

**TIWI ISLANDS REGIONAL COUNCIL**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2015**

# TIWI ISLANDS REGIONAL COUNCIL

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## **Independent Auditor's Report to the members of the Tiwi Islands Regional Council**

We have audited the accompanying financial report of Tiwi Islands Regional Council (the "Council"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory explanation and the Chief Executive Officer's certification.

### **Chief Executive Officer's responsibility for the Financial Report**

The Chief Executive Officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 2008 and the Local Government (Accounting) Regulations 2008, and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

### **Independence**

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

### **Basis for Disclaimer of Opinion**

We were unable to obtain sufficient and appropriate documentary evidence to support the following balances in the statement of financial position as at 30 June 2015 as the Council was unable to provide information concerning these balances in the financial report:

- Inventories of \$309,175 under Other Assets in the statement of financial position as at 30 June 2015;
- Property, plant, and equipment of \$24,437,010 in the statement of financial position as at 30 June 2015;
- Unexpended grants of \$954,161 in the statement of financial position as at 30 June 2015.

We were also unable to perform alternative means concerning the inventory balance, property, plant and equipment and unexpended grants as at 30 June 2015.

We were unable to obtain sufficient and appropriate evidence to support the restated opening balances position as at 1 July 2014. We were unable to satisfy ourselves by alternative means concerning the restated opening balances position at 1 July 2014. Since opening balances enter in the determination of financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

### **Emphasis of Matter Regarding Going Concern**

Without further modifying our opinion, we draw attention to Note 1 Economic Dependency and Going Concern in the financial report which indicates that the Council incurred an operational loss before depreciation of \$8,250,486 for the year ended 30 June 2015. After depreciation, the Council recorded a loss for the year of \$10,879,274 with current liabilities exceeding current assets by \$1,186,853. The Council also incurred net cash flows used in operating activities of \$1,578,890 at 30 June 2015.

At the date of this report, the Council has and is undertaking reforms in relation to its operations and governance to improve its cash requirements and financial position. The future operations of the Council depend upon the continued funding from government, the outcome and the successful implementation of the reforms, and its ability to source other funds to address its net current liabilities position and negative cash flow position. As the outcome of the reforms is not yet determinable and along with the other matters set forth in Note 1 Economic Dependency and Going Concern, there exists a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

*Merit Partners*

Merit Partners



MunLi Chee  
Director

Darwin  
19 May 2016

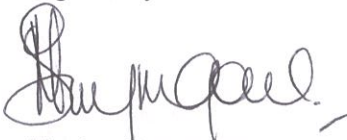
## CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I, Marion Scrymgour, the Chief Executive Officer of the Tiwi Islands Regional Council, certify that the Annual Financial Statements:

- a) have been, to the best of my knowledge, information and belief, properly drawn up in accordance with all applicable Australian Accounting Standards, the Local Government Act and the Local Government (Accounting) Regulations (with the exception of those matters described in the modified audit report) so as to present fairly the financial position of the Council for the year ended 30 June 2015 and its results for the year then ended; and
- b) are in accordance with the accounting and other records of the Council.

Signed by:

Date: 19 May 2016



Marion Scrymgour  
Chief Executive Officer



**Statement of Comprehensive Income  
for the year ended 30 June 2015**

	Notes	2015	2014 (Restated)
<b>REVENUE</b>		<b>\$</b>	<b>\$</b>
Grants and contributions provided for operating purposes	3e	7,165,791	7,511,530
Other Operating Revenue	3d	1,307,004	3,751,385
User Charges and Fees	3b	1,102,893	843,259
Rates and Annual Charges	3a	1,357,650	1,101,317
Interest Revenue	3c	44,727	87,723
Contributions and Donations	3f	3,836	49,217
Other Income		-	9,409
<b>TOTAL REVENUE</b>		<b>10,981,901</b>	<b>13,353,840</b>
<b>EXPENSES</b>			
Employee Costs	4a	7,938,877	9,281,022
Materials and Contracts	4e	5,387,189	5,237,736
Interest Charges	4b	6,074	393
(Profit)/Loss from Disposal of assets	4f	5,575,404	(14,091)
Other Operating Expenses	4d	531,082	641,152
<b>TOTAL EXPENSES</b>		<b>19,438,626</b>	<b>15,146,212</b>
<b>(DEFICIT)/SURPLUS BEFORE DEPRECIATION AND CAPITAL GRANTS</b>		<b>(8,456,725)</b>	<b>(1,792,372)</b>
Grants & Contributions provided for: Acquisition of assets			
Capital Grants Revenue	3e	206,239	262,898
<b>OPERATIONAL (DEFICIT)/SURPLUS BEFORE DEPRECIATION AND ASSET CLASSIFICATION</b>		<b>(8,250,486)</b>	<b>(1,529,474)</b>
Depreciation	4c	2,628,788	2,637,030
<b>(DEFICIT)/SURPLUS BEFORE INCOME TAX EXPENSE</b>		<b>(10,879,274)</b>	<b>(4,166,504)</b>
Income Tax Expense		-	-
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR</b>		<b>(10,879,274)</b>	<b>(4,166,504)</b>

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

**Statement of Financial Position  
as at 30 June 2015**

	Notes	2015 \$	2014 (Restated) \$
<b>CURRENT ASSETS</b>			
Current Operating Accounts & Cash on Hand	10a	1,072,550	2,650,715
Trade and Other Receivables	6	245,923	623,068
Other Assets	7	309,175	882,577
<b>TOTAL CURRENT ASSETS</b>		<b>1,627,648</b>	<b>4,156,360</b>
<b>NON CURRENT ASSETS</b>			
Buildings Prescribed	8a&b	19,171,231	25,051,160
Infrastructure Prescribed	8a&b	3,144,480	4,652,192
Plant	8a&b	1,356,608	1,702,338
Equipment	8a&b	179,221	404,438
Motor Vehicles	8a&b	363,268	785,350
Work in Progress	8a&b	222,202	46,449
<b>TOTAL NON CURRENT ASSETS</b>		<b>24,437,010</b>	<b>32,641,927</b>
<b>TOTAL ASSETS</b>		<b>26,064,658</b>	<b>36,798,287</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9a	718,994	892,969
Current Provisions	9c	1,118,616	1,207,670
Other Current Liabilities	9b	22,730	16,172
Unexpended Grant Liability	9b	954,161	663,288
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,814,501</b>	<b>2,780,099</b>
<b>NON CURRENT LIABILITIES</b>			
Non Current Provisions	9d	262,277	151,034
Non Current Borrowings	9e	666,667	666,667
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>928,944</b>	<b>817,701</b>
<b>TOTAL LIABILITIES</b>		<b>3,743,445</b>	<b>3,597,800</b>
<b>NET ASSETS</b>		<b>22,321,213</b>	<b>33,200,487</b>
<b>EQUITY</b>			
Accumulated Funds		22,321,213	33,200,487
<b>TOTAL EQUITY</b>		<b>22,321,213</b>	<b>33,200,487</b>

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

**Statement of Changes in Equity  
for the year ended 30 June 2015**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Other Reserves</b>	<b>Total Equity</b>
		\$	\$	\$
<b>Balance at 1 July 2013</b>	5,401,201	31,965,790	-	37,366,991
Restated (Deficit)/Surplus for the year	(4,166,504)	-	-	(4,166,504)
<b>Restated Balance at 30 June 2014 (Restated)</b>	1,234,697	31,965,790	-	33,200,487
(Deficit)/Surplus for the year	(10,879,274)	-	-	(10,879,274)
Transfers between equity	(35,000)	-	35,000	-
<b>Balance at 30 June 2015</b>	<b>(9,679,577)</b>	<b>31,965,790</b>	<b>35,000</b>	<b>22,321,213</b>

