
Other operating receipts	210,613	2,570,503
<b>Payments</b>		
Employee Costs	(5,773,967)	(5,378,080)
Contractual services & materials	(7,656,707)	(8,259,709)
Other operating payments	(80,606)	(2,794,225)
<b>Net Cash provided by Operating Activities</b>	<b>5,038,822</b>	<b>6,454,898</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Amounts specifically for new or upgraded assets	2,127,544	245,000
Sale of surplus assets	19,560	179,924
Net disposal of investment securities	-	194,687
<b>Payments</b>		
Expenditure on renewal/replacement of assets	(5,888,740)	(6,417,656)
Net purchase of investment securities	(1,012,179)	-
<b>Net Cash used in Investing Activities</b>	<b>(4,753,815)</b>	<b>(5,798,045)</b>
<b>Net Increase in cash held</b>	<b>285,007</b>	<b>656,853</b>
Cash & cash equivalents at beginning of period	1,930,063	1,273,210
<b>Cash &amp; cash equivalents at end of period</b>	<b>2,215,070</b>	<b>1,930,063</b>

This Statement is to be read in conjunction with the attached Notes

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

### 1 Basis of Preparation

#### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, and relevant Northern Territory legislation.

The financial report was authorised for issue by certificate under clause 16 of the *Local Government (Accounting) Regulations* dated 17 October 2018.

#### 1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

#### 1.3 Critical Accounting Estimates

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

#### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

### 2 The Local Government Reporting Entity

Litchfield Council is incorporated under the *NT Local Government Act* and has its principal place of business at 7 Bees Creek Road, Freds Pass NT. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by the Council but subject to the control of other persons have been excluded from these reports. A separate statement of monies held in the Trust Fund is available for inspection at the Council Office by any person free of charge.



### 3 Income recognition

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

Where grants, contributions and donations recognised as incomes 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 undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as follows:

	Cash Payment Received	Annual Allocation	Difference
2016-17	\$4,459,048	\$2,939,690	+ \$1,519,358
<b>2017-18</b>	<b>\$3,073,489</b>	<b>\$3,027,805</b>	<b>+ \$45,684</b>

Because these grants are untied, the Australian Accounting Standards require that payments be recognised as income upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the difference between actual grants received and the grants entitlements allocated.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

### 4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

### 5 Infrastructure, Property, Plant & Equipment

#### 5.1 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

#### 5.2 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

### 5.3 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Additions acquired subsequent to a revaluation are recognised at cost until the next revaluation of that asset class. Further detail of existing valuations, methods and valuers are provided at Note 7.

### 5.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

### 5.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation 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 (which is the higher of the present value of future cash outflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

## 6 Payables

### 6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

### 6.2 Payments Received in Advance & Deposits

Amounts (other than grants) received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

## 7 Employee Benefits

### 7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

### 7.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the SA Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

## 8 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

## 9 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

## 10 GST Implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

## 11 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

## 12 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income for Not-for-Profit Entities
- Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2014-5, AASB 2015-8, AASB 2016-1, AASB 2016-3, AASB 2016-4, AASB 2016-5, AASB 2016-6, AASB 2016-7, AASB 2016-8, AASB 2017-1, AASB 2017-3, AASB 2017-4, AASB 2017-5, AASB 2017-6, AASB 2017-7, AASB 2018-1 and AASB 2018-2.

*Other than AASB 16 and AASB 1058 Council is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.*

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

Accounting Standard AASB 1058 *Income for Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in relation to the timing of the recognition of revenue from Grants & Subsidies, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

## Note 2 - INCOME

	Notes	2018 \$	2017 \$
<b>RATES REVENUES</b>			
<b>General Rates</b>			
Residential		6,366,958	6,055,957
Commercial/Industrial		619,575	602,935
Other		69,907	75,166
		<b>7,056,440</b>	<b>6,734,058</b>
<b>Special Rates</b>			
Humpty Doo Waste Transfer Station		-	411,100
		-	<b>411,100</b>
<b>Annual Charges</b>			
Waste Management Service		2,754,999	2,667,744
		<b>2,754,999</b>	<b>2,667,744</b>
		<b>9,811,439</b>	<b>9,812,902</b>
<b>STATUTORY CHARGES</b>			
Animal registration fees & fines		64,359	36,922
		<b>64,359</b>	<b>36,922</b>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		917,981	744,442
Rent Received		16,163	18,816
Subdivision and development fees		43,061	45,160
Permit fees		6,243	7,639
Waste Disposal Fees		149,657	177,532
Rate search fees		18,884	16,800
Sundry		23,120	85,953
		<b>1,175,109</b>	<b>1,096,342</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Banks & other		538,410	573,309
Interest on overdue rates and charges		219,790	239,278
		<b>758,200</b>	<b>812,587</b>
<b>REIMBURSEMENTS</b>			
- for private works		50,248	13,717
- other		9,976	1,500
		<b>60,224</b>	<b>15,217</b>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		3,805	27,117
Sundry		146,584	113,799
		<b>150,389</b>	<b>140,916</b>

## Note 2 - INCOME (continued)

	2018	2017
Notes	\$	\$
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Amounts received specifically for new or upgraded assets	2,127,544	245,000
Other grants, subsidies and contributions	5,703,928	7,869,167
	<b>7,831,472</b>	<b>8,114,167</b>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
Commonwealth government	4,802,922	7,237,828
Northern Territory government	2,870,759	629,605
Other	157,791	246,734
	<b>7,831,472</b>	<b>8,114,167</b>
<b>Conditions over grants &amp; contributions</b>		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
Unexpended at the close of the previous reporting period	4,279,118	4,850,050
Less: expended during the current period from revenues recognised in previous reporting periods		
Roads Infrastructure	(1,675,602)	(2,635,290)
<b>Subtotal</b>	<b>(1,675,602)</b>	<b>(2,635,290)</b>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Roads Infrastructure	2,144,603	1,994,358
Heritage & Cultural Services		70,000
<b>Subtotal</b>	<b>2,144,603</b>	<b>2,064,358</b>
Unexpended at the close of this reporting period and held as restricted assets	4,748,119	4,279,118
Net increase (decrease) in assets subject to conditions in the current reporting period	469,001	(570,932)
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>		
Roads, Bridges & Footpaths	1,351,911	887,075
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>	<b>1,351,911</b>	<b>887,075</b>



## Note 2A - RECONCILIATION OF GOVERNMENT GRANTS

This schedule records all amounts received from other levels of Government, whether described as grants, subsidies or otherwise. (Amounts shown as negative are awaiting reimbursement to Council.)

