



Litchfield Council



Annual Report 2014-2015



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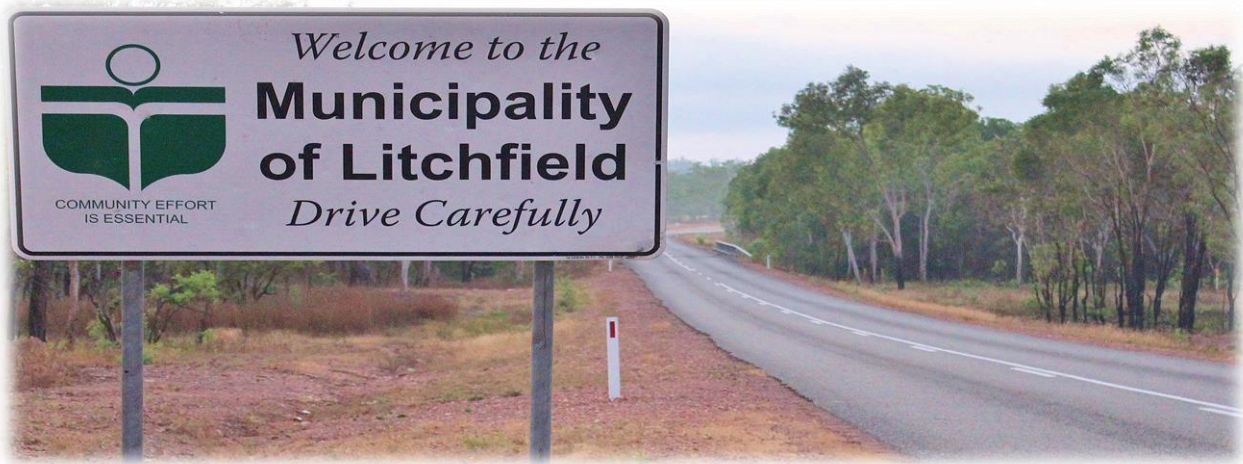
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From the Official Manager

Litchfield Council was placed under official management by Minister for Local Government and Community Services, the Hon. Bess Price, on 27 January 2015.

The decision was made following ongoing disagreements between elected members. As part of this decision, the Mayor and Councillors were temporarily suspended pending the conclusion of an official government investigation into the affairs of the council.

I was appointed as Official Manager with all the powers of the elected members. Council meetings continued, chaired by myself. The public forum and public question time sections of the meeting continued as normal.

The day-to-day provision of services to the community of Litchfield was not affected.

On 1 June South Ward Councillor Vic Statham resigned. He had been on Council since February 2008. I placed on record Council's appreciation of the substantial contribution Vic made to the Litchfield community.

In addition to the role of Official Manager, I was also appointed as investigator which required me to report to the Minister by the 30 June 2015 on the conduct of the suspended members and the affairs and financial position of the council. My report to the Minister was delivered by the 30 June. Under the Local Government Act the Minister is required to invite the suspended members to provide written submissions on the report. Once any submissions are received the Minister must consider the report and submissions and either reinstate the suspended members or dismiss them from office and call fresh elections.

On 11 May the Chief Executive Officer, Iain Wilson left the council. Mr Ben Dornier the Palmerston Council's Director of Corporate and Community Services was seconded to the role of Acting Chief Executive Officer. I would like to thank Palmerston Council for their assistance in allowing Mr. Dornier to undertake the temporary role.

Despite the upheaval there were some notable achievements during the year. Some of these were:

- In July 2014 Litchfield hosted the 2014 National Polocrosse Championships
- A 1.2 km footpath was completed in Challoner Circuit Humpty Doo
- 34 roads were resealed at a cost of \$1.67m.
- Council was successful in receiving Blackspot funding for dangerous roads to the tune of \$850,000
- A masterplan for the Thorak Regional Cemetery was adopted in July 2015
- The Australia Day awards were once again a huge success
- Council resolved that in all town planning matters the Litchfield Planning Concepts and Land Use Objectives 2002 was to be used as the guiding reference

2014/15 has been a tumultuous year and I along with the staff and the community look forward to the return of a democratically elected council.

I would like to thank the staff, the community and the various stakeholders for the support they have provided me during my tenure.



Frank Crawley
Official Manager



It is my pleasure to provide this introduction to Litchfield Council's Annual Report 2014/15.

This was an intense period for Council both politically and operationally, and was marked by the suspension of the Elected Council and instalment of an Official Manager, and the departure of its Chief Executive Officer Russell Anderson, followed by the departure of his replacement Iain Wilson.

This report provides a report on the performance of Litchfield Council in meeting the goals set out in its Municipal Plan. I would like to commend and thank staff on the hard work they have put into meeting these goals, and the greater community for the focus and attention it has placed on Council.

Council has recommitted itself to delivering effective and efficient representation on behalf of its community, and a refocusing on the core roles of local government. It has been my honour to participate in the stewardship of Council for the later part of 2014/15, and wish Council and the community all the best into the future.



Ben Dornier
Chief Executive Officer



Litchfield Council, the gateway to adventure, showcases the natural beauty of the Northern Territory, the rural lifestyle and modern urban living with seven Recreational Reserves, each offering a special range of activities within the boundaries of 3,100 sq kms.

Australian Bureau of Statistics

Population 2014 - 22, 123

People	Year	Litchfield
Total (no.)	2013	21,380
Male (no.)	2013	11,673
Female (no.)	2013	9,707
Median Age (years)	2013	37.6



Office Address:
 7 Bees Creek Road, Freds Pass
 Postal Address:
 PO Box 446, Humpty Doo 0836
 Phone: (08) 8983 0600
 Fax: (08) 8983 1165
 Email: council@litchfield.nt.gov.au
 Web: www.litchfield.nt.gov.au
 Hours: 8.15am-4.30pm Monday - Friday

Ward	Parcel Count	Freehold Parcels	Total Parcel Area (ha)	Total Parcel Area (ha) (Freehold only)	UCV Freehold Total UCV Freehold Average	UCV Freehold Average
CENTRAL	2011	1629	8,060	6,440	\$635,136,150	\$389,893
EAST	1936	1887	86,232	20,462	\$747,880,700	\$396,333
NORTH	1557	1456	139,327	25,407	\$752,261,950	\$516,663
SOUTH	3912	3140	117,394	68,152	\$1,138,797,350	\$362,674
TOTAL	9416	8112	351,013	120,461	\$3,274,076,150	\$1,665,563

Our Elected Members



Back row: Mathew Salter
Deputy Mayor

Vic Statham
Councillor

Mike Bowman
Councillor

Front row: Judy Cole
Councillor

Allan McKay
Mayor

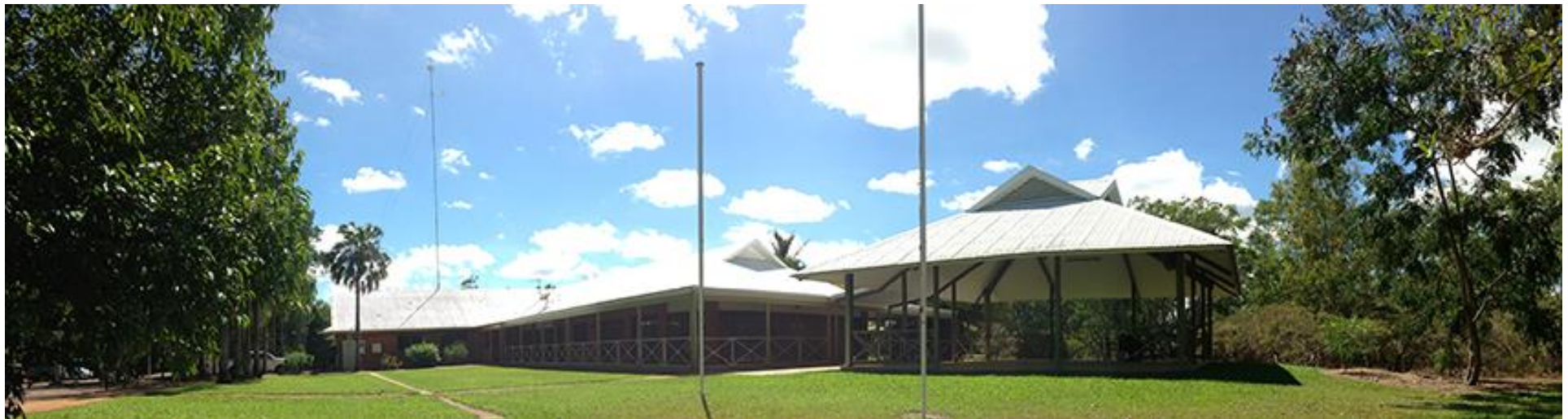
Official Manager



Frank Crawley Official Manager

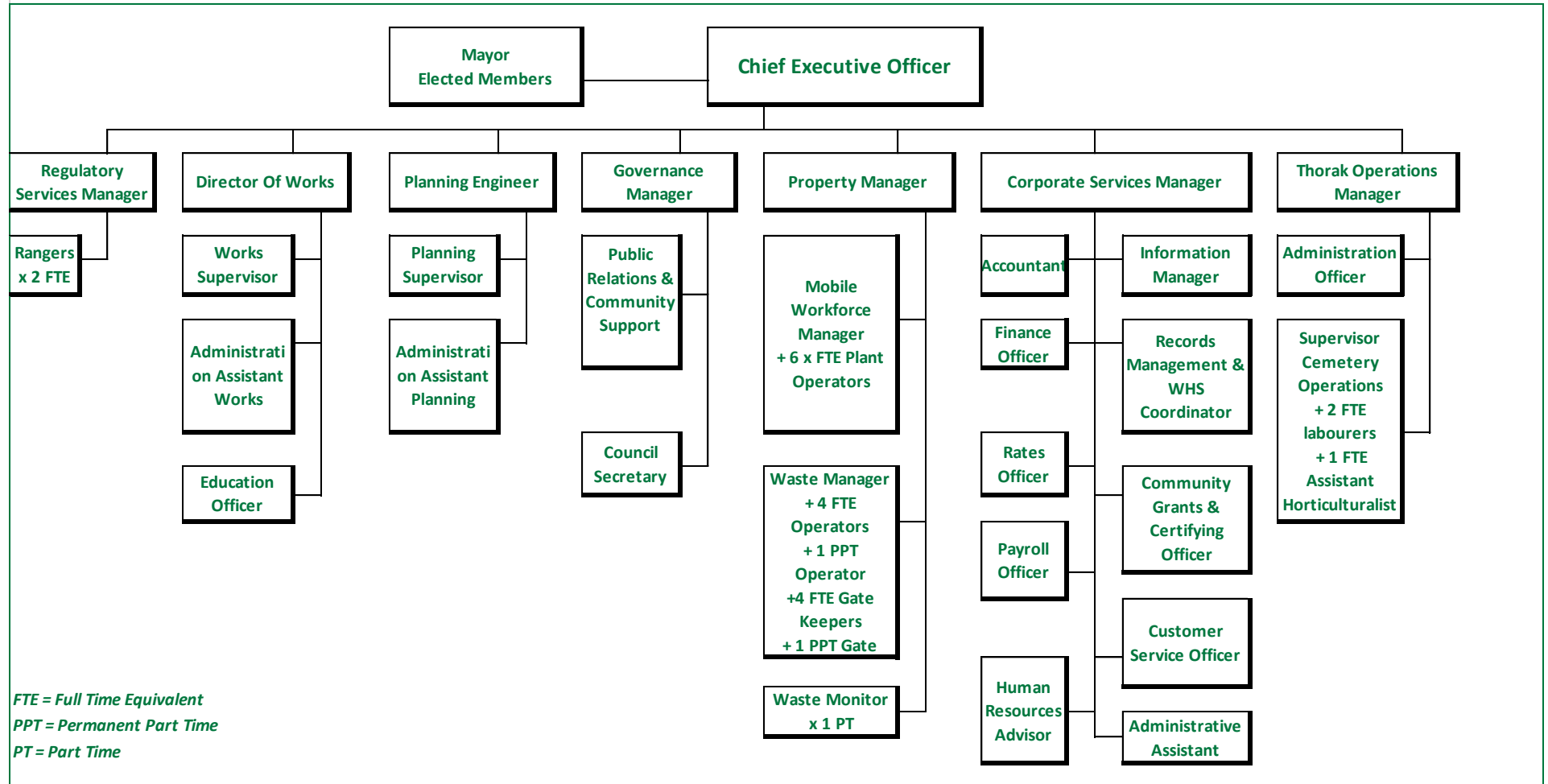
Elected Members Allowance

	Ordinary Meetings	Special meetings	Apologies	Total Meetings	Base Allowance	Electoral Allowance	Professional Development Allowance	Extra Meeting Allowance	Total
Allan McKay	7	5		12	\$ 41,652.87	\$ 10,963.33	\$ 3,243.37		\$ 55,859.57
Mathew Salter	6	3	3	12	\$ 15,402.10	\$ 2,741.34	\$ 1,938.26		\$ 20,081.70
Vic Statham	7	5		12	\$ 7,491.40	\$ 2,741.34	\$ -	\$ 3,138.00	\$ 13,370.74
Judy Cole	5	5	2	12	\$ 7,491.40	\$ 2,741.34	\$ -	\$ 2,542.00	\$ 12,774.74
Mike Bowman	6	4	2	12	\$ 7,491.40	\$ 2,741.34	\$ -	\$ 2,109.00	\$ 12,341.74
Official Council Manager									
Frank Crawley	5	2		7	\$ 22,287.00				\$ 22,287.00
Total					\$ 101,816.17	\$ 21,928.69	\$ 5,181.63	\$ 7,789.00	\$ 136,715.49



Litchfield Council Office

2014/2015 Organisational Chart



Key Performance Indicators

Governance

KPI's	14/15	Actions to 30/06/2015
Compliance with statutory and regulatory requirements	100%	Achieved
Councillors meeting attendance	>10 meetings	Achieved
Availability of agendas and minutes on website within statutory and regulatory requirements	100%	Achieved

Corporate

KPI's	14/15	Actions to 30/06/2015
Compliance with management, statutory and regulatory reporting	100%	Achieved
Reduction of prior year rate arrears	>5%	Achieved
Council operating within budget of a variance less than	<5%	Not Achieved

Regulatory Services

KPI's	14/15	Actions to 30/06/2015
Implement the Feral Dog Management Program	By 30/6/15	Achieved
Provide Dog Safety program to schools within the Municipality	>4 schools	Not Achieved *
Action Customer Request within 5 working days	100%	Achieved

*Due to schools not taking on the program.