Note 16

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



**Statement of Cash Flows  
for the year ended 30 June 2015**

	<b>Notes</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>(Restated)</b>
			<b>\$</b>
<b>Cash Flows from Operating Activities</b>			
<i>Receipts</i>			
Receipts from rates & annual charges		1,319,371	1,101,645
Receipts from user charges & fees		1,102,893	852,668
Interest received		44,727	87,723
Grants & contributions		7,375,866	7,823,645
Other operating receipts		1,722,427	6,341,107
		11,565,284	16,206,788
<i>Payments</i>			
Payments to employees		7,916,687	9,286,135
Payments for materials & contracts		5,264,529	7,992,767
Payments of interest		6,075	393
Other operating payments		(43,117)	304,162
		13,144,174	17,583,457
<b>Net Cash Flows used in Operating Activities</b>	<b>10b</b>	(1,578,890)	(1,376,669)
 <b>Cash Flows from Investing Activities</b>			
<i>Receipts</i>			
Proceeds from sale of assets		261,846	14,091
		261,846	14,091
<i>Payments</i>			
Purchase of assets		261,121	883,797
		261,121	883,797
<b>Net Cash Flows used in Investing Activities</b>		725	(869,706)
 <b>Cash Flows from Financing Activities</b>			
<i>Payments</i>			
Repayment of Borrowings		-	333,333
		-	333,333
<b>Net Cash Flows used in Investing Activities</b>		-	(333,333)
 <b>NET (DECREASE)/INCREASE IN CASH HELD</b>		(1,578,165)	(2,579,708)
 <b>Cash at Beginning of Reporting Period</b>		2,650,715	5,230,423
 <b>Cash at End of Reporting Period</b>	<b>10a</b>	1,072,550	2,650,715

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

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 1 Summary of Accounting Policies

##### General Information

This note sets out the principal accounting policies adopted in the preparation of the financial statements by Tiwi Islands Regional Council.

The Local Government Reporting Entity Tiwi Islands Regional Council is established under the Northern Territory Local Government Act and has its principal place of business at Puti Drive, Wurrumiyanga Community, Bathurst Island.

The purpose of this financial report is to provide information about the cash flows, financial performance and position of the Regional, and accountability of the resources entrusted to it.

##### Economic Dependency and Going Concern

The financial report has been prepared on the going concern basis, which assumes that the Council will be able to realise its assets and discharge its liabilities in the normal course of business.

The Council has incurred an operational loss before depreciation of \$8,250,486 for the year ended 30 June 2015 (2014 (Restated): operational loss before depreciation of \$1,529,474). After depreciation, the Council recorded a loss for the year of \$10,879,274 (2014 (Restated): Loss of \$4,166,504) with current liabilities exceeding current assets by \$1,186,853 (2014 (Restated) Net Current Assets \$1,376,261) The Council also incurred net cashflows used in operating activities of \$1,578,890 (2014 (Restated): net cashflows used in operating activities of \$1,376,669). At reporting date, there is material uncertainty whether the Corporation will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business, based on the financial results, financial position and negative operating cash flow position

The ability of the Council to continue as a going concern is dependent on its ability to implement the following:

- Appropriately cost contracts and agreements taking indirect costs into consideration;
- Establish robust budgets and manage financial performance in line with those budgets;
- Enhance internal financial processes to enable effective debt recovery;
- Ensure that corporate cost structures are financially efficient and funded from current year operations; and
- Investigate other opportunities for self-generated income.

The Council is dependent on Government funding for the majority of its revenue used to operate the business. The future operations of the Council depend upon the continued funding from the government, the outcome and the successful implementation of the above reforms, and its ability to source other funds to address its net current liabilities position. As the outcome of the reforms is not yet determinable and due to the other matters set forth above, there exists material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

At the date of this report, the Council members have no reason to believe the Government will not continue to support the Council and, acknowledging the uncertainly disclosed above, are of the opinion that the Council will be able to continue as a going concern for the ensuing 12 months from the date of this report.

On 17 February 2015, the Minister for Local Government and Community Services placed the Tiwi Islands Regional Council under official management and appointed Mr Allan Raymond McGill to manage the affairs of the Council and to investigate and report on the conduct of the suspended members and the affairs and financial position of the Council. Following consideration of Mr McGill's report, the Minister reinstated the suspended members of the Tiwi Islands Regional Council on 14 September 2015.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### **Basis of Accounting**

##### *Statement of Compliance*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the requirements of the Local Government Act, the Local Government (Accounting) Regulations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Council is a not-for-profit entity for financial reporting purposes.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as applicable to not-for-profit entities.

##### *Adoption of new and revised accounting standards*

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

##### *Future Australian Accounting Standard Requirements*

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Council for the annual reporting period ended 30 June 2015. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

#### **Significant Accounting Policies**

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported. Material accounting policies adopted in the preparation of financial statements are presented below and have been consistently applied unless otherwise stated.

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

##### *Basis of Preparation*

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

##### *Critical Accounting Judgements and Key Sources of Estimation Uncertainty*

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

##### *Revenue Recognition*

Revenue is measured at the fair value of consideration received or receivable.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 1. Summary of Accounting Policies (Cont.)

Revenue is measured on major income categories as follows:

##### (i) Rates

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

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

##### (ii) Grants, donations and other contributions

Grants, donations and other contributions are recognised in the statement of comprehensive income when the entity obtains control over or the right to receive the grant, donation or other contribution, it is probable that the economic benefits gained from the grant, donation or other contributions will flow to the entity and the amount can be measured reliably. Control over granted and contributed assets is normally obtained upon their receipt (or acquittal), and is valued at their fair value at the date of transfer.

Where grants, contributions and donations recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

##### (iii) Disposal of property, plant and equipment

The gain or loss on disposal of an asset is determined when control of the asset has passed from the Council and can be measured reliably.

##### (iv) Interest revenue

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

##### (v) Commercial and contract revenue

The Council undertakes activities of a commercial, or quasi commercial nature such as maintenance contracts, building construction, and operation of cash businesses. Commercial income is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

##### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 1. *Summary of Accounting Policies (Cont.)*

##### *Financial Assets*

###### (i) Loans and Receivables

The Council recognises financial assets as loans and other receivables. The classification depends on the purpose for which the financial instrument was acquired and is determined at initial recognition and re-evaluated at reporting date. Financial assets are measured at fair value, net of transaction costs except for financial assets classified as at fair value through profit and loss which are initially measured at fair value.

###### (ii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

###### (iii) Impairment of financial assets

Financial assets are evaluated at each balance sheet date to determine any evidence of impairment. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

###### (iv) De-recognition of financial assets

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

##### *Inventory*

Inventory is stated at the lower of cost and net realisable value.

##### *Leased Assets*

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

##### As lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to the qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 1. Summary of Accounting Policies (Cont.)

Operating lease payments are recognised as expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

##### *Plant and Equipment*

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

##### *Land*

The Aboriginal Land Rights Act establishes native title over land in the Tiwi Islands. In the absence of clear title no land assets are recognised in the Council's Statement of Financial Position.

##### *Land under Roads*

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

##### *Property*

In 2006 the Land Rights Act was amended to enable township leasing. Leasing arrangements currently exist for Wurrumiyanga, Milikapiti and Wurankuwu. It is envisaged Pirlangimpi community will adopt township leasing in due course. It is proposed that in future periods the Council will lease its major operating buildings from the Office of Township Leasing. Buildings and infrastructure assets are recognised in the financial statements as prescribed assets. This is due to the status Tiwi Islands Regional Council has under 'Right of Occupation' from section 6.2 of the Head Lease agreement and the fact that under general property law it is the Executive Director of Township leasing who has the leasehold ownership interest in the land.

Building and Infrastructure assets were recognised in the 2010 financial statements as prescribed assets at their 30 June 2010 re-valued amount. Revised valuations were provided in the fixed asset register where net values are recognised at 30 June 2010. Building and Infrastructure assets commenced depreciating, at their re-valued amounts, on 1 July 2010. The Council does not believe that there is any significant increment or decrement to the valuation carried out in 2010. Hence the property has been valued at 2010 valuation amounts and depreciated accordingly. Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair value at the end of each reporting period.