	Opening Balance 1 July 2017	Movements		Closing Balance 30 June 2018
		Received/ Receivable	Expended	
Notes	\$	\$	\$	\$
<b>GRANTS (with discretion on use)</b>				
<b>GENERAL PURPOSE (Untied)</b>				
Grants Commission Grant - general purpose	248,026	502,872	497,886	253,012
Grants Commission Grant - roads funding	1,271,332	2,570,617	2,529,919	1,312,030
<b>Subtotal</b>	<b>1,519,358</b>	<b>3,073,489</b>	<b>3,027,805</b>	<b>1,565,042</b>
<b>SPECIFIC PURPOSE (Recurrent)</b>				
Roads to Recovery	0	1,729,433	1,729,433	0
Northern Territory Government Major Projects Grant - Anzac Parade	(13,230)	724,394	711,164	0
Northern Territory Government Major Projects Grant - Freds Pass Road	415,250	0	15,711	399,539
Libraries - Feasibility Study	50,000	0	50,000	0
Streetlight Maintenance PAWA - Grant	0	16,321	16,321	0
Other	0	2,500	2,500	0
<b>Subtotal</b>	<b>452,020</b>	<b>2,472,648</b>	<b>2,525,129</b>	<b>399,539</b>
<b>TOTAL OTHER GRANTS</b>	<b>1,971,378</b>	<b>5,546,137</b>	<b>5,552,934</b>	<b>1,964,581</b>
<b>Comparatives</b>	<b>1,340,000</b>	<b>3,163,385</b>	<b>4,051,365</b>	<b>1,971,378</b>
<b>GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS</b>				
<b>SPECIFIC PURPOSE (Recurrent)</b>				
Howard Park Reserve - Irrigation Grant	20,000	0	13,612	6,388
Mobile Workforce Shed - Grant	225,000	0	10,980	214,020
Freds Pass Reserve Capital Upgrade grant	2,062,740	0	1,598,529	464,211
Freds Pass Reserve Tourism Upgrade grant	0	2,000,000	0	2,000,000
Solar Grant - Council Office Solar System	0	78,720	28,625	50,095
Humpty Doo Village Green Upgrade	0	33,824	0	33,824
Howard Park Reserve - Kitchen Upgrade grant	0	15,000	0	15,000
<b>TOTAL GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS</b>	<b>2,307,740</b>	<b>2,127,544</b>	<b>1,651,746</b>	<b>2,783,538</b>
<b>Comparatives</b>	<b>3,510,050</b>	<b>245,000</b>	<b>1,447,310</b>	<b>2,307,740</b>
Recognised as revenue in advance of expenditure	4,279,118			4,748,119
	<b>4,279,118</b>			<b>4,748,119</b>

## Note 3 - EXPENSES

		2018	2017
	Notes	\$	\$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		4,317,575	4,582,069
Employee leave expense		695,966	262,559
Superannuation - defined contribution plan contributions	16	481,066	439,636
Workers' Compensation Insurance		104,053	99,551
Fringe Benefit Tax		23,971	26,943
Other		114,376	151,681
<b>Total Operating Employee Costs</b>		<b>5,737,007</b>	<b>5,562,439</b>
<b>Total Number of Employees</b>		<b>50</b>	<b>53</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<b>Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the financial reports		34,872	41,271
- Other Services		3,838	2,880
Bad and Doubtful Debts		52,301	8,208
Elected members' expenses		223,132	219,118
Election expenses		124,300	-
<b>Subtotal - Prescribed Expenses</b>		<b>438,443</b>	<b>271,477</b>
<b>Other Materials, Contracts &amp; Expenses</b>			
Cemetery Operations		234,815	296,259
Contractors		4,694,193	4,287,979
Energy		235,886	216,767
Insurance		205,737	201,977
Maintenance		466,569	528,295
Legal Expenses		25,288	163,512
Donations and Community Support		123,789	101,473
Computer/IT Costs		315,639	240,773
Parts, accessories & consumables		230,858	151,360
Professional services		470,096	640,884
Sundry		434,491	366,956
<b>Subtotal - Other Materials, Contracts &amp; Expenses</b>		<b>7,437,361</b>	<b>7,196,235</b>
		<b>7,875,804</b>	<b>7,467,712</b>

## Note 3 - EXPENSES (continued)

		2018	2017
	Notes	\$	\$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
		889,066	981,394
Infrastructure		-	
- Sealed Roads		11,281,488	10,956,990
- Unsealed Roads		2,864,101	2,935,914
- Road Culverts		339,798	331,591
- Kerbs & Gutters		32,385	29,210
- Driveway Vehicle Crossings		182,851	176,374
- Footpaths		19,612	15,956
- Road Signs		110,452	90,521
- Inverts		878	877
- Point Generic		39,500	35,233
- Driveways		503,043	941,075
- Bicycle Paths		24,915	24,914
- Streetlights		21,088	-
Plant & Equipment		34,919	38,559
Motor Vehicles		191,470	191,070
Thorak - Buildings		49,888	49,888
Thorak - Motor Vehicles		29,833	29,833
		<b>16,615,287</b>	<b>16,829,399</b>

## Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

		2018	2017
	Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<b>Assets surplus to requirements</b>			
Proceeds from disposal		19,560	179,924
Less: Carrying amount of assets sold		34,186	151,528
<b>Gain/(Loss) on disposal</b>		<b>(14,626)</b>	<b>28,396</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(14,626)</b>	<b>28,396</b>

## Note 5 - CURRENT ASSETS

	Notes	2018 \$	2017 \$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		2,215,070	1,930,063
		<b>2,215,070</b>	<b>1,930,063</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		1,898,046	2,153,120
Accrued Revenues		204,504	197,650
Debtors - general		100,578	108,139
Prepayments		22,070	33,040
<b>Total</b>		<b>2,225,198</b>	<b>2,491,949</b>
Less: Allowance for Doubtful Debts		(46,420)	(5,906)
		<b>2,178,778</b>	<b>2,486,043</b>
<b>OTHER FINANCIAL ASSETS</b>			
Bank Investments - Term Deposits		20,586,716	19,574,537
		<b>20,586,716</b>	<b>19,574,537</b>

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

## Note 6 - NON-CURRENT ASSETS

	Notes	2018 \$	2017 \$
<b>FINANCIAL ASSETS</b>			
Capital Works-in-Progress		3,042,080	2,144,459
		<b>3,042,080</b>	<b>2,144,459</b>

# Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2017				2018			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
		\$	\$	\$	\$	\$	\$	\$	\$
Land - Council owned	2	14,387,856	-	-	14,387,856	14,387,856	-	-	14,387,856
Land - Drainage	3	6,638,569	-	-	6,638,569	6,638,569	-	-	6,638,569
Buildings	2	35,863,263	763,473	(15,537,513)	21,089,223	34,169,360	229,823	(10,110,548)	24,288,635
Infrastructure									
- Sealed Roads	3	231,761,720	12,246,454	(61,627,843)	182,380,331	331,613,100	270,484	(131,066,848)	200,816,736
- Unsealed Roads	3	27,141,583	-	(17,376,759)	9,764,824	50,162,000	-	(25,427,833)	24,734,167
- Road Culverts	3	33,122,065	274,037	(13,031,614)	20,364,488	36,755,158	25,234	(8,886,622)	27,893,770
- Kerbs & Gutters	3	1,459,296	159,980	(703,253)	916,023	1,765,900	8,856	(723,000)	1,051,756
- Driveway Vehicle Crossings	3	15,716,238	228,687	(7,407,202)	8,537,723	10,440,385	-	(2,878,052)	7,562,333
- Footpaths	3	590,548	154,560	(254,822)	490,286	799,800	-	(269,200)	530,600
- Road Signs	3	1,347,780	304,647	(702,697)	949,730	719,180	22,722	(294,691)	447,211
- Inverts	3	26,320	-	(13,589)	12,731	-	-	-	-
- Point Generic	3	539,417	179,972	(353,241)	366,148	1,089,960	88,937	(390,744)	788,153
- Driveways	3	8,960,449	327,820	(6,779,815)	2,508,454	281,450	14,510	(34,654)	261,306
- Bicycle Paths	3	780,841	-	(382,218)	398,623	711,000	-	(305,000)	406,000
- Storm Waste Drains	3	-	608,490	-	608,490	608,490	-	-	608,490
- Streetlights	3	-	-	-	-	1,562,142	-	(802,159)	759,983
Office Equipment	2	587,995	-	(587,995)	-	587,995	-	(587,995)	-
Plant & Equipment	2	388,718	9,484	(192,777)	205,425	586,300	34,538	(210,025)	410,813
Motor Vehicles	2	1,306,211	934,414	(696,383)	1,544,242	2,343,716	133,991	(604,876)	1,872,831
Other Assets	2	21,229	-	(21,229)	-	21,229	-	(21,229)	-
Thorak - Buildings	2	2,403,600	-	(485,552)	1,918,048	2,403,600	25,396	(535,440)	1,893,556
Thorak - Motor Vehicles	2	293,000	-	(115,167)	177,833	293,000	-	(145,000)	148,000
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>383,336,698</b>	<b>16,192,018</b>	<b>(126,269,669)</b>	<b>273,259,047</b>	<b>497,940,190</b>	<b>854,491</b>	<b>(183,293,916)</b>	<b>315,500,765</b>
<b>Comparatives</b>		<b>381,108,754</b>	<b>10,322,990</b>	<b>(109,236,400)</b>	<b>282,195,344</b>	<b>383,336,698</b>	<b>16,192,018</b>	<b>(126,269,669)</b>	<b>273,259,047</b>

This Note continues on the following pages.



# Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2018		
	CARRYING AMOUNT	Additions										Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renovals	Restructure	Disposals	Depreciation	Impairment	Transfers					
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Land - Council owned	14,387,856	-	-	-	-	-	-	-	-	-	-	-	14,387,856
Land - Drainage	6,638,569	-	-	-	-	-	-	-	-	-	-	-	6,638,569
Buildings	21,089,223	-	233,503	-	-	(889,066)	-	-	-	-	-	3,854,975	24,288,635
Infrastructure													
- Sealed Roads	182,380,331	515,713	3,966,822	-	(11,281,488)	-	-	-	-	-	-	25,235,358	200,816,736
- Unsealed Roads	9,764,824	-	355,200	-	(2,864,101)	-	-	-	-	-	-	17,478,244	24,734,167
- Road Culverts	20,364,488	25,234	-	-	(339,798)	-	-	-	-	-	-	7,843,846	27,893,770
- Kerbs & Gutters	916,023	8,856	-	-	(32,385)	-	-	-	-	-	-	159,262	1,051,756
- Driveway Vehicle Crossings	8,537,723	41,756	-	-	(182,851)	-	-	-	-	-	-	(834,295)	7,562,333
- Footpaths	490,286	-	-	-	(19,612)	-	-	-	-	-	-	59,926	530,600
- Road Signs	949,730	-	-	-	(110,452)	-	-	-	-	-	-	(392,067)	447,211
- Inverts	12,731	-	-	-	(878)	-	-	-	-	-	-	(11,853)	-
- Point Generic	366,148	88,937	-	-	(39,500)	-	-	-	-	-	-	372,568	788,153
- Driveways	2,508,454	14,510	-	-	(503,043)	-	-	-	-	-	-	(1,758,615)	261,306
- Bicycle Paths	398,623	-	-	-	(24,915)	-	-	-	-	-	-	32,292	406,000
- Storm Waste Drains	608,490	-	-	-	-	-	-	-	-	-	-	-	608,490
- Streetlights	-	781,071	-	-	(21,088)	-	-	-	-	-	-	-	759,983
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	205,425	-	34,538	-	(34,919)	-	-	-	-	-	-	205,769	410,813
Motor Vehicles	1,544,242	-	251,494	-	(34,186)	-	-	-	-	-	-	302,751	1,872,831
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Thorak - Buildings	1,918,048	-	25,396	-	(49,888)	-	-	-	-	-	-	-	1,893,556
Thorak - Motor Vehicles	177,833	-	-	-	(29,833)	-	-	-	-	-	-	-	148,000
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>273,259,047</b>	<b>1,476,077</b>	<b>4,866,953</b>	<b>-</b>	<b>(34,186)</b>	<b>(16,615,287)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,548,161</b>	<b>315,500,765</b>
<b>Comparatives</b>	<b>282,195,344</b>	<b>2,982,955</b>	<b>4,981,954</b>	<b>-</b>	<b>(151,528)</b>	<b>(16,749,678)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273,259,047</b>

This Note continues on the following pages.

# Note 7 – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

## Valuation of Assets

### General Valuation Principles

*Accounting procedure* - Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

*Highest and best use* - For land which Council has an unfettered right to sell, the “highest and best use” recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council’s care and control is Crown land or has been declared as community land. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the “highest and best use” available to Council, with a rebuttable presumption that the current use is the “highest and best use”. The reason for the current use of a large proportion of Council’s assets being other than the “highest and best use” relates to Council’s principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, “highest and best use” is determined in accordance with the land on and in which they are situated.

### Land under Roads

Council being of the opinion that it is not possible to attribute a value sufficiently reliable to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

### Land & Land Improvements

*Fair value hierarchy level 2 valuations* - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

*Fair value hierarchy level 3 valuations of land* - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

These assets were valued as at 30 June 2015 valuation by Maloney Field Services Pty Ltd.

### Buildings & Other Structures, Infrastructure and other assets shown as fair value hierarchy level 3

There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

## Buildings & Other Structures

These assets were valued as at 30 June 2018 valuation by Opteon Pty Ltd (previous valuation – 30 June 2015 – Maloney Field Services Pty Ltd).

## Infrastructure

These assets were valued as at 30 June 2018 valuation by Opteon Pty Ltd (previous valuation – 30 June 2015 – Maloney Field Services Pty Ltd).

## Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land	No threshold. All items will be recognised
Building & Other Structures	\$ 5,000
Roads	
- Sealed	\$10,000
- Pavement	\$10,000
- Unsealed	\$10,000
- Earthworks	\$10,000
- Road Culverts	\$ 5,000
- Stormwater Drainage	\$10,000
- Kerbs & Gutter	\$ 1,000
- Driveway Vehicle Crossings	\$10,000
- Footpaths	No threshold. All items will be recognised
- Road Signs	No threshold. All items will be recognised
- Inverts	\$10,000
- Point Generic	No threshold. All items will be recognised
- Driveways	\$10,000
- Bicycle Paths	No threshold. All items will be recognised
Office Furniture	\$ 5,000
Plant & Equipment	\$ 5,000
Motor Vehicles	\$ 5,000

## Estimated useful lives

Land	No limited useful life
Building & Other Structures	10 to 80 years
Roads – Surface --Sealed	13 to 25 years
Roads – Surface -Unsealed	10 to 15 years
Roads - Pavement	40 years
Roads - Earthworks	100 years
Kerbs & Gutter	50 years
Road Culverts	100 years
Footpaths	20 to 50 years
Driveway Vehicle Crossings	100 years
Road Signs	15 years
Inverts	30 years
Point Generic	15 to 70 years
Driveways	20 to 50 years
Bicycle Paths	20 to 50 years
Office Equipment	5 to 10 years
Plant & Equipment	3 to 20 years
Motor Vehicles	5 to 10 years

## Note 8 - LIABILITIES

	Notes	2018		2017	
		Current	Non-current	Current	Non-current
		\$	\$	\$	\$
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		1,296,661		810,696	
Payments received in advance		340,312	-	295,904	-
Accrued expenses - employee entitlements		141,892	-	128,441	-
Accrued expenses - other		185,994	-	-	-
Deposits, Retentions & Bonds		279,435	-	338,122	-
		<b>2,244,294</b>	<b>-</b>	<b>1,573,163</b>	<b>-</b>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		621,414	387,981	720,061	339,745
		<b>621,414</b>	<b>387,981</b>	<b>720,061</b>	<b>339,745</b>

