

Litchfield Council Annual Report 2019–2020



The best place to live in the Top End.

**LITCHFIELD
COUNCIL**



Litchfield Council operates on Larrakia country.

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



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About Us

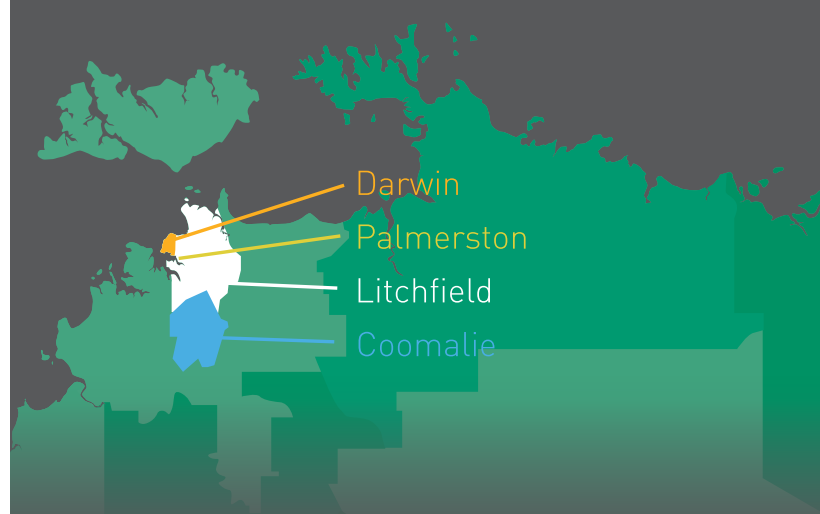
The Litchfield Municipality covers an area of approximately 3,100 square kilometres and is home to over 25,500 residents. It is the fastest growing municipality in the Top End.

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

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

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

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



POPULATION

25,561



Male – 51.8% Female – 48.2%

8,227

RATEABLE ASSESSMENTS

629kms

SEALED ROADS



88.78kms

UNSEALED ROADS



3 WASTE
TRANSFER
STATIONS



CEMETERY

1



RECREATION
RESERVES

7

13.8kms

SHARED PATHS INC.
7.3KM BIKE PATHS



5

PLAYGROUNDS



2,979

REGISTERED DOGS

Message from the Mayor

In reflecting upon and reviewing our achievements across the year it is clear that Council is a stable, yet agile organisation able to pivot our focus, and respond appropriately to opportunities that have come our way while staying aligned to the longer term vision, values and identified strategic plan.

There are many aspects of our Municipality, from roads, reserves, sporting facilities, community events and engagement. Our events are a new and exciting part of our annual calendar and this year the Annual Litchfield Council Art Exhibition was a huge success with over 60 quality pieces of art on display.



Our Annual Community Grants awards saw Council give approximately \$30,000 to the community through the cash for container community grants program. These awards are completely funded through money made from recycling goods from the Waste Transfer Stations: our 'trash to cash' program.

Engaging with the community is always top of mind for Council and this year we have introduced several new initiatives for the community to connect with Council. The 'Open Space Discussion' time is a new opportunity for residents to meet with Councillors prior to the monthly Council meetings to discuss items on meeting agenda or any items of interest to the community.

In June we published the first of the 'Connecting our Community' newsletter as a means of keeping you up to date with Council programs, events, services, facilities and works. The refreshed Council website has also been launched, proving a modern transaction friendly 'one stop shop' information source in relation to Council for services and facilities.

Council finalised its review of the rating system, which had been in place since 1986, resulting in a new Rating

Policy which introduces seven rating categories and a more transparent approach to how rates are calculated.

While our municipality continues to grow and newcomers seek our rural amenity and lifestyle, we must maintain a strong focus looking after our assets. We have continued to invest in community infrastructure and advocate strongly for external government funding for immediate, short and long-term projects that are important to Litchfield's future. To this end it was very pleasing to see confirmation of joint funding from the Australian and NT Government and Litchfield Council of \$21 million for the Mango Industry Strategic Roads Project. Another significant road renewal has been the Girraween and Hillier Road intersection upgrade through Black Spot funding.

Our recreational and sporting facilities add much to our community and again this year we have seen significant upgrades to buildings, playgrounds, road networks, car parking and general facilities. Of most significance has been the long-awaited new change rooms and viewing platform for Southern Districts Cricket Club. This \$500,000 project has been made possible through NT Government grant funding.

Council was able to respond quickly to support the community when the COVID-19 pandemic hit adjusting service delivery, reviewing works which could be brought forward and implementing a hardship relief rating policy. In partnership with the Northern Territory Government, Council also identified 13 projects to the value of \$560,000 to be delivered with Special Community Assistance and Local Employment (SCALE) funding. While these projects, which are all focussed on improving the liveability of the region, will not be completed until later in the year they have injected some much-needed funds into local business.

There is no denying that last few months of the 2019-20 financial year brought with it a plethora of challenges and opportunity. The wellbeing of our community is paramount for Council, and I acknowledge the way the organisation worked

to adjust and reimage programs and our service delivery so that there was minimal impact to residents.

On behalf of my fellow Councillors, I would like to take this opportunity to thank residents for their support over the past 12 months, our Chief Executive Officer, Daniel Fletcher, the Leadership Team, and staff for their efforts in delivering quality services to the community. Thanks also to the Deputy Mayor and my fellow Councillors for their ongoing support and dedication to Litchfield. Together we are committed to seeking opportunities and improvements and will continue to collaborate and engage in productive conversation with all stakeholders to deliver positive outcomes for the Municipality.

Mayor Maree Bredhauer



Message from the CEO

In my first full year as Chief Executive Officer of Litchfield Council, the organisation has certainly been presented with a roller coaster of challenge and opportunity – with the obvious challenge being the COVID-19 global pandemic. Notwithstanding these unprecedented times, the organisation remained resilient in our efforts to be more responsive to our community, more efficient with our resources and more versatile in our operations. We have further enjoyed and embraced the requirements thrust upon all sectors to look beyond our boundaries and embody new ideas, thinking and technology. The past year has seen a vast shift in the planning, delivery and performance of Council services.



Our identity as a region remains passionately rural with a mix of future generations entering the municipality to take advantage of our natural and scenic lifestyle, being spacious, but close to everything. The continual interest from families to move within our area requires constant vigilance and attention to balance the development potential and maintaining the sought-after amenity of the area.

We have been hard at work delivering both the Municipal Plan 2019-20 projects with the late addition of \$560,000 for the Special Community Assistance and Local Employment (SCALE) funding provided by the Northern Territory Government to stimulate the local economy in response to COVID-19. This has, in no small amount, increased the workload of staff quite substantially. It has been a privilege to be part of a team that 'found a way' to step up during this time and take advantage of the funding opportunity.

The Strategic Mango Industry Roads project has been progressing well and, as the first National Partnership Agreement project Litchfield Council has participated in, we hope that future opportunities exist where both the Commonwealth and Northern Territory Government will see value in supporting the Litchfield community and business sector.

The introduction of Council's first advocacy strategy and action plan guides Council's advocacy efforts and provides clear roles to implement the actions. Objective one in the action plan directs Council's efforts toward the equitable

allocation of funding to supporting the Top End's premier regional sporting facility at Fred's Pass Sport and Recreation Reserve and re-locating Council's library to a more accessible and user-friendly location for residents.

Council should be commended for the comprehensive review completed on its rating policy. The community played a critical role in the engagement process and supported maintaining an 'equal' method of applying the principals of rating.

It would be remiss of me not to mention the incredible work that Mr Iain Summers has provided Litchfield Council over many years as the independent Chair of the Risk Management and Audit Committee. Mr Summers has a breadth of experience and a rich history across the Territory in supporting council's to manage the risk associated with in this sector. We are truly grateful for his contribution and wish him well into the future. Subsequently, Council appointed Mr Garry Lambert to this role and Mr Lambert has immediately been able to impart his extensive Local Government knowledge, skills and experience to the committee.

I extend my sincere thanks to Mayor Maree Bredhauer and all the Councillors for their leadership and vision for the Litchfield Municipality, as well the Executive and Leadership Team for its support and commitment. Furthermore, I would especially like to commend all Litchfield Council employees who, throughout COVID-19, dedicated themselves to providing exceptional service to our community. I am proud to lead an organisation that is so committed to our community.

Daniel Fletcher

Our Council







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

Mayor Maree Bredhauer – Mayor
Deputy Mayor Christine Simpson – Central Ward
Kirsty Sayers-Hunt – East Ward
Councillor Doug Barden – South Ward
Councillor Mathew Salter – North Ward

Council Representatives and Council Committee Appointments

Councillor	Committee	Position
Mayor Maree Bredhauer		
	Howard East Water Advisory Committee	Council's Representative
	CEO Performance Appraisal and Remuneration Review Committee	Member
	Litchfield Australia Day Awards Selection Panel	Chair
	Local Government Association	Principal Representative / Voting Member
	Coolalinga Rural Activity Centre Area Plan Community Advisory Committee	Member
	Litchfield Women in Business Network Committee	Chair
	Community Grants Committee	Ex-officio
	Humpty Doo Rural Activity Centre Area Plan Community Advisory Group	Council's Representative

Councillor	Committee	Position
Deputy Mayor Christine Simpson		
	Freds Pass Rural Show Committee	Nominated Observer
	CEO Performance Appraisal and Remuneration Review Committee	Member
	Litchfield Australia Day Awards Selection Panel	Member
	Development Consent Authority	Litchfield Branch Representative
	Coolalinga Rural Activity Centre Area Plan Community Advisory Committee	Member
	Litchfield Women in Business Network Committee	Member
	Administrative Review Committee	Member
Councillor Kirsty Sayers-Hunt		
	Risk Management and Audit Committee	Member
	CEO Performance Appraisal and Remuneration Review Committee	Member
	Litchfield Australia Day Awards Selection Panel	Member
	Local Government Association	Voting Member
	Litchfield Women in Business Network Committee	Member
	Community Grants Committee	Member
	Freds Pass Sport Recreation Reserve Governance Arrangement Review Reference Group	Council's Representative
Councillor Doug Barden		
	Freds Pass Upgrade Reference Group	Council's Representative
	Risk Management and Audit Committee	Member
	Litchfield Australia Day Awards Selection Panel	Member
	Development Consent Authority	Litchfield Branch Representative – Alternative
	Humpty Doo Rural Activity Centre Area Plan Community Advisory Group	Member
	Litchfield Women in Business Network Committee	Member
Councillor Mathew Salter		
	Howard Park Reserve Committee	Chairperson/Council's Representative
	Knuckey Lagoon Reserve Committee	Chairperson/Council's Representative
	Litchfield Australia Day Awards Selection Panel	Member
	Community Grants Committee	Member
	Administrative Review Committee	Member
	Litchfield Women in Business Network Committee	Member



Elected Members Attendance

July 2019 – June 2020	Total Meetings Held	Ordinary Meetings Attended	Special Meetings Attended	Total Meetings Attended	
Maree Bredhauer	17	12	5	17	
Christine Simpson	17	11	5	16	
Doug Barden	17	11	5	16	
Mathew Salter	17	12	5	17	
Kirsty Sayers-Hunt	17	11	3	14	



Elected Members Allowances

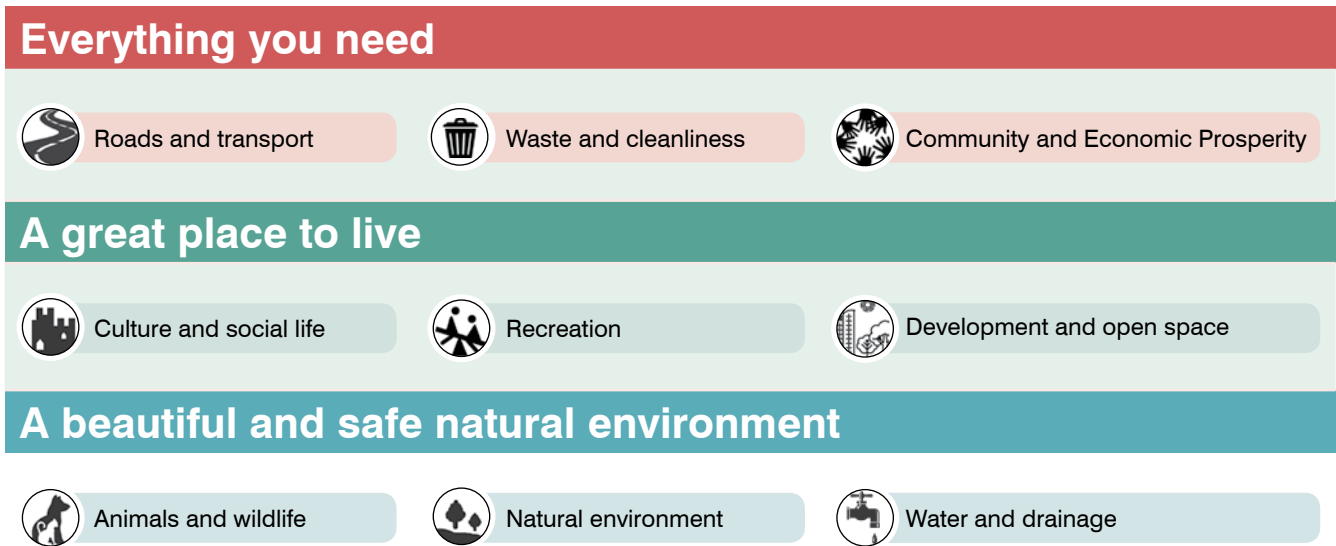
ALLOWANCES \$

	Base	Electoral	Extra Meeting	Internet Access	Total	Professional Development
Maree Bredhauer	\$74,742.90	\$19,672.93	\$0	\$600.00	\$95,015.83	\$0
Christine Simpson	\$24,562.30	\$4,913.75	\$1,120.00	\$600.00	\$31,196.05	\$1,132.94
Doug Barden	\$13,442.75	\$4,919.13	\$5,880.00	\$600.00	\$24,841.88	\$0
Mathew Salter	\$13,442.75	\$4,919.13	\$6,300.00	\$700.00	\$25,361.88	\$1,773.75
Kirsty Sayers-Hunt	\$16,518.38	\$4,919.16	\$5,965.00	\$650.00	\$28,052.54	\$3,769.55



Strategic Framework

Our strategy comprises 3 priority areas, and within those, we will work on 9 outcomes that we know matter to our community. This is underpinned by actions taken to ensure a well-run Council. The table below shows this in summary form, while the following pages describe in detail what we will be doing towards each outcome.



Enabled by: A well-run Council



Litchfield Council's Planning and Reporting Framework



Annual Report

Governance and Risk Framework
 Policy Framework
 Management Plans



Risk Management and Audit Committee

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

The RMAC comprises three members: independent chair Iain Summers to Aug 2019 and Garry Lambert from November 2019 as well as two appointed councillors, Deputy Mayor Kirsty Sayers-Hunt and Councillor Doug Barden.

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

- the 2018-19 Annual Report and Financial Statements
- reviewing the management responses to audit findings
- implementation and review of the risk register, including monitoring progress on treatments to reduce risk for Council in all areas of operations
- reviewing the 2019-2020 key performance indicators
- endorsing Council policies (FIN09 Risk Management and Audit Committee, FIN07 Asset Disposal, FIN08 Risk Management)
- Monitoring implementation of actions from previous internal audits (payroll processes, contract management and procurement)
- Confirmed scope for the internal audit of Council's IT Security.
- Accepted the report and subsequent management plan for Council's Work Health & Safety review
- Endorsing a three-year internal audit plan.



Freedom of Information

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

In the 2019-20 financial year, Council responded to the following Freedom of Information (FOI) requests:

FOI requests open as at 1 July 2019	0
Applications to access personal information	0
Applications to access government information	0
Accepted applications withdrawn	0
Unaccepted applications	0
Accepted applications finalised	0
Applications still open as at 30 June 2020	0



Our Staff

Municipal Plan
2019-20 Staffing Plan

Actual Operating Staffing
Plan at 30 June 2020

58.8 FTE Positions

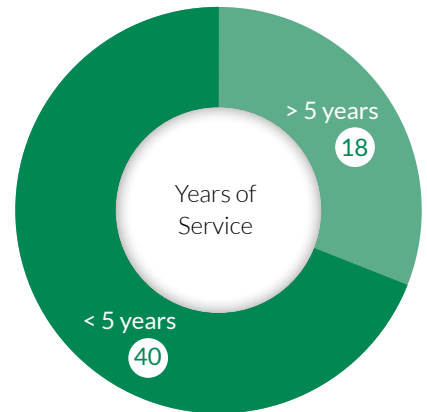
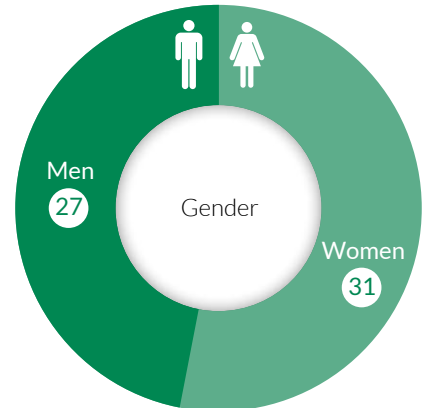
51.5 full time staff

The variance of 7.3 FTE is due to the following vacancies at 30 June 2020;