Revaluation increments arising from recognising assets at valuation are offset against one another within the class of assets. Net revaluation increments in the carrying amounts of these assets are recognised directly in accumulated equity under the heading of prescribed asset reserve to the extent that the increment reverses a decrement that was previously recognised as an expense in the net profit or loss in respect of the same class of assets. No amounts were recognised in the accounts arising from previous revaluations so all increments are recognised in revaluation reserve.

##### *Depreciation*

All property, plant and equipment, with the exception of land, is systematically depreciated over its useful life in a manner which reflects the consumption of the service potential embodied in those assets from the time that the item of property plant and equipment is available for use.

Depreciation is provided for on a straight line method using useful lives which are reviewed each reporting period.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 1. Summary of Accounting Policies (Cont.)

The estimated useful lives used for each class of depreciable assets are:

Buildings/ Other Structures	10 - 20 Years
Plant and Equipment	1 - 10 Years
Motor Vehicles	3 - 5 Years

#### *Valuation*

The Council recognises assets over the value of \$5,000.

#### *Impairment of Assets*

At the end of each reporting period, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

#### *Financial Liabilities*

##### (i) Payables

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

##### (ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### (iii) Employee benefits

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

#### Employee benefits expected to be settled within 12 months:

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

#### Employee benefits not expected to be settled within 12 months:

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

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 1. Summary of Accounting Policies (Cont.)

##### (iv) Superannuation

The Council contributes for its employees to a defined contribution superannuation plan (Local Government Superannuation Scheme).

##### (v) Unexpended Grant Funds

Grant funding has been treated in the accounts according to the provisions of AASB 1004 Contributions. Where funds are provided on the condition that the Council is to make a reciprocal transfer of economic benefits, and that transfer has not occurred prior to the reporting date, a liability is recognised as at the reporting date in respect of such amounts

##### *Budget Information*

Note 2(a) provides budget information of revenues and expenditure of each of the major activities of the Council.

##### *Taxation*

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

##### *Provisions*

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that the Council will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

##### *Goods and Services Tax (GST)*

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

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

or

ii) for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

##### *Rounding*

Unless otherwise stated, amounts in the financial reports have been rounded to the nearest dollar and are presented in full dollars. All amounts are expressed in Australian dollars.

##### *Comparatives*

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

2a Functions

2a Functions	01 General Public Services		02 Public Order & Safety		03 Economic Affairs		04 Environmental Protection		05 Housing	
	2015 Budget	2015 Actual	2015 Budget	2015 Actual	2015 Budget	2015 Actual	2015 Budget	2015 Actual	2015 Budget	2015 Actual
<b>OPERATING REVENUES</b>										
Income Rates General	883,693	894,806	-	-	-	-	-	-	-	-
Income Rates Waste	-	-	-	-	-	-	456,464	462,844	-	-
Income Council Fees and Charges	291,556	228,518	-	-	554,101	641,653	-	-	158,860	231,903
Income Operating Grants Subsidies	2,240,637	2,132,814	1,295,628	1,032,562	2,108,214	2,094,725	9,000	8,636	816,746	278,420
Income Investments	50,000	44,727	-	-	-	-	-	-	-	-
Income Contributions Donations	1,136	1,136	-	-	-	-	-	-	-	-
Income Reimbursements	2,066	89,930	-	25,447	-	-	-	-	-	113
Income Agency & Commercial Serv	501,889	574,212	-	-	303,942	308,902	-	-	79,962	296,172
Income Capital Grants	44	-	-	5,941	-	0	-	225,000	246,000	0
Inc Sale of Assets	181,136	255,905	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>4,152,157</b>	<b>4,222,048</b>	<b>1,295,628</b>	<b>1,063,950</b>	<b>2,966,257</b>	<b>3,045,280</b>	<b>465,464</b>	<b>696,480</b>	<b>1,301,568</b>	<b>806,608</b>
<b>OPERATING EXPENSES</b>										
Employee Expenses	4,148,069	4,509,545	841,332	634,793	809,480	801,180	-	-	756,874	708,511
Contract and Material Expenses	2,372,871	1,773,963	10,744	17,941	399,733	214,219	62,845	49,299	534,376	940,745
Utility expenses	177,883	115,008	14,247	17,417	12,638	42,421	-	-	55,094	75,105
Fuel Expenses	338,991	438,156	-	109	5,689	19	-	-	-	73,761
Communication Expenses	441,802	320,789	4,896	7,832	64,453	51,102	2,245	1,775	60,552	65,265
Finance Expenses	5,597	6,048	-	-	26	26	-	-	-	-
Depreciation	2,717,000	2,628,788	-	-	-	-	-	-	-	-
Training	31,980	97,157	15,408	67,437	17,471	17,353	-	-	3,831	2,364
Travel and accommodation	218,961	197,992	29,304	2,341	13,382	19,858	-	-	6,994	10,642
Councillor/ Local Authority exp	220,000	211,995	-	-	-	-	-	-	-	-
Miscellaneous Expenses	686,197	698,159	4,500	4,480	8,105	11,645	7,576	8,998	2,330	3,360
Assets	14,847	5,837,250	-	-	-	0	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>11,374,198</b>	<b>16,834,850</b>	<b>920,431</b>	<b>752,350</b>	<b>1,330,977</b>	<b>1,157,823</b>	<b>72,666</b>	<b>60,072</b>	<b>1,420,051</b>	<b>1,879,753</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>(7,222,041)</b>	<b>(12,612,802)</b>	<b>375,197</b>	<b>311,600</b>	<b>1,635,280</b>	<b>1,887,457</b>	<b>392,798</b>	<b>636,408</b>	<b>(118,483)</b>	<b>(1,073,145)</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

2a Functions (Cont.)	06 Health		07 Recreation, Culture and Religion		08 Education		09 Social Protection		Total	
	2015 Budget	2015 Actual	2015 Budget	2015 Actual	2015 Budget	2015 Actual	2015 Budget	2015 Actual	2015 Budget	2015 Actual
<b>OPERATING REVENUES</b>										
Income Rates General	-	-	-	-	-	-	-	-	883,693	894,806
Income Rates Waste	-	-	-	-	-	-	-	-	456,464	462,844
Income Council Fees and Charges	-	-	35,144	819	-	-	-	-	1,039,661	1,102,893
Income Operating Grants Subsidies	-	14,091	609,748	515,648	213,504	89,578	1,776,552	981,438	9,070,029	7,147,912
Income Investments	-	-	-	-	-	-	-	-	50,000	44,727
Income Contributions Donations	-	-	-	2,700	-	-	-	-	1,136	3,836
Income Reimbursements	-	-	-	-	-	-	-	-	2,066	115,490
Income Agency & Commercial Serv	-	-	(873)	8,342	-	-	-	3,002	884,920	1,190,630
Income Capital Grants	-	-	-	0	-	-	-	-	246,044	230,941
Inc Sale of Assets	-	-	-	-	-	-	-	-	181,136	255,905
<b>TOTAL REVENUES</b>	-	<b>14,091</b>	<b>644,019</b>	<b>527,509</b>	<b>213,504</b>	<b>89,578</b>	<b>1,776,552</b>	<b>984,440</b>	<b>12,815,149</b>	<b>11,449,984</b>
<b>OPERATING EXPENSES</b>										
Employee Expenses	-	-	507,840	428,895	157,962	149,515	961,987	706,438	8,183,544	7,938,877
Contract and Material Expenses	-	3,660	107,322	131,862	17,004	15,687	156,492	74,044	3,661,387	3,221,420
Utility expenses	-	-	40,942	43,778	1,212	1,823	25,620	28,546	327,636	324,098
Fuel Expenses	-	-	-	70	-	36	-	105	344,680	512,256
Communication Expenses	-	85	10,971	10,155	1,056	1,892	8,208	10,588	594,183	469,483
Finance Expenses	-	-	-	-	-	-	-	-	5,623	6,074
Depreciation	-	-	-	-	-	-	-	-	2,717,000	2,628,788
Training	-	-	9,344	6,028	996	367	11,124	2,659	90,154	193,365
Travel and accommodation	-	-	23,214	15,944	2,592	3,145	45,648	8,312	340,095	258,234
Councillor/ Local Authority exp	-	-	-	-	-	-	-	-	220,000	211,995
Miscellaneous Expenses	-	-	744	195	108	-	1,488	581	711,048	727,418
Assets	-	0	-	-	-	-	-	-	14,847	5,837,250
<b>TOTAL EXPENSES</b>	-	<b>3,745</b>	<b>700,377</b>	<b>636,927</b>	<b>180,930</b>	<b>172,465</b>	<b>1,210,567</b>	<b>831,273</b>	<b>17,210,197</b>	<b>22,329,258</b>
<b>NET SURPLUS / (DEFICIT)</b>	-	<b>10,346</b>	<b>(56,358)</b>	<b>(109,418)</b>	<b>32,574</b>	<b>(82,887)</b>	<b>565,985</b>	<b>153,167</b>	<b>(4,395,048)</b>	<b>(10,879,274)</b>