Infrastructure - Planning

KPI's	14/15	Actions to 30/06/2015
Number of on-maintenance requests without Council consultation	> 5%	0*
Assessment time of Development application submissions	<20 business days	Achieved

*On-maintenance request are dependent of Councils inspection.

Infrastructure - Works

KPI's	14/15	Actions to 30/06/2015
Develop Asset Management Plans for all asset categories	By 30/6/15	Data achieved plan awaiting
Maintain unsealed roads within the Municipality	Condition 4 or less	Achieved
Maintain shoulders, unlined drains and culverts on sealed roads	Condition 4 or less	80%
Maintain the sealed roads surface	Condition 4 or less	90%

Key Performance Indicators

Infrastructure – Mobile Work Force

KPI's	14/15	Actions to 30/06/2015
Vegetation slashing and mowing	731 km road network*	Achieved
*Includes both sides of the roads and in some cases up to 4 passes each		
Development of Weed Management Plan	By 30/6/15	Achieved

Waste Management

KPI's	14/15	Actions to 30/06/2015
Waste tonnage transferred to Shoal Bay	<10,000	Achieved
Percentage of green waste received that is on-sold	>80%	Achieved

Community Services

KPI's	14/15	Actions to 30/06/2015
Providing active support and participation in Community generated events	>12 attendance	Achieved
Community organisation access and usage of Council's website	>35 organisations	Achieved

Property and Recreation

KPI's	14/15	Actions to 30/06/2015
Implementation of the Fire Management Plan	By 30/6/15	Achieved

Cemetery

KPI's	14/15	Actions to 30/06/2015
Implementation of customer feedback survey system	By 30/6/15	Achieved



Australian Polocrosse Nationals 2014

The financial year starts with a bang at Berry Springs Recreation Reserve for Territory Day. This is one of the biggest firework displays in the Top End. Territory Day celebrations have been held at Berry Springs Reserve for well over 20 years, entertaining hundreds of locals and visitors.



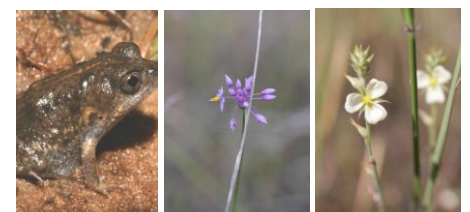
Freds Pass Recreational Reserve hosted the 2014 National Polocrosse Championship. The event is held every two years and showcases the best players and horses from seven States and Territories. They come together to compete in a fast paced and entertaining team sport played on horseback. Over 500 horses and 1,000 campers stayed at the reserve for the week. A fantastic time had by all.



The completion of 1.2 kilometres concrete footpath that runs the full length of Challoner Circuit. The path quickly gained use by students, pedestrians and cyclists. Council is planning to extend the path as time progresses and provide a path network that will promote walking and cycling.



Greening Australia and Litchfield Council discussed the Howard River Toadlet, the high priority of valuing aquatic ecosystems and land use in the area as urban development encroaches.



Litchfield Council and Bendigo Bank together with St John's Ambulance and the Heart Foundation supplied 8 heart defibrillators for the Litchfield Community area. <http://aed.stjohn.org.au/view-aed-locations>



Council Staff raised \$1,200 at their *Be Brave and Shave Day* for the Leukaemia Foundation. Other fund raising by Council Staff throughout the year included:

- Ronald McDonald House \$255
- In Memory of Ted Chellingworth – Alzheimer's Association \$200
- Nepal Appeal \$180
- 3 boxes of food for the Christmas Food Bank.



Australia Day celebrations started with a Fun Run, a traditional barbeque breakfast was cooked by the Rotary Club and the Lions Club put on the morning tea with lamingtons.



Council Rangers were able to reunite "Robbie" the Rottweiler with his owners after he had been lost for two years. Luckily Robert had been micro-chipped and his owners, who had since moved interstate, were able to be contacted.



Litchfield Council Secretary Marlene Watt retires after 29 years. Marlene commenced as Council Secretary on the 1st April 1986 and has seen many changes during this time.



The Humpty Doo Bowls Club received a Grant from Department of Sports and Recreation and assistance from Litchfield Council to refurbish the bowling green.

Social Bowls are held every Wednesday and Friday nights from 7.00pm at Challoner Circuit, Humpty Doo.



Anzac Day Ceremonies are held each year at the Humpty Doo Village Green. Litchfield Council Mayor lays a wreath on behalf of the residents of Litchfield municipality each year.



The Freds Pass Rural Show has been operating since 1978 with the exception of 2013. The Show is one of the largest major events in the Litchfield Council municipality, and supports over 120 site holders including local charities and community organisations. The Show runs over three days in the month of May.



Congratulations to our Volunteer Firefighters, who were recognised by the NT Government for their efforts to protect our community, as part of National Volunteer Week celebrations.



Since the first Australian Citizenship Ceremony in 1949, more than four million people have chosen to become Australian citizens. Citizenship ceremonies are public ceremonial occasions which provide an important opportunity to formally welcome new citizens. Local Governments conduct most citizenship ceremonies.



Litchfield Council Official Manager Frank Crawley with new Australian citizen Father Louis

Litchfield Council holds citizenship ceremonies at the Council Chambers where applicants stand before the Litchfield Council Mayor to swear or affirm the oath of allegiance.

Year	2013	2014	2015
Ceremonies held at Litchfield Council	9	5	5
Number of new citizens	30	24	38

Each year Litchfield Council present awards to acknowledge outstanding efforts made by local people and groups in community development. In 2015 the following awards were presented:



Student Citizen Awards

Bees Creek Primary School
Andrew Tsakirios

Humpty Doo Primary School
Kristan Keane

Good Shepherd Lutheran College
Jemma Beyer

Middle Point School
Madisyn Teece

Good Shepherd Lutheran College
Lana Sobieralski

St Francis of Assisi Primary School
Idelle Bolwell

Citizen of the Year Award
Max Kennon

Community Group of the Year Award
Howard Park Reserve Skateboard & BMX Park



Young Citizen of the Year Award Winner Lance Carew



Rural Volunteer Bush Fire Brigades

On behalf of everyone in the Litchfield Municipal and beyond we would like to extend a sincere and heartfelt thank you to all our volunteers who, through their ongoing commitment, dedication and time, enable us to live in a healthy and safer environment.

Mayor's Awards:

- Bees Creek/Virginia Volunteer Bushfire Brigade
- Humpty Doo Volunteer Bushfire Brigade
- Acacia Hills Volunteer Bushfire Brigade
- Koolpinyah Volunteer Bushfire Brigade
- Howard Springs Volunteer Bushfire Brigade
- Berry Springs Volunteer Bushfire Brigade
- Livingstone Volunteer Bushfire Brigade
- Darwin River Volunteer Bushfire Brigade
- Lambells Lagoon Volunteer Bushfire Brigade
- Labasheeda Park Volunteer Bushfire Brigade
- Manton Volunteer Bushfire Brigade
- Elizabeth Valley Volunteer Bushfire Brigade
- Brian McWilliam Caretaker McMinns Lagoon



Brian McWilliam-McMinns Lagoon

Community – Recreation Reserves

There are seven recreation reserves in the Litchfield Municipality, each offering a special range of activities and healthy fun. Come along and visit a reserve, play some sport, ride a horse, have a picnic or have some fun at a skate park. All seven Reserve Boards are run by volunteers. Council would like to take this opportunity to thank all Volunteers for their support and time given over the year.

In 2014/2015 Council funded the seven reserves with operational and maintenance funding of \$922,955.82.

Capital works undertaken for 2014/2015;

- Livingstone Recreation Reserve new water bore \$32,418.21
- Howard Park Recreation Reserve extra funding required to complete the skate park \$44,787.53
- Freds Pass Sport and Recreation Reserve building certification \$35,000.00
- Northern Territory Special Purpose Grant, Howard Springs Scouts Hall \$125,886.00

Berry Springs Recreation Reserve



Berry Springs Community Markets

Berry Springs Recreation Reserve is situated on Cox Peninsula Road, Berry Springs next to the Berry Springs Primary School.

The Reserve has an oval, cricket pitch, tennis and basketball courts. Plenty of open space with children's play area and BBQ facilities. The reserve is also well known for its Territory Day Fireworks Celebrations in July.

Area 8.12 hectares

1130 Cox Peninsula Road, Berry Springs
Phone 08 8988 6272

User Groups

Berry Springs Community Markets	Nics Yoga
Famfit NT	Tae Kwon Do
Ironbark Employment	



Swampdogs Rugby Union

Freds Pass Recreation Reserve is situated at 20 Bees Creek Road, Freds Pass. The facilities include seven Polocrosse pitches, a turf wicket, cricket nets, rugby league and union pitches, equestrian and dressage ovals, soccer pitch, football ovals, paintball and an archery course. There are several halls and clubhouses, meeting rooms, stables and workshop areas. Additionally, there are picnic, BBQ and play areas and a Palm Garden that leads down to the Lake. The reserve is also the home for the Freds Pass Show and the Coolalinga markets.

Area 78.55 hectares

20 Bees Creek Road, Freds Pass
Phone: 08 8983 1626

User Groups:

Amadeus Music School
Coolalinga Rural Market
Darwin Dressage Club
Darwin Quarter Horse Association Inc
Darwin Show Jumping Club Inc
Equestrian NT
Freds Pass Boxing & MMA Club
Freds Pass Field Archers Inc
Freds Pass Positive Dogs Training Club
Freds Pass Reserve Playgroup
Humpty Doo Touch Football Team
Lions Club of Litchfield
Litchfield Football Club

Litchfield Rugby League Club
Noonamah Horse & Pony Club
NT Polocrosse Association
NT Show Horse Association
Pony Club Association of NT
Quilters Down the Track
Rural Athletics Centre
Rural Hash House Harriers
Southern Districts Cricket Club
Southern Districts Football Club
St. Johns Ambulance
Swampdogs Rugby Union Club
United Paintball

Livingstone Recreation Reserve



Litchfield Horse & Pony Club

Livingstone Recreation Reserve is situated at 2524 Livingstone Road, Livingstone. There are a range of amenities at the Reserve including a large open hall, an oval, beach volleyball court, a playground and a picnic area. The hall, which is available for hire, is used regularly by community groups and is a great place for birthday parties, weddings and community meetings. The Reserve is home to the Livingstone Volunteer Bush Fire Brigade and the Litchfield Horse and Pony Club.

Area 64.63 hectares

Lot 2524, Livingstone Road, Livingstone

User Groups

Phone: 0419 810 926

34 Mile Bar

Dart Club Outlaw

Litchfield Horse & Pony Club

Social Club Beach Volleyball Thursday nights

Knuckey Lagoon Recreational Reserve



Knuckey Lagoon Reserve entrance

Knuckey Lagoon Recreation Reserve

Knuckey Lagoon Recreation Reserve is situated at 3326 Brandt Road, Knuckey Lagoon. The Reserve has an air-conditioned conference room and a undercover concreted area with amenities. The unspoilt bushland offers opportunities to relax amongst a woodland environment. Six themed walking trails guide you through the Reserve where you can encounter an array of bird species and lizards or appreciate the Banksias, Grevillea, Pandanus, Stringybarks, Woolly butts and Cycads that grow in abundance.

Area 19.37 hectares

3326 Brandt Road, Knuckey Lagoon

User Groups

Caretakers: 0427 610 398

Darwin Amateur Radio Club Inc
Darwin Running Club
Hash House Harrier
Scouts Berrimah
Top End Gems and Minerals Club

Howard Park Recreation Reserve



Top End Mustangs Inc

Howard Park Recreation Reserve is situated on Whitewood Road in Howard Springs, with two spacious halls for hire, large grassy picnic areas, children's playground and a skate park.

Area 4.4 hectares

325 Whitewood Road, Howard Springs

User Groups

0438891373 (After Hours Only)

Cricket Club
Dr. James Acupuncturist
Howard Springs Fire brigade
Litchfield Orchid Group
Lodge Koolpinya-Mason
MFK Dancing
Newline Dancing
Scouts NT and Howard Springs
Top End Mustangs Inc
Yoga



Land for Wildlife Group

McMinns Lagoon Recreation Reserve, is situated at 5 Dreamtime Drive, McMinns Lagoon. It is a natural jewel amongst the Municipality's Reserves. It offers nature enthusiasts and bird watchers alike a wide spectrum of bird life and butterfly activity all year round for professional and amateur photographers. A perfect venue for bush weddings and walking tracks.

Area 41.46 hectares

User Groups

None

Other

Cleanup Australia

Landcare

Land for Wildlife

Wildcare NT

5 Dreamtime Drive, McMinns Lagoon

Phone 0409 882 120



Emma Lupin and Brian McWilliam



Humpty Doo Bowls Club

Humpty Doo Village Green is situated at 85 Challoner Circuit in Humpty Doo. It has a large community hall, scout hall, shaded skate park, lawn bowls, BBQ's and playground equipment. The Humpty Doo Bowls Club is also part of this Reserve. The Club uses a synthetic green.