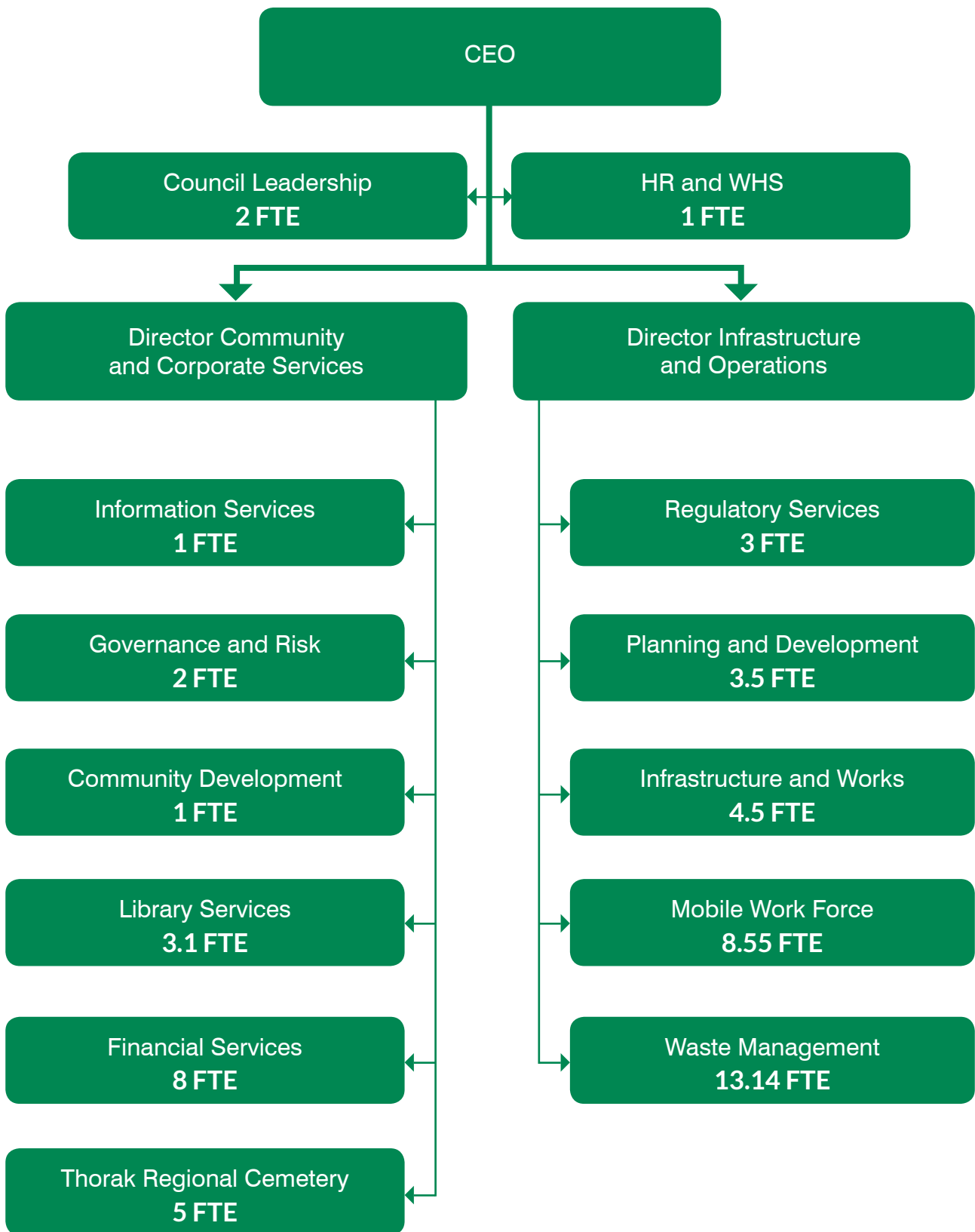
	Budget 58.8 FTE
Director Infrastructure & Operations	-1
HR & WHS Advisor	-1
Records Management Officer	-1
Governance & Risk Advisor	-1
Assets Engineer	-1
Mobile Work Force Plant Operator	-1
Supervisor Cemetery & Parks	-1
Finance Part Time Arrangement	-0.1
Cemetery Part Time Arrangement	-0.2

Actual 51.5 FTE

Employment Data (total head count)



Staffing Plan 2019-20 - Organisation Chart



Staff Total 58.8 | FTE Direct Service provision 40.29 | FTE and Corporate/Support 18.51 FTE

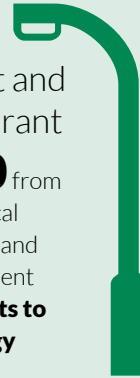


Year in Review

Upgraded **Whitewood Road** Northern footpath for improved cyclist and pedestrian **safety**



Council received an Energy Efficient and Sustainability Grant of **\$162,800** from the Department of Local Government, Housing and Community Development to **upgrade streetlights to LED Smart Technology**



Road works commenced to upgrade **Girraween Road and Hillier Road intersection** through the Blackspot Funding Program



The Litchfield Council **Art Exhibition 2020** was held with

60 pieces of art on display



Australian Citizenship Ceremonies were conducted online in a first for Council



The Mango Industry Strategic Roads Project was successful with **joint funding confirmed** from the Australian Government, NT Government and Litchfield Council, project commenced September 2020



COVID-19 changed the way Council conducted business, with office doors closed for approximately 6 weeks and new processes in place to prevent the spread of the disease



Click and Collect service was adopted at **Taminmin Community Library** offering contact free borrowing of books



Litchfield student **Ella Atkins WINS** Young Territory Author Award 2019 with her book titled **'Uncalled For'**



Litchfield Council **Chief Executive Officer Daniel Fletcher** commenced work in August 2019



Rating Policy Review **complete**



\$500,000 Southern Districts Cricket Club Changerooms **complete** through the NT Government \$2m funding for upgrades to Freds Pass Sport and Recreation Reserve



CITY OF DARWIN
LIBRARIES



Council and the Community



Community Grants Scheme

In May 2020, Council awarded \$26,868 worth of community grants to community organisations for projects and events around the municipality. These grants are completely funded through money received from recycling goods at the Waste Transfer Stations, such as 10c drink containers and car batteries.

\$5,000	Top End Rehoming for a de-sexing initiative
\$4,360	Palmerston and Regional Basketball Association for The Big Game Day
\$5,000	Rural Churches Carols by Candlelight for the 2020 Carols by Candlelight event
\$2,700	Rotary Litchfield Palmerston for Books for Babies
\$2,500	Darwin Community Arts for Litchfield Love Boxes
\$3,058	Craft and Quilting Down the Track for purchase of a new table
\$2,500	NT Field and Game for equipment purchases
\$1,750	Litchfield Bears for their 30th Anniversary video



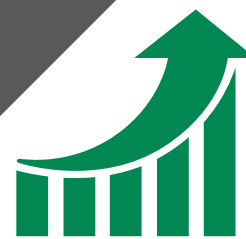
Annual
Community
Grant Fund

2018-19 \$28,198 \$ 2019-20 \$26,868



Also, in 2019/20, Council provided \$3,400 worth of Community Initiatives Grants for Litchfield Community Members and Groups to support projects and events:

\$500	Darwin Community Arts for school holiday juggling workshops
\$250	Mitchell Kenyon for assistance to travel to SA for a Polocrosse tournament
\$250	Sophia Sowry for assistance to travel to SA for a Polocrosse tournament
\$500	Rural Churches Carols by Candlelight for the 2019 event
\$500	Humpty Doo Volunteer Fire Brigade for the Annual Santa Run Event
\$500	Eve Genders for assistance in travelling to QLD for the Youth National Rugby Championships
\$50	St Francis of Assisi Catholic PS for student awards
\$500	McMinns Lagoon Reserve Association for irrigation repairs
\$350	Smile A Mile Toy Library for the Children's Fun Day



56%
of residents rate Council's overall performance as good or very good

2020 Community Survey



The 2020 Community Survey has been conducted and Council has received the results for the 2019-20 period. This coincides with the commencement of the budget review process to enable these results to be used for future planning. The Survey was better represented this year with 215 respondents from the Council area.

The responses received were spread across all four wards with a majority of submissions received from residents living in Litchfield for 15 years.

The top three most important Council services to respondents are:

- Maintenance of local roads
- Road drainage maintenance
- Roadside maintenance

Respondents rated Council's performance for these top three important services as:

- Maintenance of local roads – 62% good or very good
- Road drainage maintenance – 61% good or very good
- Roadside maintenance – 62% good or very good

Overall, 56% of respondents rated Council's performance as good or very good. To view the full Annual Community Survey Report visit the Council website.

Australia Day

On 26th January every year Council hosts the Australia Day Event at Freds Pass Sport and Recreation Reserve.

The event in 2020 included a fun run/walk, followed by a free BBQ breakfast, flag raising ceremony, citizenship ceremony and activities for children and families. This year's event attracted around 300 visitors.

Along with lots of fun activities including Darwin Party Animals with their snakes and birds, Council honoured residents and groups with the 2019 Litchfield Australia Day Community Awards. The awards and recipients are listed below:



*Litchfield Young
Citizen of
the Year:*

Lachlan Casburn

Lachlan holds multiple leadership roles predominantly focused on the Scout Association. As one of the older youths in the Association he instigated the Litchfield Rover crew (the oldest youth section of Scouts 18 to 26 years old) back in 2015 when he was of age to be a Rover but no local crew existed. Previously Lachlan has been a runner up for the NT Young Achiever Awards, received a Silver Duke of Edinburgh Award, and a Board member of the Executive Branch of Scouts NT.

Litchfield Community Event of the Year:

50km Feast

The 50km Feast received Community Event of the Year as the event highlighted the Litchfield region and the agriculture and horticultural industries and our local produce. The event also established partnerships with local schools and students in the preparation of the event.

The 50km Feast on the Friday night of the Freds Pass Rural Show sold out very quickly and received amazing reviews and feedback.



Litchfield Citizen of the Year:

Cameron Burrows

Cameron was selected for his great leadership and his broad impact within the Litchfield Community. Cameron is currently active with the Rural Athletics Club at Freds Pass Sport and Recreation Reserve, a volunteer fire fighter at Humpty Doo and Santa in the annual Santa Run. He has long been involved in the Litchfield community and is considered a role model to future generations.



Litchfield Council Art Exhibition

The annual Litchfield Council Art Exhibition was held over one weekend in March at Howard Park Recreation Reserve. Building on the successful inaugural exhibition in 2019, the 2020 art exhibition saw 60 pieces of art displayed by 40 rural artists and was attended by over 160 community members over the exhibition period.

In conjunction with the exhibition, four children's workshops were held, with 47 attendees all contributing to a collaborative piece to be displayed at Taminmin Community Library.

Christine Taylor's artwork, titled *Clever Hands*, was this year's winner of the judged Litchfield Council Art Award. This award was chosen by a panel of judges.

Denzel Corpus, a young man from Virginia, took home the Community's Choice award with a hand carved mother of pearl shell.

The range and diversity of art mediums was grand and showcased what Litchfield has to offer in the art world.





Litchfield Women in Business Network

Monthly Morning Teas

The members of the Litchfield Women in Business Network Committee meet informally the first Tuesday of each month at Café Bellissimo Coolalinga in the morning for a catch up and coffee. Anyone and everyone is invited to join them. No RSVPs or bookings required.

November Business Week

From Monday 18 November 2019 to Friday 22 November 2019, the Litchfield Women in Business Network Celebrated 'Litchfield Business'. Local businesses were offered to participate with either sales, discounts or a value-add opportunity to attract money-conscious shoppers. Promotions continued throughout the week in social media and radio programs.

November Business Week was celebrated by the launch of a 'Wellness and Prosperity' event which was held on Monday 18 November 2019. Guests enjoyed speaker Dr Simon Moss, a Dean of Graduate Studies Charles Darwin University. His primary research interest concerns how characteristics of organizations and societies, such as inequality of income or leadership, influence the brain functioning—and ultimately the mood, creativity, intuition, engagement, honesty, and altruism—of individuals.

Wine Down

On 12 & 13 May 2020 Mayor Bredhauer hosted an on-line network event 'Wine Down – Connecting & Support Litchfield Businesses'. Presentations included a COVID-19 Information Package for Businesses and Financial Planning by Bridges Finance.





Australian Citizenship Ceremonies

Litchfield Council conducted three Australian Citizenship ceremonies in 2019-20.

	2017/18	2018/19	2019/20
Citizenship Ceremonies	2	4	3
Number of New Citizens	14	35	35



Community Recreation Reserves



In the 2019-20 year, Council continued to provide funding towards the management and operations of each of the seven recreation reserves in Litchfield.

This year the funding also included tree management for each reserve and a playground audit for the reserves that have play equipment with both initiatives managed by Council. The resources allocated to each Reserve in 2019-20 are below.

Reserve	Budget 2019-20	Actuals 2019-20
Freds Pass Sport and Recreation Reserve	\$745,225	\$814,724
McMinns Lagoon Recreation Reserve	\$17,195	\$15,195
Livingstone Recreation Reserve	\$51,224	\$49,225
Berry Springs Recreation Reserve	\$58,815	\$57,835
Humpty Doo Village Green	\$86,679	\$87,579
Howard Park Recreation Reserve	\$208,512	\$127,993
Knuckey Lagoon Recreation Reserve	\$33,211	\$23,456
TOTALS	\$1,200,861	\$1,176,007



Freds Pass Sport and Recreation Reserve

The Freds Pass Sport and Recreation Reserve is a regional sporting and recreation facility home to more than 20 sport and community groups. The Reserve boasts spectacular grounds, including an ornamental lake, picnic and barbecue facilities and a large open sided hall to hire.

In 2019-20 Council and the Freds Pass Sport and Recreation Reserve Management Board continued with the capital works from the \$2 Million grant from the Northern Territory Government. The project components of the grant was selected by the Northern Territory Government based on the Freds Pass Sport and Recreation Reserve's Master Plan. The projects included are outlined below.

Project	Budget	Status
Cricket Club Changerooms – construction of new changerooms for the Southern District Cricket Club with an upstairs, undercover viewing platform	\$500,000	Complete
Building Certification	\$115,000	Certification of: <ul style="list-style-type: none"> - Lakeview Hall - Noonamah Horse and Pony Club Shed - Design of a fire hydrant system to achieve certification for the Market Shed and Maley Pavilion Partially Complete, carried forward 2020-21
Equine Facility Upgrades – Develop an Equine Master Plan	\$380,000	Equine Master Plan complete Equine facility upgrades underway Partially Complete, carried forward 2020-21
Road and Carparks – sealing from AFL through to Soccer and Rugby Union and formalisation of carparking areas	\$760,000	Complete
Maintenance Shed – Construction of a new maintenance shed for the Freds Pass Sport and Recreation Reserve operations equipment	\$135,000	Complete
Project Management	\$110,000	Complete



Berry Springs Recreation Reserve

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

During 2019-20, the Reserve continued to provide regular local markets and the Annual Territory Day celebrations held on 1 July 2019.

Howard Park Recreation Reserve

Situated in the hub of Howard Springs, the Howard Park Recreation Reserve caters for a range of regular sporting activities, informal recreation and community events with its easy access and range of facilities.

Council manages Howard Park with the help of an advisory Committee made up of local residents and user group representatives.

The 2019-20 year saw the completion of the playground refurbishment and shade structure installation, along with irrigation upgrades to ensure the Reserve remains fit for purpose.

Livingstone Recreation Reserve

Set amongst 65 hectares of natural bush land, the Livingstone Recreation Reserve has a lot to offer families and the wider community. The Livingstone Recreation Reserve is run by a volunteer management committee who ensure a range of services and facilities are available for all to enjoy, especially the rural community. The Reserve is also home to the Livingstone Volunteer Bushfire Brigade.

In 2019-20 the Reserve Committee completed several upgrades to the amenities at the Reserve including:

- Painting of all external BBQ area
- Installation of new BBQ benchtop supports
- Supply and installation of new Combi Oven to kitchen
- Installation of new "local" military pictures to bar front
- Complete renovation and fit out of the caretaker's accommodation module
- Installation of members board
- Painting of "kids' corner" with kid's art
- Refurbishing the felt on the pool table



Humpty Doo Village Green

The Humpty Doo Village Green is situated on 20 acres of land donated to the Lions Club of Litchfield during the 1970s. Lions Club members, together with many members of the community, worked tirelessly landscaping the area, installing a bore, reticulation system, playground equipment and BBQs.

Today the Village Green is managed by a volunteer Management Board on behalf of Council.

The Humpty Doo Village Green is frequented by many community groups and local families who enjoy the well-maintained shaded picnic and playground area. The Hall is available for hire by community groups during the day and evenings.

In 2019-20 the Reserve continued to hold the Litchfield Cenotaph ANZAC Day Memorial Service in partnership with Litchfield Lions, National Children's Week celebrations in partnership with Smile-A-Mile Toy Library and a school holiday program with Taminmin Community Library.

Knuckey Lagoon Recreation Reserve

Set on 19 hectares on Brandt Road in Knuckey Lagoon, the reserve has an air-conditioned room, an open sided hall with amenities, barbecue facilities and a basketball court as well as natural bushland with six themed walking trails.

This reserve is also home to a World War II heritage site.

Similar to Howard Park Recreation Reserve, Council manages Knuckey Lagoon Recreation Reserve directly with the support of an advisory committee made up of local residents and user group representatives.

McMinns Lagoon Recreation Reserve

Situated on 41 hectares of unspoilt wetland, the Reserve is well-known for its abundant wildlife, offering nature enthusiasts and bird watchers a wide spectrum of bird life and butterfly activity all year around.

In the 2019-20 year, the Reserve continued to undertake upgrades to the walkways around the lagoon.

This year the Reserve also partnered with Territory families to provide work experience opportunities for disengaged youth.



New Initiatives

The Litchfield Council Municipal Plan 2019-20 included new initiatives to address strategic priorities and community needs.

The table below reports on these new initiatives:

New Initiative	Budget	Status	Actual Cost
Refurbishment and Audio/Video Upgrade of Council Chambers	\$30,000	Complete	\$29,986
Redevelopment of Councils website	\$45,000	Complete	\$24,117
Develop a Tourism Strategy (50% grant funded)	\$30,000	Complete – Grant funding was unsuccessful	\$835
320 Arnhem Highway Master Plan	\$30,000	Complete	\$30,168
Shared Path Plan	\$25,000	Complete	\$22,684
Mobile Work Force Service Review	\$30,000	Complete	\$31,131
Prepare Disaster Waste Plans	\$20,000	Not Complete	\$0
Explore incentives and education to boost recycling and food waste	\$20,000	Not Complete	\$0
Environmental Management Plan for Berry Springs Waste Transfer Station	\$10,000	Complete	\$5,870
Community and Business Hub Business and Concept Plan	\$40,000	Ongoing	\$0
Annual Art Exhibition	\$10,000	Complete	\$10,005
Relocation of External Generator	\$25,000	Complete	\$18,410
Revamping from entrance to Thorak Cemetery	\$10,000	Complete	\$7,740
Upgrade Visual System in Thoras Cemetery Chapel	\$6,000	Complete	\$4,893
Council Chambers Refurbishment	\$10,000	Complete	\$8,458
Total	\$341,000		\$194,296

Note: Some funding was expended in the 2020-21 budget.



*Summary
of
Financials*



Summary of Financials

With a good cash position and no debt, Council is well positioned to strike the right balance between continuing to deliver quality community services and enhance its long-term sustainability.

Enhancing Council's revenue raising capabilities is necessary so Council can ensure community services and assets we own are sufficiently funded well in the future and we continue to deliver the quality lifestyle for which Litchfield Council is known. Total earnings for 2019-20 varied by 2% to the adopted budget.

Council has demonstrated limited growth in operating costs in line with the adopted long-term financial plan. Employee costs, materials, services and contractors, combined, decreased by 17%, whilst Council continues to provide quality services to our community. The underspend was offset by increases in depreciation expense, which is considered as a non-cash expense.