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 2b Component Functions

The activities relating to the Regional functions are as follows:

#### GENERAL PUBLIC SERVICES

##### Executive and Legislative Functions

Administration, operation and support of executive and legislative functions and all elements associated with Corporate governance.

##### Financial and Fiscal Affairs

Administration of Council's finances and compliance with legislative provisions of Local Government (Accounting) Regulations.

##### General Public Services - including General Administration, Corporate Services/Community Services/ Works & Infrastructure, Other and Office Personnel Maintenance

Administration, support, regulation, research, operation of general public services including insurance and Natural Disaster relief where applicable.

#### PUBLIC ORDER & SAFETY

Fire protection, local emergency services, control of animals and impounding, control of public places, control of signs, hoarding and advertising, community policing and probationary matters.

#### ECONOMIC AFFAIRS

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

#### ENVIRONMENTAL PROTECTION

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

#### HOUSING AND COMMUNITY AMENITIES

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

#### HEALTH

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

#### RECREATION, CULTURE AND RELIGION

Facilities and venues, recreation parks and reserves, cultural and religious services museums and libraries.

#### EDUCATION

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

#### SOCIAL PROTECTION

Outlays on day care services, family day care, occasional care and outside schools hour care, aged services, shelter protection, drug and alcohol treatment programs. Also includes relief from man-made disasters.

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

**2c Fundamental Errors**

Tiwi Islands Regional Council's 2014 Financial data was restated to take into account revised acquittals of grants, reclassification of some transactions and to correctly account for unspent grant funds between restricted cash and grant liability in accordance with AASB1004.

Restated financial information for the year ended 30 June 2014 is presented below.

	Original Balance	Adjustments	Restated Balance
	\$	\$	\$
<b>Statement of Comprehensive Income</b>			
Grants and contributions provided for operating purposes	8,279,322	(767,792)	7,511,530
Other Operating Revenue	3,664,902	86,483	3,751,385
User Charges and Fees	899,225	(55,966)	843,259
Rates and Annual Charges	1,099,130	2,187	1,101,317
Other Income	14,024	(4,615)	9,409
Total Revenue	14,093,544	(739,704)	13,353,840
Material and Contracts	5,235,438	2,298	5,237,736
(Profit)/Loss from Disposal of assets	(84,133)	70,042	(14,091)
Other Operating Expenses	668,281	(27,129)	641,152
Total Expenses	15,101,000	45,212	15,146,212
(Deficit)/Surplus before depreciation and Capital Grants	(1,007,456)	(784,916)	(1,792,372)
Capital Grants Revenue	46,101	216,798	262,899
Surplus/(Deficit) for the year	(3,598,386)	(268,118)	(4,166,504)

**Statement of Financial Position**

Current Operating Accounts & Cash on Hand	2,650,676	39	2,650,715
Trade and Other Receivables	620,495	2,573	623,068
Trade and Other Payables	798,392	94,304	892,696
Current Borrowings	666,667	(666,667)	-
Other Current Liability	13,687	2,484	16,171
Unexpended Grant Liability	188,180	475,108	663,288
Work in Progress	45,010	1,439	46,449
Non Current Borrowings	-	666,667	666,667
Accumulated Funds	33,768,606	(568,119)	33,200,487

**Statement of Changes in Equity**

Retained earnings	1,802,816	(568,118)	1,234,698
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TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015	2014
	\$	(Restated) \$
<b>3 Operating Revenue</b>		
<b>a RATES AND CHARGES</b>		
<u>Ordinary Rates</u>		
General Rates	894,806	653,752
<b>Total Ordinary Rates</b>	<b>894,806</b>	<b>653,752</b>
<u>Annual Charges</u>		
Domestic Waste Charges	462,844	447,565
<b>Total Annual Charges</b>	<b>462,844</b>	<b>447,565</b>
<b>Total Rates &amp; Annual Charges</b>	<b>1,357,650</b>	<b>1,101,317</b>
<b>b USER CHARGES &amp; FEES</b>		
User Charge Fee Income	722,375	511,806
Property Lease Rental Fee Income	286,962	256,443
Equipment Hire Income	75,743	72,070
Other Charges & Fees	17,813	2,940
<b>Total User Charges &amp; Fees</b>	<b>1,102,893</b>	<b>843,259</b>
<b>c INTEREST</b>		
Interest on Investments	44,727	87,723
<b>Total Interest Revenue</b>	<b>44,727</b>	<b>87,723</b>
<b>d OTHER OPERATING REVENUE</b>		
Reimbursements	61,397	54,288
Service Fee Income	5,921	153,974
Sales Income	610,027	2,215,821
Contract Fees	484,534	1,212,304
Other Operating Revenue	145,125	114,998
<b>Total Other Operating Revenues</b>	<b>1,307,004</b>	<b>3,751,385</b>
<b>e GRANTS</b>		
<u>Commonwealth Special Purpose Funding</u>		
Jirnani Day Care Centre	308,055	582,785
Child Services Pirlangimpi	108,752	206,206
Creche Milikapiti	210,242	210,241
After School Care Wurrumiyanga	182,894	360,027
After School Care Pirlangimpi	93,575	184,202
After School Care Milikapiti	89,885	176,939
Night Patrol Regional	1,053,626	1,168,789
ISRP - Indigenous Sport & Recreation Program Regional	154,652	150,880
ISRP - Jobs Creation Package Regional	190,077	190,077
NT Jobs Packages (Broadcasting) Regional	87,707	85,267
Roads (R2R)	-	344,994
NAIDOC Activities 13/14	-	10,499
<b>Total Commonwealth Special Purpose Funding</b>	<b>2,479,465</b>	<b>3,670,906</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015	2014
	\$	(Restated) \$
<b>3. Operating Revenue (Cont.)</b>		
<b><u>Operational Funding</u></b>		
FAA Operating Grant (NTG)	1,255,472	674,315
FAA Roads	980,502	455,645
General Purpose	418,263	202,547
<b>Total Operational Funding</b>	<b>2,654,237</b>	<b>1,332,507</b>
<b><u>NT Special Purpose Funding</u></b>		
Youth Diversion Scheme	220,000	220,000
Active Remote Communities Sport & Recreation Regional Library	91,155	102,000
Outstations Essential Services	63,165	60,802
Outstations Converted Jobs Program	348,940	325,330
Matching Funds Salary Income	60,729	60,729
Outstations Housing Maintenance	522,274	555,944
NTDRP – Milikapiti Rec Hall Community Shelter	137,120	153,202
SPG Re-Branding Regional Council	2,010	8,000
Family as First Teachers DET	-	100,720
Workforce Mentoring	89,578	338,750
SPG Establishment Local Authorities	-	188,750
CGT – Wurrumiyanga Swimming Pool Upgrade 2014	-	30,000
Homelands Extra Allowance – Regional	-	42,082
Indigenous Training for Employment Program	-	10,400
Imparja Cup	-	2,303
Grass Roots	5,479	-
Barge Landing Upgrade Wurrumiyanga	-	4,800
Australia Day	-	(45,856)
Traffic Management	1,000	1,000
Cricket Pitch Facility & Capital	-	35,000
2013-2014 CIGP Rainwater & Septic Tanks	-	7,500
NTNDRP – Ranku Washout	-	22,727
Bush Camps	-	5,255
BNT Women's Basketball	5,000	-
Local Authorities Wurrumiyanga	5,478	-
Local Authorities Pirlangimpi	219,206	-
Local Authorities Milikapiti	55,334	-
Strengthening Local Authorities	69,004	-
MESSPG – Paru Water Line & Takapimilyi Causeway	184,858	-
NDRRA – Paru Road	83,337	-
NDRRA – 17 Mile Bend	68,098	-
Seniors Month	107,097	-
Talent Quest & Karaoke Night Pirlangimpi	1,500	-
Imparja Substance Abuse Video	1,000	-
Keep Australia Beautiful – Recycling	9,091	-
<b>Total NT Special Purpose Funding</b>	<b>8,636</b>	<b>-</b>
<b>Current Operating Funding Total</b>	<b>2,359,089</b>	<b>2,229,438</b>
	<b>7,492,791</b>	<b>7,232,851</b>