Area 5.50 hectares

85 Challoner Circuit, Humpty Doo
Phone Marlene Zammit 08 8988 1894
PO Box 1371, Humpty Doo, NT 0836

User Groups

- Chi Kung Instruction
- Humpty Doo Bowls Club
- Humpty Doo Girl Guides
- Humpty Doo Fibrecraft Guild
- Humpty Doo Scouts, Cubs, Ventures and Rovers



Humpty Doo Scouts

Information Services

Litchfield Council's Information Services Manager, Stefan Jurkijevic was nominated for 2015 Australian Government ICT Professional of the Year Award. Stefan received a special commendation by the judges acknowledging "the innovation and change he had undertaken, with limited resources, greatly supporting people in their daily lives. Stefan was awarded to be highly commended."



Stefan Jerkijevic - Highly Commended

Stefan established Feature Manipulation Engine (FME) at Council in 2012. This means Council's main data systems can now integrate as well as visualise to Geographical Information Systems (GIS) and other mapping forms. FME also allows users to access information from the databases and also look for patterns of failures or success. FME has been vital in changing the way Council controls its information in and out of the main system. Changes to the Council processes have been of direct result from FME and the information patterns in the database. Ipads with Google Earth can now deliver data from its main data systems to outdoor staff. This is assisting with a faster response to customer requests and vital traffic and works management, emergencies and planning.

Litchfield's mobile workers using this innovative system, can now capture data, quickly locate physical assets, identify issues and schedule remedial works without having to travel back and forth from field to office base. The GIS map updates every time a change is made to the database, allowing field workers to be notified on their iPads to new maintenance issues, for example when a customer calls to make a complaint or report a fault, staff members at base can view the location as well as the status of the call; this enables constant tracking and review of how a job is handled. Instant communication to outdoor staff about location and issues can be resolved promptly with the use of this system.

This integrated framework has also included the Electronic Document Record Management System (EDRMS). All documents held within this system can be setup to be accessed via the GIS or the main system. An example of this process is the mapping of Thorak Regional Cemetery, to view a cemetery plot vacant or occupied one click can supply all information and photographs of the grave site and monument. All of the information can flow freely from the main system and changes can be visually seen via XLSX and GIS – while at the same time giving the user access to the Records related to the particular sites. This assists staff and visitors to the cemetery allowing information to be instantaneously available.

Infrastructure and Planning

This is the Annual Report for the period of July 2014 to June 2015 for activities carried out in the Infrastructure and Planning Services area of Litchfield Council. Infrastructure and Planning Services maintain the civil infrastructure owned by Council. In addition, it is responsible for providing waste management, regulatory services, and statutory and strategic planning services. The team currently consists of the General Manager Infrastructure and Development and a team of 28 staff.

Unsealed Roads

Unsealed Roads:

- Completed two grading rounds, and a full maintenance grade including table drains, off let drains and table drain blocks.
- Horsnell Road was graded with water and roller as a trial to reduce dust. The extra grading only reduced dust for two days.
- Two crests were removed from Spencer Road and a section of road was widened to improve safety.
- Sections of Chibnall Road, Meade Road, Manton Valley Road, Spencer Road, Stockwell Road, Leonino Road and Kentish Road were re-gravelled.

Sealed Roads

Sealed Roads:

- Shoulder top up, repair and patching work was completed in preparation for roads that were resealed.
- Road shoulders were also repaired on Power Road, Pioneer Road, Kaolin Road, Saxby Road, Bilby Road, London Road, and Barker Road.
- The program side drain cleaning program was completed prior to the wet season.
- Potholes and edge patching was progressively undertaken with the greatest need during the wet season.
- Trimming and removal of obstructing trees was carried out along Whitewood Road, Stow Road, Power Road, Girraween Road, Eugene Road, Wells Creek Road and Hayball Road.
- Replacement of non reflective and damaged road furniture signage was undertaken.
- Repairs and replacement of eight damaged culverts and headwalls were completed on various roads.

Reseal Program

34 Roads were resealed during the financial year at a total cost of \$1.67m.

Hillier Road Pavement rehabilitation

A 300m section of road pavement was removed and replaced prior to resealing the road.

Shared Path Challoner Circuit

The 1.2 km shared path extending the full length of the circuit was completed in August 2014. Council is hopeful that this path may be extended along Freds Pass Road in the near future.

Girraween Road Anglesey Road Roundabout

The roundabout construction commenced on the 15 June 2015 and was sealed and opened to traffic on the 20 August 2015. All road works were completed in a period of 10 weeks, which is an exceptional achievement by H & K Earthmoving Pty Ltd. Off road works continued and practical completion was awarded on the 2 September 2015.

Leonino Culvert over Darwin River

The Road Culvert was completed in August 2014, thereby providing a safer more wet season accessible crossing over the Darwin River. The crossing was named Karen Kelly Crossing after the tragic loss of Ms Kelly at this location.



Leonino Road Culvert, Darwin River

Statutory planning includes subdivision and other forms of application under the NT Planning Scheme. The following table indicates activities carried out during the year:

Application Type	Received	Responded	Annual Total
Subdivision			
• Independent Unit	24	17	24
• Unit Title	4	4	4
Residential	32	30	32
Commercial	4	1	4
Industrial	5	5	5
Community Purpose	1	1	1
Clearing, Excavation, etc	12	8	12
Other	14	10	14
Total	96	76	96

Notable statutory planning issues during the year were:

- **Blackmore Subdivision:** A rural environmental subdivision providing 52 lots with proposed 5km of new road are under construction in Blackmore area of Cox Peninsula Road. Council is working closely with the developer and their consultant engineer to ensure that the roads and driveway accesses layout are in line with Austroad Guidelines and Council Standards.
- **Brougham Road Subdivision:** A typical rural environmental subdivision providing 20 lots with 1.8km new road constructed off Brougham Road. The subdivision was accepted by Council in early 2015 and Council has closely monitored the maintenance of the subdivision.
- **Goode Road Subdivision:** An outstanding rural environmental subdivision providing 42 lots with 2.1km of new constructed road. The subdivision was cleared in November 2014 and Council has closely monitored the maintenance of the subdivision.



Goode Road Subdivision

Statutory Planning

- **Gwelo's Apartments in Coolalinga:** iconic high rise providing more than 80 apartment units were constructed under Council's monitoring in Coolalinga.
- **Coolalinga Commercial Subdivision:** the premium commercial subdivision was constructed and received by Litchfield Council early 2015, providing 13 commercial lots and 300m of new road constructed to commercial standard. Council has closely monitored the maintenance of this subdivision

Strategic Planning

Strategic Planning includes applications which serve to amend the NT Planning Scheme. This primarily includes rezoning applications, but also includes Area Plans, Concurrent Applications and other amendments. The following table indicates activities carried out in this area during this year:

Application Type	Received	Responded	Annual Total
Rezoning	8	7	8
Planning Scheme Amendment	3	1	3
Concurrent Application	0	0	0
Other	5	2	5
Total	16	10	16

Notable strategic planning issues during the year:

- Council resolved in June 2015 that all town planning matters are to be considered with respect to the Litchfield Planning Concepts and Land Use Objectives 2002, which continues to form an important part of the NT Planning Scheme. Consequently, all strategic planning matters consider this plan and whether an application is compliant to it.

Mining and Mineral Leases

Mining Leases and Permits are managed under the Mining Act, and Council is offered the opportunity to make submissions. The number of applications that Council received over the past year is provided in the chart below:

Application Type	Received	Annual Total
Extractive Mineral Permit	57	57
Extractive Mining Exploration Licence	27	27
Extractive Mineral Lease	13	13
Mining Authority	3	3
Total	100	100

Waste Management

Council maintains waste transfer stations at Humpty Doo, Howard Springs and Berry Springs. The following chart provides an overview of waste received:

2014-2015 Waste Report				
WASTE TYPES	Humpty Doo	Howard Springs	Berry Springs	TOTAL
Land Fill Waste Shoal Bay (tonnes)	5307.89	2173.33	1640.22	9121.44
Batteries (Pallets)	72.00	31.00	0.00	103.00
Recyclables				
Cardboard (cubic metre)	2040.00	1245.00	1017.00	4302.00
Cardboard Tonnes	116.00	72.00	58.00	246.00
Co-mingle (cubic metre)	771.00	405.00	153.00	1329.00
Co-mingle (tonnes)	142.00	85.00	15.00	242.00
Construction Waste (tonnes)	1270.80	0.00	0.00	1270.80
Domestic vehicle (vehicles)	69399.00	60418.00	0.00	129817.00
Green waste ute or trailer (cubic metre)	1498.00	2212.00	0.00	3710.00
Green waste commercial (tonnes)	786.12	0.00	0.00	786.12
Mulch Sales (cubic metre)	2209.00	2436.00	0.00	4645.00
Non Litchfield Residents (users)	293.00	159.00	0.00	452.00
Scrap Metal (tonnes)	609.28	297.00	468.00	1374.28
Used Oil (litres)	35572.00	22602.00	0.00	58174.00
White Goods (Tonnes)	77.81	31.50	0.00	109.31
Wood Mulch Sold (cubic metre)	427.00	0.00	0.00	427.00
Tyres accepted at Humpty Doo	136.00	0.00	0.00	136.00

Waste types	2012/13	2013/14	2014/15	Comments
Land Fill Waste Shoal Bay (tonnes)	9778	9200	9121	Similar
Batteries (Pallets)	50	78	103	Increasing 25%
Recyclables				
Cardboard tonnes	137	174	246	Increasing 20%
Co-mingle (tonnes)	277	276	242	Reducing 10%
Mulch Sales (cubic metre)	2601	5422	4645	Fully Sold
Scrap Metal (tonnes)	542	845	1374	Increasing 60%
Used Oil (litres)	18648	36243	58174	Significantly Increasing
White Goods (tonnes)	na	179	109	Reducing 40%

Notes: The recycling of cardboard, scrap metal and used oils significantly increased compared to previous years. It is disappointing that co-mingle disposal is reducing. Consideration will be given to correcting this trend.



Litchfield Waste Manager Glen Byrnes and Rate payer Barbara Crane - Recycling is everybody's business.

Litchfield Council is encouraging schools to actively participate with recycling by educating and encouraging students to separate recyclables from waste. Several of the schools were very keen and followed this process with the Education Officer conducting audits.

In November 2014 the Education Officer launched “Dirt Girl,” which is a National Recycling Incentive Program targeted at lower and middle schools. Council has provided printed booklets to supplement the Dirt Girl Program.

The following schools are currently participating with the program:

- Bees Creek Preschool
- Berry Springs Preschool
- Howard Springs Early Learning Centre
- Howard Springs Preschool
- Sattler Early Learning Centre
- Girraween Primary School



Berry Springs Preschool

Regulatory Services

Regulatory Services includes animal management, infringements, education and other regulatory activities. Regulatory Services Officers are Authorised Officers under Section 122 of the Local Government Act. Activities carried out this financial year includes:

Year	2013/14	2014/15
Dogs at large	258	249
Dogs attacking animals	107	86
Lost Dogs	256	221
Dogs menacing people	39	47
Dog attacking person	17	13
Excessive barking	41	45
Other	34	28
Total	752	689

Council microchipping days have become increasingly successful this year with more people realising the importance of dog registration. A total of 4,821 dogs are now registered on the Litchfield Council database.

Regulatory Services are responsible for abandoned vehicles in the municipality with a total of 80 abandoned vehicles reported for the financial year.

The Regulatory Services team have also been called upon by other organisations such as the NT Police, Animal Welfare and Customs to render assistance in other areas. These have included in the last financial year tasks such as:

- The recovery of a steer that had escaped the loading docks and dived into Darwin Harbour.
- Assisting Animal Welfare with the removal of a number of emaciated pigs that were being kept in the municipality.
- Assisting Animal Welfare removing a large number of dogs being mistreated in the rural area.
- Assisting NT Police with rounding up and removing a number of horses located on a public road.
- Providing assistance to Customs and the NT Police by capturing and containing a large number of aggressive dogs on a rural property.
- Returning “Robbie” the Rottweiler back to his owners in Queensland after he had been reported missing two years ago.



Regulatory Services Team

Mobile Workforce

The Mobile Workforce completed two rounds of slashing, mowing and spraying of road side verges. In addition approximately 1000 km of fire breaks on Council land or other road reserves are also maintained by the Mobile Workforce in conjunction with the Bush Fire Brigades. Fire break slashing has increased by 55% during the last three years.

The annual weed spraying program was completed, which included poisoning areas inaccessible for slashing or infested with Gamba and other significant weeds.

The roadside litter collection program was also very effective, improving the visual amenity of certain areas.

The team also carried out service and maintenance of signs, guide posts, driveway repairs, tree maintenance and extensive pothole repairs during the wet when the contractor was unavailable. Various works were also undertaken at some of the Council Reserves.



Slashing



Road side rubbish collection



Signage replaced due to damage and vandalism



General council property maintenance

Litchfield Council has been responsible for the operation and maintenance of Thorak Regional Cemetery since 2008.

The Cemetery provides full burial options in a lawn style open plan with separate sections for Greek Orthodox, Muslim and Baha'i faith and a special section that is set aside for children under 10.

For those who prefer cremation over burial, Thorak Regional Cemetery operates a modern crematorium and accommodates interment for cremated remains within special areas throughout the cemetery. The Courtyard of Tranquility was not mentioned in last year's report but should be highlighted as it is included in the first Eickhof Columbaria in Australia. The columbarium is made with a patented niche locking system for secure lasting cremation memorials of loved ones. Alternatively a tree of remembrance maybe purchased.

The Chapel which can accommodate up to 200 people continues to be utilised for services. The view overlooking the tranquil cemetery provides a perfect setting for funerals or other celebrations of life.