Simplified Income Statement	Budget (\$)	Actuals (\$)	% of Budget
Income raised through our Rates	10,739,000	10,685,294	99%
Income raised through our Customers	1,428,562	1,894,388	133%
Income raised through external parties in form of Grants and Subsidies	4,702,331	3,855,333	82%
Income earned from bank investments	694,000	689,534	99%
Other income	66,000	154,518	234%
Total Earnings	17,629,893	17,279,067	98%
Expenditure on our Staff providing community services	6,850,609	6,643,444	97%
Expenditure on contractors and consultants providing community services	8,421,592	7,218,993	86%
Cost of Assets used in providing community services ¹	11,557,620	13,166,270	114%
Total Expenses	26,829,821	27,028,707	101%
Council's Operating Deficit	(9,199,928)	(9,749,640)	106%
Expenditure incurred on asset sales and disposal	0	(31,186)	(31%)
Income raised through external parties in form of Grants and Subsidies – New and upgrade of assets	398,000	408,072	103%
Reduction in Council's Land Assets	0	(1,558,056)	(200%)
Council's Net Operating Deficit	(8,801,928)	(9,372,754)	126%
Reduction in Council's Land Value	0	(1,558,056)	(200%)
Council's Total Deficit	(8,801,928)	(10,930,810)	124%

¹ Cost of assets used during the year does not represent cash payments and is a non-cash expense.

Simplified Statement of Financial Position

Simplified Statement of Financial Position	2019/20 (\$)
What we own - Cash	23,903,060
What we own - Unpaid rates and other receivables	2,925,552
What we own - Assets	305,734,876
Total Asset	332,563,488
What we owe to our suppliers	4,530,127
What we owe to our staff	1,036,877
Total Liabilities	5,567,004
Net Community worth	326,996,484

Income in 2019-20

Budget: \$17.6 million

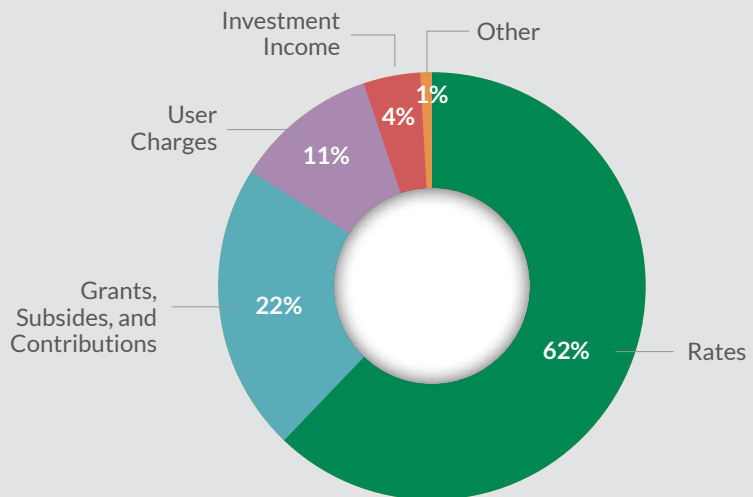
Actuals: \$17.3 million

The reduction of \$0.3 million compared to the budget relates mainly to the revised method of accounting for grant income in line with new Accounting Standards.

Council's grant income comprises 22% of the total income. This is a reduction from the prior year; however, this is mainly due to the adoption of the revised method used to account for grant income.

2019-20	2018-19	2017-18	2016-17
\$17.3m	\$18.1m	\$17.7m	\$19.8m

Income by source



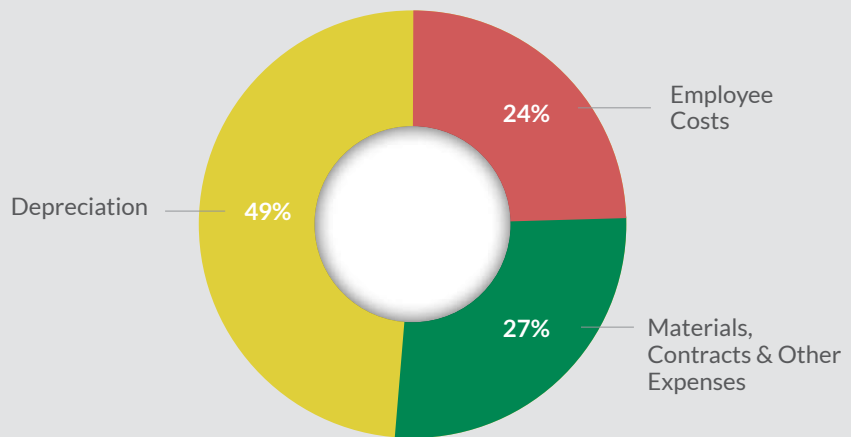
Expenses in 2019-20

Budget: \$26.8 million

Actuals: \$27.0 million

Total expenses increased by 1% compared to the budget. Employee expenses decreased by 3% and Materials, services and contractors decreased by 14%. Depreciation expense increased by 14% compared to budget and increased by 2% compared to prior year.

2019-20	2018-19	2017-18	2016-17
\$27.0m	\$27.2m	\$29.5m	\$29.8m



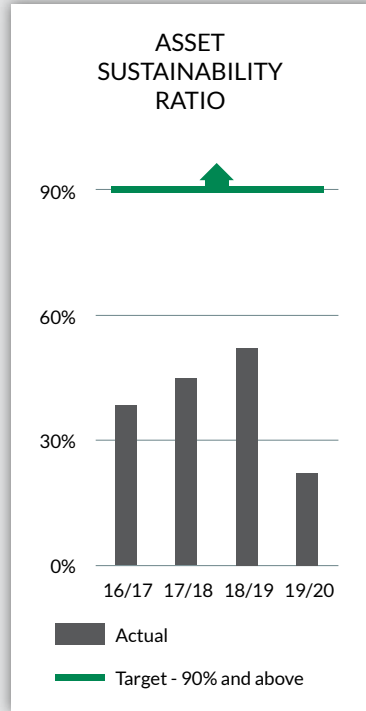
Note: Depreciation expense represents a non-cash expenditure.

How does the net result compare with previous years?

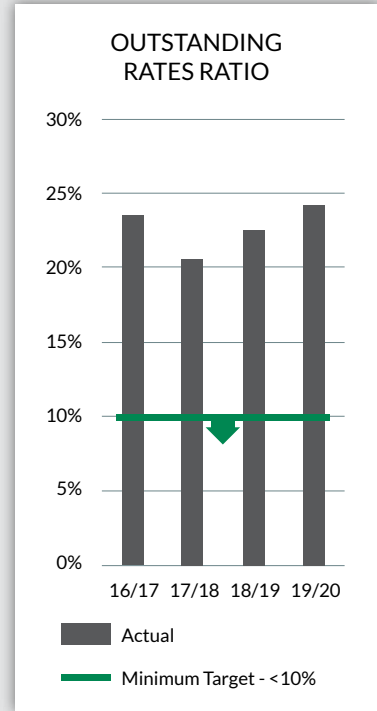
2019-20	2018-19	2017-18	2016-17
\$9.4m	\$4.1m	\$9.0m	\$8.8m

Council's net deficit for the year increased by \$5.2m compared to the prior year. In 2018-19 Council received once-off grants which favorably reduced Council's deficit position. Unlike 2018-19, Council did not receive once-off grants in 2019-20. Changes in Accounting Standards also impacted how Council accounts for grant revenue, which contributed to the overall increase in Council's deficit position.

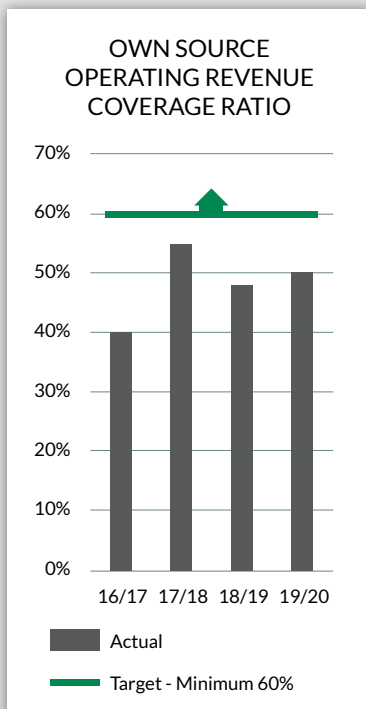
Financial Sustainability Indicators



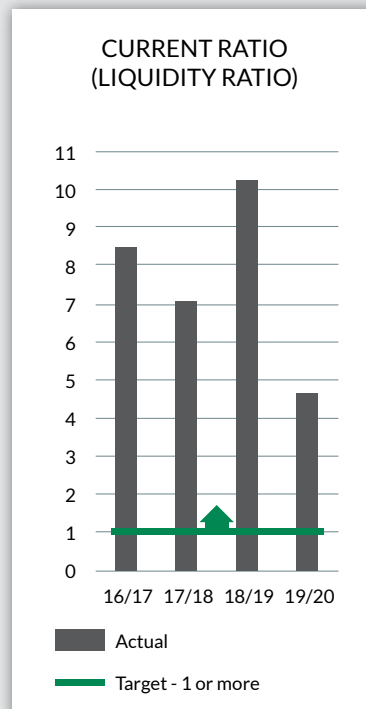
Indicates if Council is replacing or renewing existing assets in a timely manner as the assets are consumed.



Identifies if Council is collecting rates and charges in a timely manner and the effectiveness of debt recovery efforts.



This ratio measures the degree to which Council relies on external funding to cover its operational expenses.



Identifies Council's ability to meet its short-term financial commitments as and when they fall due.

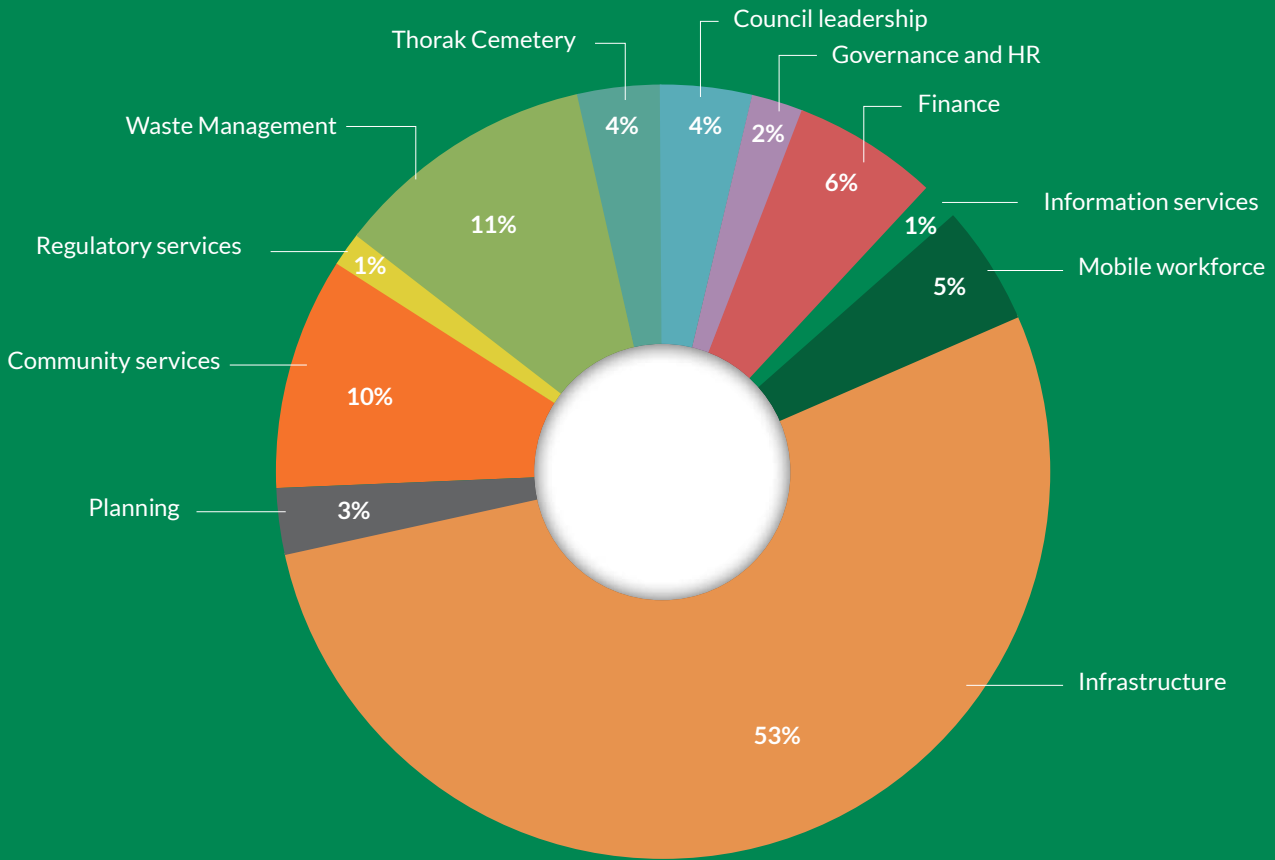


Indicates Council's ability to repay loans.

What do these ratios mean?

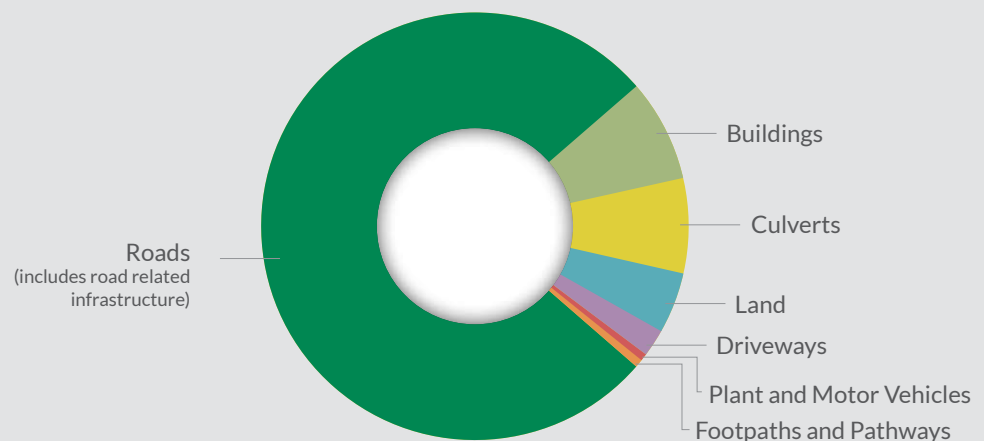
KPI	Explanation
Asset Sustainability Ratio	Council's Asset Sustainability ratio for 2019-20 and previous years continues to remain well below the local government target of 90%. The strong current ratio combined with no debt, allows Council to fulfill its short-term obligations; however there are long-term challenges to fund asset replacement (renewal) needs. Council's total income falls short of raising enough funds for future capital replacement needs.
Outstanding Rates Ratio	<p>In the absence of a standard industry benchmark, a target of 5% for City Councils and 10% for Regional Councils is considered best practice. Council's adopted municipal plan target is set at 15%.</p> <p>Council's Outstanding Rates Ratio of 24% for 2019-20 shows an increase of 2% compared to prior year and is 1% more than the four-year average of 23%.</p>
Own Source Revenue Ratio	<p>This ratio indicates Council's ability to pay for its operational expenditure through its own revenue sources. The higher the ratio, the more self-reliant a Council and less depended on grants. A ratio of 40% to 60% is considered as a base level, between 60% to 90% is considered intermediate level and more than 90% is considered advanced level.</p> <p>Council's Own Source Operating Revenue Coverage ratio is 50% and falls short of the municipal plan target of 60%; however it achieves the base level performance as per the local government benchmarks.</p>
Current Ratio (Liquidity Ratio)	A ratio of greater than 1 is required to provide assurance that Council has enough funds to pay its short-term financial commitments. Council's Current Ratio of 4.61 sits favourably against the municipal target and local government benchmarks. This ratio indicates Council is well placed in the short term to fulfill its operating expenses (excluding depreciation expense).
Debt Service Ratio	Council has no debt and therefore fully meets the municipal plan target of less than 1.

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



Assets

Council's majority of assets is made of Roads and related infrastructure, followed by Buildings and Culverts. Council's Road Asset Management Plan (approved in 2018) estimated an annual funding shortfall of \$4.6 million on average over a ten-year period. The shortfall comprises the cost to renew and the cost to maintain assets at the lowest asset life cycle cost. This challenge is also evidenced as Council incurs annual operational deficits as current income levels fall short of funding the depreciation expense. To achieve a sustainable position in the long-term, tradeoffs are required between the levels of service provided to the community and Council's income raising capacity.





LITCHFIELD
COUNCIL



Community effort is essential

RANGER

Performance Reporting



Performance Reporting

COUNCIL LEADERSHIP

Directorate	Office of the Chief Executive
Responsible Officer	Chief Executive Officer
Number of FTEs	3 (Includes the Chief Executive Officer)

Program Description

Provide strategic leadership, good governance, community engagement, advocacy and decision-making to achieve corporate outcomes.

Everything you need

- Roads and transport
- Waste and cleanliness
- Community and economic prosperity

A great place to live

- Culture and social life
- Recreation
- Development and open space

A beautiful and safe natural environment

- Animals and wildlife
- Natural environment
- Water and drainage










Achievements

- High level of support to the Office of the Mayor and Chief Executive Officer.
- Development and adoption of Litchfield Council’s first Advocacy Strategy.
- Organisational response to the World Health Organisation pandemic declaration of COVID-19.
- Online Australian Citizenship Ceremonies.
- Elected Members support and Council meetings.
- Business, governance, strategy, legislation and policy reviewing and planning.

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$30,000	\$536
Operational Expenditure	\$1,111,896	\$1,003,234
Net Operating Surplus (costs)	(\$1,081,896)	(\$1,002,698)
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

KPI	Target	Actual	2019-20 Result
Community Survey – Satisfaction with Council's role in Advocacy	>50%	70%	
Community Survey – Strategic Direction	>55%	50%	
Community Engagement Strategy – Actions Year 2	90%	95%	
Community Survey: Overall satisfaction	>70%	56%	
Community Survey: community engagement	>50%	35%	
Social Media Management – Unique engagement clicks on Facebook	>1000	62,553	
Elected Members training and development – Number of professional development sessions	> 2 sessions	2 sessions complete. 3 sessions deferred due to COVID-19	
Supporting local businesses – hold three Litchfield Women in Business Network Events per annum	100%	2 face to face events, plus 2 online events due to COVID-19	
Media Monitoring and Management – Media response time	<24 hours	All media requests responded to in less than 24 hours	



Performance Reporting

HUMAN RESOURCES and WORK HEALTH & SAFETY

Directorate Office of the Chief Executive

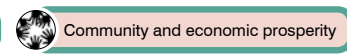
Responsible Officer HR & WHS Advisor

Number of FTEs 1

Program Description

Responsible for managing the work health and safety (WHS) system and a range of operational, advisory and strategic human resource services that meet statutory requirements and enable Council to attract, develop and retain great staff.