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>(Restated)</b>
		<b>\$</b>
<b>3. Operating Revenue (Cont.)</b>		
<b><u>Prior Year Grants Brought Forward Operating</u></b>		
Night Patrol Regional	-	20,038
Toursim NT	-	20,000
Family Safety – LED Pool Lights	-	30,791
HMP Fencing Program	-	540,000
Family as First Teachers DET	-	56,722
Roads (R2R)	-	112,765
ISRP – Jobs Creation Package Shire	-	48,102
<b>Total Prior Year Operating Grants</b>	<b>-</b>	<b>828,418</b>
<b><u>Operating Grant Liability</u></b>		
Creche Milikapiti	(1,123)	(32,114)
Jirnani Day Care Centre	-	(54,599)
After School Care Wurrumiyanga	-	(98,843)
After School Care Pirlangimpi	-	(72,111)
After School Care Milikapiti	(10,842)	(88,716)
Child Services Pirlangimpi	-	(4,136)
ISRP - Jobs Creation Package Regional	(51,874)	(109,097)
Night Patrol Regional	(219,180)	-
Family Safety – LED Pool Lighting	(2,220)	-
Active Remote Communities Sport & Recreation Program	(2,005)	(30,653)
Install Cricket Pitch	-	(201)
Outstations Converted Jobs Program	-	(59,269)
NAIDOC Week	(5,664)	-
Youth Diversion	(21,884)	-
Imparja Cup	(1,725)	-
CTG – Wurrumiyanga Pool	(7,546)	-
SPG – Bunded Fuel Tanks Milikapiti	(2,392)	-
CIGP – Miscellaneous Repairs to Bores	(545)	-
<b>Total Operating Grant Liability</b>	<b>(327,000)</b>	<b>(549,739)</b>
<b>TOTAL OPERATIONAL FUNDING</b>	<b>7,165,791</b>	<b>7,511,530</b>
<b><u>Commonwealth Capital Funding</u></b>		
Bathurst Island Oval Upgrade ABA – Portable Stage	-	201,310
<b>Commonwealth Capital Funding Total</b>	<b>-</b>	<b>201,310</b>
<b><u>NT Capital Funding</u></b>		
TEABBA – RIBS Upgrade	-	10,000
CTG – Caterpillar Dozer	225,000	-
<b>NT Capital Funding Total</b>	<b>225,000</b>	<b>10,000</b>
<b><u>Prior Years Capital Funding</u></b>		
<b><u>Capital</u></b>		
CDEP Community Development and Support Regional	-	46,101
Night Patrol Regional	-	5,487
<b>Total Prior Years Capital Funding</b>	<b>-</b>	<b>51,588</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015	2014
	\$	(Restated) \$
<b>3. Operating Revenue (Cont.)</b>		
<b><u>Capital Grant Liability</u></b>		
CTG – Shade Structure Milikapiti Water Park	(18,761)	-
<b>Total Capital Grant Liability</b>	<u>(18,761)</u>	<u>-</u>
<b>TOTAL CAPITAL FUNDING</b>	<u><b>206,239</b></u>	<u><b>262,898</b></u>
<b>TOTAL GRANTS</b>	<u><b>7,372,030</b></u>	<u><b>7,774,428</b></u>
<b>f CONTRIBUTIONS &amp; DONATIONS</b>		
Cash Donations	3,836	49,217
	<u><b>3,836</b></u>	<u><b>49,217</b></u>
<b>4. Operating Expenses</b>		
<b>a EMPLOYEE COSTS</b>		
Wages and Salaries	5,776,307	6,969,247
Annual Leave and Long Service Leave Movements	1,248,753	1,322,524
Superannuation	664,456	690,594
FBT	7,315	33,538
Workers Compensation	211,341	215,032
Relocation/Recruitment	24,254	32,625
Other Employee Related Expenses	6,451	17,462
<b>TOTAL EMPLOYEE COSTS</b>	<u><b>7,938,877</b></u>	<u><b>9,281,022</b></u>
<b>b INTEREST CHARGES</b>		
Bank Fees	6,074	393
<b>Total Interest Charges</b>	<u><b>6,074</b></u>	<u><b>393</b></u>
<b>c DEPRECIATION &amp; AMORTISATION</b>		
<b>Depreciation</b>		
Buildings Depreciation	1,600,981	1,595,757
Infrastructure	321,402	327,177
Plant and Machinery Depreciation	291,116	294,202
Equipment Depreciation	101,021	88,467
Motor Vehicles Depreciation	314,268	331,427
<b>Total Depreciation</b>	<u><b>2,628,788</b></u>	<u><b>2,637,030</b></u>
<b>d OTHER OPERATING EXPENSES</b>		
Council Chairman's Allowance	57,588	84,637
Councillor Allowance Expenses	142,315	212,525
Local Authority Allowances	12,092	6,258
Electoral Commission Expenses	796	833
Insurance	310,524	337,208
Other Operating Expenses	7,767	(309)
<b>Total Other Operating Expenses</b>	<u><b>531,082</b></u>	<u><b>641,152</b></u>



TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015	2014
	\$	(Restated) \$
<b>4. Operating Expenses (Cont.)</b>		
<b>e MATERIALS &amp; CONTRACTS</b>		
Accounting Fees	144,981	54,405
Bad Debt write-off Exp	100,529	318,081
Communication Expenses	152,251	195,134
Consultants & Legal Expenses	251,363	89,151
Contract Labour	394,949	661,814
Contract Materials	7,979	9,045
Electricity	169,863	167,993
Freight	269,965	284,265
Fuel & Oil Motor Vehicles	509,316	595,313
Gas Expenditure	7,033	6,791
Material Expenditure	1,986,796	2,121,599
Operating Lease Expenses	265,675	289,216
Software/Internet/Support	341,678	370,937
Travel/Accommodation/Training	451,601	374,734
Sea cat ferry expenses	-	36
Other Materials & Contracts	333,210	(300,778)
<b>Total Materials &amp; Contracts</b>	<b>5,387,189</b>	<b>5,237,736</b>
<b>f LOSS ON DISPOSAL OF ASSETS</b>		
Net Expense from Disposal of assets	5,575,404	(14,091)
<b>Total Expense from Disposal of assets</b>	<b>5,575,404</b>	<b>(14,091)</b>
<b>5 Cash and Investments</b>		
<b>CASH</b>		
Current Operating Accounts & Cash on Hand	1,072,550	2,650,715
<b>TOTAL CASH</b>	<b>1,072,550</b>	<b>2,650,715</b>
<b>Restricted Cash</b>		
NT Jobs Packages	6,898	2,582
Bathurst Island Oval Upgrade ABA – Portable Stage	103,251	200,360
Night Patrol Regional	-	111,250
NAIDOC Week	-	10,253
Roads (R2R)	-	43,986
Family as First Teachers	-	141,271
Youth Diversion Scheme	-	24,803
Active Remote Communities Sport & Recreation Regional	-	15,032
Grass Roots	-	2,765
Workforce Mentoring	-	77,563
Traffic Management	-	19,794
CTG - Shade Structure Milikapiti Water Park	-	25,000
CTG - Repairs to Pirlangimpi & Milikapiti Libraries	-	8,855
CTG – Milikapiti Water Park Feature	-	57,120
CTG – Wurrumiyanga Pool	-	20,789
SPG – Bunded Fuel Tanks Milikapiti	-	27,102
SPG Establishment of Local Authorities	-	4,551

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>(Restated)</b>
		<b>\$</b>
<b>5 Cash and Investments (Cont.)</b>		
SPG Re-Branding Regional Council	70,477	99,017
Family Safety - LED Pool Lights	-	23,605
Outstations Housing Maintenance	44,283	35,685
CIGP - Miscellaneous Repairs to Bores	-	24,177
CIGP - Paru Septic Tank Lids & Ranku New Fuel Tank Lines	-	22,727
CIGP - Septic and Water Tanks	-	18,183
Homelands Extra Allowance - Regional	-	10,400
HMP Fencing Program	316,332	518,913
NTDRP - Milikapiti Recreation Hall	-	8,000
TEABBA - RIBS Upgrade	10,000	10,000
CTG - Caterpillar Dozer	224,478	-
Local Authorities - Wurrumiyanga	210,117	-
Local Authorities - Pirlangimpi	55,334	-
Local Authorities – Milikapiti	69,004	-
Strengthening Local Authorities Fund	141,122	-
Municipal and Essential Services	19,916	-
MESSPG – Paru Water Line & Takapimilyi Causeway	29,135	-
<b>Total Restricted Cash</b>	<b>1,300,347</b>	<b>1,563,783</b>
<b>Total Unrestricted</b>	<b>(227,797)</b>	<b>1,086,932</b>
<b>Total Cash Available</b>	<b>1,072,550</b>	<b>2,650,715</b>

**6 Current Assets - Receivables**

Rates & Annual Charges	293,766	255,487
GST Receivables	-	885
Accrued Income	1,953	39,099
Other Receivables	208,238	632,352
Less Provision for Doubtful Debts	(258,034)	(304,755)
<b>TOTAL RECEIVABLES</b>	<b>245,923</b>	<b>623,068</b>

**a Trade receivables and allowance for doubtful debts**

Trade receivables are non-interest bearing and are generally on 30 day terms. The ageing of trade receivables at 30 June 2015 is detailed below:

Not past due	183,454	2,300,426
Past due 31-60 days	71,705	523,247
Past due 61-90 days	68,635	14,253
Past due 91 days	123,959	322,877
Unapplied Credits	(254,160)	(2,235,552)
<b>Total Gross Trade Receivables 2014</b>	<b>193,593</b>	<b>925,251</b>

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

	2015	2014
	\$	(Restated) \$
<b>6 Current Assets – Receivables (Cont.)</b>		
<b>b Impaired receivables</b>		
As at 30 June 2015, receivables with a nominal value of \$23,261 were impaired (2014: \$90,160). Receivables are assessed for impairment by ascertaining the recoverability of the amounts, and are provided for when there is objective evidence indicating that the debt may not be fully recoverable to the Council. The ageing of the impaired receivables are as follows:		
Not past due	-	-
Past due 31-60 days	9,040	-
Past due 61-90 days	4,849	-
Past due 91-days	244,145	304,755
<b>Total Impaired Receivables</b>	<b>258,034</b>	<b>304,755</b>
Movements in the provision for impairment are as follows		
Balance at beginning of year	(304,755)	(219,665)
Amounts written off during the year	97,086	-
Provision for impairment recognised during the year	(50,365)	(85,100)
Reversal of provision for impairment	-	-
<b>Balance at end of year</b>	<b>(258,034)</b>	<b>(304,765)</b>
As at 30 June 2015, current receivables of the Council with a nominal value of \$316,629 (2014: \$555,622) were past due but not impaired. These relate to a number of customers for whom there is no history of default. The ageing of these receivables are as follows:		
Past due 31-60 days	62,665	523,247
Past due 61-90 days	63,786	14,253
Past due 91-days	190,178	18,122
<b>Total Receivables</b>	<b>316,629</b>	<b>555,622</b>
<b>7 Other Assets</b>		
Inventories:		
Fuel Stock	30,374	60,735
Stores and Material	278,801	791,047
Prepayments	-	30,795
<b>TOTAL OTHER ASSETS</b>	<b>309,175</b>	<b>882,577</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015	2014
	\$	(Restated) \$
<b>8 Property Plant &amp; Equipment</b>		
<b>a Gross carrying amount and accumulated depreciation</b>		
<b>Prescribed Buildings - at revaluation</b>	25,512,579	31,489,551
Less: Accumulated Depreciation and Impairment	(6,341,348)	(6,438,391)
<b>Total</b>	<b>19,171,231</b>	<b>25,051,160</b>
<b>Plant and Machinery - at cost</b>	2,986,825	3,154,174
Less: Accumulated Depreciation and Impairment	(1,630,217)	(1,451,836)
<b>Total</b>	<b>1,356,608</b>	<b>1,702,338</b>
<b>Equipment - at cost</b>	401,959	605,411
Less: Accumulated Depreciation and Impairment	(222,738)	(200,974)
<b>Total</b>	<b>179,221</b>	<b>404,437</b>
<b>Motor Vehicles - at cost</b>	1,357,315	1,760,598
Less: Accumulated Depreciation and Impairment	(994,047)	( 975,248)
<b>Total</b>	<b>363,268</b>	<b>785,350</b>
<b>Prescribed Infrastructure - at revaluation</b>	4,300,489	5,881,825
Less: Accumulated Depreciation and Impairment	(1,156,009)	(1,229,633)
<b>Total</b>	<b>3,144,480</b>	<b>4,652,192</b>
<b>Work in Progress</b>	222,202	46,449
<b>Total</b>	<b>222,202</b>	<b>46,449</b>
<b>Total Property, Plant and Equipment</b>	<b>24,437,010</b>	<b>32,641,926</b>
<b>b Movements in carrying amounts</b>		
<b>Buildings - at revaluation</b>		
Buildings - at revaluation	25,051,160	25,720,855
Plus: Revaluation	-	-
Plus: Acquisitions	-	926,062
Less: Sold/Written Off	(4,278,948)	-
Less: Depreciation	(1,600,981)	(1,595,757)
<b>Total</b>	<b>19,171,231</b>	<b>25,051,160</b>
<b>Plant and Machinery - at cost</b>		
Plant and Machinery - at cost	1,702,338	1,964,877
Plus: Acquisitions	20,490	31,664
Less: Sold/Written Off	(75,104)	-
Less: Depreciation	(291,116)	(294,203)
<b>Total</b>	<b>1,356,608</b>	<b>1,702,338</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015	2014 (Restated)
	\$	\$
<b>8 Property Plant &amp; Equipment (Cont.)</b>		
<b>Equipment - at cost</b>		
Equipment - at cost	404,437	302,914
Plus: Acquisitions	17,460	189,990
Less: Sold/Written Off	(141,655)	-
Less: Depreciation	(101,021)	(88,467)
<b>Total</b>	<b>179,221</b>	<b>404,437</b>
<b>Motor Vehicles - at cost</b>		
Motor Vehicles at cost	785,350	1,055,039
Plus: Acquisitions	47,419	61,738
Less: Sold/Written Off	(155,233)	-
Less: Depreciation	(314,268)	(331,427)
<b>Total</b>	<b>363,268</b>	<b>785,350</b>
<b>Prescribed Infrastructure - at revaluation</b>		
Infrastructure - at revaluation	4,652,192	4,958,939
Plus: Acquisitions	-	20,430
Less: Sold/Written Off	(1,186,310)	-
Less: Depreciation	(321,402)	(327,177)
<b>Total</b>	<b>3,144,480</b>	<b>4,652,192</b>
<b>Work in Progress</b>		
Opening Balance	46,449	392,535
Disposals	-	-
Purchased	261,121	883,797
Capitalisation	(85,368)	(1,229,883)
<b>Total</b>	<b>222,202</b>	<b>46,449</b>
<b>TOTAL - All Non-Current Assets</b>	<b>24,437,010</b>	<b>32,641,926</b>
<b>9 Creditors, Provisions &amp; Borrowings</b>		
<b>a Creditors</b>		
Goods & Services	657,975	482,400
Employee Related	47,861	307,586
GST Payable	-	30,940
Credit Cards Payable	77	-
Other creditors	13,081	72,043
<b>Total Accounts Payable</b>	<b>718,994</b>	<b>892,969</b>
<b>b Other Liabilities</b>	22,730	16,172
Unexpended grant liability	954,161	663,288
	976,891	679,460
<b>TOTAL CREDITORS</b>	<b>1,695,885</b>	<b>1,572,429</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015 \$	2014 (Restated) \$
<b>9 Creditors, Provisions &amp; Borrowings (Cont.)</b>		
<b>c <u>Provision - Current</u></b>		
Annual Leave	840,545	859,390
Current Long Service Leave	278,071	348,280
<b>Total Current Provisions</b>	<b>1,118,616</b>	<b>1,207,670</b>
<b>d <u>Provisions - Non Current</u></b>		
Long Service Leave	262,277	151,034
<b>Total Non-Current Provisions</b>	<b>262,277</b>	<b>151,034</b>
<b>TOTAL PROVISIONS</b>	<b>1,380,893</b>	<b>1,358,704</b>
<b>e <u>Borrowings (Unsecured)</u></b>		
Non Current Borrowings	666,667	666,667
<b>TOTAL BORROWINGS</b>	<b>666,667</b>	<b>666,667</b>
<b>TOTAL CREDITORS, PROVISIONS &amp; BORROWINGS</b>	<b>3,743,445</b>	<b>3,597,800</b>
<b>10 Statement of Cash Flows</b>		
<b>a Reconciliation of Cash</b>		
Cash on hand and at Bank	76,689	407,043
Cash Management Account	995,861	2,243,672
Balances as per Statement of Cash Flow	<b>1,072,550</b>	<b>2,650,715</b>
<b>b Reconciliation of Change in Net Assets to Cash from Operating Activities</b>		
Change in net assets after operations	(10,879,274)	(4,166,504)
<b>Add:</b>		
Depreciation and Amortisation	2,628,788	2,637,030
Decrease in Stock	542,606	364,942
Decrease in Trade & Other Receivables	377,144	590,049
Decrease in Prepayments	30,795	-
Increase in Provisions	22,189	-
Increase in Other Current Liabilities	297,431	-
Loss on sale of Fixed Assets	5,574,404	-
	(1,404,915)	(574,481)
<b>Less:</b>		
Decrease in Trade Creditors	173,975	390,571
Decrease in Other Current Liabilities	-	363,627
Decrease in Provision	-	5,113
Increase in Prepayments	-	28,785
Profit on Sale of Fixed Assets	-	14,092
	173,975	802,188
<b>Net Cash used in operating activities</b>	<b>(1,578,890)</b>	<b>(1,376,669)</b>