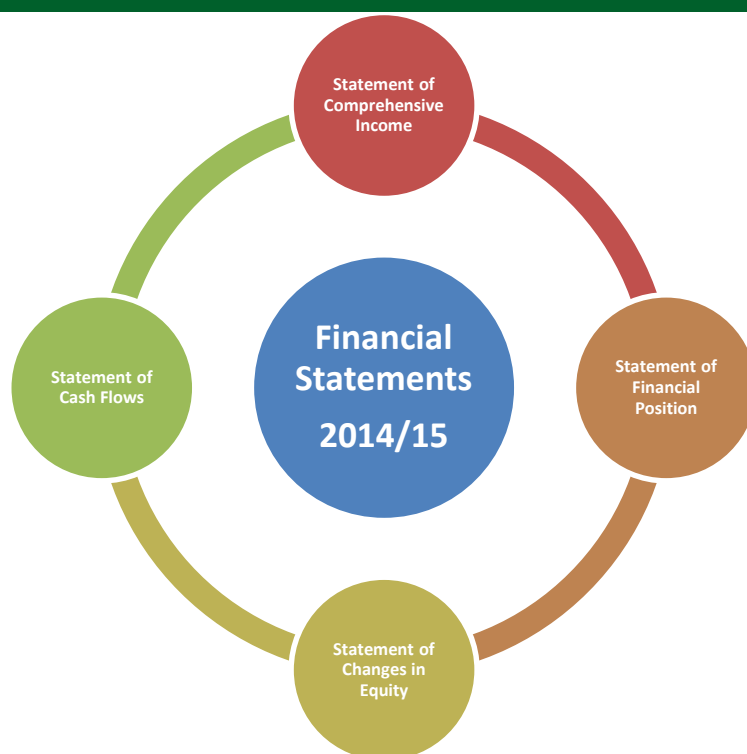
Last year's upgrade of the customer service office allowed more services to be provided including a window case set aside for the sales of cremation urns.

Last year, plans had been put in place for a new website, unfortunately this was not achieved but is still on the agenda. However a Master Plan was developed and has been adopted by Council.

The Thorak Regional Cemetery continues to provide friendly professional service amidst an aesthetically pleasing park like environment. In total last year the staff provided 552 services including 129 burials and 112 cremations.



The Columbarium is a newly built cylindrical granite structure where the urn is placed inside the niche face and the niche face is etched with your memorial words.



Introduction

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

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

The format of the financial statements has changed slightly to that in previous years. Northern Territory Local Government Authorities recently elected to use the same model financial statements templates to allow uniformity and consistency of how financial information is presented across the Territory.

Background

The 2013/14 Financial Statements were qualified by the auditors, UHY Haines Norton Chartered Accountants and have been again for 2014/15. In 2013/14, the qualification related to an overstatement of the roads infrastructure fair value and the methodology of the corresponding depreciation calculations. This issue has been addressed in the 2014/15 financial year to ensure correct data capture in the Asset Management System. Council has improved its processes to accurately capture this information in its asset register at a more detailed level than in prior years.

A revaluation of all assets was undertaken by Maloney Field Services in 2014/15 financial year with the effective date of 30/6/15. During the revaluation process, it was identified that assets to the value of approximately \$14million had not been previously accounted for in the financial statements. Also, depreciation on the pavement component on all roads is now being recognised to comply with the Australian Accounting Standards AASB 13 and AASB 16. Accordingly, these changes have resulted in a restatement of prior year financial statements as per Note 18.

As the revaluation has an effective date of 30th June 2015, the auditors were unable to determine if the 2014/15 depreciation expense, based on prior methodology, was correct. Accordingly they had no option to qualify the 2014/15 financial statements on this point.

From 2015/16 financial year, the revaluation gives Council an accurate starting point allowing the depreciation calculation methods to be more accurate. This takes into account useful life and condition of road infrastructure as required to comply with recent changes to the above Accounting Standards.

At the end of 2013/14 financial year, it was planned that the 2014/15 reporting period would be about an emphasis on maintaining Council's existing assets including a \$1.8m reseal program.

Statement of Comprehensive Income

This statement measures Council performance in relation to how money received (income) from Council operations is spent (expenses). Following is a summary of the major highlights of the 2014/15 financial year:

1. Income results have increased by 9.3% (or \$1.3m) compared to 2013/14 and can be mostly attributed to:
 - 4.2% increase in rate revenue arising from the 3.5% rate increase on 2013/14 and additional subdivisions (\$336k).
 - 6.8% increase in user charges from the Waste Transfer Stations (\$90k).
 - 25.5% increase in grants income due to a partial prepayment of 2013/14 grants paid in 2012/13 and accounting standards enforcing recognition of this type of revenue as income when paid. Prepayments no longer occur (\$972k).
 - 12.4% reduction of investment interest due to falling interest rates (\$114k).
2. Expenditure results have decreased by 3.1% (\$680k) and can be attributed to the following:
 - 21.5% increase in employee costs due to additional staff and reclassifications (\$986k).
 - 3.7% decrease in material contracts and other expenses (\$265k).
 - 13.6% decrease in depreciation. It should be noted that as a result of the restatement of the financial statements as per Note 18, there was additional depreciation expense of \$5.7m in 2013/14 resulting in a total expense of \$10.3m. The depreciation expense of \$8.86m in 2014/15 is significantly less than the prior year as the unsealed roads (pavement component) became fully depreciated. The revaluation of this asset class has resulted in a new written down value of \$17m – refer note 7. This will result in additional depreciation expense in 2015/16.
3. Other book entry adjustments include:
 - \$200k loss on disposal of assets:
 - i. \$129k condemn structure at Freds Pass Reserve.
 - ii. \$73k surplus motor vehicles.
 - \$2.14m gifted, roads, infrastructure and buildings.

To summarise the above, the net result for 2014/15 was a loss of \$4.1m.

The goal of any organisation is to ensure there is sufficient income to meet its expenses. Expenses are:

- Operational costs i.e. the day to day costs;
- Capital costs e.g. construct a new road; and
- Depreciation i.e. a method of apportioning the cost of an asset over its useful life or how much wear and tear of an asset occurs each year.

Depreciation is a book entry and does not require a cash outlay as such. It represents the amount that ideally should be set aside each year to be able to fund the replacement of assets once they have reached the end of their useful lives. The impact of depreciation is further shown in the Balance Sheet as accumulated depreciation and highlights the declining value of the assets.

Looking back over prior year financial statements, Council has not been able to meet all its expenses since 2009/10. It is easy to say and it is quite often interpreted as such, that if depreciation is removed, the results would be a favourable surplus thus giving a false sense of achievement.

Balance Sheet

This statement measures what Council owns (assets), owes (debts or liabilities) and its net worth (equity). The significant change is in property plant and equipment as a result of the revaluation of all its assets and recognition of \$14m of assets previously omitted. There has been a 50% increase in the written down value as shown in Note 7. A revaluation is carried out every three to five years.

Other 'non-current assets' represent works in progress as at 30 June 2015 which is the Girraween-Anglesey Roads intersection upgrade. Refer Note 6.

The continuing rate recovery process has resulted in an 11.4% decrease in rate arrears receivables on the 2013/14 financial year.

Trade and other payables are higher than the previous year. This amount will always vary depending on capital expenditure and contract payments due towards the end of the financial year.

Statement of Changes in Equity

This statement measures Council's net worth (equity) and the movements in accumulated surplus, asset revaluation reserves and other reserves. Council's net worth or equity is represented by the value of assets less the liabilities.

There has been an overall 43% increase in Council's equity predominately as a result of the assets revaluation.

Cash Flow Statement

This statement measures Council's cash to fund its operating activities. The Statement of Comprehensive Income records revenue and expenses when the transactions occurred, not when cash was exchanged. This is referred to as accrual accounting. The Statement of Cash Flows presents actual cash generated and spent by Council in carrying out its activities.

Overall, there has been a 75% reduction in cash held at the end of the reporting period compared to the prior year as money held by Council that is in excess to immediate cash flow needs is invested. The increase in investments is shown in Note 5. The cash flows from operating activities are being used to fund investing activities i.e. new or upgrading infrastructure.

What does this all mean?

As previously mentioned the goal of an organisation is to ensure there is sufficient income to cover its operational, capital and depreciation expenses to ensure its financial sustainability. Council is in the unique position that it is debt free i.e. it has never borrowed funds to meet its expenses. However, consistently drawing on the financial reserves to cover shortfalls is only a short term measure as these funds will be exhausted in the very near future.

Council's financial reserves as at 30 June 2015 are \$10.3m. Refer Note 9. The budget estimate for 2015/16 requires an amount of \$2.5m from these reserves to meet its expenses excluding depreciation. Budget formulation excluding depreciation ignores provision for long term asset management. Strategies are required to ensure we can proactively maintain and renew our assets prior to their failure.

Conclusion

In the 2015/16 reporting period, there will again be continued emphasis on maintaining Council's existing assets so that the current services will be reliably delivered. However, dismissing depreciation expense as a useful 'savings' tool, is dismissing the long term responsibility of proper asset management.

Litchfield Council

General Purpose Financial Reports *for the year ended 30 June 2015*

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Litchfield Council

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2015

OFFICER'S STATEMENT

I, Ben Dornier, the Acting 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 the Council.



(Acting Chief Executive Officer)

15 January 2016

Date

Litchfield Council

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2015

	Notes	2015 \$	2014 Restated \$
INCOME			
Rates	2	8,304,672	7,969,002
Statutory charges	2	43,861	23,739
User charges	2	1,337,879	1,252,497
Grants and contributions	2	4,778,923	3,807,030
Investment income	2	803,638	917,787
Total Income		<u>15,268,973</u>	<u>13,970,055</u>
EXPENSES			
Employee costs	3	5,579,236	4,593,266
Materials, contracts & other expenses	3	6,900,732	7,165,796
Depreciation, amortisation & impairment	3	8,857,992	10,258,546
Total Expenses		<u>21,337,960</u>	<u>22,017,608</u>
OPERATING SURPLUS / (DEFICIT)		(6,068,987)	(8,047,553)
Net gain (loss) on disposal or revaluation of assets	4	(245,798)	(88,796)
Physical resources received free of charge	2	2,143,133	787,844
NET SURPLUS / (DEFICIT)		(4,171,652)	(7,348,505)
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Gain on revaluation of infrastructure, property, plant & equipment	7	96,299,408	(1,116,882)
Total Other Comprehensive Income		<u>96,299,408</u>	<u>(1,116,882)</u>
TOTAL COMPREHENSIVE INCOME		<u>92,127,756</u>	<u>(8,465,387)</u>

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

Litchfield Council

BALANCE SHEET as at 30 June 2015

		2015	2014	2013
	Notes	\$	Restated \$	Restated \$
ASSETS				
Current Assets				
Cash and cash equivalents	5	364,284	1,483,686	1,628,655
Trade & other receivables	5	2,933,316	3,233,260	3,908,040
Other financial assets	5	<u>15,149,029</u>	<u>14,058,066</u>	<u>14,980,489</u>
		<u>18,446,629</u>	<u>18,775,012</u>	<u>20,517,184</u>
Total Current Assets		<u>18,446,629</u>	<u>18,775,012</u>	<u>20,517,184</u>
Non-current Assets				
Infrastructure, Property, Plant & Equipment	7	288,742,937	196,456,235	205,008,344
Other Non-current Assets	6	<u>875,072</u>	<u>274,752</u>	<u>3,269</u>
Total Non-current Assets		<u>289,618,009</u>	<u>196,730,987</u>	<u>205,011,613</u>
Total Assets		<u>308,064,638</u>	<u>215,505,999</u>	<u>225,528,797</u>
LIABILITIES				
Current Liabilities				
Trade & Other Payables	8	1,601,343	1,249,678	3,082,358
Provisions	8	<u>485,669</u>	<u>439,573</u>	<u>341,593</u>
Total Current Liabilities		<u>2,087,012</u>	<u>1,689,251</u>	<u>3,423,951</u>
Non-current Liabilities				
Provisions	8	<u>290,787</u>	<u>257,664</u>	<u>80,375</u>
Total Non-current Liabilities		<u>290,787</u>	<u>257,664</u>	<u>80,375</u>
Total Liabilities		<u>2,377,799</u>	<u>1,946,915</u>	<u>3,504,326</u>
NET ASSETS		<u>305,686,839</u>	<u>213,559,083</u>	<u>222,024,470</u>
EQUITY				
Accumulated Surplus		52,040,194	54,967,609	62,035,308
Asset Revaluation Reserves	9	243,311,730	147,012,322	148,129,204
Other Reserves	9	<u>10,334,915</u>	<u>11,579,152</u>	<u>11,859,958</u>
TOTAL EQUITY		<u>305,686,839</u>	<u>213,559,083</u>	<u>222,024,470</u>

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

Litchfield Council

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
2015					
Balance at end of previous reporting period		<u>54,967,609</u>	<u>147,012,322</u>	<u>11,579,152</u>	<u>213,559,083</u>
Restated opening balance		54,967,609	147,012,322	11,579,152	213,559,083
Net Surplus / (Deficit) for Year		(4,171,652)	-	-	(4,171,652)
Other Comprehensive Income					
<i>Amounts which will not be reclassified subsequently to operating result</i>					
Changes in revaluation surplus - infrastructure, property, plant & equipment	7	-	96,299,408	-	96,299,408
Total Comprehensive Income		<u>(4,171,652)</u>	<u>96,299,408</u>	-	<u>92,127,756</u>
Transfers between reserves		1,244,237	-	(1,244,237)	-
Balance at end of period		<u>52,040,194</u>	<u>243,311,730</u>	<u>10,334,915</u>	<u>305,686,839</u>
2014					
Balance at end of previous reporting period		49,142,658	218,758,020	11,806,097	279,706,775
Adjustment made to prior period reporting period	18	12,892,650	(70,628,816)	53,861	(57,682,305)
Restated opening balance		<u>62,035,308</u>	<u>148,129,204</u>	<u>11,859,958</u>	<u>222,024,470</u>
Net Surplus / (Deficit) for Year		(7,348,505)	-	-	(7,348,505)
Other Comprehensive Income					
<i>Amounts which will not be reclassified subsequently to operating result</i>					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	(1,116,882)	-	(1,116,882)
Total Comprehensive Income		<u>(7,348,505)</u>	<u>(1,116,882)</u>	-	<u>(8,465,387)</u>
Transfers between reserves		280,806	-	(280,806)	-
Balance at end of period		<u>54,967,609</u>	<u>147,012,322</u>	<u>11,579,152</u>	<u>213,559,083</u>

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

Litchfield Council

CASH FLOW STATEMENT for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		8,629,662	8,900,152
Fees & other charges		1,464,379	1,437,622
Investment receipts		873,093	921,896
Grants utilised for operating purposes		4,778,923	3,270,016
<u>Payments</u>			
Employee Costs		(5,489,613)	(4,257,142)
Contractual services & materials		(6,461,858)	(9,082,372)
Net Cash provided by (or used in) Operating Activities	11	3,794,586	1,190,172
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of surplus assets		334,351	47,727
Net movement in term deposits		(1,090,963)	922,423
<u>Payments</u>			
Expenditure on renewal/replacement of assets			
Expenditure on new/upgraded assets		(4,157,376)	(2,305,291)
Net purchase of investment securities			
Net Cash provided by (or used in) Investing Activities		(4,913,988)	(1,335,141)
Net Increase (Decrease) in cash held		(1,119,402)	(144,969)
Cash & cash equivalents at beginning of period		1,483,686	1,628,655
Cash & cash equivalents at end of period		364,284	1,483,686

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

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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, The Local Government Act (NT) As in force at 23 April 2015 and The Local Government (Accounting) Regulations (NT) As in force at 13 November 2014.