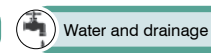
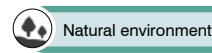
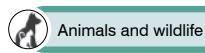
Everything you need



A great place to live



A beautiful and safe natural environment



Achievements

- Negotiations for a new Enterprise Agreement commenced.
- Developed new WHS System to progress towards WHS best practice .
- Organisational realignment that is responsive to emerging needs and priorities implemented.
- Implemented organisation-wide precautions and policies as it relates to the COVID-19 pandemic.
- Social Media - Council LinkedIn page launched.

KPI	Target	Actual	2019-20 Result
HR Policies, Procedures, Checklists reviewed, developed and compliant	Complete December 2019	Reviewed and compliant	
Staff Turnover rate	<20%	1.85%	
Staff Survey satisfaction	>70%	72%	
Negotiation of new Enterprise Agreement and submission to Fair Work	Complete March 2020	Completed in September 2020	
Work Health and Safety Management System: Policies and procedures manual	Complete December 2019	To be completed in 2020-21	
Workers compensation claims	<3	1	



Performance Reporting

PLANNING and DEVELOPMENT

Directorate	Infrastructure and Operations
Responsible Officer	Planning and Development Manager
Number of FTEs	3.5

Program Description

Review and provide comment on all regional plans, policies, development proposals and planning applications relevant to the Litchfield municipality. Administer future Council assets, works permits and proposals for opening and closing of roads.

Everything you need



Roads and transport



Waste and cleanliness



Community and economic prosperity

A great place to live



Culture and social life



Recreation



Development and open space

A beautiful and safe natural environment



Animals and wildlife



Natural environment



Water and drainage

Achievements

Strategic Planning

Council has assessed and provided comments for Planning Scheme Amendment, Rezoning, Concurrent, and Exceptional Development Permit applications which all required Ministerial approval. Of the 10 applications received, five were for rezoning of sites, three were related to proposed changes to the NT Planning Scheme, and two were for prohibited uses.

Number of applications	2018/19	2019/20
	6	10

Statutory Land Use Planning

Of all the development applications received and referred to Council for comment, nine were proposals for subdivisions, four were for independent units with variations to NT Planning Scheme requirements, and four were for clearing of native vegetation.

Number of applications	2018/19	2019/20
	57	30






Planning Framework

This year, Council provided extensive comments on several occasions to the NT Government regarding proposed changes to the NT Planning Act, NT Planning Regulations, and NT Planning Scheme.

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$61,748	\$43,843
Operational Expenditure	\$728,387	\$713,410
Net Operating Surplus (costs)	(\$666,639)	(\$669,567)
Capital Revenue	\$140,000	\$109,131
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$140,000	\$109,131

Key Performance Indicators

Planning and Development	Target	Actual	2019-20 Result
Comments submitted on applications to the NT Government within the required time frame	>95	100%	
Plan approvals issued within 10 days	>90%	98%	
Issue works permits associated with a Development Permit within five days	>95%	97%	
Attendance at NT planning working groups	>75%	100%	
Subdivision approvals and handover processes in accordance with Standards	Achieved	Achieved	



Performance Reporting

INFRASTRUCTURE and ASSETS

Directorate	Infrastructure and Operations
Responsible Officer	Manager Infrastructure and Assets
Number of FTEs	4.5

Program Description

Plan, provide and manage Council's road network and other infrastructure to ensure the social, cultural and economic success of the Litchfield municipality.

Everything you need

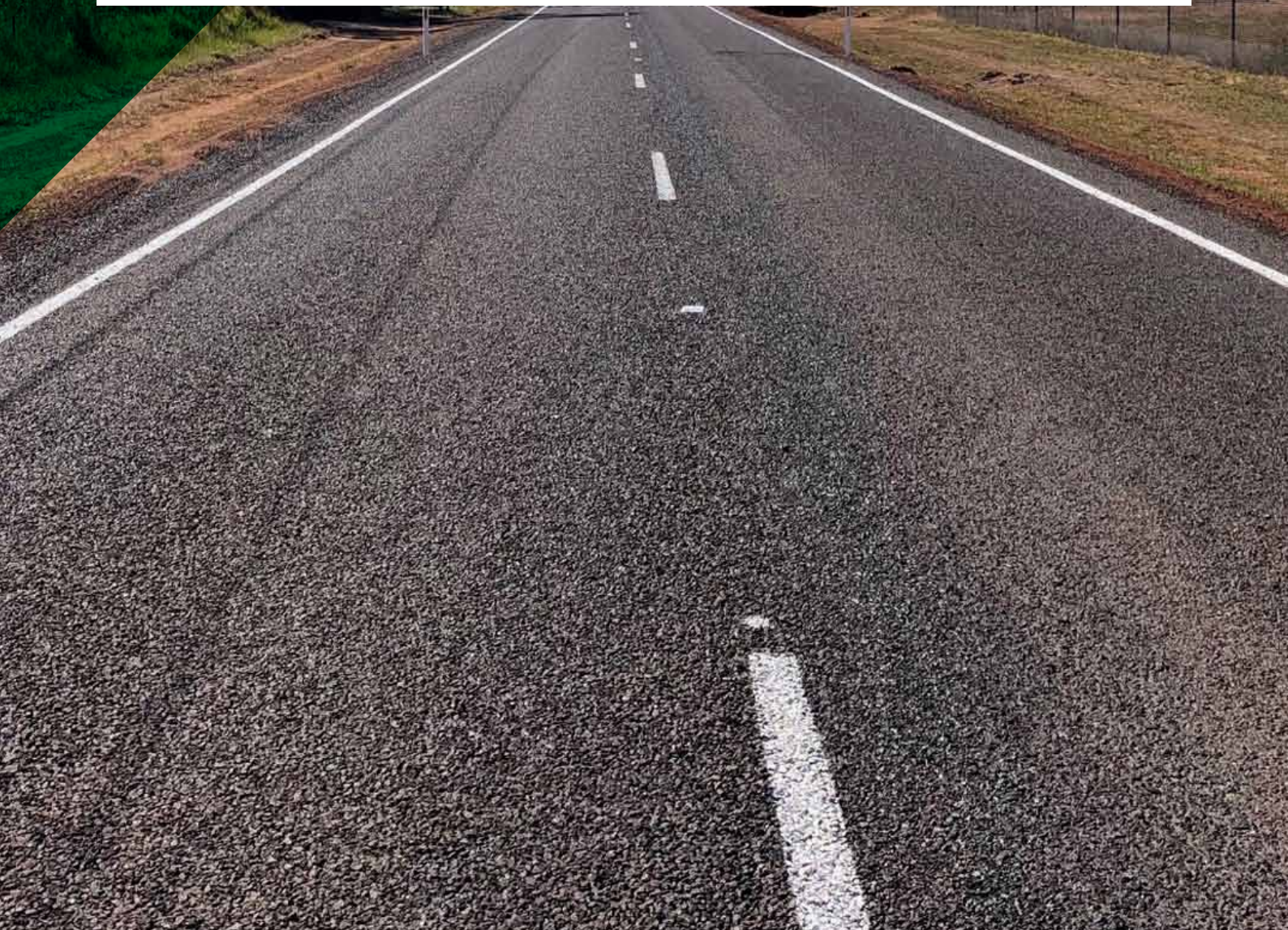
- Roads and transport
- Waste and cleanliness
- Community and economic prosperity

A great place to live

- Culture and social life
- Recreation
- Development and open space

A beautiful and safe natural environment

- Animals and wildlife
- Natural environment
- Water and drainage



Achievements

- There were 9 tenders awarded in 2019-20 for ongoing service provision and undertaking capital works projects.
- Unsealed roads were graded three times during 2019-20, including a full maintenance grade that included table drains, off let drains and table drain blocks.
- Re-sheeting was performed on Billabong Road, Acacia Gap Road, Mira Road South, Swamp Road, and Kentish Road.
- Line marking was completed on 38 roads throughout the municipality at a cost of over \$197,000.
- Roadside trees were trimmed and obstructions removed in 57 locations at a cost of almost \$104,000 helping to keep residents safe when driving in the Litchfield Municipality.
- Design works and tender documentation was completed for the Roads of Strategic Importance (Mango) Roads program to upgrade and seal 15.2km of roads. The following three roads are Stage 1 of the program:
 - Chibnall Road between Old Bynoe Road and Leonino Road (5.4km)
 - Mocatto Road between Whitstone Road and Acacia Gap Road (3.2km)
 - Horsnell Road between Elizabeth Valley Road and Alverly Road (3.4km)

Tenders were awarded for these three roads in September 2020.

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$2,637,492	\$2,630,624
Operational Expenditure	\$3,004,297	\$2,127,402
Net Operating Surplus (costs)	(\$366,805)	\$503,222
Capital Revenue	\$1,344,743	\$713,755
Capital Expenditure	\$3,792,000	\$2,540,087
Net Capital Surplus (costs)	(\$2,447,257)	(\$1,826,332)

Capital Works Project	Budget	Status	Actual Cost
Whitewood Road Footpath Renewal	\$110,000	Complete	\$102,258
Black Spot - Girraween Road and Hillier Road intersection	\$398,000	Partially complete - Carried forward 2020-21	\$42,572
Reseal Program	\$900,000	Complete	\$726,944
Shoulder Widening - Various Roads	\$300,000	Complete	\$222,764
Stevens Road Pavement Upgrade	\$500,000	Partially complete - Carried forward 2020-21	\$26,841
Whitewood Road Pavement Rehabilitation	\$320,000	Partially complete - Carried forward 2020-21	\$23,098
Pioneer Drive/Norm Lane Intersection Upgrade	\$300,000	Partially complete - Carried forward 2020-21	\$81,646
Gravel Resurfacing - Various Unsealed Roads	\$400,000	Complete	\$249,767
Whitstone Road Sealing	\$400,000	Complete	\$23,475
Hillier Road - Guardrail	\$85,000	Complete	\$72,245
Disability Access Automatic Doors - Council Offices	\$9,000	Carried forward 2020-21	\$0

Key Performance Indicators

Works	Target	Actual	2019-20 Result
Capital Works Program completed within budget	>90%	60%	
Asset management plans including 10-year replacement programs	Complete	Two plans complete	
Asset Management Policy and Plans – Asset Sustainability ratio	>60%	22%	
Community Survey: Satisfaction with maintenance of local roads	>60%	62%	
Community Survey: Satisfaction with roadside drainage	>60%	61%	
Wet season network management – emergency works response time	<48 hours	Response below 48hrs	
Develop road reporting process for temporary closed roads	Complete June 2020	Not completed	



Performance Reporting

MOBILE WORKFORCE

Directorate Infrastructure and Operations

Responsible Officer Mobile Work Force Manager

Number of FTEs 8.55

Program Description

Provide an effective and efficient maintenance service, including weed and bushfire management for Council's road verges, drainage easements, signs, reserves, excised lands and Council facilities.

Everything you need



Roads and transport



Waste and cleanliness



Community and economic prosperity

A great place to live



Culture and social life



Recreation



Development and open space

A beautiful and safe natural environment



Animals and wildlife



Natural environment



Water and drainage



Achievements









- Two rounds of slashing complete along with a 3rd round at Knuckey Lagoon and Lambell's Lagoon areas and arterial roads.
- 1362 bags of litter collected at an average of 3kg per bag equating to 4.1tonne along 382 roads.
- Repaired or replaced 590 road signs and guideposts.
- 9 firebreaks widened consistent with the Litchfield Council Fire Management Plan.
- Updated Bushfires Management plan for next 5 years.
- New Mobile Workforce Shed complete on time and budget and in operation.

Repaired or replaced **590** road signs and guideposts

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$0	\$55
Operational Expenditure	\$1,287,337	\$1,185,676
Net Operating Surplus (costs)	(\$1,287,337)	(\$1,185,621)
Capital Revenue	\$35,000	\$46,504
Capital Expenditure	\$175,000	\$633,751
Net Capital Surplus (costs)	(\$140,000)	(\$587,247)

Key Performance Indicators

Mobile Work Force	Target	Actual	2019-20 Result
Vegetation slashing and mowing 915 roads totalling 723 kilometres. Total distance travelled = 8676kms	2 rounds	2 rounds plus extra in Knuckey Lagoon and Lambells Lagoon areas.	
Fire breaks and weed management in accordance with plans	Complete	90% complete, weather prohibited completion	
Signs repaired within target timeframes	Urgent – 24 hours	Response within 24hrs	
	Non-urgent – 15 days	Response within 15 days	
Community Survey: Satisfaction with weed management	>50%	35%	
Litchfield Council Fire Management Plan:			
Maintain firebreaks	1000km	Firebreaks compliant	
Hazard reduction burn	Compliant	Compliant	
Widen firebreaks	Complete	Complete	



1362
bags of *litter*
collected at an
average of 3kg
per bag equating to
4.1tonne along 382 roads



Performance Reporting

WASTE MANAGEMENT

Directorate	Infrastructure and Operations
Responsible Officer	Waste Manager
Number of FTEs	13.14

Program Description

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

Everything you need

- Roads and transport
- Waste and cleanliness
- Community and economic prosperity

A great place to live

- Culture and social life
- Recreation
- Development and open space

A beautiful and safe natural environment

- Animals and wildlife
- Natural environment
- Water and drainage

Achievements

- Berry Springs Waste Transfer Station Environmental Management Plan complete.
- Purchase of new truck for Berry Springs Waste Transfer Station.
- Purchase of new loader at Humpty Doo Waste Transfer Station.
- 7.6% increase in waste diverted from landfill from 2019.
- \$56,765 raised from recycling activities to fund community initiatives, an increase of 5.7% from 2019.


2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$3,139,680	\$3,188,246
Operational Expenditure	\$2,972,436	\$2,756,182
Net Operating Surplus (costs)	\$167,244	\$432,064
Capital Revenue	\$50,000	\$4,509
Capital Expenditure	\$525,000	\$245,011
Net Capital Surplus (costs)	(\$475,000)	(\$240,052)

The following chart provides an overview of the waste and recycling material collected across the three transfer stations:

		2018-19	2019-20	Change
Waste to Landfill	tonnes	6842	6736	↓
General Waste Disposal	tonnes	6441	6264	↓
Construction Waste	tonnes	401	472	↑
Green Waste Commercial	tonnes	369	231	↓
Green Waste Domestic	tonnes	1596	1849	↑
Total Recyclables Incoming	tonnes	1614	1653	↑
Total Incoming Waste	tonnes	10420	10469	↑
Cardboard	tonnes	203	185	↓
Co-mingle	tonnes	133	149	↑
Scrap Metal	tonnes	1056	1080	↑
White Goods	tonnes	8	0	↓
Air Conditioners	tonnes	20	18	↓
Tvs and Computers	tonnes	22	48	↑
Cash for Containers	tonnes	53	38	↓
Wire	tonnes	1	1	↑
Total Dry Recyclables	tonnes	1495	1519	↑
Tyres	tonnes	11	8	↓
Used Oil	tonnes	39	38	↓
Batteries	tonnes	68	88	↑
Wet Recyclables	tonnes	119	134	↑
Total Recycling	tonnes	1614	1653	↑
Crushed Concrete (sold)	tonnes	21	465	↑
Wood Mulch (sold)	tonnes	36	764	↑
Mulch (sold)	tonnes	2393	1464	↓
Total Reprocessed	tonnes	2450	2692	↑
Total Diversion	tonnes	1355	4345	↑
Total waste diverted from landfill	%	39%	42%	↑
Total waste dry recyclables	%	13%	15%	↑
Green waste on-sold as mulch	%	127%	107%	↓

Key Performance Indicators

Waste Management	Target	Actual	2019-20 Result
Waste tonnage transferred to Shoal Bay	<8,000 residential tonnes	6736 tonnes	
Waste tonnage transferred to Shoal Bay	<1,000 commercial tonnes	472 tonnes	
Community Survey: Satisfaction with waste transfer stations	>80%	83%	
Cost per tonne of throughput – established baseline	\$TBD (2018-2019 \$299)	\$260	
Community Survey: Satisfaction with waste recycling	>55%	52%	
Community benefit fund income raised through recycling activities	5% annual increase	5.7%	
Sale of processed materials (mulch, crushed concrete)	>80% sold within six months of processing	100%	
Amount of total waste that is recycled	>30%	42%	
Amount of total waste that is dry recyclables	>15%	15%	
Explore incentives and education to boost recycling and food waste management	Complete January 2020	Not completed	
Free residential green waste disposal in November	Complete November 2019	Complete	
Prepare Disaster Waste Plans	Complete November 2019	Not completed	



Performance Reporting

REGULATORY SERVICES

Directorate Infrastructure and Operations

Responsible Officer Supervisor Regulatory Services

Number of FTEs 3

Program Description

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

Everything you need



Roads and transport



Waste and cleanliness



Community and economic prosperity

A great place to live



Culture and social life



Recreation



Development and open space

A beautiful and safe natural environment



Animals and wildlife



Natural environment



Water and drainage

Achievements

The 2019-2023 Animal Management Plan provides Council with a strategic direction for animal management, with a focus on educational and responsible dog ownership.

Regulatory Services staff (Rangers) are authorised persons under Part 9.6 of the *Local Government Act*.

There were 1999 registered dogs (51% of all dogs on record) at the end of June 2020. There has been an increase in customer requests relating to animal management, with a greater percentage relating to dogs at large and dog attacks. There were decreases in lost dog reports and abandoned vehicles. Council encourages responsible dog ownership and provides a low-cost microchipping service that provided microchipping to 135 dogs this year. Education activities included a Dog Awareness Program presented by Rangers to students at 5 primary schools and 3 childcare centres.

There were 316 dogs impounded during the year and 45 infringements issued for dog related offences, compared to 44 infringements issued in 2018-2019. There were 70 \$100 de-sexing vouchers provided to dog owners in the community to support responsible dog ownership.











Activities carried out this financial year include:

	2017-18	2018-19	2019-20
Dog at Large	417	428	411
Dog Menace Animal	13	7	10
Dog Attack Animal	64	56	64
Lost Dog Reports	178	117	71
Dog Menace Person	27	32	34
Dog Attack Person	11	6	20
Nuisance Barking	42	46	44
Unregistered Dog	15	141	76
Trap Request	42	44	32
Feral Dog Reports	1	8	5
Surrendered Dog	3	5	10
Deceased Dog (removal)	5	3	14
Abandoned Vehicle	41	43	36
Other	15	14	11
Total	738	862	936

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$130,700	\$137,771
Operational Expenditure	\$388,831	\$371,505
Net Operating Surplus (costs)	(\$258,131)	(\$233,734)
Capital Revenue	\$15,000	\$28,200
Capital Expenditure	\$45,000	\$36,270
Net Capital Surplus (costs)	(\$30,000)	(\$8,070)

Key Performance Indicators

Regulatory Services	Target	Actual	2019-20 Result
Education program delivered to primary schools	>2	5	
Dogs registered increased	>10%	16% decrease	
Impounded dogs reclaimed by owner	>70%	63%	
Develop baseline measure for satisfaction of service provided	To be developed	Not developed	
Registered dogs are desexed	>65%	76%	
Community Survey: Satisfaction with Animal Management	>50%	43%	
Animal Management Plan implemented	Complete	Year 1 Complete	
Customer requests actioned in <2 days	100%	100%	
Investigations completed within 14 days	>90%	100% All non complex investigations completed within 14 days	
Abandoned vehicles removed within 7 days	>90%	32% This task reprioritised due to unexpected Regulatory Order commitments	

The table below provides the pound statistics for the 2019-20 financial year.