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

	2015	2014
	\$	(Restated) \$
<b>11 Operating Leases</b>		
Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:		
Not later than one year	256,998	257,824
Later than one year and not later than 5 years	848,665	866,055
Later than 5 years	2,658,303	2,589,618
<b>12 Commitments for Expenditure</b>		
The Council has entered into contracts for future capital expenditure which are not provided in the financial statements. These commitments are for motor vehicles as follows:		
Not later than one year	166,303	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
<b>13 Conditions Over Grants &amp; Contributions</b>		
Grant and Contributions that were obtained on the condition that they be expended on specific purposes or in a future period but which are not yet expended in accordance with those conditions, are as follows:		
<b>Grant Liability from 10/11 Funding Year</b>		
CIGP – Miscellaneous Repairs to Bores	545	-
<b>10/11 Grant Liability Total</b>	545	-
<b>Grant Liability from 11/12 Funding Year</b>		
Community Fitness	1,249	1,249
Cape Forcroy Road	46,240	46,240
CTG – Shade Structure at Milikapiti Water Park	18,761	-
<b>11/12 Grant Liability Total</b>	66,250	47,489
<b>Grant Liability from 12/13 Funding Year</b>		
CDEP Participant Wages	-	3,188
Child Care Pirlangimpi	95	95
LED Pool Lights Shire	2,220	-
Art JCP	11,077	11,077
CDEP Community Development and Support HR	-	45,040
CDEP Community Development and Support Cool Rooms	-	6,660
SPG – Bunded Fuel Tanks Milikapiti	2,392	-
<b>12/13 Grant Liability Total</b>	15,784	66,060

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

	2015	2014
	\$	(Restated) \$
<b>13 Conditions Over Grants &amp; Contributions (Cont.)</b>		
<b>Grant Liability from 13/14 Funding Year</b>		
OSHC Wurrumiyanga	98,843	98,843
OSHC Pirlangimpi	72,111	72,111
OSHC Milikapiti	88,716	88,716
Child Care Wurrumiyanga	54,599	54,599
Child Care Pirlangimpi	4,136	4,136
Child Care Milikapiti	32,114	32,114
ISARP – Jobs Creation Package	109,097	109,097
NAIDOC Week	5,664	-
Active Remote Communities	30,653	30,653
Active Remote Communities – Variation Money	2,005	-
Install Cricket Pitch	201	201
CTG – Wurrumiyanga Pool	7,546	-
NT Jobs Package	59,269	59,269
<b>13/14 Grant Liability Total</b>	564,954	549,739
<b>Grant Liability from 14/15 Funding Year</b>		
OSHC Milikapiti	10,842	-
ISARP – Jobs Creation Package	51,874	-
Regional Night Patrol	219,180	-
Child Care Milikapiti	1,123	-
Youth Diversion Unit	21,884	-
Active Remote Communities – BNT Women's Basketball	1,725	-
<b>14/15 Grant Liability Total</b>	306,628	-
<b>Total Grant Liability</b>	954,161	663,288

**14 Financial Risk Management**

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

*Liquidity Risk*

Liquidity risk is the risk that the council will not be able to meet its obligations as and when they fall due. The Council manages its liquidity risk by monitoring cash flows and also through its budget management process. Due to the nature of its business, the Council is able to estimate its income and cash flows based on grant funding timeframes.

*Credit Risk*

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is monitored by management on an ongoing basis. The maximum exposure to credit risk, excluding the value of any collateral or other security, is limited to the total carrying value of financial assets, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Council does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Council.

The majority of the Council's debtors are government owned and funded entities and credit risk for the Council is low.



**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

**14 Financial Risk Management (Cont.)**

*Market Risk*

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Council's income or the value of its holdings of financial instruments. Exposure to market risk is closely monitored by the Council. The Council does not have any material market risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Council manages its interest rate risk by maintaining floating rate cash and floating rate debt.