The financial report was authorised for issue by certificate under clause 16 of the Local Government (Accounting) Regulations dated 15 January 2016.

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, Northern Territory 0822. 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 Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys 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.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

In previous years the Federal Government had paid amounts of untied financial assistance grants in advance of the year of allocation and had been recorded as a liability to the Council. This is not in line with AASB 1004 - Contributions and had been corrected in the 2013/14 financial year and an adjustment made to previous periods commencing 1 July 2012. In 2013/14, the Government changed their grant distribution process and no longer distribute grant funds in advance, therefore all grant income relating to a particular period will be received during this period. Due to this change in Government process, all Local Government entities have recorded lower than average grant funding for the 2013/14 year.

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 Road

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 next revaluation of that asset class. Further detail of existing valuations, methods and valuers are provided at Note 7.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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).

For assets 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, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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 Trade and Other Payables

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 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.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

8 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.

9 Comparative Information

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

10 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 124 Related Party Disclosures
- 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 and AASB 2015-6.

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.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 2 - INCOME

	2015	2014
	\$	\$
RATES REVENUES		
<u>General Rates</u>		
Residential	5,138,958	4,894,213
Commercial/Industrial	450,057	292,146
Other	<u>42,027</u>	<u>41,925</u>
	<u>5,631,042</u>	<u>5,228,284</u>
<u>Special Rates</u>		
Humpty Doo Waste Transfer Station	<u>394,949</u>	<u>387,656</u>
	394,949	387,656
<u>Other Charges</u>		
Waste Management Service	2,396,259	2,170,986
less Rebate - Carbon tax repeal	(205,949)	-
Legal and other costs recovered	<u>88,371</u>	<u>182,076</u>
	<u>2,278,681</u>	<u>2,353,062</u>
	<u>8,304,672</u>	<u>7,969,002</u>
 STATUTORY CHARGES		
Regulatory Services	<u>43,861</u>	<u>23,739</u>
	43,861	23,739
 USER CHARGES		
Cemetery Fees	816,019	858,389
Rent	25,000	20,812
Subdivision and development fees	73,699	79,029
Permit fees	22,817	22,985
Waste disposal fees	310,376	219,537
Rate search fees	29,525	31,329
Sundry	<u>60,443</u>	<u>20,416</u>
	<u>1,337,879</u>	<u>1,252,497</u>
 INTEREST INCOME		
Interest on investments	551,761	651,868
Interest on overdue rates and charges	<u>251,877</u>	<u>265,919</u>
	<u>803,638</u>	<u>917,787</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

NOTE 2 - INCOME (continued)

	2015	2014
	\$	\$
GRANTS and CONTRIBUTIONS		
NT Operational Grants		
General Purpose		
Financial Assistance Grant - General	460,654	220,445
Financial Assistance Grant - Roads	<u>2,558,545</u>	<u>1,324,640</u>
	<u>3,019,199</u>	<u>1,545,085</u>
Specific Purpose		
NT Australia Day Council	1,100	1,350
Education - Waste recycling booklets	<u>10,000</u>	<u>-</u>
	<u>11,100</u>	<u>1,350</u>
NT Capital Grants		
Specific Purpose		
McMinns Lagoon Reserve - Lockable, undercover, storage area	-	11,000
Howard Springs, Knuckeyes Lagoon & Livingstone Reserves - security improvements	-	45,340
Waste Transfer Station - front end loader	-	70,000
Waste Transfer Station - waste oil storage bund	-	60,000
Thorak Regional Cemetery - Master Plan	-	80,000
Livingstone Reserve - Ablution block	100,000	-
Howard Springs Reserve - Roof replacement on scout all	<u>125,095</u>	<u>-</u>
	<u>225,095</u>	<u>266,340</u>
Commonwealth Capital Grants		
Specific Purpose		
NDRRA Monsoon Event	78,791	162,243
Roads to Recovery Program	<u>824,000</u>	<u>1,143,360</u>
	<u>902,791</u>	<u>1,305,603</u>
Contributions		
Developer Contributions - roads	620,738	688,652
TOTAL CONTRIBUTIONS	<u>620,738</u>	<u>688,652</u>
TOTAL GRANTS and CONTRIBUTIONS	<u>4,778,923</u>	<u>3,807,030</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants and Contributions		
Commonwealth government	902,791	1,305,603
Northern Territory government	3,255,394	1,812,775
Other	<u>620,738</u>	<u>688,652</u>
	<u>4,778,923</u>	<u>3,807,030</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

NOTE 2 - INCOME (continued)

	2015	2014
	\$	\$
Conditions over grants & contributions		
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:		
Unexpended at the close of the previous reporting period	24,911	110,002
Less: expended during the current period from revenues recognised in previous reporting periods	<u>(24,911)</u>	<u>(110,002)</u>
Subtotal	-	-
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Thorak Regional Cemetery - Master Plan		24,911
Livingstone Reserve - ablution block	100,000	-
Howard Springs Reserve - roof replacement scout hall	<u>125,095</u>	-
Subtotal	<u>225,095</u>	<u>24,911</u>
Unexpended at the close of this reporting period and held as restricted assets	<u>225,095</u>	<u>24,911</u>
Net increase (decrease) in assets subject to conditions in the current reporting period	<u>200,184</u>	<u>(85,091)</u>
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Land & Improvements	286,302	-
Roads Infrastructure	<u>1,856,831</u>	<u>787,844</u>
TOTAL PHYSICAL RESOURCES RECEIVED	<u>2,143,133</u>	<u>787,844</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 3 - EXPENSES

	2015 \$	2014 \$
EMPLOYEE COSTS		
Salaries and Wages	4,734,216	3,783,509
Employee leave expense	80,611	276,623
Superannuation	434,741	359,727
Workers' Compensation Insurance	79,817	47,687
Fringe benefits tax	36,581	14,797
Other	213,270	110,923
Total Operating Employee Costs	<u>5,579,236</u>	<u>4,593,266</u>
Total Number of Employees	48.8	49.3
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration		
- Auditing the financial reports	31,176	71,727
- Other audit services	2,094	31,700
Bad and Doubtful Debts	18,602	18,284
Elected members' fees and expenses	127,535	189,932
Election expenses (by-election)	-	16,561
Official Manager fees	9,180	-
Subtotal - Prescribed Expenses	<u>188,587</u>	<u>328,204</u>
<u>Other Materials, Contracts & Expenses</u>		
Cemetery operations	382,616	548,756
City of Darwin landfill fees, Shoal Bay	484,504	640,415
Computer/IT costs	350,715	183,451
Contractors and consultancy services	3,601,647	3,715,080
Donations and community support	47,443	78,990
Electricity	96,182	103,239
Insurances	184,676	205,859
Legal and debt recovery expenses	278,027	306,447
Professional services	148,594	173,754
Raw materials and consumables	280,871	71,336
Sundry	332,198	549,405
Vehicle and plant expenditure	524,672	260,860
Subtotal - Other Materials, Contracts & Expenses	<u>6,712,145</u>	<u>6,837,592</u>
Total Materials, Contracts & Other Expenses	<u>6,900,732</u>	<u>7,165,796</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 3 - EXPENSES (continued)

	2015	2014
	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings	1,036,792	1,032,188
Infrastructure:		
- Sealed Roads	4,004,697	3,977,661
- Unsealed Roads	1,883,828	3,105,105
- Road Culverts	456,959	456,157
- Kerbs & Gutters	23,199	23,564
- Driveway Vehicle Crossings	379,290	424,313
- Footpaths	13,367	13,367
- Road Signs	158,470	156,827
- Inverts	877	878
- Point Generic	24,092	24,099
- Driveways	329,077	578,977
- Bicycle Paths	17,341	17,340
Office Equipment	99,274	104,978
Plant & Equipment	69,285	71,094
Motor Vehicles	361,444	271,998
Total Depreciation, Amortisation & Impairment	8,857,992	10,258,546

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2015 \$	2014 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets surplus to requirements</i>			
Proceeds from disposal		334,351	48,051
Less: Carrying amount of assets sold	7	534,807	62,735
Loss on disposal		<u>(200,456)</u>	<u>(14,684)</u>
FAIR VALUE ADJUSTMENTS			
Revaluation decrements expensed		(45,342)	(74,112)
		<u>(45,342)</u>	<u>(74,112)</u>
LOSS ON DISPOSAL OR REVALUATION OF ASSETS		<u>(245,798)</u>	<u>(88,796)</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 5 - CURRENT ASSETS

	2015	2014
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	<u>364,284</u>	<u>1,483,686</u>
	364,284	1,483,686
TRADE & OTHER RECEIVABLES		
Rates - General & Other	2,520,943	2,845,933
Accrued Revenues	215,261	284,716
Debtors - general	214,860	103,891
Prepayments	19,138	17,004
Total	2,970,202	3,251,544
Less: Allowance for Doubtful Debts	<u>36,886</u>	<u>18,284</u>
	2,933,316	3,233,260
OTHER FINANCIAL ASSETS		
Term Deposits	<u>15,149,029</u>	<u>14,058,066</u>
	15,149,029	14,058,066

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	2015	2014
	\$	\$
Capital Works-in-progress		
Radio Tower communication	-	2,183
Culvert works - Leonino Road	-	247,093
Cycle Path - Challinor Circuit	-	11,476
Machinery/amenities shed	-	14,000
Girraween-Anglesey Roads intersection upgrade	875,072	-
TOTAL FINANCIAL ASSETS	875,072	274,752

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2014 Restated				2015			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land - Council owned	2	8,946,000	-	-	8,946,000	14,387,856	-	-	14,387,856
Land - Drainage	3	-	-	-	-	6,638,569	-	-	6,638,569
Buildings	2	34,875,151	-	(14,546,743)	20,328,407	36,017,440	-	(13,689,110)	22,328,330
Infrastructure:									
- Sealed Roads	3	198,143,269	-	(70,182,072)	127,961,197	229,892,027	-	(39,426,864)	190,465,163
- Unsealed Roads	3	30,786,286	-	(28,943,317)	1,842,969	29,011,276	-	(11,972,802)	17,038,474
- Road Culverts	3	29,139,028	-	(9,992,462)	19,146,566	33,122,065	-	(12,368,432)	20,753,633
- Kerbs & Gutters	3	1,234,395	-	(531,867)	702,528	1,459,296	-	(644,834)	814,462
- Driveway Vehicle Crossings	3	21,003,848	-	(9,778,003)	11,225,845	15,716,238	-	(7,053,589)	8,662,649
- Footpaths	3	450,796	-	(226,007)	224,789	590,549	-	(222,911)	367,638
- Road Signs	2	2,411,800	-	(715,210)	1,696,590	1,347,780	-	(520,287)	827,493
- Inverts	3	26,320	-	(11,648)	14,672	26,320	-	(11,835)	14,485
- Point Generic	3	499,252	-	(247,461)	251,791	539,417	-	(290,506)	248,911
- Driveways	3	8,865,315	-	(6,830,910)	2,034,405	8,960,449	-	(4,675,028)	4,285,421
- Bicycle Paths	3	638,870	-	(237,306)	401,564	780,841	-	(331,276)	449,565
Office Equipment		583,994	-	(484,721)	99,273	587,995	-	(587,995)	-
Plant & Equipment		534,626	-	(170,747)	363,878	388,718	-	(115,658)	273,060
Other Structures		21,229	-	(21,229)	-	21,229	-	(21,229)	-
Motor Vehicles		1,670,586	-	(454,827)	1,215,759	1,929,353	-	(742,125)	1,187,228
TOTAL PROPERTY, PLANT & EQUIPMENT		339,830,765	-	(143,374,530)	196,456,235	381,417,418	-	(92,674,481)	288,742,937
<i>Comparatives Restated</i>		338,150,271		(133,141,927)	205,008,344	339,830,765	-	(143,374,530)	196,456,235

This Note continues on the following pages.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