The table shows 63% of dogs are released to owners and 26% of dogs are transferred to PAWS and RSPCA.

Impounded Dogs	2018/19	2019/20
Released to Owner	234	200
Re-homed - Other	3	1
Transfer to Paws	82	59
Transfer to RSPCA	13	41
Euthanised	6	14
Total Impounded Dogs	338	315

Lost Dog Reports





Performance Reporting

FINANCE

Directorate	Community and Corporate Services
Responsible Officer	Finance Manager
Number of FTEs	9 (Includes Director Community and Corporate Services)

Program Description

Provide financial services to assist Council to make informed decisions and allocate resources efficiently and effectively in the short and Long Term, while ensuring Council meets its objectives and all its statutory and regulatory obligations. Provide timely and quality front counter customer services for residents and visitors and manage rates records in accordance with policy and legislative requirements.

Achievements













Finance continues to provide a high level of service to its internal and external customers by providing reporting to Council for decision making in a timely manner and to the Community for greater transparency. Some of the key achievements for the year are the delivery of the annual budget, completion of the audited financial reports, delivery of the revised monthly finance report and providing advice for planning and related decision making.

The team has been able to finalise one of the biggest community engagement projects of the year with the review of the Rating policy. The involvement of the community has been managed through a Community Reference Group and several stages of community wide consultation in various forums. Council has listened to the community and implemented a Rating methodology that reflects the opinion of our community that all residential ratepayers are equal. This has resulted in equalisation of rates at Coolalinga and the continuation of the flat rate.

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$9,045,441	\$9,037,247
Operational Expenditure	\$1,781,930	\$1,591,683
Net Operating Surplus (costs)	\$7,263,511	\$7,445,564
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

Finance	Target	Actual	2019-20 Result
Annual budget/Annual Report/Municipal Plan Compliant	100%	Delivered on time and in line with legislation	
Monthly and annual financial reporting, including audit – unqualified audit	Complete	Delivered on time and in line with legislation	
Long term rating strategy - Rates coverage ratio-lowering Council's dependency on government grants and other funding sources	>60%	50%	
Long term financial plan			
Liquidity ratio	>1:1	4.61:1	
Asset sustainability ratio	>60%	22%	
Current ratio	>1	4.22	
Debt service ratio	>1	0	
Review the customer request management system	Complete December 2019	Delayed - to be completed November 2020.	
Rates and accounts receivable collection – current year rates outstanding as at 30 June 2020	<15%	9.2%	
Prior years' rates outstanding as at 30 June 2020	<\$1m	\$1.4 million	
Investments comply with policy and statutory requirements and are reported monthly – complete	100%	100%	
Community Survey: Satisfaction in customer service	>60%	49%	



Performance Reporting

INFORMATION SERVICES

Directorate	Community and Corporate Services
Responsible Officer	Information Services Manager
Number of FTEs	1

Program Description

Manage Council’s information and communications systems to ensure alignment with business needs and excellent customer service.

Everything you need



Roads and transport



Waste and cleanliness



Community and economic prosperity

A great place to live



Culture and social life



Recreation



Development and open space

A beautiful and safe natural environment



Animals and wildlife



Natural environment



Water and drainage






Achievements

- Successful deployment of staff for remote working through COVID-19 response.
- Upgrade of Chambers audio and video conferencing technology that allowed for remote attendance to Council Meetings.
- Investigation of cloud hosting versus on premise server solutions resulting in deployment of new on premises server with additional redundant server for improved business continuity.

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$513,091	\$399,764
Net Operating Surplus (costs)	(\$513,091)	(\$399,764)
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$39,799
Net Capital Surplus (costs)	\$0	(\$39,799)

Key Performance Indicators

Information Services	Target	Actual	2019-20 Result
Percentage of Service Desk requests closed against open requests during a period	90%	99.5%	
Ensure Corporate Enterprise Solution is updated with the latest version (patch), available nationally	No more than 1 patch behind latest version	Latest patches installed	
Implementation of the Information and Communications and Technology Improvement Plan – Annual Actions Complete	>90%	52% complete 39% partially complete	
Manage Council's GIS – age of GIS Imagery of populated areas	<5 years	Imagery updated May 2020	
Age of NTG Downloaded Data	<1 week	Data downloaded weekly	



Performance Reporting

COMMUNITY DEVELOPMENT

Directorate	Community and Corporate Services
Responsible Officer	Director Community and Corporate Services
Number of FTEs	1

Program Description

Support and resource recreation reserves committees of management to provide fit for purpose sport and recreational facilities. Develop inspection regimes and maintenance programs for playgrounds and tree maintenance on recreation reserves. Manage Council's Community Grants Scheme and support community events and programs.

Everything you need

- Roads and transport
- Waste and cleanliness
- Community and economic prosperity

A great place to live

- Culture and social life
- Recreation
- Development and open space

A beautiful and safe natural environment

- Animals and wildlife
- Natural environment
- Water and drainage

Achievements









- Coordinated events for Australia Day and Art Exhibition.
- Supported 19 community organisations and individuals by distributing the Community Grants Scheme funding and ensured the promotion of Litchfield Council.
- Worked closely with the Reserve Committees and community groups to increase participation at Council's Recreation Reserves and improve facilities and usability of the reserves.
- Sustained membership on Palmerston and Rural Youth Services Network.



2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$80,000	\$101,332
Operational Expenditure	\$1,504,946	\$1,443,984
Net Operating Surplus (costs)	(\$1,424,946)	(\$1,342,652)
Capital Revenue	\$0	\$0
Capital Expenditure	\$1,500,000	\$1,671,820
Net Capital Surplus (costs)	(\$1,500,000)	(\$1,671,820)

Key Performance Indicators

KPI	Target	Actual	2019-20 Results
Number of Council partnerships supported	10	22	
Funding provided to community reserves	Funding agreements established	Agreements in draft form negotiated with Reserves	
Grants received by Council acquitted within agreed timeframes	100%	100%	
Number of community events and programs supported through the Community Grants Scheme	10	21	
Community Survey: Satisfaction with Recreation Reserves	>65%	79%	
Community participation at the Australia Day event	>300	300	
Playgrounds on Council owned land audited	100%	100%	
Tree Management Plan implemented and documented	100%	100%	



Performance Reporting

LIBRARY SERVICES

Directorate	Community and Corporate Services
Responsible Officer	Director Community and Corporate Services
Number of FTEs	3.1

Program Description

Provision of public library services promoting lifelong learning, community connectiveness and childhood development through collection development, program delivery and promotion of services.

Everything you need

- Roads and transport
- Waste and cleanliness
- Community and economic prosperity

A great place to live

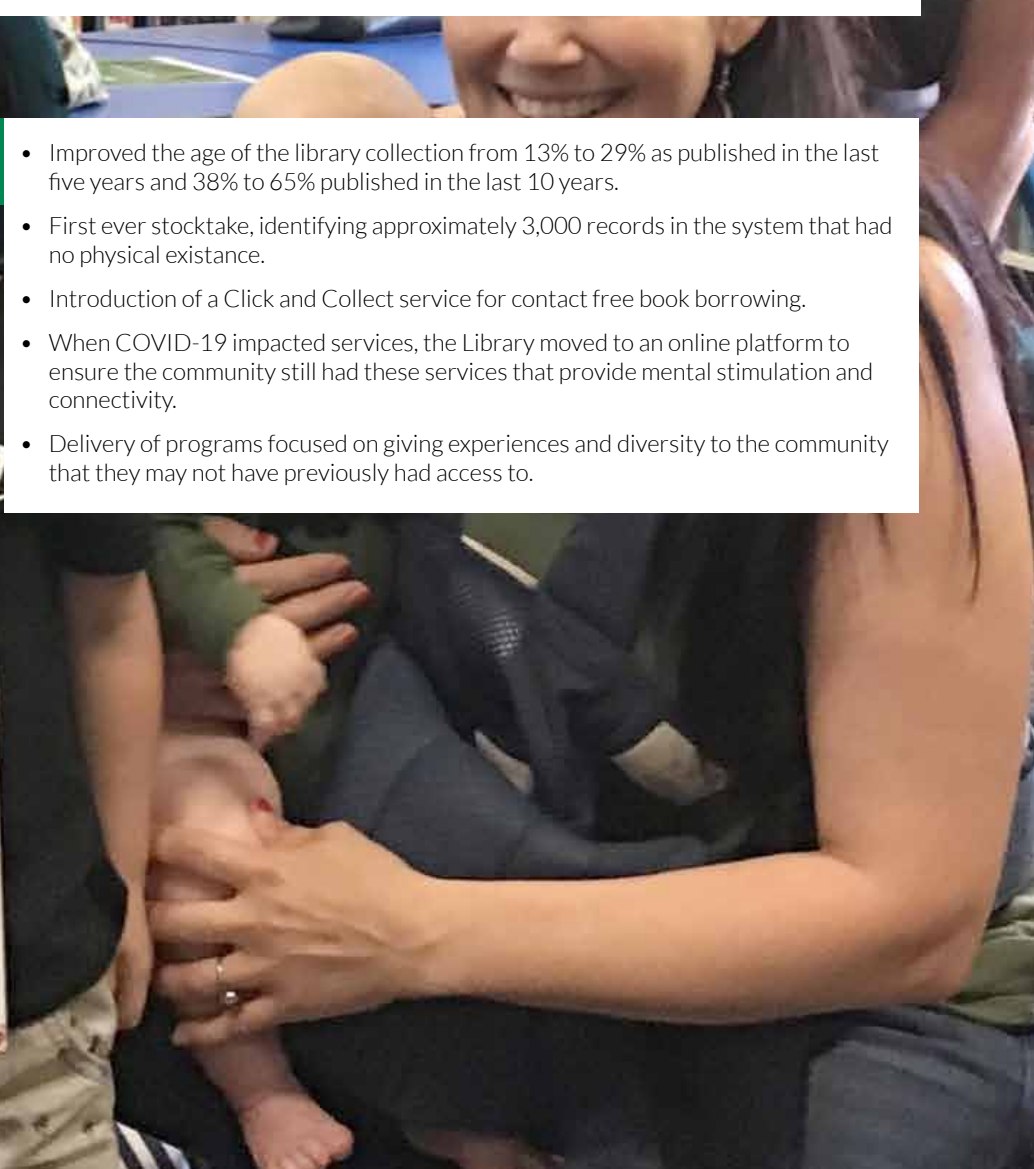
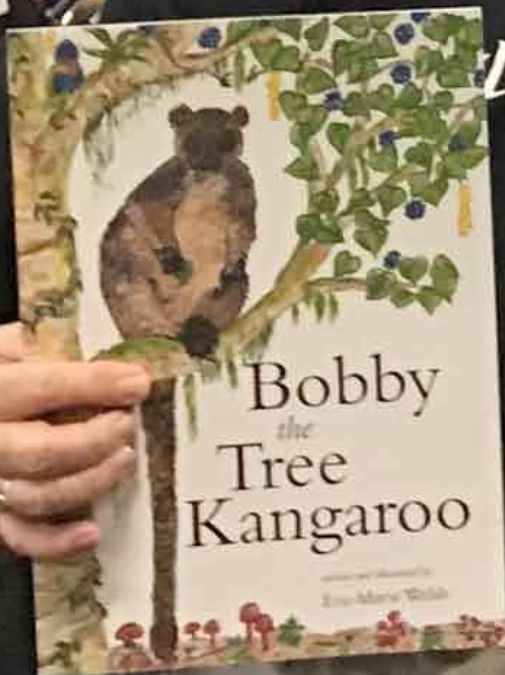
- Culture and social life
- Recreation
- Development and open space

A beautiful and safe natural environment

- Animals and wildlife
- Natural environment
- Water and drainage

Achievements

- Improved the age of the library collection from 13% to 29% as published in the last five years and 38% to 65% published in the last 10 years.
- First ever stocktake, identifying approximately 3,000 records in the system that had no physical existence.
- Introduction of a Click and Collect service for contact free book borrowing.
- When COVID-19 impacted services, the Library moved to an online platform to ensure the community still had these services that provide mental stimulation and connectivity.
- Delivery of programs focused on giving experiences and diversity to the community that they may not have previously had access to.












YOUNGER READER



2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$421,447	\$414,820
Operational Expenditure	\$421,447	\$414,697
Net Operating Surplus (costs)	\$0	\$123
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

KPI	Target	Actual	2019-20 Results
Visitors to the library – weekly door count	Increase by 20%	Increased 12%	
Promotion of services on library Facebook page	500 likes of Facebook page	681	
Review of programs and services	100%	100%	
Review feedback process for users	Established	Established	
Shared Service Governance Framework developed	100%	Delayed, being developed 2020-21	
Collection improvements – annual loads	Increase by 20%	21% increase	
Age of Collection	Decrease % of collection older than 10 years by 20%	26% increase	
Addition of regular programs	2	2	
Addition of one-off library events	3	3	



Performance Reporting

GOVERNANCE and RISK

Directorate Community and Corporate Services

Responsible Officer Governance and Risk Advisor

Number of FTEs 2

Program Description

Provides and supports best practice governance, statutory compliance, records and risk management for Council.









Achievements

- A total of 14 policies were reviewed by Council and 2 administrative policies approved by the Chief Executive Officer.
- Submission provided to the Department of Local Government, Housing and Community Development on the proposed new *Local Government Act* with several changes implemented as a result.
- Continued improvement of Council's records management processes.
- New independent Chairperson appointed to the Risk Management and Audit Committee.

2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$645,697	\$577,455
Net Operating Surplus (costs)	(\$645,697)	(\$577,455)
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

Key Output	Target	Actual	2019-20 Result
Compliance with legislative requirements as per Department of Local Government, Housing and Community Development Compliance Checklist (DOLG)	100%	100%	
Maintain Policy Framework	100%	100%	
Meeting Procedure By-Law	Complete June 2020	On hold	
Complaints upheld breaches of the code of conduct by elected members	0	1 potential breach investigated by Local Government Disciplinary Committee (decision finalised on 1 July 2020)	
Risk Management Audit Committee Meetings Number	4	5	
Coordinate records management review and improvements – records held in storage reduced	By 10%	2.2%	
Assist with policy development as per the Annual Policy Review Program	10 policies review	16	
Implement Annual Internal Audit Plan – audits conducted	3	2 audits undertaken in line with review by Risk Management Audit Committee	



Performance Reporting

THORAK REGIONAL CEMETERY

Directorate	Community and Corporate Services
Responsible Officer	Thorak Manager
Number of FTEs	5

Program Description

Operate the Thorak Regional Cemetery and Crematorium for the Top End efficiently and effectively in accordance with approved plans, the *Northern Territory Cemeteries Act*, Cemeteries Regulations, Council policies and community expectations.

Everything you need

- Roads and transport
- Waste and cleanliness
- Community and economic prosperity

A great place to live

- Culture and social life
- Recreation
- Development and open space

A beautiful and safe natural environment

- Animals and wildlife
- Natural environment
- Water and drainage

Achievements:










- Relocation of External Generator – \$25,000.
- Revamping Front Entrance to Thorak Cemetery – \$10,000.
- Upgrade Visual System in Thorak Chapel – \$6,000.
- 21.9% increase in sales of cemetery products.

Services	2017/18	2018/19	2019/20	Variance
Burials	94	138	109	Down 27%
Cremations	181	186	232	Up 20%
Chapel Hire	67	79	78	Down 1%
TOTAL	342	403	374	Down 7%




















2019-20 Budget and Results (excluding depreciation)

	2019-20 Budget	2019-20 Result
Operational Revenue	\$996,642	\$1,379,778
Operational Expenditure	\$908,906	\$927,347
Net Operating Surplus (costs)	\$87,736	\$452,431
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

KPI	Target	Actual	2019-20 Result
Compliance with legislative requirements	100%	100%	
Achievement of operational budget	100%	100%	
Community Survey: Importance of Thorak Regional Cemetery	>60%	Average level of importance is 8.5 out of 10	
Community Survey: Satisfaction with Thorak Regional Cemetery	>65%	91%	
Chapel hire and amenities	>25%	Income increased by 9%	
Memorial Inspection	Annual	Complete	
Maintenance of cemetery plant and equipment	Service levels defined	Service levels defined	
Basic upkeep of buildings including cemetery house	Efficient service schedules	Service levels maintained	
Sale of cemetery products	>10%	21.9%	

Summary of Key Performance Indicators

KPI	Target	Actual	2020-21 Result
Community Survey – Satisfaction with Council’s role in Advocacy	>50%	70%	
Community Survey – Strategic Direction	>55%	50%	
Community Engagement Strategy – Actions Year 2	90%	95%	
Community Survey: Overall satisfaction	>70%	56%	
Community Survey: community engagement	>50%	35%	
Social Media Management – Unique engagement clicks on Facebook	>1000	62,553	
Elected Members training and development – Number of professional development sessions	> 2 sessions	2 sessions complete. 3 sessions deferred due to COVID-19	
Supporting local businesses – hold three Litchfield Women in Business Network Events per annum	100%	2 face to face events, plus 2 online events due to COVID-19	
Media Monitoring and Management – Media response time	<24 hours	All media requests responded to in less than 24 hours	
HR Policies, Procedures, Checklists reviewed, developed and compliant	Complete December 2019	Reviewed and compliant	
Staff Turnover rate	<20%	1.85%	
Staff Survey satisfaction	>70%	72%	
Negotiation of new Enterprise Agreement and submission to Fair Work	Complete March 2020	Completed in September 2020	
Work Health and Safety Management System: Policies and procedures manual	Complete December 2019	To be completed in 2020-21	
Workers comp claims	<3	1	
Comments submitted on applications to the NT Government within the required time frame	>95	100%	
Plan approvals issued within 10 days	>90%	98%	
Issue works permits associated with a Development Permit within five days	>95%	97%	
Attendance at NT planning working groups	>75%	100%	