*Sensitivity analysis*

At balance date, the Council had the following financial assets exposed to variable interest rate risk:

	2015	2014
	\$	(Restated) \$
<b>Financial Assets</b>		
Cash at bank	1,072,550	2,650,715
Investment	-	-
	1,072,550	2,650,715

At balance sheet date Council has not entered into any loans or other financial commitments that present exposure to interest rate risk. Credit cards are the only short term financial instrument used by Council and balances are cleared at month end. The table below details the interest rate sensitivity analysis of the Council at balance date, holding all other variables constant. A 100 basis point change is deemed to be possible change and is used when reporting interest rate risk.

	Change in Variable	Effect on Profit or Loss 2015	Effect on Equity 2015	Effect on Profit or Loss 2014 (Restated)	Effect on Equity 2014 (Restated)
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash at bank and Investments	1%	10,725	10,725	26,507	26,507
	(1)%	(10,725)	(10,725)	(26,507)	(26,507)

**14b Net fair values of financial assets and liabilities**

**Cash and cash Equivalents:** The carrying amounts of cash and cash equivalents approximates their fair value due to its short term to maturity nature.

**Loans and receivables and Trade and other payables:** Their carrying amounts approximate their fair value due to its short term to maturity nature.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015

14c Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for the financial instruments of a fixed period of maturity, as well as management's expectation of the settlement period for the all financial instruments.

Financial Instruments	Within 1 year		1 - 5 years maturing in 1 year or less		Over 5 years maturing in 1 to 5 years		Total Carrying amount	
	2015 \$	2014 (Restated) \$	2015 \$	2014 (Restated) \$	2015 \$	2014 (Restated) \$	2015 \$	2014 (Restated) \$
<b>Financial Assets - cash flows realisable</b>								
Cash on Hand	1,072,550	2,650,715	-	-	-	-	1,072,550	2,650,715
Trade and other receivables	245,923	623,067	-	-	-	-	245,923	623,067
Short Term Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,318,473</b>	<b>3,273,782</b>					<b>1,318,473</b>	<b>3,273,782</b>
<b>Financial Liabilities due for payment</b>								
Trade and other payables	718,994	892,969	-	-	-	-	718,994	892,969
Borrowings	-	-	666,667	666,667	-	-	666,667	666,667
Other Current Liabilities	22,729	16,172	-	-	-	-	22,729	16,172
Unexpended Grant Liability	954,162	663,288	-	-	-	-	954,162	663,288
<b>Total</b>	<b>1,695,885</b>	<b>1,572,429</b>	<b>666,667</b>	<b>666,667</b>	<b>-</b>	<b>-</b>	<b>2,362,552</b>	<b>2,239,096</b>

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2015

#### 15 Fair Value Measurement

In accordance with AASB 13, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant standards, are categorised into 3 levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and, Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable data)

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

#### (a) Financial Assets and Liabilities

The Council has no financial assets and liabilities measured at fair value as at 30 June 2015.

#### (b) Non-Financial Assets

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>30 June 2015</b>				
Buildings & Infrastructure		\$22,315,711		
<b>30 June 2014 (Restated)</b>				
Buildings & Infrastructure		\$29,703,352		

#### *Buildings and infrastructure*

The fair values of the Buildings and Infrastructure are estimated using a market approach which uses prices and other market data derived from observed transactions for the same or similar assets. Assets used by not for profit and public sector entities, which also have a commercial use, are likely to be valued based on observable market values considering the highest and best use requirements of AASB 13. The buildings and infrastructure used for a public service or as an administration building by a government agency in close proximity to other offices used for commercial purposes would be competing with commercial users for that office space within the market. As a result these properties' fair value could be determined based on sales of comparable buildings.

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

**16 Reserves**

The Council in its meeting held on 27 May 2015 decided to transfer the unspent balance of the budget allocation for election expenses at 30 June each year from accumulated funds to the election reserve and use that amount of money to fund future Council general elections and by-elections at the direction of the CEO.

At the same meeting the Council decided to transfer an initial amount of \$25,000 from the recent sale of surplus Council vehicles from accumulated funds to the asset replacement reserve and to use that amount to fund future Council motor vehicle and major plant / equipment purchases as directed by the CEO. Future proceeds from the sale or auction of Council motor vehicles / plant / equipment are to be credited to the asset replacement reserve as directed by the CEO.

	<b>1 July 14 (Restated)</b>	<b>Transfer to Reserve</b>	<b>Transfer from Reserve</b>	<b>30 June 15</b>
	\$	\$	\$	\$
<b>Other Reserves</b>				
Election Reserve	-	10,000	-	10,000
Asset Replacement Reserve	-	25,000	-	25,000
<b>Total Other Reserves</b>	-	35,000	-	35,000

**17 Related party transactions**

**a Responsible Persons**

Names of persons holding the position of a Responsible Person at the Council during or since the end of the financial year are:

**Councillors**

Lynette De Santis  
 Pirrawayingi Puruntatameri  
 Therese Bourke  
 Crystal Johnson Kerinaia (ceased 27/1/16)  
 Anita Moreen  
 John Naden  
 Venard Pilakui (elected 17/10/14)  
 Barry Puruntatameri  
 Manyi Rioli  
 Gawin Tipiloura  
 Rose Tipiloura  
 Stanley Tipiloura (appointed 27/4/16)  
 Brian Tipungwuti (resigned 18/7/14)  
 Leslie Tungatalum

**Chief Executive Officer**

Alan Hudson (ceased 18/2/15)  
 Garry Lambert (appointed 25/3/15, ceased 18/10/15)  
 Marion Scrymgour (appointed 19/10/15)

**Official Manager**

Allan McGill (appointed 17/2/15, ceased 14/9/15)

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

**17 Related party transactions (Cont.)**

**b Remuneration of Responsible Persons**

The aggregate compensation made to responsible persons and other members of key management personnel in the financial year is set out below:

	<b>2015</b>	<b>2014</b>
	\$	\$
Short term employee benefits	466,595	493,615

**c** No retirement benefits have been made by the Council to a Responsible Person.

**d** No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year 2014/15.

**e** No transactions other than remuneration payment or reimbursement of approved expenses were entered into by the Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year 2014/15.

**f Investment in Councilbiz**

CouncilBiz was incorporated as a Local Government subsidiary on 10 June 2008 and commenced operations on 1 July 2008 providing administrative, ICT and Business Systems support to the 8 member Councils. It is a Local Government subsidiary, created as part of the Northern Territory Local Government Reform Agenda, under the Local Government ACT 2008 and Regulations.

Upon the incorporation of CouncilBiz, the Council made an initial funding contribution of \$50,000. Under the terms and conditions of CouncilBiz's Constitution, the debts and liabilities of CouncilBiz are guaranteed by the members in equal shares or on the basis of the formula agreed by the members. Upon the dissolution of CouncilBiz, the amount that remains after such dissolution and the settlement of all debts and liabilities shall be transferred to another organisation with a similar purpose as agreed to by the members with similar rules to CouncilBiz, such as prohibiting the distribution of assets and income to its members. As the Council will not realise any returns from its \$50,000 funding contribution to CouncilBiz, this amount was expensed when it was incurred.

**18 Contingent Assets and Contingent Liabilities**

Contingent Liabilities

Under the terms and conditions of the Constitution of CouncilBiz, the Council and other members have guaranteed the debts and liabilities of CouncilBiz. As at 30 June 2015, the amount of the obligation cannot be measured with sufficient reliability, and has not been recognised in the accounts.

**19 Auditor's Remuneration**

Amounts received or due and receivable by the auditors of Tiwi Islands Regional Council

	<b>2015</b>	<b>2014</b>
	\$	\$
- Audit or review services	60,300	54,405
- Other Services	-	-
<b>Total Remuneration</b>	60,300	54,405

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2015**

**20 Events after the reporting period**

At the date of this report, no matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.