	2014 Restated	CARRYING AMOUNT MOVEMENTS DURING YEAR								2015
	\$	\$								\$
	CARRYING AMOUNT	Additions			Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	Restructure							
Land - Council owned	8,946,000	-	-	-	-	-	-	-	5,441,856	14,387,856
Land - Drainage	-	-	-	-	-	-	-	-	6,638,569	6,638,569
Buildings	20,328,407	386,304	-	-	(127,455)	(1,036,792)	-	612,277	2,165,591	22,328,330
Infrastructure:										
- Sealed Roads	127,961,197	3,027,642	-	-	-	(4,004,697)	-	(610,864)	64,091,884	190,465,163
- Unsealed Roads	1,842,969	40,858	-	-	-	(1,883,828)	-	-	17,038,475	17,038,474
- Road Culverts	19,146,566	704,696	-	-	-	(456,959)	-	-	1,359,331	20,753,633
- Kerbs & Gutters	702,528	223,008	-	-	-	(23,199)	-	-	(87,875)	814,462
- Driveway Vehicle Crossings	11,225,845	70,921	-	-	-	(379,290)	-	-	(2,254,828)	8,662,649
- Footpaths	224,789	217,794	-	-	-	(13,367)	-	-	(61,578)	367,638
- Road Signs	1,696,590	83,300	-	-	-	(158,470)	-	-	(793,927)	827,493
- Inverts	14,672	-	-	-	-	(877)	-	-	690	14,485
- Point Generic	251,791	-	-	-	-	(24,092)	-	-	21,212	248,911
- Driveways	2,034,405	27,720	-	-	-	(329,077)	-	-	2,552,373	4,285,421
- Bicycle Paths	401,564	-	-	-	-	(17,341)	-	-	65,341	449,565
Office Equipment	99,274	-	-	-	-	(99,274)	-	-	-	-
Plant & Equipment	363,878	25,223	-	-	-	(69,285)	-	(1,413)	(45,342)	273,060
Other Structures	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	1,215,759	617,972	-	-	(407,352)	(361,444)	-	-	122,294	1,187,228
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	196,456,235	5,425,438	-	-	(534,807)	(8,857,992)	-	-	96,254,066	288,742,937
<i>Comparatives Restated</i>	205,008,344	2,566,672	-	-	(860,235)	(10,258,546)	-	-	196,456,235	

This Note continues on the following pages.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

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.

Transition to AASB 13 - The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land under roads

Council being of the opinion that it is not possible to attribute a value sufficiently reliably 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 and 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 (previous valuation – 30 June 2006 – Australian Valuation Office (South Australia)).

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

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

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 and other structures

These assets were valued as at 30 June 2015 valuation by Maloney Field Services Pty Ltd (previous valuation – 1 July 2011 – Maloney Field Services Pty Ltd).

Infrastructure

These assets were valued as at 30 June 2015 valuation by Maloney Field Services Pty Ltd (previous valuation – 1 July 2011 – Maloney Field Services Pty Ltd).

Capitalisation Thresholds

Capitalisation thresholds used by Council are listed below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Estimated Useful Lives and Capitalisation Thresholds

Buildings	20 to 100 years	-
Infrastructure:		-
- Sealed Roads - surface	13 to 25 years	-
- Sealed Roads - pavement	20 to 50 years	-
- Unsealed Roads	7 to 20 years	-
- Roads - earthworks	80 to 100 years	-
- Road Culverts	80 to 100 years	-
- Kerbs & Gutters	20 to 70 years	-
- Driveway Vehicle Crossings	80 to 100 years	-
- Footpaths	20 to 70 years	-
- Road Signs	10 to 20 years	-
- Inverts	20 to 70 years	-
- Point Generic	10 to 20 years	-
- Driveways	5 to 10 years	-
- Bicycle Paths	20 to 70 years	-
Office Equipment	5 to 10 years	\$5,000
Plant & Equipment	3 to 20 years	\$5,000
Motor Vehicles	5 to 10 years	\$5,000

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 8 - LIABILITIES

	2015		2014	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	819,682	-	622,781	-
Payments received in advance	422,295	-	302,266	-
Accrued expenses - employee entitlements	71,256	-	165,724	-
Deposits, Retentions & Bonds	288,110	-	158,907	-
	<u>1,601,343</u>	<u>-</u>	<u>1,249,678</u>	<u>-</u>
PROVISIONS				
Employee entitlements (including oncosts)				
Annual Leave	468,203	31,779	403,651	18,956
Long Service Leave	17,466	259,008	34,530	238,708
Other	-	-	1,392	-
	<u>485,669</u>	<u>290,787</u>	<u>439,573</u>	<u>257,664</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 9 - RESERVES

ASSET REVALUATION RESERVE	01/07/2014	Net Increments (Decrements)	Transfers, Impairments	30/06/2015
Notes	\$	\$	\$	\$
Land - Council owned	113,095,249	12,080,425	-	125,175,674
Buildings	9,562,449	2,165,591	-	11,728,040
Infrastructure:				
- Roads	(13,916,226)	81,130,359	-	67,214,133
- Road Culverts	18,720,365	1,359,331	-	20,079,696
- Kerbs & Gutters	690,438	(87,875)	-	602,563
- Driveway Vehicle Crossings	12,379,165	(2,254,828)	-	10,124,337
- Footpaths	264,890	(61,578)	-	203,312
- Road Signs	2,144,737	(793,927)	-	1,350,810
- Inverts	17,304	690	-	17,994
- Point Generic	317,545	21,212	-	338,757
- Driveways	3,282,820	2,552,373	-	5,835,193
- Bicycle Paths	453,586	65,341	-	518,927
Motor Vehicles	-	122,294	-	122,294
TOTAL ASSET REVALUATION RESERVE	147,012,322	96,299,408	-	243,311,730
<i>Comparatives Restated</i>	<i>148,129,204</i>	<i>(1,116,882)</i>	<i>-</i>	<i>147,012,322</i>
OTHER RESERVES	01/07/2014	Transfers to Reserve	Transfers from Reserve	30/06/2015
Contingency	2,842,427	-	(637,900)	2,204,527
Election	67,000	14,000	-	81,000
Infrastructure	4,666,400	-	(1,226,999)	3,439,401
Humpty Doo Waste Transfer Station	1,032,364	1,211,635	-	2,243,999
MWF Machinery/Amenities Shed	832,000	-	(832,000)	-
Property Realignment	581,630	-	(50,000)	531,630
Plant and Vehicle Replacement	581,682	54,949	(323,200)	313,431
Developer Contributions	800,221	683,016	(52,578)	1,430,659
Cemetery	175,428	-	(85,160)	90,268
TOTAL OTHER RESERVES	11,579,152	1,963,600	(3,207,837)	10,334,915
<i>Comparatives Restated</i>	<i>11,859,958</i>	<i>1,721,177</i>	<i>(2,001,983)</i>	<i>11,579,152</i>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 9 - RESERVES (continued)

PURPOSES OF RESERVES

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 relates to a perceived future requirement which is not currently a liability:

Contingency	These funds are set aside for unforeseen circumstances and are based on operational costs for three months to allow Council to continue to operate in the event of a natural disaster. The minimum balance for this reserve is \$3million. Variations to this minimum balance must be by Council resolution. The balance may fall below this minimum amount if an event occurs that results in funds being utilised.
Election	These funds are set aside for elections which are held every four years. The maximum balance for this reserve is \$81,000. Variations to this maximum balance must be by Council resolution.
Infrastructure	This reserve is set aside for planning and infrastructure maintenance in accordance with the asset management renewal program.
Humpty Doo Waste Transfer Station	The funds transferred into this reserve represent the repayments from ratepayers of the Humpty Doo Waste Transfer Station Stage 1 special rate.
MWF Amenities Machinery Shed	These funds were set aside for the construction of an amenities and machinery shed for the Mobile Workforce but was cancelled. The funds have been transferred back to the Humpty Doo Waste Transfer Station Reserve where the funds originated from.
Property Realignment	A number of public roads traverse private land. The funds in this reserve are set aside for the costs associated with formalizing the road reserve.
Plant and Vehicle Replacement	These funds are set aside for the renewal, replacement or upgrading of plant and motor vehicle to maintain efficiency and currency in accordance with Council Asset replacement Policy.
Developer Contributions*	These contributions are paid by developers pursuant to the conditions of a development permit for a specific purpose in a designated locality. The developer contributions are levied in accordance the Litchfield Council Developer Contribution Plan at the time of payment.
Cemetery*	These funds represent total equity of the Thorak Regional Cemetery. Control of the cemetery can be removed at any time as a result of changes to the Northern Territory Government arrangements.

* Externally restricted reserves

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

	2015	2014
CASH & FINANCIAL ASSETS	\$	\$
Unexpended amounts received from Territory Government or other institutions	225,095	24,911
Developer contributions	620,738	688,652
	<u>845,833</u>	<u>713,563</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	<u>845,833</u>	<u>713,563</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	5	<u>364,284</u>	<u>1,483,686</u>
Balances per Cash Flow Statement		<u>364,284</u>	<u>1,483,686</u>

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

Net Surplus (Deficit)		(4,171,652)	(7,348,505)
Depreciation, amortisation & impairment		8,857,992	10,258,546
Non-cash asset acquisitions		(2,143,133)	(787,844)
Net (Gain) Loss on Disposals		<u>245,798</u>	<u>88,796</u>
		<u>2,789,005</u>	<u>2,210,993</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		299,943	674,780
Net increase (decrease) in trade & other payables		626,419	(1,970,870)
Net increase (decrease) in other provisions		<u>79,219</u>	<u>275,269</u>
Net Cash provided by (or used in) operations		<u>3,794,586</u>	<u>1,190,172</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	2	<u>2,143,133</u>	<u>787,844</u>
<i>Amounts recognised in Income Statement</i>		<u>2,143,133</u>	<u>787,844</u>

(d) Financing Arrangements

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

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015 Note 12 - FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES															
	GENERAL PUBLIC SERVICES			PUBLIC ORDER & SAFETY			ECONOMIC AFFAIRS			ENVIRONMENTAL PROTECTION			HOUSING & COMMUNITY AMENITIES		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING REVENUES															
Rates	5,620,828	5,719,414	5,410,360	-	-	-	-	-	-	2,579,520	2,585,259	2,558,642	-	-	-
Statutory & User Charges	28,600	30,375	32,119	34,200	34,600	23,739	99,400	95,666	101,351	239,268	256,859	202,841	-	-	-
Grants - NT recurrent	1,000	1,100	1,350	-	-	-	-	-	-	10,000	10,000	-	-	-	-
Grants - NT capital	-	-	-	-	-	-	-	-	-	-	-	130,000	-	-	-
Grants - Cw/nt recurrent	460,652	460,654	220,445	-	-	-	2,558,545	2,558,545	1,324,640	-	-	-	-	-	-
Grants - Cw/nt capital	-	-	162,243	-	-	-	824,000	902,791	1,143,360	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	-	930,000	620,738	688,652	-	-	-	-	-	-
Investment Income	583,800	718,443	835,202	-	-	-	-	-	-	68,240	74,184	69,619	-	-	-
Reimbursements & Other Revenues	14,000	16,215	7,364	-	9,261	-	15,715	42,427	2,533	-	53,517	27,089	-	-	-
Total	6,708,880	6,946,200	6,669,083	34,200	43,861	23,739	4,427,660	4,220,167	3,260,536	2,897,028	2,979,818	2,988,191	-	-	-
OPERATING EXPENSES															
Employee Costs	2,079,074	2,064,503	1,610,836	235,269	259,178	255,243	1,841,176	1,763,770	1,347,413	907,915	997,210	937,009	-	-	-
Materials, Contracts & Other	1,718,266	1,575,814	1,877,086	118,720	129,009	115,497	2,429,521	2,434,417	2,201,795	1,575,010	1,393,477	1,439,212	11,450	11,443	15,990
Interest Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation, Amortisation, Impairment	-	1,210,164	1,078,767	-	15,017	17,409	-	7,505,220	9,094,725	-	127,592	67,647	-	-	-
Total	3,797,340	4,850,481	4,566,689	353,989	403,204	388,149	4,270,697	11,703,407	12,643,933	2,482,925	2,518,279	2,443,868	11,450	11,443	15,990
TOTALS	2,911,540	2,095,719	2,102,394	(319,789)	(359,343)	(364,410)	156,963	(7,483,240)	(9,383,397)	414,103	461,539	544,323	(11,450)	(11,443)	(15,990)
TOTAL ASSETS UTILISED		3,777,846			76,277			256,590,835			3,266,788				

	HEALTH			RECREATION, CULTURE & RELIGION			EDUCATION			CEMETERY			ELIMINATIONS		TOTAL	
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL
	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING REVENUES																
Rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,200,348	8,304,672
Statutory & User Charges	-	-	-	-	-	-	-	-	-	788,386	833,486	875,135	-	-	1,189,854	1,250,986
Grants - NT recurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000	11,100
Grants - NT capital	-	-	-	125,095	225,095	56,340	-	-	-	-	-	80,000	-	-	125,095	225,095
Grants - Cw/nt recurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,019,197	3,019,199
Grants - Cw/nt capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	824,000	902,791
Contributions & Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	930,000	620,738
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	11,011	12,966	652,040	803,638
Reimbursements & Other Revenues	-	-	-	-	1,801	-	-	-	-	2,500	7,534	4,066	-	-	32,215	130,755
Total	-	-	-	125,095	226,896	56,340	-	-	-	790,886	852,030	972,167	-	-	14,983,749	15,268,974
OPERATING EXPENSES																
Employee Costs	-	-	-	-	-	-	-	-	-	497,818	494,575	442,765	-	-	5,561,252	5,579,236
Materials, Contracts & Other	-	-	-	958,450	957,956	964,458	16,000	16,000	3,000	468,811	382,617	548,756	-	-	7,296,228	6,900,732
Interest Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation, Amortisation, Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,857,992	10,258,546
Total	-	-	-	958,450	957,956	964,458	16,000	16,000	3,000	966,629	877,192	991,521	-	-	12,857,480	21,337,960
TOTALS	-	-	-	(833,355)	(731,060)	(908,118)	(16,000)	(16,000)	(3,000)	(175,743)	(25,162)	(19,354)	-	-	2,126,269	(6,068,987)
TOTAL ASSETS UTILISED					25,031,191											288,742,937

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 12 - COMPONENTS OF FUNCTIONS (continued)

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

Animal control and impounding; and enforcement of By-laws.