Summary of Key Performance Indicators

KPI	Target	Actual	2020-21 Result
Subdivision approvals and handover processes in accordance with Standards	Achieved	Achieved	
Capital Works Program completed within budget	>90%	60%	
Asset management plans including 10-year replacement programs	Complete	Two plans complete	
Asset Management Policy and Plans – Asset Sustainability ratio	>60%	22 %	
Community Survey: Satisfaction with maintenance of local roads	>60%	62%	
Community Survey: Satisfaction with roadside drainage	>60%	61%	
Wet season network management – emergency works response time	<48 hours	Response below 48hrs	
Develop road reporting process for temporary closed roads	Complete June 2020	Not completed	
Vegetation slashing and mowing 915 roads totalling 723 kilometres. Total distance travelled = 8676kms	2 rounds	2 rounds plus extra in Knuckey Lagoon and Lambells Lagoon areas.	
Fire breaks and weed management in accordance with plans	Complete	90% complete, weather prohibited completion	
Signs repaired within target timeframes	Urgent – 24 hours	Response within 24hrs	
	Non-urgent – 15 days	Response within 15 days	
Community Survey: Satisfaction with weed management	>50%	35%	
Bushfire management plan:			
Maintain firebreaks	1000km	Firebreaks compliant	
Hazard reduction burn	Compliant	Compliant	
Widen firebreaks	Complete	Complete	
Waste tonnage transferred to Shoal Bay	<8,000 residential tonnes	6736 tonnes	
Waste tonnage transferred to Shoal Bay	<1,000 commercial tonnes	472 tonnes	

Summary of Key Performance Indicators

KPI	Target	Actual	2020-21 Result
Community Survey: Satisfaction with waste transfer stations	>80%	83%	
Cost per tonne of throughput – established baseline	\$TBD (2018-2019 \$299)	\$260	
Community Survey: Satisfaction with waste recycling	>55%	52%	
Community benefit fund income raised through recycling activities	5% annual increase	5.7%	
Sale of processed materials (mulch, crushed concrete)	>80% sold within six months of processing	100%	
Amount of total waste that is recycled	>30%	42%	
Amount of total waste that is dry recyclables	>15%	15%	
Explore incentives and education to boost recycling and food waste management	Complete January 2020	Not completed	
Free residential green waste disposal in November	Complete November 2019	Complete	
Prepare disaster Waste Plans	Complete November 2019	Not completed	
Education program delivered to primary schools	>2	5	
Dogs registered increased	>10%	16% decrease	
Impounded dogs reclaimed by owner	>70%	63%	
Develop baseline measure for satisfaction of service provided	To be developed	Not developed	
Registered dogs are desexed	>65%	76%	
Community Survey: Satisfaction with Animal Management	>50%	43%	
Animal Management Plan implemented	Complete	Year 1 Complete	
Customer requests actioned in <2 days	100%	100%	
Investigations completed within 14 days	>90%	100% All non complex investigations completed within 14 days	
Abandoned vehicles removed within 7 days	>90%	32% This task reprioritised due to unexpected Regulatory Order commitments	















Summary of Key Performance Indicators

KPI	Target	Actual	2020-21 Result
Annual budget/Annual Report/Municipal Plan Compliant	100%	Delivered on time and in line with legislation	
Monthly and annual financial reporting, including audit – unqualified audit	Complete	Delivered on time and in line with legislation	
Long term rating strategy - Rates coverage ratio-lowering Council's dependency on government grants and other funding sources	>60%	50%	
Long term financial plan			
Liquidity ration	>1:1	4.61:1	
Asset sustainability ratio	>60%	22%	
Current Ratio	>1	4.22	
Debt service ratio	>1	0	
Review the customer request management system	Complete December 2019	Delayed - to be completed November 2020.	
Rates and accounts receivable collection – current years rates outstanding as at 30 June 2020	<15%	9.2%	
Prior years' rates outstanding as at 30 June 2020	<\$1m	\$1.4 million	
Investments comply with policy and statutory requirements and are reported monthly – complete	100%	100%	
Community Survey: Satisfaction in customer service	>60%	49%	
Percentage of Service Desk requests closed against open requests during a period	90%	99.5%	
Ensure Corporate Enterprise Solution is updated with the latest version (patch), available nationally	No more than 1 patch behind latest version	Latest patches installed	
Implementation of the Information and Communications and Technology Improvement Plan – Annual Actions Complete	>90%	52% complete 39% partially complete	
Manage Council's GIS – age of GIS Imagery of populated areas	<5 years	Imagery updated May 2020	
Age of NTG Downloaded Data	<1 week	Data downloaded weekly	
Number of Council partnerships supported	10	22	
Funding provided to community reserves	Funding agreements established	Agreements in draft form negotiated with Reserves	

Summary of Key Performance Indicators

KPI	Target	Actual	2020-21 Result
Grants received by Council acquitted within agreed timeframes	100%	100%	
Number of community events and programs supported through the Community Grants Scheme	10	21	
Community Survey: Satisfaction with Recreation Reserves	>65%	79%	
Community participation at the Australia Day event	>300	300	
Playgrounds on Council owned land audited	100%	100%	
Tree Management Plan implemented and documented	100%	100%	
Visitors to the library – weekly door count	Increase by 20%	Increased 12%	
Promotion of services on library Facebook page	500 likes of Facebook page	681	
Review of programs and services	100%	100%	
Review feedback process for users	Established	Established	
Shared Service Governance Framework developed	100%	Delayed, being developed 2020-21	
Collection improvements – annual loads	Increase by 20%	21% increase	
Age of Collection	Decrease % of collection older than 10 years by 20%	26% increase	
Addition of regular programs	2	2	
Addition of one-off library events	3	3	
Compliance with legislative requirements as per Department of Local Government, Housing and Community Development Compliance Checklist (DOLG)	100%	100%	
Maintain Policy Framework	100%	100%	
Meeting Procedure By-Law	Complete June 2020	On hold	

Summary of Key Performance Indicators

KPI	Target	Actual	2020-21 Result
Complaints upheld breaches of the code of conduct by elected members	0	1 potential breach investigated by Local Government Disciplinary Committee (decision finalised on 1 July 2020)	
Risk Management Audit Committee Meetings Number	4	5	
Coordinate records management review and improvements – records held in storage reduced	By 10%	2.2%	
Assist with policy development as per the Annual Policy Review Program	10 policies review	16	
Implement Annual Internal Audit Plan – audits conducted	3	2 audits undertaken in line with review by Risk Management Audit Committee	
Compliance with legislative requirements	100%	100%	
Achievement of operational budget	100%	100%	
Community Survey: Importance of Thorak Regional Cemetery	>60%	Average level of importance is 8.5 out of 10	
Community Survey: Satisfaction with Thorak Regional Cemetery	>65%	91%	
Chapel hire and amenities	>25%	Income increased by 9%	
Memorial Inspection	Annual	Complete	
Maintenance of cemetery plant and equipment	Service levels defined	Service levels defined	
Basic upkeep of buildings including cemetery house	Efficient service schedules	Service levels maintained	
Sale of cemetery products	>10%	21.9%	

Litchfield Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2020

General Purpose Financial Statements for the year ended 30 June 2020

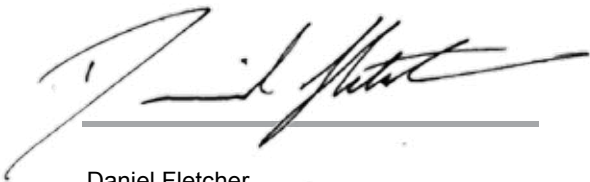
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General Purpose Financial Statements for the year ended 30 June 2020

Chief Executive Officer's Statement

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

- 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 ended 30 June 2020; and
- are in accordance with the accounting and other records of Council.

A handwritten signature in black ink, appearing to read 'Daniel Fletcher', is written over a horizontal line.

Daniel Fletcher
CHIEF EXECUTIVE OFFICER

Date: 27 October 2020

Statement of Comprehensive Income

for the year ended 30 June 2020

\$	Notes	2020	2019
Income			
Rates	2a	10,685,294	10,431,217
Statutory Charges	2b	137,049	155,368
User Charges	2c	1,757,340	1,612,219
Grants, Subsidies and Contributions	2g	3,855,333	4,942,103
Investment Income	2d	689,534	815,990
Reimbursements	2e	543	22,198
Other Income	2f	153,975	136,571
Total Income		17,279,067	18,115,666
Expenses			
Employee Costs	3a	6,643,444	6,646,145
Materials, Contracts & Other Expenses	3b	7,218,993	7,637,181
Depreciation, Amortisation & Impairment	3c	13,166,270	12,921,357
Total Expenses		27,028,707	27,204,683
Operating Surplus / (Deficit)		(9,749,640)	(9,089,017)
Asset Disposal & Fair Value Adjustments	4	(31,186)	(103,011)
Amounts Received Specifically for New or Upgraded Assets	2g	408,072	4,064,461
Physical Resources Received Free of Charge	2i	-	1,010,687
Net Surplus / (Deficit) ¹		(9,372,754)	(4,116,880)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(1,558,056)	-
Total Other Comprehensive Income		(1,558,056)	-
Total Comprehensive Income		(10,930,810)	(4,116,880)

¹ Transferred to Statement of Changes in Equity

Statement of Financial Position

as at 30 June 2020

\$	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	1,803,190	2,305,545
Trade & Other Receivables	5b	2,925,552	3,327,702
Other Financial Assets	5c	22,099,870	21,371,107
Total Current Assets		26,828,612	27,004,354
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	7a	301,369,855	309,111,797
Other Non-Current Assets	6	4,365,021	3,739,185
Total Non-Current Assets		305,734,877	312,850,982
TOTAL ASSETS		332,563,488	339,855,336
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	4,496,757	2,652,453
Borrowings	8b	33,370	-
Provisions	8c	604,637	576,397
Total Current Liabilities		5,134,764	3,228,850
Non-Current Liabilities			
Provisions	8c	432,240	473,646
Total Non-Current Liabilities		432,240	473,646
TOTAL LIABILITIES		5,567,004	3,702,496
Net Assets		326,996,484	336,152,840
EQUITY			
Accumulated Surplus		11,433,042	17,011,621
Asset Revaluation Reserves	9a	294,301,835	295,859,891
Other Reserves	9b	21,261,607	23,281,328
Total Council Equity		326,996,484	336,152,840

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Statement of Changes in Equity

for the year ended 30 June 2020

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2020					
Balance at the end of previous reporting period		17,011,621	295,859,891	23,281,328	336,152,840
Adjustments (Correction of Prior Period Errors)	23a	2,500,000	-	-	2,500,000
Adjustments (due to compliance with revised Accounting Standards) - not retrospective	23b	(725,546)	-	-	(725,546)
Restated Opening Balance		18,786,075	295,859,891	23,281,328	337,927,294
Net Surplus / (Deficit) for Year		(9,372,754)	-	-	(9,372,754)
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(1,558,056)	-	(1,558,056)
Other Comprehensive Income		-	(1,558,056)	-	(1,558,056)
Total Comprehensive Income		(9,372,754)	(1,558,056)	-	(10,930,810)
Transfers between Reserves		2,019,721	-	(2,019,721)	-
Balance at the end of period		11,433,042	294,301,835	21,261,607	326,996,484
2019					
Balance at the end of previous reporting period		22,733,631	295,859,891	21,676,198	340,269,720
Net Surplus / (Deficit) for Year		(4,116,880)	-	-	(4,116,880)
Total Comprehensive Income		(4,116,880)	-	-	(4,116,880)
Transfers between Reserves		(1,605,130)	-	1,605,130	-
Balance at the end of period		17,011,621	295,859,891	23,281,328	336,152,840

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Statement of Cash Flows

for the year ended 30 June 2020

\$	Notes	2020	2019
Cash Flows from Operating Activities			
Receipts			
Rates		10,211,239	10,228,155
Statutory Charges		138,664	-
User Charges		1,941,338	1,922,517
Grants, Subsidies and Contributions (operating purpose)		3,918,933	4,433,105
Investment Receipts		689,534	782,982
Reimbursements		543	22,198
Other Receipts		2,135,821	328,366
Payments			
Payments to Employees		(7,166,459)	(6,059,479)
Payments for Materials, Contracts & Other Expenses		(8,298,740)	(8,525,621)
Net Cash provided by (or used in) Operating Activities	11b	3,570,871	3,132,223
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		1,791,760	4,064,461
Sale of Replaced Assets		79,213	58,989
Payments			
Expenditure on Renewal/Replacement of Assets		(2,938,575)	(2,002,288)
Expenditure on New/Upgraded Assets		(2,228,164)	(4,378,519)
Net Purchase of Investment Securities		(728,763)	(784,391)
Net Cash provided by (or used in) Investing Activities		(4,024,529)	(3,041,748)
Cash Flows from Financing Activities			
Receipts			
Nil			
Payments			
Repayment of Lease Liabilities		(18,510)	-
Repayment of Bonds & Deposits		(30,187)	-
Net Cash provided by (or used in) Financing Activities		(48,697)	-
Net Increase (Decrease) in Cash Held		(502,355)	90,475
plus: Cash & Cash Equivalents at beginning of period	11	2,305,545	2,215,070
Cash & Cash Equivalents at end of period	11	1,803,190	2,305,545
Additional Information:			
plus: Investments on hand - end of year	5a	22,099,870	21,371,107
Total Cash, Cash Equivalents & Investments		23,903,060	23,676,652

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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n/a - not applicable

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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, Interpretations, the requirements of the *Local Government Act*, the Local Government (Accounting) Regulations and other relevant Northern Territory legislation.

The financial report was authorised for issue on 27 October 2020.

1.2 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 these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

2 The Local Government Reporting Entity

Litchfield Council is incorporated under the NT *Local Government Act* and has its principal place of business at 7 Bees Creek Road, Freds Pass NT. These consolidated 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.

3 Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2017/19	\$3,073,489	\$3,027,805	+\$45,684
2018/19	\$3,262,720	\$3,166,490	+\$96,230
2019/20	\$3,206,801	\$3,148,419	+\$58,382

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

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

Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as “payments received in advance”.

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*. 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, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Infrastructure, Property, Plant & Equipment

5.1 Land under roads

The 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

been recognised as in the opinion of the 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. 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”. 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.

5.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

5.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

5.5 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

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 7.

5.6 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 inflows or value in use).

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

5.7 Correction of Prior Period Error

In line with AASB 116 Property, Plant and Equipment and the Northern Territory Local Government Act, the land at Thorak Cemetery has been recognised as an asset, valued at \$2,500,000.

6 Payables

6.1 Goods & Services

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

6.2 Payments Received in Advance & Deposits

Amounts other than unconstrained 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 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 on costs) 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 on costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

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 unused 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 17.

8 Leases

Accounting policy applicable from 01 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

8.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i.) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii.) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

9 GST Implications

In accordance with UIG Abstract 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.

10 New and amended accounting standards and interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Litchfield Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

The Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed. The impact of adopting the new standards as at 1 July 2019 Nil, as Council has elected not to recognise contract liabilities for grants recognised as income in prior years.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058.

The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

	Amounts prepared under	
	AASB 15/1058	Previous AASB
	\$'000	\$'000
Grants, subsidies and contributions	\$3,855,333	\$5,509,290

AASB 16 Leases

The Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council recognised Right of Use Assets worth \$51,880.

Adoption of AASB 16 Leases (AASB 16)

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an

Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Council has lease contracts for Fleet and Printers. Before the adoption of AASB 16, the Council classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Council adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 was immaterial and no adjustments have been made to the opening balances of accumulated surplus/(deficit).

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following new and amended Australian Accounting Standards, and Interpretation, that were

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

issued but not yet effective and are not expected to have a material financial impact on the Council.

Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

Effective for NFP annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2014-10 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

11 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income

\$	Notes	2020	2019
(a). Rates Revenues			
General Rates			
Residential		6,919,548	6,732,902
Commercial/Industrial		757,810	651,446
Other		72,671	74,330
Total General Rates		7,750,028	7,458,678
Other Rates (Including Service Charges)			
Waste Management Services		2,926,423	2,853,843
Road Seal Levy		8,842	118,696
Total Other Rates		2,935,265	2,972,539
Total Rates Revenues		10,685,294	10,431,217
(b). Statutory Charges			
Animal Registration Fees & Fines		137,049	155,368
Total Statutory Charges		137,049	155,368
(c). User Charges			
Cemetery Fees		1,379,778	1,119,814
Community Halls Hire		29,893	27,877
Sundry		5,323	4,905
Subdivision and Development Fees		140,397	266,294
Permit Fees		17,226	3,921
Waste Disposal Fees		164,622	167,083
Rate Search Fees		20,100	22,325
Total User Charges		1,757,340	1,612,219
(d). Investment Income			
Interest on Investments			
- Banks & Other		427,839	588,626
Interest on Overdue Rates and Charges		261,694	227,364
Total Investment Income		689,534	815,990

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income (continued)

\$	Notes	2020	2019
(e). Reimbursements			
Private Works		-	12,168
Other		543	10,030
Total Reimbursements		543	22,198
(f). Other Income			
Insurance & Other Recoupments		61,394	57,844
Sundry		92,581	78,727
Total Other Income		153,975	136,571
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		408,072	4,064,461
Total Amounts Received Specifically for New or Upgraded Assets		408,072	4,064,461
Other Grants, Subsidies and Contributions		410,073	4,942,103
Untied - Financial Assistance Grant		3,148,419	-
Roads to Recovery		296,841	-
Total Other Grants, Subsidies and Contributions		3,855,333	4,942,103
Total Grants, Subsidies, Contributions		4,263,405	9,006,564
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		296,841	6,533,296
State Government		3,963,564	2,470,268
Other		3,000	3,000
Total		4,263,405	9,006,564

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income (continued)

\$	Notes	2020	2019
(h). 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		3,676,127	3,183,077
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Infrastructure		(2,998,547)	(868,951)
Subtotal		(2,998,547)	(868,951)
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Infrastructure		-	1,362,001
Subtotal		-	1,362,001
Unexpended at the close of this reporting period		677,580	3,676,127
Net increase (decrease) in assets subject to conditions in the current reporting period		(2,998,547)	493,050
(i). Physical Resources Received Free of Charge			
Roads, Culverts & Footpaths		-	1,010,687
Total Physical Resources Received Free of Charge		-	1,010,687

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income (continued)