## Note 9 - RESERVES

	Notes	1/7/2017 \$	Net Increments (Decrements) \$	Transfers, Impairments \$	30/6/2018 \$
<b>ASSET REVALUATION RESERVE</b>					
Land - Council owned		125,175,674	-	-	125,175,674
Buildings		11,728,860	3,854,974	-	15,583,834
Infrastructure					
- Roads		67,214,133	42,713,601	-	109,927,734
- Road Culverts		20,079,696	7,843,846	-	27,923,542
- Kerbs & Gutters		602,563	159,262	-	761,825
- Driveway Vehicle Crossings		10,124,337	(834,294)	-	9,290,043
- Footpaths		203,312	59,926	-	263,238
- Road Signs		1,350,810	(392,066)	-	958,744
- Inverts		17,994	(11,853)	-	6,141
- Point Generic		338,757	372,568	-	711,325
- Driveways		5,835,194	(1,758,615)	-	4,076,579
- Bicycle Paths		518,927	32,292	-	551,219
Motor Vehicles		122,294	302,752	-	425,046
Plant and Equipment		(821)	205,768	-	204,947
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>243,311,730</b>	<b>52,548,161</b>	<b>-</b>	<b>295,859,891</b>
<b>TOTAL</b>		<b>243,311,730</b>	<b>52,548,161</b>	<b>-</b>	<b>295,859,891</b>
<b>Comparatives</b>		<b>243,311,730</b>	<b>-</b>	<b>-</b>	<b>243,311,730</b>
		<b>1/7/2017</b>	<b>Transfers to Reserve</b>	<b>Transfers from Reserve</b>	<b>30/6/2018</b>
<b>OTHER RESERVES</b>					
Property Reserve		465,472	-	(465,472)	-
Plant and Equipment Reserve		36,683	-	(36,683)	-
Infrastructure Reserve		2,216,026	-	(2,216,026)	-
Developer Contributions Reserve		781,571	157,791	(216,274)	723,088
Waste Management Reserve		4,061,952	229,551	(135,028)	4,156,475
Asset Reserve			11,375,096	(664,166)	10,710,930
Election Reserve		25,044	74,956	-	100,000
Disaster Recovery Reserve		790,388	500,000	(790,388)	500,000
Strategic Initiatives Reserves		1,287,239	36,009	(823,248)	500,000
Unexpended Capital Works Reserve		4,279,118	3,705,816	(3,236,815)	4,748,119
Thorak Regional Cemetery		132,323	945,640	(840,377)	237,586
<b>TOTAL OTHER RESERVES</b>		<b>14,075,816</b>	<b>17,024,859</b>	<b>(9,424,477)</b>	<b>21,676,198</b>
<b>Comparatives</b>		<b>14,412,618</b>	<b>3,234,503</b>	<b>(3,571,305)</b>	<b>14,075,816</b>



## PURPOSES OF RESERVES (continued)

### Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

### Other Reserves

These are cash backed reserves to meet anticipated future needs. In each case the amount related to a perceived future requirement which is not currently a liability:

Disaster Recovery Reserve	This reserve will fund expenses occurred due to storms, storm surges, and floods or any other natural disaster. The fund will enable Litchfield Council to recover from these disasters and return to operations. Where external funds are received after an event for the purpose of disaster recovery, these funds shall be used to replenish this reserve.
Strategic Initiative Reserve	This reserve will fund strategic initiatives and Information Technology improvements for the future development of Litchfield Council in line with the Municipal Plan and the Long Term Financial Plan. Specific initiatives must be identified in order to have funds allocated.
Election Reserve	This reserve will fund expenses related to Local Government elections and By-Elections.
Asset Reserve	This reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plans.
Waste Management Reserve	This reserve holds funding for activities related to Waste Management. This could be the renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Waste Management or strategic development of the Waste Service delivery.
Developer Contributions Reserve*	This reserve holds contributions received by Council from developers in line with the Litchfield Council Developer Contribution Plan. Restrictions apply as set out in both the Plan and under provisions outlined in the <i>Planning Act</i> .
Unexpended Grants and Contributions	This reserve holds the balance of unexpected grants and contributions received from external contributors. The funds are held in this reserve until expended in line with the individual funding agreements.
Thorak Regional Cemetery	These funds represent total equity of the Thorak Regional Cemetery.

\* Externally restricted reserves

## Note 10 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to council, or for which the revenues were originally obtained.

	Notes	2018 \$	2017 \$
<b>CASH &amp; FINANCIAL ASSETS</b>			
Unexpended amounts received from Federal Government		4,748,119	4,279,118
Developer Contributions		157,791	214,483
		4,905,910	4,493,601
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<b>4,905,910</b>	<b>4,493,601</b>

## Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2018 \$	2017 \$
<b>(a) Reconciliation of Cash</b>			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash & equivalent assets	5	2,215,070	1,930,063
Balances per Cash Flow Statement		2,215,070	1,930,063
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus / (Deficit)		(9,039,621)	(8,915,026)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		16,615,287	16,829,399
Net increase / (decrease) in unpaid employee benefits		(36,960)	192,853
Change in allowances for under-recovery		40,514	(46,777)
Non-cash asset acquisitions		(1,351,911)	(887,075)
Grants for capital acquisitions treated as Investing Activity		(2,127,544)	(245,000)
Net (Gain) / Loss on Disposals		14,626	(28,396)
		4,114,391	6,899,978
Add / (Less): Changes in Net Current Assets			
Net (increase) / decrease in receivables		266,751	(45,818)
Net increase / (decrease) in trade & other payables		657,680	(399,262)
Net Cash provided by operations		5,038,822	6,454,898
<b>(c) Non-Cash Financing and Investing Activities</b>			
Acquisition of assets by means of:			
- Physical resources received free of charge	3	1,351,911	887,075
Amounts recognised in Income Statement		1,351,911	887,075
<b>(d) Financing Arrangements</b>			
Council does not have in place any financing facilities or arrangements.			

# Note 12 - FUNCTIONS

## REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	GENERAL PUBLIC SERVICES			PUBLIC ORDER & SAFETY		ECONOMIC AFFAIRS		
	BUDGET 2018	ACTUAL 2018	ACTUAL 2017	BUDGET 2018	ACTUAL 2018	BUDGET 2018	ACTUAL 2018	ACTUAL 2017
<b>OPERATING REVENUES</b>								
Rates	\$	\$	\$	\$	\$	\$	\$	\$
Statutory & User Charges	6,953,357	7,056,440	6,734,057	-	-	-	-	-
Grants - NT recurrent	49,100	79,924	77,766	34,000	64,859	171,430	49,305	52,799
Grants - NT capital	-	2,500	51,955	-	-	-	-	-
Grants - Cwlth recurrent	481,108	502,872	729,135	-	-	2,458,580	2,570,617	3,729,913
Grants - Cwlth capital	44,500	-	-	-	-	1,547,377	2,453,827	2,778,780
Contributions & Donations	658,800	675,396	723,911	-	-	763,409	157,791	245,234
Investment Income	-	100,566	49,640	494	494	30,000	65,773	11,814
Reimbursements & Other Revenues	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8,186,865</b>	<b>8,417,698</b>	<b>8,366,464</b>	<b>34,000</b>	<b>65,353</b>	<b>4,970,796</b>	<b>5,297,313</b>	<b>7,068,540</b>
<b>OPERATING EXPENSES</b>								
Employee Costs	2,002,178	1,908,946	1,849,755	295,690	302,287	1,867,487	1,879,757	1,755,273
Materials, Contracts & Other	1,753,734	2,469,270	1,481,622	81,250	70,917	2,956,589	2,504,016	2,987,504
Interest Charges	-	-	-	-	-	-	-	-
Depreciation, Amortisation, Impairment	108,154	84,409	97,718	19,864	1,845	16,494,292	15,572,006	15,775,921
<b>Total</b>	<b>3,864,066</b>	<b>4,462,625</b>	<b>3,429,095</b>	<b>396,804</b>	<b>375,049</b>	<b>21,318,368</b>	<b>19,955,779</b>	<b>20,518,698</b>
<b>TOTALS</b>	<b>4,322,799</b>	<b>3,955,073</b>	<b>4,937,369</b>	<b>(362,804)</b>	<b>(309,696)</b>	<b>(16,347,572)</b>	<b>(14,658,466)</b>	<b>(13,450,158)</b>
<b>TOTAL ASSETS UTILISED</b>		<b>26,297,291</b>	23,990,643		<b>4,167</b>		<b>287,527,365</b>	<b>252,186,158</b>