Economic Affairs

General economic, roads infrastructure and works program.

Environmental Protection

Waste management.

Housing & Community Amenities

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

Health

Council does not administer any health issues.

Recreation, Culture and Religion

Facilities and venues, recreation parks and reserves.

Education

Student scholarship and library financial support.

Cemetery

Burials, cremations, internments services and chapel hire.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 13 - FINANCIAL INSTRUMENTS

Accounting Policies

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits have an average maturity of 298 days and an average interest rates of 3.409% (2014: 304 days, 3.85%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
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<p>Receivables - Rates & Associated Charges (including legals & penalties for late payment)</p>	<p>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.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 17% (2014: 17%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the Territory.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
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<p>Receivables - Fees & other charges</p>	<p>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.</p> <p>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.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
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<p>Receivables - other levels of government</p>	<p>Accounting Policy: Carried at nominal value.</p> <p>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 & Territory.</p> <p>Carrying amount: approximates fair value.</p>
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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.

<p>Liabilities - Creditors and Accruals</p>	<p>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.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
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Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 13 - FINANCIAL INSTRUMENTS (continued)

Liquidity Analysis

2015	Due < 1 year \$	Due > 1 year; ≤ 5 years \$	Due > 5 years \$	Total Contractual Cash Flows \$	Carrying Values \$
Financial Assets					
Cash & equivalents	364,284			364,284	364,284
Receivables	430,121			430,121	430,121
Other financial assets	15,149,029			15,149,029	15,149,029
Total	15,943,434	-	-	15,943,434	15,943,434
Financial Liabilities					
Payables	1,601,343			1,601,343	1,601,343
Total	1,601,343	-	-	1,601,343	1,601,343
2014					
Financial Assets					
Cash & equivalents	1,483,686			1,483,686	1,483,686
Receivables	388,607			388,607	388,607
Other financial assets	14,058,066			14,058,066	14,058,066
Total	15,930,359	-	-	15,930,359	15,930,359
Financial Liabilities					
Payables	1,249,678			1,249,678	1,249,678
Total	1,249,678	-	-	1,249,678	1,249,678

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 Notes 5 & 6 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 manages liquidity risk by maintaining adequate reserves, and continuously monitoring forecasts and actual cash flows.

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.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 14 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2015 \$	2014 \$
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Roads & Footpaths		<u>1,648,000</u>	-
		<u>1,648,000</u>	-
These expenditures are payable:			
Not later than one year		<u>1,648,000</u>	-
		<u>1,648,000</u>	-

Other Expenditure Commitments

There were no other expenditure commitments as 30 June 2015 or 2014

Finance Lease Commitments

There were no finance lease commitments as 30 June 2015 or 2014

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 15 - FINANCIAL INDICATORS

	2015	2014	2013	2012
Current Ratio				
<u>Current Assets - Externally Restricted Assets</u>	8.43:1	10.69:1	5.81:1	10.99:1
Current Liabilities				
Debt Service Ratio				
<u>Net Debt Service Cost</u>	0%	0%	0%	0%
Operating Revenue*				
* as defined				
Rate Coverage Percentage				
<u>Rate Revenues</u>	39.47%	40.20%	38.83%	44.24%
Total Revenues				
Rates & Annual Charges Outstanding Percentage				
<u>Rates & Annual Charges Outstanding</u>	22.61%	24.97%	29.03%	63.08%
Rates & Annual Charges Collectible				

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 16 - SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly the South Australian Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the Council 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 receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.5% in 2014/15; 9.25% in 2013/14). 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.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2013/14) of "superannuation" salary.

In addition, Council makes a separate contribution of 2% of salary for Salarylink members to their Accumulation account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

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.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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.

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 18 - Prior Period Corrections

Adjustment A - Property Plant and Equipment

Council's assets were revalued by Maloney Field Services effective 30 June 2015. During this process it was identified that some assets had not been previously accounted for in the financial statements. The necessary adjustments to asset class and depreciation have been made by adjusting the opening balances at 1 July 2013. In addition some small sections of roads identified as being owned by Northern Territory Government have been derecognised.

Depreciation on the pavement component on all roads is being recognised to comply with Australian Accounting standards AASB 13 and AASB16. Council has been able to accurately capture this information in its asset register at a more detailed level than in prior years.

As a result, a total expense of \$63,467,202 was written back, \$57,736,166 effective 1 July 2013 and \$5,731,036 in 2013/14 as follows:-

	01/07/2013	2014	Total
i Land asset	5,355,000	-	5,355,000
ii Buildings asset	4,915,904	-	4,915,904
iii Sealed Roads	1,434,156	-	1,434,156
iv Road Culverts	1,499,118	-	1,499,118
v Kerbs & Gutters	111,312	-	111,312
vi Driveway Vehicle Crossings	190,257	-	190,257
vii Point Generic	47,000	-	47,000
viii Driveways	94,670	-	94,670
ix Plant & Equipment	233,987	-	233,987
x Motor Vehicles	6,910	-	6,910
xi Depreciation	(71,624,480)	(5,731,036)	(77,355,516)
	<u>(57,736,166)</u>	<u>(5,731,036)</u>	<u>(63,467,202)</u>

Adjustment B - Cemetery Revenue

The cemetery offers customers the ability to pay for their funeral in advance. It has been identified that the monies received for this purpose was recognised as a prepayment at the time of payment instead of being recorded as income. This has now been corrected and the necessary adjustment has been made to the opening balance at 1 July 2013 and in the 2013/14 year.

As a result, a total reduction of prepayments of \$ 53,861 was written back prior to 30 June 2013 and a reduction of prepayments of \$91,337 was written back in the 2013/14 year as follows:-

	01/07/2013	2014	Total
i) Internments	53,861	60,629	114,490
ii) Cremations	-	30,708	30,708
	<u>53,861</u>	<u>91,337</u>	<u>145,198</u>

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 18 - Prior Period Corrections (continued)

The effect of the above:	Original Balance	Adjustment A	Adjustment B	Adjusted Balance
01/07/2013	\$	\$	\$	\$
Statement of Comprehensive Income				
- Other operating revenue	1,095,741	-	53,861	1,149,602
- Total Income	12,382,550	-	53,861	12,436,411
- Operating Surplus/(Deficit)	(5,544,984)	-	53,861	(5,491,123)
Change in Net Results	(1,341,167)	-	53,861	(1,287,306)
- Physical Resources rec'd free of charge	2,267,330	12,892,650	-	15,159,980
- Asset Revaluation Reserve	44,687,314	(70,628,816)	-	(25,941,502)
- Total Comprehensive Income	43,346,147	(57,736,166)	53,861	(14,336,158)
Statement of Financial Position				
- Property Plant and Equipment	262,744,510	(57,736,166)	-	205,008,344
- Total Non-Current Assets	262,747,779	(57,736,166)	-	205,011,613
- Total Assets	283,264,963	(57,736,166)	-	225,528,797
- Trade and other Payables	3,136,219	-	(53,861)	3,082,358
- Total Current Liabilities	3,477,812	-	(53,861)	3,423,951
- Total Liabilities	3,558,187	-	(53,861)	3,504,326
- Net Assets	279,706,775	(57,736,166)	53,861	222,024,470
- Accumulated Surplus	49,142,658	12,892,650	-	62,035,308
- Other reserves	11,806,097	-	53,861	11,859,958
- Asset Revaluation Reserve	218,758,020	(70,628,816)	-	148,129,204
- Total Equity	279,706,775	(57,736,166)	53,861	222,024,470
Statement of Changes in Equity				
- Change in Net Results Total Comp. Income	(1,341,167)	12,892,650	53,861	11,605,344
- Balance Accumulated Surplus	49,142,658	12,892,650	-	62,035,308
Transfer to other reserves	(11,172,530)	-	(53,861)	(11,226,391)
- Other comprehensive income	44,687,314	(70,628,816)	-	(25,941,502)
Transfers from accumulated surplus	11,172,530	-	53,861	11,226,391
Balance other reserves	11,806,097	-	53,861	11,859,958
- Balance as at 30 June 2013	218,758,020	(70,628,816)	-	148,129,204
- Total Equity	279,706,775	(57,736,166)	53,861	222,024,470
Note 7 - Property Plant and Equipment				
- Land	3,591,000	5,355,000	-	8,946,000
- Buildings	17,046,388	4,141,282	-	21,187,670
- Sealed Roads	173,022,223	(42,937,229)	-	130,084,994
- Unsealed Roads	31,583,786	(25,838,212)	-	5,745,574
- Road Culverts	18,462,167	1,073,456	-	19,535,623
- Kerbs & Gutters	647,760	78,332	-	726,092
- Driveway Vehicle Crossings	11,500,756	109,879	-	11,610,635
- Point Generic	271,189	4,701	-	275,890
- Driveways	2,515,159	62,384	-	2,577,543
- Plant & Equipment	211,754	208,504	-	420,258
- Motor Vehicles	1,186,700	5,736	-	1,192,436

Litchfield Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 18 - Prior Period Corrections (continued)

The effect of the above:	Original Balance	Adjustment A	Adjustment B	Adjusted Balance
30/06/2014	\$	\$	\$	\$
Statement of Comprehensive Income				
- Other operating revenue	1,184,900	-	91,337	1,276,237
- Total operating income	13,878,718	-	91,337	13,970,055
- Depreciation and amortisation	4,527,510	5,731,036	-	10,258,546
- Total operating expenses	16,286,572	5,731,036	-	22,017,608
- Operating Surplus/(Deficit)	(2,407,854)	(5,731,036)	91,337	(8,047,553)
- Change in Net Assets Result from Operat.	(1,634,693)	(5,805,149)	91,337	(7,348,505)
- Total Comprehensive Income	(2,825,687)	(5,731,036)	91,337	(8,465,387)
Statement of Financial Position				
- Property Plant and Equipment	259,923,437	(63,467,202)	-	196,456,235
- Total Non-Current Assets	260,198,189	(63,467,202)	-	196,730,987
- Total Assets	278,973,201	(63,467,202)	-	215,505,999
- Trade and other Payables	1,394,876	-	(145,198)	1,249,678
- Total Current Liabilities	1,834,449	-	(145,198)	1,689,251
- Total Liabilities	2,092,113	-	(145,198)	1,946,915
- Net Assets	276,881,088	(63,467,202)	145,198	213,559,083
- Accumulated Surplus	47,880,108	7,087,501	-	54,967,609
- Other reserves	11,433,954	-	145,198	11,579,152
- Asset Revaluation Reserve	217,567,026	(70,554,703)	-	147,012,322
- Total Equity	276,881,088	(63,467,202)	145,198	213,559,083
Statement of Changes in Equity				
- Net results Total comprehensive income	(1,634,693)	(5,805,149)	91,337	(7,348,505)
Transfer to other reserves	(189,469)	-	(91,337)	(280,806)
Balance Accumulated Surplus	47,880,108	7,087,501	-	54,967,609
Asset Revaluation Reserve	218,758,020	(70,628,816)	-	148,129,204
Balance Revaluation Surplus	217,567,026	(70,554,703)	-	147,012,322
Transfers from accumulated surplus	189,469	-	91,337	280,806
Balance other reserves	11,433,954	-	145,198	11,579,152
- Total Equity	276,881,088	(63,467,202)	145,198	213,559,083
Note 7 - Property Plant and Equipment				
- Land	3,591,000	5,355,000	-	8,946,000
- Buildings	16,292,717	4,035,690	-	20,328,407
- Sealed Roads	173,363,046	(45,401,849)	-	127,961,197
- Unsealed Roads	30,786,286	(28,943,317)	-	1,842,969
- Road Culverts	18,088,101	1,058,465	-	19,146,566
- Kerbs & Gutters	626,422	76,106	-	702,528
- Driveway Vehicle Crossings	11,119,917	105,928	-	11,225,845
- Point Generic	248,657	3,134	-	251,791
- Driveways	1,978,348	56,057	-	2,034,405
- Plant & Equipment	180,857	183,021	-	363,878
- Motor Vehicles	1,211,198	4,561	-	1,215,759

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE LITCHFIELD COUNCIL**

We have audited the accompanying financial statements of The Litchfield Council (the Council), which comprise the Balance Sheet as at 30 June 2015, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flows Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Officer's Statement.

Chief Executive Officers' Responsibility for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act (NT) as in force at 23 April 2015* and the *Local Government (Accounting) Regulations as in force at 13 November 2014* and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

Our audit responsibility does not extend to the budget information disclosed in the Note 12 – Functions and accordingly, we do not express an opinion on such.

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

Basis for Qualified Opinion

Qualification of Opening Balances of Fixed Assets

We expressed a qualified audit opinion on the carrying values of the sealed and unsealed roads for the year ended 30 June 2014. This was due to incorrect revaluations being undertaken during year ended 30 June 2014, resulting in these balances being overstated. Due to the lack of sufficient and appropriate audit evidence we were unable to quantify the overstatement.

Further, no depreciation expense was recorded for unsealed roads for the year ended 30 June 2014. This was a departure from Australian Accounting Standard *AASB 116- Property, Plant and Equipment* and as such we expressed a qualification to this effect in our audit report for the year ended 30 June 2014.

During the financial year ended 30 June 2015, the opening balances have been restated to rectify the overvaluations of sealed and unsealed roads. However, due to the lack of sufficient and appropriate audit evidence, we were unable to determine whether the restated opening balances were materially correct.