\$	Opening Balance 1 July 2019	Movements		Closing Balance 30 June 2020
		Received/ Receivable/ (Payable)	Expended	
(j). Reconciliation of Government Grants				
Grants (with discretion on use)				
General Purpose (Untied)				
Grants Commission Grant - General Purpose	290,810	526,336	526,336	290,810
Grants Commission Grant - Roads Funding	1,364,583	2,622,083	2,622,083	1,364,583
Subtotal	1,655,393	3,148,419	3,148,419	1,655,393
Specific Purpose (Recurrent)				
Roads to Recovery	-	1,183,429	296,841	886,588
Other	-	3,000	3,000	-
Northern Territory Libraries - Operational Grant	28,954	407,073	389,698	46,329
Subtotal	28,954	1,593,502	689,538	932,918
Total Other Grants	1,684,347	4,741,921	3,837,957	2,588,311
Grants Specifically for New/Upgraded Assets				
Specific Purpose (Recurrent)				
SPG - Howard Park Reserve - Irrigation Upgrades	3,232	-	3,232	-
SPG - Mobile Workforce Shed	187,963	-	187,963	-
Freds Pass Reserve Capital Upgrade \$3m (NTG)	163,955	-	163,955	-
Freds Pass Reserve Capital Upgrade \$2m (NTG)	1,946,144	-	1,482,867	463,277
SPG - Humpty Doo Village Green Hall Upgrade	12,832	-	12,832	-
Department Local Government Energy Efficiency Grant - Streetlights	162,800	-	73,057	89,743
NDRRA Monsoonal Trough January 2018	1,136,039	(420,100)	599,004	116,935
SPG - Howard Park Reserve - Playground Upgrade	9,208	-	9,208	-
Special Community Assistance and Local Employment Grant Offer (SCALE) 2019-20	-	560,700	-	560,700
Blackspot Program Funding	-	408,072	408,072	-
SPG Library Services Grant	25,000	-	25,000	-
Total Grants Specifically for New/Upgraded Assets	3,647,173	548,672	2,965,190	1,230,655
Recognised as revenue in advance of expenditure	5,331,520			2,371,678
Recognised as liability	-			1,447,288
Total Other Grants	5,331,520			3,818,966

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 3. Expenses

\$	Notes	2020	2019
(a). Employee Costs			
Salaries and Wages		4,988,785	4,764,261
Employee Leave Expense		547,882	1,002,719
Superannuation - Defined Contribution Plan Contributions	17	497,981	564,169
Workers' Compensation Insurance		123,724	98,231
Temporary Staff		466,964	-
Other		132,576	216,765
Less: Capitalised and Distributed Costs		(114,468)	-
Total Operating Employee Costs		6,643,444	6,646,145
Total Number of Employees (full time equivalent at end of reporting period)		52	52
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		35,016	54,650
Bad and Doubtful Debts		6,041	8,609
Elected Members' Expenses		245,609	244,399
Lease Expense - Variable Payments		2,699	-
Subtotal - Prescribed Expenses		289,365	307,658
(ii) Other Materials, Contracts and Expenses			
Contractors		3,609,280	4,235,484
Energy		194,572	218,123
Maintenance		431,116	511,601
Legal Expenses		65,061	68,536
Parts, Accessories & Consumables		180,076	119,895
Professional Services		518,952	598,604
Sundry		510,315	458,398
Cemetery Operations		318,158	389,709
Insurance		294,150	257,360
Donations and Community Support		103,262	119,318
Computer / IT Costs		284,585	352,495
Government Grants Paid back		420,100	-
Subtotal - Other Material, Contracts & Expenses		6,929,628	7,329,523
Total Materials, Contracts and Other Expenses		7,218,993	7,637,181

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 3. Expenses (continued)

\$	Notes	2020	2019
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings		1,069,206	947,707
Infrastructure			
- Sealed Roads		9,497,954	9,417,534
- Unsealed Roads		1,439,297	1,428,783
- Road Culverts		378,194	369,478
- Kerbs & Gutters		36,408	35,964
- Driveway Vehicle Crossings		103,650	103,598
- Footpaths		25,368	22,985
- Road Signs		46,260	42,785
- Point Generic		64,200	63,618
- Driveways		8,096	7,429
- Bicycle Paths		20,586	20,586
- Streetlights		42,190	39,004
Right-of-Use Assets		19,737	-
Plant & Equipment		63,946	44,086
Motor Vehicles		255,168	280,125
Thorak Buildings		67,842	67,842
Thorak Motor Vehicles		28,167	29,833
Subtotal		13,166,270	12,921,357
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		13,166,270	12,921,357

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal	79,213	58,989
Less: Carrying Amount of Assets Sold	(110,399)	(162,000)
Gain (Loss) on Disposal	(31,186)	(103,011)
Net Gain (Loss) on Disposal or Revaluation of Assets	(31,186)	(103,011)

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 5. Current Assets

\$	Notes	2020	2019
(a). Cash & Cash Equivalent Assets			
Cash on Hand at Bank		1,803,190	2,305,545
Total Cash & Cash Equivalent Assets		1,803,190	2,305,545
(b). Trade & Other Receivables			
Rates - General & Other		2,585,745	2,101,108
Accrued Revenues		111,679	237,512
Debtors - General		34,975	856,681
GST Recoupment		221,045	160,876
Prepayments		26,821	29,334
Subtotal		2,980,265	3,385,511
Less: Allowance for Doubtful Debts		(54,713)	(57,809)
Total Trade & Other Receivables		2,925,552	3,327,702
(c). Other Financial Assets (Investments)			
Bank Investments - Term Deposits		22,099,870	21,371,107
Total Other Financial Assets (Investments)		22,099,870	21,371,107

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

Note 6. Non-Current Assets

Capital Works-in-Progress		4,365,021	3,739,185
Total Other Non-Current Assets		4,365,021	3,739,185

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7a. Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/6/2019			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
Land - Council Owned	2	14,387,856	-	-	14,387,856
Land - Drainage	3	6,638,569	1,936,631	-	8,575,200
Buildings	2	34,169,360	489,813	11,058,255	23,600,918
Infrastructure					
- Sealed Roads	3	331,613,100	3,209,731	140,484,382	194,338,449
- Unsealed Roads	3	50,162,000	378,833	26,856,616	23,684,217
- Road Culverts	3	36,755,158	548,354	9,256,100	28,047,412
- Storm Waste Drains	3	608,490	-	-	608,490
- Kerbs & Gutters	3	1,765,900	59,780	758,964	1,066,716
- Driveway Vehicle Crossings	3	10,440,385	50,474	2,981,650	7,509,209
- Footpaths	3	799,800	157,201	292,185	664,816
- Road Signs	3	719,180	108,942	337,476	490,646
- Point Generic	3	1,089,960	197,816	454,362	833,414
- Driveways	3	281,450	60,285	42,083	299,652
- Bicycle Paths	3	711,000	-	325,586	385,414
- Streetlights	3	1,562,142	-	841,163	720,979
Right-of-Use Assets		-	-	-	-
Plant & Equipment	2	586,300	191,633	254,111	523,822
Office Equipment	2	587,995	-	587,995	-
Motor Vehicles	2	2,063,716	133,991	767,001	1,430,706
Thorak Buildings	2	2,403,600	25,396	603,282	1,825,714
Thorak Motor Vehicles	2	293,000	-	174,833	118,167
Thorak Land		-	-	-	-
Other Assets		21,229	-	21,229	-
Total Infrastructure, Property, Plant & Equipment		497,660,190	7,548,880	196,097,273	309,111,797
Comparatives		497,940,190	854,491	183,293,916	315,500,765

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7a. Infrastructure, Property, Plant & Equipment

	Asset Movements during the Reporting Period										as at 30/6/2020			
	Transition adjustment - AASB 16	Asset Additions			WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value			
		New / Upgrade	Renewals											
\$														
Land - Council Owned	-	-	-	-	-	(1,367,856)	13,020,000	-	-	-	13,020,000	-	-	13,020,000
Land - Drainage	-	-	-	-	-	(190,200)	6,448,369	1,936,631	-	-	8,385,000	-	-	8,385,000
Buildings	-	2,504,334	-	-	-	(1,069,206)	34,169,361	2,994,147	12,127,461	-	25,036,046	-	-	25,036,046
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sealed Roads	-	-	1,071,248	-	-	(9,497,954)	331,613,101	4,280,979	149,982,338	-	185,911,743	-	-	185,911,743
- Unsealed Roads	-	-	918	-	-	(1,439,297)	50,162,001	379,751	28,295,914	-	22,245,838	-	-	22,245,838
- Road Culverts	-	-	-	-	-	(378,194)	36,755,158	1,090,173	9,634,293	-	28,211,037	-	-	28,211,037
- Storm Waste Drains	-	18,930	522,889	-	-	-	608,490	-	-	-	608,490	-	-	608,490
- Kerbs & Gutters	-	-	4,128	-	-	(36,408)	1,765,900	63,908	795,372	-	1,034,435	-	-	1,034,435
- Driveway Vehicle Crossings	-	-	-	-	-	(103,650)	10,440,386	50,474	3,085,300	-	7,405,560	-	-	7,405,560
- Footpaths	-	-	-	-	-	(25,368)	799,800	157,201	317,553	-	639,448	-	-	639,448
- Road Signs	-	-	6,184	-	-	(46,260)	719,180	115,126	383,736	-	450,570	-	-	450,570
- Point Generic	-	-	-	-	-	(64,200)	1,089,960	197,816	518,562	-	769,215	-	-	769,215
- Driveways	-	-	-	-	-	(8,096)	281,450	60,285	50,179	-	291,556	-	-	291,556
- Bicycle Paths	-	-	-	-	-	(20,586)	711,000	-	346,171	-	364,829	-	-	364,829
- Streetlights	-	-	-	-	-	(42,190)	1,562,142	-	883,353	-	678,789	-	-	678,789
Right-of-Use Assets	51,880	-	-	-	-	(19,737)	21,229	51,880	40,966	-	32,143	-	-	32,143
Plant & Equipment	-	-	357,950	-	-	(63,946)	586,299	549,583	318,057	-	817,825	-	-	817,825
Office Equipment	-	-	-	-	-	-	587,995	-	587,995	-	-	-	-	-
Motor Vehicles	-	-	54,320	(110,399)	-	(255,168)	1,818,716	188,311	887,568	-	1,119,459	-	-	1,119,459
Thorak Buildings	-	-	-	-	-	(67,842)	2,403,600	25,396	671,123	-	1,757,873	-	-	1,757,873
Thorak Motor Vehicles	-	-	-	-	-	(28,167)	293,000	-	203,000	-	90,000	-	-	90,000
Thorak Land	-	-	2,500,000	-	-	-	2,500,000	-	-	-	2,500,000	-	-	2,500,000
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Infrastructure, Property, Plant & Equipment	51,880	2,523,264	4,517,636	(110,399)	(13,166,270)	(1,558,056)	498,357,137	12,141,660	209,128,941	209,128,941	301,369,855	12,141,660	209,128,941	301,369,855
Comparatives	-	4,378,519	2,315,870	(162,000)	(12,921,357)	-	497,660,190	7,548,880	196,097,273	196,097,273	309,111,797	7,548,880	196,097,273	309,111,797

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

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.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - 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. Accordingly, formal sensitivity analysis does not provide useful information.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$

Valuation of Assets (continued)

Transfers between fair value hierarchy levels

In the course of revaluing (name the asset classes), the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

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.

Building and Other Structures and Infrastructure were valued as at 30 June 2018. Land assets were valued as at 30 June 2020.

Capitalisation Thresholds

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

	\$
Land	No threshold. All items will be recognised
Building & Other Structures	5,000
Roads	
- Sealed	10,000
- Pavement	10,000
- Unsealed	10,000
- Earthworks	10,000
- Road Culverts	5,000
- Stormwater Drainage	10,000
- Kerbs & Gutter	1,000
(continued on next page)	

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment &
Investment Property (continued)

\$

Valuation of Assets (continued)

Capitalisation Thresholds (continued)

	\$
- Driveway Vehicle Crossings	10,000
- Footpaths	No threshold. All items will be recognised
- Road Signs	No threshold. All items will be recognised
- Inverts	10,000
- Point Generic	No threshold. All items will be recognised
- Driveways	10,000
- Bicycle Paths	No threshold. All items will be recognised
Office Furniture	5,000
Plant & Equipment	5,000
Motor Vehicles	5,000

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

	Years
Land	No limited useful life
Building & Other Structures	8 to 100 years
Roads - Surface - Sealed	13 to 25 years
Roads - Surface - Unsealed	10 to 15 years
Roads - Pavement	40 years
Roads - Earthworks	100 years
Kerbs & Gutter	50 years
Road Culverts	100 years
Footpaths	20 to 50 years
Driveway Vehicle Crossings	100 years
Road Signs	15 years
Inverts	30 years
Point Generic	15 to 70 years
Driveways	20 to 50 years
Bicycle Paths	20 to 50 years
Office Equipment	5 to 10 years
Plant & Equipment	3 to 20 years
Motor Vehicles	5 to 15 years
Right-of-Use Assets	2 to 3 years

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 8. Liabilities

\$	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(a). Trade and Other Payables					
Goods & Services		1,412,298	-	1,252,161	-
Payments Received in Advance					
- Rates		736,127	-	-	-
- Grants, Subsidies, Contributions - Operating		63,600	-	-	-
- Grants & Contributions - Capital		1,383,688	-	-	-
- Other		448,636	-	334,605	-
Accrued Expenses - Employee Entitlements		190,558	-	687,910	-
Accrued Expenses - Other		8,241	-	93,981	-
Deposits, Retentions & Bonds		253,609	-	283,796	-
Total Trade and Other Payables		4,496,757	-	2,652,453	-
(b). Borrowings					
Lease Liabilities	17	33,370	-	-	-
Total Borrowings		33,370	-	-	-
(c). Provisions					
Employee Entitlements (including oncosts)		604,637	432,240	576,397	473,646
Total Provisions		604,637	432,240	576,397	473,646

Note 9. Reserves

\$	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
(a). Asset Revaluation Reserve					
Land - Council Owned	125,175,674	(1,558,056)	-	-	123,617,618
Buildings	15,583,834	-	-	-	15,583,834
Infrastructure					
- Road Culverts	27,923,542	-	-	-	27,923,542
- Kerbs & Gutters	761,825	-	-	-	761,825
- Driveway Vehicle Crossings	9,290,043	-	-	-	9,290,043
- Footpaths	263,238	-	-	-	263,238
- Road Signs	958,744	-	-	-	958,744
- Point Generic	711,325	-	-	-	711,325
- Driveways	4,076,579	-	-	-	4,076,579
- Bicycle Paths	551,219	-	-	-	551,219
- Roads	109,927,734	-	-	-	109,927,734
- Inverts	6,141	-	-	-	6,141
Plant & Equipment	204,947	-	-	-	204,947
Motor Vehicles	425,046	-	-	-	425,046
Total Asset Revaluation Reserve	295,859,891	(1,558,056)	-	-	294,301,835
Comparatives	295,859,891	-	-	-	295,859,891

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 9. Reserves (continued)

\$	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
(b). Other Reserves					
Developer Contributions Reserve	842,260	109,131	(183,804)	-	767,587
Waste Management Reserve	4,603,914	180,791	-	-	4,784,705
Asset Reserve	11,094,709	465,837	-	-	11,560,546
Election Reserve	100,000	-	-	-	100,000
Disaster Recovery Reserve	500,000	-	-	-	500,000
Strategic Initiatives Reserve	500,000	-	-	-	500,000
Unexpended Grants Reserve	5,331,520	3,843,305	(6,803,146)	-	2,371,679
Thorak Regional Cemetery	308,925	356,423	-	-	665,348
Unexpended Capital Works Reserve	-	11,742	-	-	11,742
Total Other Reserves	23,281,328	4,967,229	(6,986,950)	-	21,261,607
Comparatives	21,676,198	10,048,822	(8,443,692)	-	23,281,328

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Disaster Recovery Reserve

This reserve will fund expenses occurred due to storms, storm surges, and floods or any other natural disaster. The fund will enable Litchfield Council to recover from these disasters and return to operations. Where external funds are received after an event for the purpose of disaster recovery, these funds shall be used to replenish this reserve.

Strategic Initiatives Reserve

This reserve will fund strategic initiatives and Information Technology improvements for the future development of Litchfield Council in line with the Municipal Plan and the Long Term Financial Plan. Specific Initiatives must be identified in order to have funds allocated.

Election Reserve

This reserve will fund expenses related to Local Government elections and By-Elections.

Asset Reserve

This reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plans.

Waste Management Reserve

This reserve holds funding for activities related to Waste Management. This could be the renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Waste Management or strategic development of the Waste Service delivery.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 9. Reserves (continued)

\$

Developer Contributions Reserve

This reserve holds contributions received by the Council from developers in line with Litchfield Council Developer Contribution Plan. Restrictions apply as set out in both the Plan and under provisions outlined in the Planning Act.

Unexpended Grants and Contributions

This reserve holds the balance of unexpended grants and contributions received from external contributors. The funds are held in the reserve until expensed in line with the individual funding agreements.

Thorak Regional Cemetery

These funds represent the funds transferred to Council from City of Darwin when Council assumed responsibility in 2008 and the operating surplus from operation of the Thorak Regional Cemetery since 2008. Funds are reserved for the renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan at Thorak Regional Cemetery.

Unexpended Capital Works Reserve

This reserve holds the balance of unexpended capital works excluding all grant funded projects.