## Note 12 - FUNCTIONS (continued)

### REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	ENVIRONMENTAL PROTECTION			HOUSING & COMMUNITY AMENITIES			HEALTH	
	BUDGET 2018	ACTUAL 2018	ACTUAL 2017	BUDGET 2018	ACTUAL 2018	ACTUAL 2017	BUDGET 2018	ACTUAL 2017
<b>OPERATING REVENUES</b>								
Rates	\$	\$	\$	\$	\$	\$	\$	\$
Statutory & User Charges	2,743,838	2,754,999	3,078,845	-	-	-	-	-
Grants - NT recurrent	188,000	171,237	202,065	-	-	-	-	-
Grants - NT capital			10,890	16,321	16,321	62,060		
Grants - Cwlth recurrent			-			-		
Grants - Cwlth capital			-			-		
Contributions & Donations			-			-		
Investment Income	55,000	71,308	77,043					
Reimbursements & Other Revenues	13,000	3,805	-					
<b>Total</b>	<b>2,999,838</b>	<b>3,001,349</b>	<b>3,368,843</b>	<b>-</b>	<b>16,321</b>	<b>62,060</b>	<b>-</b>	<b>-</b>
<b>OPERATING EXPENSES</b>								
Employee Costs	1,308,904	1,203,352	1,204,085					
Materials, Contracts & Other	1,519,200	1,395,391	1,374,761	125,000	78,378	117,976		
Interest Charges			-			-		
Depreciation, Amortisation, Impairment	165,101	160,759	155,922					
<b>Total</b>	<b>2,993,205</b>	<b>2,759,502</b>	<b>2,734,768</b>	<b>125,000</b>	<b>78,378</b>	<b>117,976</b>	<b>-</b>	<b>-</b>
<b>TOTALS</b>	<b>6,633</b>	<b>241,847</b>	<b>634,075</b>	<b>(125,000)</b>	<b>(62,057)</b>	<b>(55,916)</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS UTILISED</b>		<b>3,123,535</b>	3,304,355		<b>759,983</b>			

## Note 12 - FUNCTIONS (continued)

### REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	RECREATION, CULTURE & RELIGION		EDUCATION		CEMETERY	
	BUDGET 2018	ACTUAL 2018	BUDGET 2018	ACTUAL 2018	BUDGET 2018	ACTUAL 2018
<b>OPERATING REVENUES</b>						
Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Statutory & User Charges	-	-	-	-	-	-
Grants - NT recurrent	-	-	-	-	713,925	763,258
Grants - NT capital	-	-	-	-	-	11,200
Grants - Cwlth recurrent	-	-	-	-	-	-
Grants - Cwlth capital	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	-
Investment Income	-	-	-	-	11,200	11,633
Reimbursements & Other Revenues	35,000	39,975	56,165	-	-	37,891
<b>Total</b>	<b>35,000</b>	<b>39,975</b>	<b>56,165</b>	<b>-</b>	<b>725,125</b>	<b>823,982</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	-	-	-	-	499,365	453,617
Materials, Contracts & Other	1,048,086	1,094,043	12,000	5,800	232,290	350,344
Interest Charges	-	-	-	-	-	-
Depreciation, Amortisation, Impairment	-	716,547	713,112	-	-	79,721
<b>Total</b>	<b>1,048,086</b>	<b>1,810,590</b>	<b>1,748,278</b>	<b>5,800</b>	<b>731,655</b>	<b>883,682</b>
<b>TOTALS</b>	<b>(1,013,086)</b>	<b>(1,770,615)</b>	<b>(1,692,113)</b>	<b>(5,800)</b>	<b>(6,530)</b>	<b>(59,700)</b>
<b>TOTAL ASSETS UTILISED</b>		<b>22,932,526</b>	<b>17,794,352</b>		<b>2,878,542</b>	<b>2,095,881</b>



## Note 12 - FUNCTIONS (continued)

### REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	ELIMINATIONS		TOTAL		
	ACTUAL 2018	ACTUAL 2017	BUDGET 2018	ACTUAL 2018	ACTUAL 2017
<b>OPERATING REVENUES</b>	\$	\$	\$	\$	\$
Rates			9,697,195	9,811,439	9,812,902
Statutory & User Charges	(60,000)		1,156,455	1,239,468	1,133,264
Grants - NT recurrent			-	18,821	136,105
Grants - NT capital			-	-	250,000
Grants - Cwlth recurrent			2,939,688	3,073,489	4,459,048
Grants - Cwlth capital			1,547,377	2,453,827	2,778,780
Contributions & Donations			807,909	157,791	245,234
Investment Income			725,000	758,200	812,587
Reimbursements & Other Revenues			78,000	210,613	156,133
<b>Total</b>	<b>(60,000)</b>	<b>-</b>	<b>16,951,624</b>	<b>17,723,648</b>	<b>19,784,053</b>
<b>OPERATING EXPENSES</b>					
Employee Costs			5,973,624	5,737,007	5,562,439
Materials, Contracts & Other	(60,000)		7,728,149	7,875,804	7,467,712
Interest Charges			-	-	-
Depreciation, Amortisation, Impairment			16,787,411	16,615,287	16,829,399
<b>Total</b>	<b>(60,000)</b>	<b>-</b>	<b>30,489,184</b>	<b>30,228,098</b>	<b>29,859,550</b>
<b>TOTALS</b>	<b>-</b>	<b>-</b>	<b>(13,537,560)</b>	<b>(12,504,450)</b>	<b>(10,075,497)</b>
<b>TOTAL ASSETS UTILISED</b>				<b>343,523,409</b>	299,394,149

## Note 12 (continued) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

### **General Public Services**

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services; also includes Natural Disaster relief.

### **Public Order & Safety**

Fire protection; local emergency services; animal control and impounding; control of public places; control of signs, hoardings and advertising, community policing and probationary matters.

### **Economic Affairs**

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

### **Environmental Protection**

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

### **Housing & Community Amenities**

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

### **Health**

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

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

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

### **Education**

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

### **Social Protection**

Outlays on day care services, family day care, occasional care and outside school hours care, aged service, shelter protection, drug and alcohol treatment programs; also includes relief from man-made disasters.

# Note 13 - FINANCIAL INSTRUMENTS

## Accounting Policies

### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned.

**Terms & conditions:** Short term deposits have an average maturity of 300 days and an average interest rates of 2.71% (2017: 336 days, 2.73%).

**Carrying amount:** approximates fair value due to the short term to maturity.

### Receivables - Rates & Associated Charges (including legals & penalties for late payment)

**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & conditions:** Secured over the subject land, arrears attract interest of 17% (2017: 17%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the Northern Territory.

**Carrying amount:** approximates fair value (after deduction of any allowance).

### Receivables - Fees & other charges

**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & conditions:** Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying amount:** approximates fair value (after deduction of any allowance).

### Receivables - other levels of government

**Accounting Policy:** Carried at nominal value.

**Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & Northern Territory.

**Carrying amount:** approximates fair value.

**Note:** Certain of the above receivables do not meet the definition of financial instruments, being statutory charges rather than arising from a contract. Accounting policies are reported here for purposes of completeness but they are excluded from the remainder of the Note.

### Liabilities - Creditors and Accruals

**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** approximates fair value.

## Note 13 - FINANCIAL INSTRUMENTS (continued)

### Liquidity Analysis

	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>2018</b>					
<b>Financial Assets</b>					
Cash & equivalents	2,215,070	-	-	2,215,070	2,215,070
Receivables	305,082	-	-	305,082	305,082
Other financial assets	20,586,716	-	-	20,586,716	20,586,716
<b>Total</b>	<b>23,106,868</b>	<b>-</b>	<b>-</b>	<b>23,106,868</b>	<b>23,106,868</b>
<b>Financial Liabilities</b>					
Payables	2,140,895	-	-	2,140,895	2,140,895
<b>Total</b>	<b>2,140,895</b>	<b>-</b>	<b>-</b>	<b>2,140,895</b>	<b>2,140,895</b>
<b>2017</b>					
<b>Financial Assets</b>					
Cash & equivalents	1,930,063	-	-	1,930,063	1,930,063
Receivables	305,789	-	-	305,789	305,789
Other financial assets	20,070,160	-	-	20,070,160	19,574,537
<b>Total</b>	<b>22,306,012</b>	<b>-</b>	<b>-</b>	<b>22,306,012</b>	<b>21,810,389</b>
<b>Financial Liabilities</b>					
Payables	1,573,163	-	-	1,573,163	1,573,163
<b>Total</b>	<b>1,573,163</b>	<b>-</b>	<b>-</b>	<b>1,573,163</b>	<b>1,573,163</b>

Note: Statutory receivables, such as rates, have been excluded from the above tables.

#### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

#### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. In accordance with regulations, all Council investments are made with authorised deposit taking institutions. Except as detailed in Note 5 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. Liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of Council's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either Council incomes or expenditures.

## Note 14 - COMMITMENTS FOR EXPENDITURE

	Notes	2018 \$	2017 \$
<b>Capital Commitments</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Roads & Footpaths		1,220,695	1,531,804
Plant & Equipment		-	33,674
		<b>1,220,695</b>	<b>1,565,478</b>
These expenditures are payable:			
Not later than one year		1,220,695	1,565,478
		<b>1,220,695</b>	<b>1,565,478</b>
<b>Other Expenditure Commitments</b>			
Other non-capital expenditure committed for in relation to maintenance contracts:			
Maintenance contracts		195,443	349,569

## Note 15 - FINANCIAL INDICATORS

	2018	2017	2016	2015
<b>Current Ratio</b>				
Current Assets - Externally Restricted Assets	7.01:1	8.5:1	6.96:1	8.8:1
Current Liabilities				
<b>Debt Service Ratio</b>				
Net Debt Service Cost	0:1	0:1	0:1	0:1
Operating Revenue*				
* as defined				
<b>Rate Coverage Percentage</b>				
Rate Revenues	39.81%	36.12%	28.30%	39.27%
Total Revenues				
<b>Rates &amp; Annual Charges Outstanding Percentage</b>				
Rates & Annual Charges Outstanding	20.61%	23.47%	22.52%	28.41%
Rates & Annual Charges Collectible				

## Note 16 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

### Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017–18; 9.50% in 2016–17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

### Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the “choice of fund” legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

## Note 17 - INTERESTS IN OTHER ENTITIES

### Entities consolidated within these Statements

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

Thorak Regional Cemetery (Ownership interest 100%)

All transactions and balances between Council and controlled entities have been eliminated.

## Note 18 - RELATED PARTY DISCLOSURES

### Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 15 persons in 2017–18 (12 persons in 2016–17) were paid the following total compensation:

	2018	2017
	\$	\$
Salaries, allowances & other short term benefits	1,289,527	964,180
<b>TOTAL</b>	<b>1,289,527</b>	<b>964,180</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.



## Note 19 - CORRECTION OF PRIOR PERIOD ERROR

The treatment of assets at Thorak Regional Cemetery has been determined and has resulted in recognising all Infrastructure, Property, Plant and Equipment in accordance with both AASB 116 Property, Plant & Equipment and Section 184 (Public Cemeteries) of the Northern Territory Local Government Act. Previously, the Infrastructure assets at Thorak Regional Cemetery were not recognised and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, a restatement of the financial statements has been undertaken.

The effect of the above	As previously reported	Restatement	Restated Balance
	\$	\$	\$
<b>2016</b>			
<b>Statement of Financial Position as at 1 July 2016</b>			
Infrastructure, Property, Plant & Equipment	282,195,344	2,175,602	284,370,946
Total Non-current Assets	282,904,100	2,175,602	285,079,702
Total Assets	306,339,982	2,175,602	308,515,584
Net Assets	303,500,604	2,175,602	305,676,206
Accumulated Surplus	45,776,257	2,175,602	47,951,859
Total Equity	303,500,604	2,175,602	305,676,206
<b>2017</b>			
<b>Statement of Comprehensive Income for the year ended 30 June 2017</b>			
Depreciation, amortisation & impairment	16,749,678	79,721	16,829,399
Total Expenses	29,779,829	79,721	29,859,550
Operating Surplus / (Deficit)	(9,995,776)	(79,721)	(10,075,497)
Net Surplus / (Deficit)	(8,835,305)	(79,721)	(8,915,026)
Total Comprehensive Income	(8,835,305)	(79,721)	(8,915,026)
<b>Statement of Financial Position as at 30 June 2017</b>			
Infrastructure, Property, Plant & Equipment	271,163,166	2,095,881	273,259,047
Total Non-current Assets	273,307,625	2,095,881	275,403,506
Total Assets	297,298,268	2,095,881	299,394,149
Net Assets	294,665,299	2,095,881	296,761,180
Accumulated Surplus	37,198,032	2,175,602	39,373,634
Other Reserves	14,155,537	(79,721)	14,075,816
Total Equity	294,665,299	2,095,881	296,761,180

## **Independent audit report to the Chief Executive Officer of Litchfield Council**

### *Report on the Audit of the Financial Report*

We have audited the accompanying general purpose financial report of Litchfield Council (“the Council”) and its controlled entities, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Chief Executive Officer’s Certificate.

In our opinion, the financial report of the Litchfield Council and its controlled entities is in accordance with the *Northern Territory Local Government Act 2008*, including:

- (a) giving a true and fair view of the financial position of the Litchfield Council as at 30 June 2018 and of the Council’s performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) Local Government regulations.

### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Council in accordance with the *Northern Territory Local Government Act 2008* and the ethical requirements of the *Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants* (the ‘Code’) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### *The Responsibility of the Chief Executive Officer for the Financial Report*

The Chief Executive Officer (“CEO”) of the Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Northern Territory Local Government Act 2008* and for such internal control as the CEO determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Council’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council’s financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive Officer and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Merit Partners



Matthew Kennon  
Director

DARWIN

18 October 2018

# Thorak Regional Cemetery

## Special Purpose Financial Reports for the year ended 30 June 2018

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# Special Purpose Financial Report for the year ended 30 June 2018

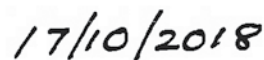
## Board of Trustee's Statement

I, Kaylene Conrick, the Chief Executive Officer of the Litchfield Council on behalf of the Thorak Regional Cemetery Board of Trustees, hereby certify that the Special Purpose Financial Reports:

- (a) the attached financial statements and notes thereto are in accordance with *Cemeteries Act* and *Cemeteries Regulations*, including compliance with accounting policies in Note 1 and giving a true and fair view of the financial position and performance of Thorak Regional Cemetery; and
- (b) are in accordance with the accounting and other records of the Thorak Regional Cemetery



**Kaylene Conrick**  
Chief Executive Officer



**Date**

# STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 30 June 2018

		2018	2017
	Notes	\$	Restated* \$
<b>INCOME</b>			
Internments		525,840	462,010
Cremations		195,052	148,571
Exclusive rights fees		10,000	10,828
Ground maintenance		45,620	56,035
Chapel and Marquee hire		26,509	20,276
Plaque/Headstone installation and permits		35,676	32,138
Funeral director fees		4,688	4,468
Sundry income		8,215	10,115
Administration Fee (Non-residents)		66,381	-
Grant income		-	11,200
Rent received		16,163	18,816
Investment income		11,496	11,633
Proceeds from sale of assets		-	37,891
<b>Total Income</b>		<b>945,640</b>	<b>823,981</b>
<b>EXPENSES</b>			
Salaries		395,665	405,022
Superannuation		38,100	38,478
Staff Training & amenities		3,375	4,170
Insurance		26,363	28,033
Legal Fees		3,520	-
Accounting Services		6,974	8,758
Consultants		16,200	15,127
Admin Exp		71,799	76,085
Advertising		2,894	1,527
Computer Support		-	1,360
Motor Vehicle Expenses		26,286	24,341
Utilities		66,006	52,669
Telephone		3,485	3,069
Security		3,900	4,233
Grounds Maintenance & Landscaping		17,897	14,031
Repairs and Maintenance		19,649	29,305
Equipment Hire		571	1,102
Plant & Equipment		4,412	7,643
Grave Digging		40,960	35,927
Memorial Expenses		9,965	11,213
Sundry Expense		2,635	11,671
Capital works expenditure not capitalised		-	30,201
Depreciation Expenses		79,721	79,721
<b>Total Expenses</b>		<b>840,377</b>	<b>883,686</b>
<b>NET SURPLUS / (Deficit)</b>		<b>105,263</b>	<b>(59,705)</b>
transferred to Equity Statement			
<b>TOTAL COMPREHENSIVE GAIN / (LOSS)</b>		<b>105,263</b>	<b>(59,705)</b>

This Statement is to be read in conjunction with the attached Notes.