Qualification of Depreciation Expense

Due to the qualifications over opening balances in the fixed assets in relation to the matters as described in the preceding paragraph, we were unable to obtain sufficient and appropriate audit evidence to determine whether the depreciation expenses of \$8,857,992 for the year ending 30 June 2015 is materially correct. Consequently, we are unable to determine whether any adjustment to this amount is required.

Opinion

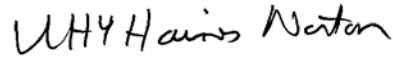
In our opinion, except for the effects of the matters outlined in the Basis for Qualified Opinion paragraph,

- (a) the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act (NT) as in force at 23 April 2015*, Chapter 10 part 6 (the Act); and
- (b) the financial statements:
 - i. have been presented, in all material respects, in accordance with the requirements of the Act;
 - ii. are consistent with the Council's accounting records;
 - iii. presents fairly, in all material respects, the Council's financial position as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government (Accounting) Regulations as in force at 13 November 2014*.

- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies, except for the matters outlined in the Basis for Qualified Opinion paragraph, in the accounting records or financial statements that have come to light during the course of the audit.



M.D. Nicholaeff
Partner



UHY Haines Norton
Chartered Accountants

Signed in Sydney on 15th January 2016

Thorak Regional Cemetery
Special Purpose Financial Reports
for the year ended 30 June 2015

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Thorak Regional Cemetery

SPECIAL PURPOSE FINANCIAL REPORT for the year ended 30 June 2015

BOARD OF TRUSTEE'S STATEMENT

I, Ben Dornier, the Acting 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) are in accordance with the Cemeteries Act and the Cemeteries Regulations, including compliance with accounting policies in Note 1 and presents fairly, in all material respects, the financial position of Thorak Regional Cemetery as of 30 June 2015 and its financial performance and cash flows for the year then ended; and
- (b) are in accordance with the accounting and other records of the Thorak Regional Cemetery.


(Acting Chief Executive Officer)

15 January 2016
Date

Thorak Regional Cemetery

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

	2015	2014
Notes	\$	Restated \$
INCOME		
Internments	525,353	501,248
Cremations	117,376	171,591
Exclusive rights fees	13,798	39,550
Ground maintenance	66,066	80,545
Chapel and Marquee hire	19,493	16,664
Plaque/Headstone installation and permits	54,509	36,700
Funeral director fees	3,025	3,117
Sundry income	16,369	8,975
Grant income	-	80,000
Rent received	25,000	20,812
Investment income	11,041	12,966
Total Income	852,030	972,168
EXPENSES		
Salaries	420,646	396,397
Superannuation	36,583	35,476
Staff Training & amenities	31,055	10,693
Insurance	20,462	34,646
Legal Fees	3,105	5,667
Accounting Services	4,194	22,860
Consultants	1,233	61,970
Admin Exp	88,719	88,248
Advertising	3,921	7,358
Computer Support	4,899	384
Motor Vehicle Expenses	27,475	37,816
Utilities	55,563	57,661
Telephone	4,900	5,606
Security	4,967	3,850
Grounds Maintenance & Landscaping	38,134	31,243
Repairs and Maintenance	42,105	48,681
Equipment Hire	1,450	10,280
Plant & Equipment	8,471	35,609
Grave Digging	47,760	49,320
Improvements	1,744	90,598
Memorial Expenses	18,749	16,382
Sundry Expense	3,155	359
Exclusive Rights refunds	11,893	389
Capital works expenditure not capitalised	56,007	-
Total Expenses	937,190	1,051,491
NET SURPLUS / (DEFICIT)		
transferred to Equity Statement	(85,160)	(79,323)
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	(85,160)	(79,323)

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

Thorak Regional Cemetery

BALANCE SHEET as at 30 June 2015

	Notes	2015 \$	2014 Restated \$	2013 Restated \$
ASSETS				
Current Assets				
Cash and cash equivalents	2	167,976	157,248	333,508
Trade & other receivables	2	98,716	53,553	65,973
Other financial assets	2	322,679	311,638	189,235
Total Current Assets		<u>589,371</u>	<u>522,439</u>	<u>588,716</u>
Total Assets		<u>589,371</u>	<u>522,439</u>	<u>588,716</u>
LIABILITIES				
Current Liabilities				
Trade & Other Payables	3	447,412	315,648	321,632
Provisions	3	37,057	20,572	11,312
Total Current Liabilities		<u>484,469</u>	<u>336,220</u>	<u>332,944</u>
Non-current Liabilities				
Provisions	3	14,634	10,791	1,021
Total Non-current Liabilities		<u>14,634</u>	<u>10,791</u>	<u>1,021</u>
Total Liabilities		<u>499,103</u>	<u>347,011</u>	<u>333,965</u>
NET ASSETS		<u>90,268</u>	<u>175,428</u>	<u>254,751</u>
EQUITY				
Accumulated Deficit		(46,973)	(46,973)	(74,421)
Other Reserves	4	137,241	222,401	329,172
TOTAL EQUITY		<u>90,268</u>	<u>175,428</u>	<u>254,751</u>

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

Thorak Regional Cemetery

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

2015	Notes	Accumulated Deficit \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		(46,973)	222,401	175,428
Net Surplus / (Deficit) for Year		(85,160)	-	(85,160)
Other Comprehensive Income		-	-	-
Total Comprehensive Income		(85,160)	-	(85,160)
Transfers between reserves		85,160	(85,160)	-
Balance at end of period		(46,973)	137,241	90,268
2014				
Balance at end of previous reporting period		(128,282)	329,172	200,890
Adjustment made to prior period reporting period	7	53,861	-	53,861
Restated opening balance		(74,421)	329,172	254,751
Net Surplus / (Deficit) for Year		(79,323)	-	(79,323)
Other Comprehensive Income		-	-	-
Total Comprehensive Income		(79,323)	-	(79,323)
Transfers between reserves		106,771	(106,771)	-
Balance at end of period		(46,973)	222,401	175,428

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

Thorak Regional Cemetery

CASH FLOW STATEMENT for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Receipts from customers		915,885	964,441
<u>Payments</u>			
Payments to suppliers and employees		(905,157)	(1,031,264)
Net Cash provided by (or used in) Operating Activities	4	10,728	(66,823)
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Proceeds from investments		-	189,235
Investment Income		-	12,966
<u>Payments</u>			
Payments for investments		-	(311,638)
Net Cash provided by (or used in) Investing Activities		-	(109,437)
 Net Increase (Decrease) in cash held		 10,728	 (176,260)
 Cash & cash equivalents at beginning of period		 157,248	 333,508
Cash & cash equivalents at end of period		167,976	157,248

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 2015

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 Board's reporting requirements under the Cemeteries Act as in force at 28 August 2013 and the Cemeteries Regulations as in force at 28 August 2013.

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 and other authoritative pronouncements of the Australian Accounting Standards Board.

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 incomes 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.

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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 5.

4 Infrastructure, Property, Plant & Equipment

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

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

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 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. Cemetery does not make payment for untaken sick leave.

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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 2015 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 124 Related Party Disclosures 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 and AASB 2015-6.

The Cemetery 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.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 2 - CURRENT ASSETS

	2015	2014
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	<u>167,976</u>	<u>157,248</u>
	167,976	157,248
TRADE & OTHER RECEIVABLES		
Debtors - general	<u>98,716</u>	<u>53,553</u>
	98,716	53,553
OTHER FINANCIAL ASSETS		
Term Deposits over 90 Days	<u>322,679</u>	<u>311,638</u>
	322,679	311,638

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 3 - LIABILITIES

	2015		2014	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	17,477		8,843	
Payments received in advance	422,295	-	302,266	-
Accrued expenses - employee entitlements	7,640	-	4,539	-
	<u>447,412</u>	<u>-</u>	<u>315,648</u>	<u>-</u>
PROVISIONS				
Employee entitlements (including oncosts)				
Annual Leave	37,057	-	20,572	-
Long Service Leave	-	14,634	-	10,791
	<u>37,057</u>	<u>14,634</u>	<u>20,572</u>	<u>10,791</u>
<i>Amounts included in provisions that are not expected to be settled within 12 months of reporting date.</i>	840		-	

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 4 - RESERVES

RESERVES	1/07/2014	Transfers to Reserve	Transfers from Reserve	30/06/2015
Cemetery	222,401		(85,160)	137,241
TOTAL OTHER RESERVES	<u>222,401</u>		<u>(85,160)</u>	<u>137,241</u>
<i>Comparatives</i>	329,172		(106,771)	222,401

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 5 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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 Balance Sheet as follows:

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	2	<u>167,976</u>	<u>157,248</u>
Balances per Cash Flow Statement		<u>167,976</u>	<u>157,248</u>

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

Net Surplus (Deficit)		(85,160)	(79,323)
Non-cash items in Income Statement			
Investment Income		<u>(11,041)</u>	<u>(12,966)</u>
		<u>(96,201)</u>	<u>(92,289)</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(45,163)	12,420
Net increase (decrease) in trade & other payables		131,764	(5,984)
Net increase (decrease) in other provisions		<u>20,328</u>	<u>19,030</u>
Net Cash provided by (or used in) operations		<u>10,728</u>	<u>(66,823)</u>

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 6 - FINANCIAL INSTRUMENTS

Accounting Policies

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits have an average maturity of 365 days and an average interest rates of 3.05% (2014: 365 days, 3.55%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
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Receivables - Fees & other charges	<p>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.</p> <p>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.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
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Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>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.</p> <p>Carrying amount: approximates fair value.</p>
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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	<p>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.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
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Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 6 - FINANCIAL INSTRUMENTS

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & equivalents	167,976	-	-	167,976	167,976
Receivables	98,716	-	-	98,716	98,716
Other financial assets	322,679	-	-	322,679	322,679
Total	589,371	-	-	589,371	589,371
<u>Financial Liabilities</u>					
Payables	447,412	-	-	447,412	447,412
Total	447,412	-	-	447,412	447,412
2014					
<u>Financial Assets</u>					
Cash & equivalents	157,248	-	-	157,248	157,248
Receivables	53,553	-	-	53,553	53,553
Other financial assets	311,638	-	-	311,638	311,638
Total	522,439	-	-	522,439	522,439
<u>Financial Liabilities</u>					
Payables	315,648	-	-	315,648	315,648
Total	315,648	-	-	315,648	315,648

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 5 & 6 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 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.

Thorak Regional Cemetery

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 7 - PRIOR PERIOD ADJUSTMENTS

The cemetery offers customers the ability to pay for their funeral in advance. It has been identified that the monies received for this purpose was recognised as a prepayment at the time of payment instead of being recorded as income. This has now been corrected and the necessary adjustment has been made to the opening balance at 1 July 2013 and in the 2013/14 year.

As a result, a total reduction of prepayments of \$ 53,861 was written back prior to 30 June 2013 and a reduction of prepayments of \$91,337 was written back in the 2013/14 year as follows:-

		1/07/2013	2014	Total
i)	Internments	53,861	60,629	114,490
ii)	Cremations	-	30,708	30,708
		53,861	91,337	145,198

	Original Balance	Amount of Adjustment	Adjusted Balance
	\$	\$	\$

1/07/2013

Statement of Comprehensive Income

-	Internments	506,647	53,861	560,508
-	Total Income	872,796	53,861	926,657
-	Net Results Total Comprehensive Income	26,151	53,861	80,012

Statement of Financial Position

-	Trade and Other Payables	375,493	(53,861)	321,632
-	Total Liabilities	387,826	(53,861)	333,965
-	Net Assets	200,890	53,861	254,751
-	Retained Surpluses	(128,282)	53,861	(74,421)
-	Total Equity	200,890	53,861	254,751

Statement of Changes in Equity

-	Balance as at 30/6/13	(128,282)	53,861	(74,421)
-	Total Equity	200,890	53,861	254,751

2014

Statement of Comprehensive Income

-	Internments	440,619	60,629	501,248
-	Cremations	140,883	30,708	171,591
-	Total Income	880,831	91,337	972,168
-	Net Results Total Comprehensive Income	(170,660)	91,337	(79,323)

Statement of Financial Position

-	Trade and Other Payables	460,846	(145,198)	315,648
-	Total Current Liabilities	492,209	(145,198)	347,011
-	Net Assets	30,230	145,198	175,428
-	Retained Surpluses	(192,171)	145,198	(46,973)
-	Total Equity	30,230	145,198	175,428

Statement of Changes in Equity

-	Net Results Total Comprehensive Income	(170,660)	91,337	(79,323)
-	Balance as at 30/6/14	(192,171)	145,198	(46,973)
-	Total Equity	30,230	145,198	175,428

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THORAK REGIONAL CEMETERY**

We have audited the accompanying financial statements, being a special purpose financial report of the Thorak Regional Cemetery ('the cemetery'), which comprises the Balance Sheet as at 30 June 2015, 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, other explanatory information, and the Board of Trustee's Statement.

The Board of Trustee's responsibility for the Financial Statements

The Board of Trustees of the Thorak Regional Cemetery is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Cemeteries Act (NT) as in force at 28 August 2013* and for such internal control as the Board of Trustees determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the cemetery's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

Independence

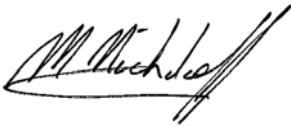
In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Opinion

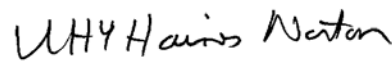
In our opinion, the financial report of Thorak Regional Cemetery presents fairly, in all material respects, the cemetery's financial position as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist The Board of Trustees of the Thorak Regional Cemetery to meet the requirements of the *Cemeteries Act (NT) as in force at 28 August 2013*. As a result, the financial report may not be suitable for any other purpose.



M.D. Nicholaeff
Partner



UHY Haines Norton
Chartered Accountants

Signed in Sydney on 15th January 2016