Note 10. Assets Subject to Restrictions

\$

Notes

2020

2019

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

Cash & Financial Assets

Unexpended amounts received from Federal Government

Developer Contributions	767,587	842,260
Unexpended amounts received from Federal and Territory Government	3,818,966	5,331,521
Total Cash & Financial Assets	4,586,553	6,173,781
Total Assets Subject to Externally Imposed Restrictions	4,586,553	6,173,781

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2020	2019
(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 Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	1,803,190	2,305,545
Balances per Statement of Cash Flows		1,803,190	2,305,545
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(9,372,754)	(4,116,880)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		13,166,270	12,921,357
Non-Cash Asset Acquisitions		-	(1,010,687)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(408,072)	(4,064,461)
Net (Gain) Loss on Disposals		31,186	103,011
Rates prepayment adjustment		(725,546)	-
		2,691,084	3,832,340
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		405,246	(1,160,313)
Change in Allowances for Under-Recovery of Receivables		3,096	11,389
Net (Increase)/Decrease in Other Current Assets		(6,192)	-
Net Increase/(Decrease) in Trade & Other Payables		490,803	(137,859)
Net Increase/(Decrease) in Unpaid Employee Benefits		(13,166)	586,666
Net Cash provided by (or used in) operations		3,570,871	3,132,223
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	-	1,010,687
Amounts recognised in Income Statement		-	1,010,687
Total Non-Cash Financing & Investing Activities		-	1,010,687

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).													
	INCOME			EXPENSES			OPERATING SURPLUS (DEFICIT)			GRANTS INCLUDED IN INCOME			TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Actual 2020	Actual 2019
\$ '000														
General Public Services	9,137,189	9,120,820	9,136,475	6,476,089	6,971,823	4,568,399	2,661,100	2,148,996	4,568,076	545,220	526,336	583,018	46,152,408	28,473,539
Public Order & Safety	130,202	137,771	158,640	388,980	371,505	331,973	(258,778)	(233,734)	(173,333)	-	-	-	40,103	24,855
Economic Affairs	2,637,492	2,936,300	4,237,551	13,153,186	13,988,060	15,595,906	(10,515,694)	(11,051,760)	(11,358,355)	2,923,990	2,918,924	4,101,303	245,508,387	285,757,500
Environmental Protection	3,139,680	3,188,246	3,110,242	3,110,890	2,756,182	3,312,886	28,790	432,064	(202,644)	-	-	-	5,273,103	2,969,842
Housing & Community Amenities	-	-	-	45,000	42,190	83,365	(45,000)	(42,190)	(83,365)	-	-	-	678,790	720,979
Recreation, Culture & Religion	501,447	516,152	352,944	2,656,781	1,945,592	2,323,679	(2,155,334)	(1,429,440)	(1,970,735)	413,546	410,073	257,782	29,562,821	19,680,359
Cemeterly	997,140	1,379,778	1,119,814	996,274	953,355	988,475	866	426,423	131,339	-	-	-	5,347,876	2,328,262
Total Functions/Activities	16,543,150	17,279,067	18,115,666	26,827,200	27,028,707	27,204,683	(10,284,050)	(9,749,640)	(9,089,017)	3,882,756	3,855,333	4,942,103	332,563,488	339,855,336

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 12b. Components of Functions

\$

The activities relating to Council functions are as follows:

GENERAL PUBLIC SERVICES

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

PUBLIC ORDER & SAFETY

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

ECONOMIC AFFAIRS

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

ENVIRONMENTAL PROTECTION

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

HOUSING & COMMUNITY AMENITIES

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

RECREATION, CULTURE AND RELIGION

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

EDUCATION

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

CEMETERY

All activities related to the operation of the Thorak Regional Cemetery.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 13. Financial Instruments

\$

Recognised Financial Instruments

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.</p> <p>Terms & Conditions: Short term deposits have an average maturity of 246 days and an average interest rate of 1.41% (2019: 271 days and 2.61%).</p> <p>Carrying Amount: Approximates fair value due to the short term to maturity.</p>
<p>Receivables Rates & Associated Charges</p>	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & Conditions: Secured over the subject land, arrears attract interest of 17% (2019: 17%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying Amount: Approximates fair value (after deduction of any allowance).</p>
<p>Receivables Fees & Other Charges</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance is recognised and assessed annually when collection in full is no longer probable using the expected credit loss method.</p> <p>Terms & Conditions: Unsecured, and do not bear interest. 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>

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$

Recognised Financial Instruments

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
<u>Financial Assets</u>					
Cash & Equivalents	1,803,190	-	-	1,803,190	1,803,190
Receivables	173,475	-	-	173,475	173,475
Other Financial Assets	22,099,870	-	-	22,099,870	22,099,870
Total Financial Assets	24,076,535	-	-	24,076,535	24,076,535
<u>Financial Liabilities</u>					
Payables	1,674,148	-	-	1,674,148	1,674,148
Lease Liabilities	33,370	-	-	33,370	33,370
Total Financial Liabilities	1,707,518	-	-	1,707,518	1,707,518
2019					
<u>Financial Assets</u>					
Cash & Equivalents	2,305,545	-	-	2,305,545	2,305,545
Receivables	886,015	-	-	886,015	1,123,527
Other Financial Assets	21,371,107	-	-	21,371,107	21,371,107
Total Financial Assets	24,562,667	-	-	24,562,667	24,800,179
<u>Financial Liabilities</u>					
Payables	1,964,543	-	-	1,964,543	1,629,938
Total Financial Liabilities	1,964,543	-	-	1,964,543	1,629,938

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$

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 impairment. All Council investments are made with 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.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 14. Capital Expenditure and Investment Property Commitments

\$

Notes

2020

2019

(a). Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings	482,080	-
Roads & Footpaths	121,187	711,305
	<u>603,267</u>	<u>711,305</u>

These expenditures are payable:

Not later than one year	603,267	711,305
	<u>603,267</u>	<u>711,305</u>

(b). Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Maintenance Contracts	463,195	1,114,870
	<u>463,195</u>	<u>1,114,870</u>

These expenditures are payable:

Not later than one year	463,195	1,114,870
	<u>463,195</u>	<u>1,114,870</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 15. Financial Indicators

\$	Amounts 2020	Indicator 2020	Prior Periods 2019 2018	
1. Current Ratio				
Current Assets <i>less</i> Externally Restricted Assets	23,689,346	4.61	10.28	7.01
Current Liabilities	5,134,764			
2. Debt Service Ratio				
Net Debt Service Cost	-	0.00	0.00	0.00
Operating Revenue	17,279,067			
3. Rate Coverage Percentage				
Rate Revenues	7,750,028	43.82%	41.17%	39.81%
Total Revenues	17,687,139			
4. Rates and Annual Charges Outstanding				
Rates & Annual Charges Outstanding	2,585,745	24.20%	22.46%	20.61%
Rates & Annual Charges Collectible	10,685,294			

Note 16. Leases

Council as a Lessee

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

	Leased Assets \$	Total \$
2020		
Transfer from leased assets (former finance leases)	51,880	51,880
Depreciation charge	(19,737)	(19,737)
Balance at 30 June 2020	32,143	32,143

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 16. Leases

\$	2020	2019
Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:		
Balance at 1 July	51,880	-
Accretion of interest	1,091	-
Payments	(19,601)	-
Balance at 30 June	33,370	-
Classified as:		
Current	33,370	-
Non Current	-	-

Note 17. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2019/20; 9.50% in 2018/19). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Contributions to Other Superannuation Schemes

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

Note 18. Interests in Other Entities

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 19. Non-Current Assets Held for Sale & Discontinued Operations

\$

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the 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.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council did not have any notice of appeals against planning decisions made prior to reporting date.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 21. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2020, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 27/10/20.

Council is aware of the following "non adjusting events" that merit disclosure;

Council was issued a Pollution Abatement Notice by the Northern Territory Environment Protection Authority (nt epa) on the 27th of July 2020. The notice relates to non-compliance to the Waste Management and Pollution Control Act 1998 (Act). As a consequence, Council is expected to undertake investigation and remediation works. The cost of the remediation works and any potential fines as at the date of this report cannot be reliably estimated until further investigation and scope of remediation works are carried out.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 22. Related Party Transactions

\$	2020	2019
----	------	------

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under Council policy FIN26

In all, 10 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Salaries, Allowances & Other Short-Term Employee Benefits	1,051,078	1,279,616
Total	1,051,078	1,279,616

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

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Planning and Building Application Fees	66,400	-
Total	66,400	-

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 23. Equity - Retained Earnings and Revaluation Reserves Adjustments

\$

(a). Correction of Error/s relating to a Previous Reporting Period

Land at Thorak Cemetery has been recognised in accordance with AASB 116.

The adjustment is recognised by adjusting the opening balance of the Accumulated Surplus as at 1 July 2019, no prior period balances have been re-stated. Refer to the table in note 23b below.

(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below:

Adoption of AASB 1058 resulted in adjusting opening balances of the Accumulated Surplus/(Deficit) accounts for for Prepayments of Rates and Charges.

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Infrastructure, Property, Plant & Equipment ¹	309,111,797	2,500,000	311,611,797
Total Assets	339,855,336	2,500,000	342,355,336
Trade and other payables ²	2,652,453	725,546	3,377,999
Total Liabilities	3,702,496	725,546	4,428,042
Accumulated Surplus	17,011,621	1,774,454	18,786,075
Total equity	336,152,840	1,774,454	337,927,294

¹ Relates to prior period error.

² Relates to adoption of new accounting standards.



Independent audit report to the Chief Executive Officer of Litchfield Council

Report on the Audit of the Financial Report

We have audited the accompanying general purpose financial report of Litchfield Council (“the Council”) and its controlled entities, which comprises the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Chief Executive Officer’s Statement.

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

- (a) giving a true and fair view of the financial position of the Litchfield Council as at 30 June 2020 and of the Council’s performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) Local Government regulations.

Basis for Opinion

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

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

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

The Responsibility of the Chief Executive Officer for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



Merit Partners



Matthew Kennon
Director

DARWIN

Date: 27 October 2020

Thorak Regional Cemetery

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Thorak Regional Cemetery

Special Purpose Financial Statements for the year ended 30 June 2020

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Thorak Regional Cemetery

Special Purpose Financial Statements for the year ended 30 June 2020

Board of Trustee's Statement

I, Daniel Fletcher, the Chief Executive Officer of the Litchfield Council on behalf of Thorak Regional Cemetery Board of Trustees, hereby certify that the Annual Financial Statements:

- 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 Thorak Regional Cemetery and the results for the year ended 30 June 2020; and
- are in accordance with the accounting and other records of Thorak Regional Cemetery.



Daniel Fletcher
CHIEF EXECUTIVE OFFICER

Date: 27 October 2020

Thorak Regional Cemetery

Statement of Comprehensive Income

for the year ended 30 June 2020

\$	2020	2019
Income		
Interments	866,793	651,685
Cremations	280,541	249,662
Exclusive Rights Fees	5,328	5,052
Ground Maintenance	7,629	5,880
Chapel and Marquee Hire	34,279	31,395
Memorial installation and permits	42,903	36,658
Funeral Director Fees	3,981	3,792
Sundry Income	10,841	17,394
Administration Fee	102,932	85,099
Rent Income	21,397	23,886
Investment Income	3,154	9,311
Total Income	1,379,778	1,119,814
Expenses		
Salaries	465,112	430,608
Superannuation	49,725	45,294
Other Employee costs	5,765	6,709
Insurance	37,465	36,979
Legal Fees	1,076	18,987
Auditing Fees	7,416	9,600
Consultants	760	38,177
Administration Expenses	83,989	75,970
Motor Vehicle Expenses	29,657	36,912
Utilities	68,885	72,288
Telephone Expenses	13,550	14,040
Security	4,544	3,761
Grounds Maintenance	33,122	53,820
Repairs & Maintenance	48,932	36,846
Equipment Hire	352	-
Plant & Equipment Expenses	7,660	6,897
Grave Digging	44,947	43,680
Memorial Expenses	17,831	14,251
Sundry Expenses	5,953	5,730
Doubtful Debt	604	251
Depreciation Expenses	96,010	97,675
Total Expenses	1,023,355	1,048,475
Operating Surplus	356,422	71,339
Net Surplus¹	356,422	71,339
Total Comprehensive Income	356,422	71,339

¹ Transferred to Statement of Changes in Equity

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Thorak Regional Cemetery

Statement of Financial Position

as at 30 June 2020

\$	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	2a	1,061,933	644,631
Trade & Other Receivables	2b	59,704	42,755
Other Financial Assets	2c	334,571	341,626
Total Current Assets		1,456,208	1,029,012
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	3a	4,347,873	1,943,881
Total Non-Current Assets		4,347,873	1,943,881
TOTAL ASSETS		5,804,081	2,972,893
LIABILITIES			
Current Liabilities			
Trade & Other Payables	4a	353,076	399,601
Provisions	4b	55,863	46,164
Total Current Liabilities		408,939	445,765
Non-Current Liabilities			
Provisions	4b	54,193	42,600
Total Non-Current Liabilities		54,193	42,600
TOTAL LIABILITIES		463,131	488,365
Net Assets		5,340,950	2,484,528
EQUITY			
Accumulated Surplus		4,675,602	2,230,171
Reserves	5	665,348	254,357
Total Equity		5,340,950	2,484,528

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Thorak Regional Cemetery

Statement of Changes in Equity for the year ended 30 June 2020

\$	Notes	Accumulated Surplus	Reserves	Total Equity
2020				
Balance at the end of previous reporting period		2,230,171	254,357	2,484,528
Adjustments (Correction of Prior Period Errors)		2,500,000	-	2,500,000
Restated Opening Balance		4,730,171	254,357	4,984,528
Net Surplus / (Deficit) for Year		356,422	-	356,422
Total Comprehensive Income		356,422	-	356,422
Transfers between Reserves		(410,991)	410,991	-
Balance at the end of period		4,675,602	665,348	5,340,950
2019				
Balance at the end of previous reporting period		2,230,171	183,018	2,413,189
Net Surplus / (Deficit) for Year		71,339	-	71,339
Total Comprehensive Income		71,339	-	71,339
Transfers between Reserves		(71,339)	71,339	-
Balance at the end of period		2,230,171	254,357	2,484,528

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Thorak Regional Cemetery

Statement of Cash Flows for the year ended 30 June 2020

\$	Notes	2020	2019
Cash Flows from Operating Activities			
Receipts			
Operating Receipts		1,346,253	1,101,815
Investment Receipts		3,154	5,041
Payments			
Operating Payments to Suppliers and Employees		(939,158)	(920,528)
Net Cash provided by (or used in) Operating Activities	6b	410,249	186,328
Cash Flows from Investing Activities			
Receipts			
Net Disposal of Investment Securities		-	2,292
Payments			
Net Purchase of Investment Securities		7,052	-
Net Cash provided by (or used in) Investing Activities		7,052	2,292
Net Increase (Decrease) in Cash Held		417,302	188,620
plus: Cash & Cash Equivalents at beginning of period	6	644,631	456,011
Cash & Cash Equivalents at end of period	6	1,061,933	644,631

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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	n/a - not applicable	

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

1 Basis of Preparation

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.

1.1 Financial Reporting Framework

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

1.2 Compliance with Australian Accounting Standards

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

1.3 Historical Cost Convention

Except as 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 these Notes.

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

The Cemetery applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service).

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 recognised as contract liabilities until such a time when the performance obligations are discharged. Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Cemetery and it can be measured reliably.

3 Cash, Cash Equivalents and other Financial Instruments

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 5.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

4 Infrastructure, Property, Plant & Equipment

4.1 Initial Recognition

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

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

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

4.2 Subsequent Recognition

All material 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.

4.3 Depreciation of Non-Current Assets

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

4.4 Correction of Prior Period Error

In line with AASB 116 Property, Plant and Equipment and the Northern Territory Local Government Act, the land at Thorak Cemetery has been recognised as an asset, valued at \$2,500,000.

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 & Deposits

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.

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 on costs) 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 on costs) to be made in respect of services provided by employees up to the reporting date.

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

6.2 Superannuation

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

The schemes have two types of membership, each of which is funded differently. No changes in

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

accounting policy have occurred during either the current or previous reporting periods.

7 GST Implications

In accordance with UIG Abstract 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 New and amended accounting standards and interpretations

In the current year the Cemetery adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Cemetery's accounting policies.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by the Cemetery and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for the Cemetery then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Cemeteries.

Effective for NFP annual reporting periods beginning on or after 1 January 2020:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Current Assets

\$	2020	2019
(a). Cash & Cash Equivalent Assets		
Cash on Hand at Bank	1,061,933	644,631
Total Cash & Cash Equivalent Assets	1,061,933	644,631
(b). Trade & Other Receivables		
Accrued Revenues	2,042	6,256
Debtors - General	57,662	36,499
Total Trade & Other Receivables	59,704	42,755
(c). Other Financial Assets (Investments)		
Bank Investments - Term Deposits	334,571	341,626
Total Other Financial Assets (Investments)	334,571	341,626

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3. Infrastructure, Property, Plant & Equipment

	as at 30/6/2019				Asset Movements during the Reporting Period		as at 30/6/2020			
	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Corrections to opening balance	Depreciation Expense (Note 3c)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
\$ Land - Other	-	-	-	-	2,500,000	-	2,500,000	-	-	2,500,000
Buildings	2,428,996	-	603,282	1,825,714	-	(67,842)	-	2,428,996	671,123	1,757,873
Motor Vehicles	293,000	-	174,833	118,167	-	(28,167)	-	293,000	203,000	90,000
Total Infrastructure, Property, Plant & Equipment	2,721,996	-	778,115	1,943,881	2,500,000	(96,009)	2,500,000	2,721,996	874,123	4,347,873
Comparatives	2,721,996	-	680,440	2,041,556	-	-	2,721,996	-	778,115	1,943,881

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 4. Liabilities

\$	2020		2019	
	Current	Non Current	Current	Non Current
(a). Trade and Other Payables				
Goods & Services	23,647	-	12,239	-
Payments Received in Advance	321,184	-	334,605	-
Accrued Expenses - Other	8,245	-	52,757	-
Total Trade and Other Payables	353,076	-	399,601	-

(b). Provisions

Employee Entitlements (including oncosts)	55,863	54,193	46,164	42,600
Total Provisions	55,863	54,193	46,164	42,600

Note 5. Reserves

\$	1/7/2019	Tfrs to Reserve		Tfrs from Reserve		Other Movements	30/6/2020
Thorak Regional Cemetery	254,357	410,991	-	-	-	665,348	
Total Other Reserves	254,357	410,991	-	-	-	665,348	
Comparatives	183,018	71,339	-	-	-	254,357	

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Thorak Regional Cemetery

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

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 6. Reconciliation to Statement of Cash Flows

\$	2020	2019	
(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 Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	2	1,061,933	644,631
Balances per Statement of Cash Flows		1,061,933	644,631
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		356,422	71,339
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		96,010	97,675
Investment Income		-	(9,311)
		452,432	159,703
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(16,949)	(1,428)
Net Increase/(Decrease) in Trade & Other Payables		(46,525)	31,519
Net Increase/(Decrease) in Unpaid Employee Benefits		21,291	-
Net Increase/(Decrease) in Other Provisions		-	(8,507)
Net Cash provided by (or used in) operations		410,249	181,287

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7. Financial Instruments

\$

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Short term deposits have an average maturity of 182 days and an average interest rate of 1.58% (2019: 365 days and 2.70%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

Unsecured, and do not bear interest. Thorak Regional Cemetery is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Cemetery's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 7. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
<u>Financial Assets</u>					
Cash & Equivalents	1,061,933	-	-	1,061,933	1,061,933
Receivables	59,704	-	-	59,704	59,704
Other Financial Assets	334,571	-	-	334,571	334,571
Total Financial Assets	1,456,208	-	-	1,456,208	1,456,208
<u>Financial Liabilities</u>					
Payables	353,076	-	-	353,076	353,076
Total Financial Liabilities	353,076	-	-	353,076	353,076
2019					
<u>Financial Assets</u>					
Cash & Equivalents	644,631	-	-	644,631	644,631
Receivables	42,755	-	-	42,755	42,755
Other Financial Assets	341,626	-	-	341,626	341,626
Total Financial Assets	1,029,012	-	-	1,029,012	1,029,012
<u>Financial Liabilities</u>					
Payables	399,601	-	-	399,601	399,601
Total Financial Liabilities	399,601	-	-	399,601	399,601

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 doubtful debts. All Cemetery investments are made with authorised deposit taking institutions. Except as detailed in Note 2 in relation to individual classes of receivables, exposure is concentrated within the Cemetery 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.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Cemetery has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.



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

Auditor's Opinion

We have audited the accompanying special purpose financial report of Thorak Regional Cemetery ("the Cemetery"), which comprises the Balance Sheet as at 30 June 2020, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Board of Trustee's Statement.

In our opinion, the accompanying financial report of the Cemetery presents fairly, in all material respects, the financial position of Thorak Regional Cemetery as at 30 June 2020 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Basis for Opinion

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

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

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

Emphasis of matter – Basis of Accounting

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

Responsibilities of the Board of Trustees for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



Matthew Kennon
Director
Darwin

Date: 27 October 2020