\*Refer to Note 8



# BALANCE SHEET

for the year ended 30 June 2018

		2018	2017
	Notes	\$	Restated*
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	456,011	187,193
Trade & other receivables	2	37,057	30,895
Other financial assets	2	343,918	418,032
<b>Total Current Assets</b>		<b>836,986</b>	<b>636,120</b>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	3	2,041,556	2,095,881
<b>Total Non-current Assets</b>		<b>2,041,556</b>	<b>2,095,881</b>
<b>TOTAL ASSETS</b>		<b>2,878,542</b>	<b>2,732,001</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	4	368,082	340,341
Provisions	4	59,065	58,726
<b>Total Current Liabilities</b>		<b>427,147</b>	<b>399,067</b>
<b>Non-current Liabilities</b>			
Provisions	4	38,206	25,008
<b>Total Non-current Liabilities</b>		38,206	25,008
<b>Total Liabilities</b>		<b>465,353</b>	<b>424,075</b>
<b>NET ASSETS</b>		<b>2,413,189</b>	<b>2,307,926</b>
<b>EQUITY</b>			
Accumulated Surplus		2,230,171	2,230,171
Other Reserves	5	183,018	77,755
<b>TOTAL EQUITY</b>		<b>2,413,189</b>	<b>2,307,926</b>

This Statement is to be read in conjunction with the attached Notes.

\*Refer to Note 3

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

	Notes	Accumulated Surplus \$	Other Reserves \$	TOTAL EQUITY \$
<b>2018</b>				
Balance at end of previous year		2,230,171	77,755	2,307,926
Opening balance		2,230,171	77,755	2,307,926
<b>Net Surplus for Year</b>		<b>105,263</b>		<b>105,263</b>
<i>Amounts which will not be reclassified subsequently to operating result</i>				
<b>Total Comprehensive Gain</b>		<b>105,263</b>	-	<b>105,263</b>
Transfers between reserves		(105,263)	105,263	-
<b>Balance at end of period</b>		<b>2,230,171</b>	<b>183,018</b>	<b>2,413,189</b>
<b>2017</b>				
<b>Restated*</b>				
Balance at end of previous year		54,569	137,460	192,029
Adjustment made to prior period year		2,175,602	-	2,175,602
Restated opening balance		2,230,171	137,460	2,367,631
<b>Net Surplus/(Deficit) for Year</b>		<b>(59,705)</b>	-	<b>(59,705)</b>
<b>Total Comprehensive Gain/(Loss)</b>		<b>(59,705)</b>	-	<b>(59,705)</b>
Transfers between reserves		59,705	(59,705)	-
<b>Balance at end of period</b>		<b>2,230,171</b>	<b>77,755</b>	<b>2,307,926</b>

This Statement is to be read in conjunction with the attached Notes.

\* Refer to Note 3

# CASH FLOW STATEMENT

for the year ended 30 June 2018

		2018	2017
	Notes	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts from customers		973,655	866,897
<b>Payments</b>			
Payments to suppliers and employees		(765,088)	(780,249)
<b>Net Cash provided by Operating Activities</b>	<b>6</b>	<b>208,567</b>	<b>86,648</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts for investments		11,533	-
Net disposal of investment securities		74,114	
<b>Payments</b>			
Expenditure on renewal/replacement of assets		(25,396)	-
<b>Net Cash used in Investing Activities</b>		<b>60,251</b>	<b>-</b>
<b>Net Increase in cash held</b>		<b>268,818</b>	<b>86,648</b>
Cash & cash equivalents at beginning of the year		187,193	100,545
<b>Cash &amp; cash equivalents at end of the year</b>		<b>456,011</b>	<b>187,193</b>

This Statement is to be read in conjunction with the attached Notes.

# Thorak Regional Cemetery

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of Preparation

##### 1.1 Financial Reporting Framework

Thorak Regional Cemetery ("the Cemetery") is not a reporting entity because in the opinion of the Board of Trustees "the Board" 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 Boards' reporting requirements under the *Cemeteries Act* and *Cemeteries Regulations*.

##### 1.2 Compliance with Australian Accounting Standards

This special purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, and relevant Northern Territory legislation.

##### 1.3 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.4 Critical Accounting Estimates

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

##### 1.5 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

#### 2 Income recognition

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

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

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. Where grants, contributions and donations recognised as incomes 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 undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as income in a previous reporting period which were obtained in respect of the Cemetery's operations for the current reporting period. Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to Cemetery and it can be measured reliably.

### 3 Cash, Cash Equivalents and other Financial Instruments

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 7.

### 4 Infrastructure, Property, Plant & Equipment

#### 4.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

#### 4.2 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Additions acquired subsequent to a revaluation are recognised at cost until next revaluation of that asset class. Further detail of existing valuations, methods and valuers are provided at Note 7.

#### 4.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Cemetery, best reflects the consumption of the service potential embodied in those assets.

### 5 Payables

#### 5.1 Trade and Other Payables

Trade and other payables are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

#### 5.2 Payments Received in Advance

Amounts (other than grants) received from external parties in advance of service delivery are recognised as liabilities until the service is delivered, or the amount is refunded as the case may be.

### 6 Employee Benefits

#### 6.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled

within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as the Cemetery experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Cemetery does not make payment for untaken sick leave.

## 6.2 Superannuation

The Cemetery makes employer superannuation contributions in respect of its employees to Statewide Super and a number of other Superannuation Funds selected by employees under the 'choice of fund' legislation.

The schemes have two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods.

## 7 GST Implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

## 8 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

## 9 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income for Not-for-Profit Entities
- Standards containing consequential amendments to other Standards and Interpretations arising from the above:
  - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

*Other than AASB 16 and AASB 1058 the Cemetery is of the view that none of the above new standards or interpretations will materially affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.*

Accounting Standard AASB 16 Leases may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not the Cemetery's intention to adopt this Standard early.

Accounting Standard AASB 1058 Income for Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in relation to revenue from Grant & Subsidies, but does not commence until the 2019/20 financial period, and it is not the Cemetery's intention to adopt this Standard early.



## Note 2 - CURRENT ASSETS

		2018	2017
	Notes	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		456,011	187,198
		<b>456,011</b>	<b>187,198</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Accrued Revenues		26	63
Debtors - general		35,729	30,832
Prepayments		1,302	-
		<b>37,057</b>	<b>30,895</b>
<b>OTHER FINANCIAL ASSETS</b>			
Term Deposits over 90 Days		343,918	418,032
		<b>343,918</b>	<b>418,032</b>

## Note 3 - NON-CURRENT ASSETS

		2018	2017
	Notes	\$	Restated*
<b>Infrastructure, Property, Plant &amp; Equipment</b>			
Buildings & Contents		2,428,996	2,403,600
(Accumulated Depreciation)		(535,440)	(485,552)
<b>Fair Value of Buildings &amp; Contents</b>		<b>1,893,556</b>	<b>1,918,048</b>
Motor Vehicles, Plant & Equipment		293,000	293,000
(Accumulated Depreciation)		(145,000)	(115,167)
<b>Fair Value of Motor Vehicles, Plant &amp; Equipment</b>		<b>148,000</b>	<b>177,833</b>
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>2,041,556</b>	<b>2,095,881</b>

\*Refer to Note 8

## Note 4 - LIABILITIES

		2018		2017	
	Notes	Current	Non-current	Current	Non-current
		\$	\$	\$	\$
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		14,787	-	33,157	-
Payments received in advance		340,312	-	295,904	-
Accrued expenses - employee entitlements		12,983	-	11,280	-
		<b>368,082</b>	<b>-</b>	<b>340,341</b>	<b>-</b>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)					
Annual Leave		57,465	-	58,726	-
Long Service Leave		1,600	38,206	-	25,008
		<b>59,065</b>	<b>38,206</b>	<b>58,726</b>	<b>25,008</b>

## Note 5 - RESERVES

	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
	\$	\$	\$	\$
<b>RESERVES</b>				
Cemetery	77,755	105,263	-	183,018
<b>TOTAL RESERVES</b>	<b>77,755</b>	<b>105,263</b>	<b>-</b>	<b>183,018</b>
<b>Comparatives</b>	<b>137,460</b>	<b>(59,705)</b>		<b>77,755</b>

### PURPOSES OF RESERVES

These are cash backed reserves to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability. This reserve is internally restricted.

## Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2018	2017
		\$	\$
<b>(a) Reconciliation of Cash</b>			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash & equivalent assets	2	456,011	187,198
<b>Balances per Cash Flow Statement</b>		<b>456,011</b>	<b>187,198</b>
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus		105,263	(59,705)
Non-cash items in Statement of Comprehensive Income			
Depreciation		79,721	-
Investment Income		(11,533)	(11,635)
		<b>173,451</b>	<b>(71,340)</b>
Add (Less): Changes in Net Current Assets			
Net (increase) / decrease in receivables		(6,162)	54,551
Net increase / (decrease) in trade & other payables		27,741	51,688
Net increase / (decrease) in other provisions		13,537	(27,972)
<b>Net Cash provided by (or used in) operations</b>		<b>208,567</b>	<b>6,927</b>

## Note 7 - FINANCIAL INSTRUMENTS

### Accounting Policies

#### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned.

**Terms & conditions:** Short term deposits have an average maturity of 365 days and an average interest rates of 2.75% (2017: 365 days, 2.86%).

**Carrying amount:** approximates fair value due to the short term to maturity.

#### Receivables - Fees & other charges

**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & conditions:** Unsecured, and do not bear interest. Although the Cemetery is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Cemetery's boundaries.

**Carrying amount:** approximates fair value (after deduction of any allowance).

#### Receivables - other levels of government

**Accounting Policy:** Carried at nominal value.

**Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.

**Carrying amount:** approximates fair value.

**Note:** Certain of the above receivables do not meet the definition of *financial instruments*, being statutory charges rather than arising from a contract. Accounting policies are reported here for purposes of completeness but they are excluded from the remainder of the Note.

#### Liabilities - Creditors and Accruals

**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Cemetery.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** approximates fair value.

## Note 7 - FINANCIAL INSTRUMENTS

### Liquidity Analysis

	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>2018</b>					
<b>Financial Assets</b>					
Cash & equivalents	456,011	-	-	456,011	456,011
Receivables	35,755	-	-	35,755	35,755
Other financial assets	355,414	-	-	355,414	343,918
<b>Total</b>	<b>847,180</b>	<b>-</b>	<b>-</b>	<b>847,180</b>	<b>835,684</b>
<b>Financial Liabilities</b>					
Payables	27,770	-	-	27,770	27,770
<b>Total</b>	<b>27,770</b>	<b>-</b>	<b>-</b>	<b>27,770</b>	<b>27,770</b>
<b>2017</b>					
<b>Financial Assets</b>					
Cash & equivalents	187,198	-	-	187,198	187,198
Receivables	30,895	-	-	30,895	30,895
Other financial assets	429,528	-	-	429,528	418,032
<b>Total</b>	<b>647,621</b>	<b>-</b>	<b>-</b>	<b>647,621</b>	<b>636,125</b>
<b>Financial Liabilities</b>					
Payables	44,437	-	-	44,437	44,437
<b>Total</b>	<b>44,437</b>	<b>-</b>	<b>-</b>	<b>44,437</b>	<b>44,437</b>

### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments.

### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Cemetery is the carrying amount, net of any provision for doubtful debts. In accordance with regulations, all Cemetery investments are made with authorised deposit taking institutions. Except as detailed in Notes 2 in relation to individual classes of receivables, exposure is concentrated within the Cemetery's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Cemetery's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that the Cemetery will encounter difficulty in meeting obligations with financial liabilities. Liabilities have a range of maturity dates based on cash inflows.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Cemetery's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Cemetery incomes or expenditures.

## Note 8 - CORRECTION OF PRIOR PERIOD ERROR

The treatment of assets at the Cemetery has been determined and has resulted in the commencement of recognising all Infrastructure, Property, Plant and Equipment in accordance with both AASB 116 Property, Plant & Equipment and Section 184 (Public Cemeteries) of the Act. Previously, the Infrastructure assets at Thorak Regional Cemetery were not recognised and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, a restatement of the financial statements has been undertaken.

As a result, non-current assets of \$2,095,881 was recognised and accumulated surplus is increased for the position as at 1 July 2017. The effect of the adjustment is disclosed below.

The effect of the above	As previously reported	Restatement	Restated Balance
	\$	\$	\$
<b>2016</b>			
<b>Statement of Financial Position as at 1 July 2016</b>			
Infrastructure, Property, Plant & Equipment	0	2,016,160	2,016,160
Total Non-current Assets	0	2,016,160	2,016,160
Total Assets	636,120	2,016,160	2,652,280
Net Assets	212,045	2,016,160	2,228,205
Accumulated Surplus	54,569	2,016,160	2,070,729
Total Equity	212,045	2,016,160	2,228,205
<b>2017</b>			
<b>Statement of Comprehensive Income for the year ended 30 June 2017</b>			
Depreciation Expense	0	(79,721)	(79,721)
Total Expenses	(803,965)	(79,721)	(883,686)
Net Surplus / (Deficit)	20,016	(79,721)	(59,705)
Total Comprehensive Gain / (Loss)	20,016	(79,721)	(59,705)
<b>Statement of Financial Position as at 30 June 2017</b>			
Infrastructure, Property, Plant & Equipment	0	2,095,881	2,095,881
Total Non-current Assets	0	2,095,881	2,095,881
Total Assets	636,120	2,095,881	2,732,001
Net Assets	212,045	2,095,881	2,307,926
Accumulated Surplus	54,569	2,095,881	2,150,450
Total Equity	212,045	2,095,881	2,307,926



## **Independent auditor's report to the members of Thorak Regional Cemetery**

### **Auditor's Opinion**

We have audited the accompanying special purpose financial report of Thorak Regional Cemetery ("the Cemetery"), which comprises the Balance Sheet as at 30 June 2018, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Board of Trustee's Statement.

In our opinion, the accompanying financial report of the Cemetery presents fairly, in all material respects, the financial position of Thorak Regional Cemetery as at 30 June 2018 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Cemetery in accordance with the independence requirements of the Australian professional accounting bodies. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **Emphasis of matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Cemetery to meet the requirements of the *Cemeteries Act (NT) 2016*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

### **Responsibilities of the Board of Trustees for the Financial Report**

The Board of Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the *Cemeteries Act (NT) 2016* and for such internal control as the Board of Trustees determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Trustees are responsible for assessing the Cemetery's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Trustees either intend to liquidate the Cemetery or to cease operations, or have no realistic alternative but to do so.



## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Cemetery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Trustees.
- Conclude on the appropriateness of the Board of Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cemetery's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Matthew Kennon  
Director  
Darwin

Date: 18 October 2018

