



TIWI ISLANDS SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

**Independent Auditor's Report
To the members of the Tiwi Island Shire Council**

We have audited the accompanying financial report of Tiwi Island Shire Council (the "Council"), which comprises the statement of financial position as at 30 June 2013, 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 Accountable Officer's certification.

Accountable Officer's responsibility for the Financial Report

The Accountable 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 and 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, 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 Accountable 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.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Tiwi Island Shire Council as at 30 June 2013, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Local Government Act and Regulations 2008.



Merit Partners



Aminul Islam
Director

Darwin

Date: 14 November 2013



Tiwi Islands Shire Council

Tiwi Islands Shire Council

CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I, Alan Hudson, the Chief Executive Officer of the Tiwi Islands Shire 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 2008 and the Local Government (Accounting) Regulations (with the exception of Those where compliance with standards has been qualified) for the year ended 30 June 2013; and
- (b) are in accordance with the accounting and other records of the Council.

Signed by

Date:

A handwritten signature in black ink, appearing to read "Alan Hudson".

14/11/13

Alan Hudson
Chief Executive Officer

TIWI ISLANDS SHIRE COUNCIL

General Purpose Reports and Associated Schedules for the year ended 30 June 2013

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TIWI ISLANDS SHIRE COUNCIL

Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	2013		Restated 2012
REVENUE		\$		\$
Grants and contributions provided for operating purposes	3e	12,237,342		11,710,193
Other Operating Revenue	3d	4,512,466		5,435,755
User Charges and Fees	3b	587,168		516,822
Rates and Annual Charges	3a	943,102		898,240
Interest Revenue	3c	160,552		244,218
Contributions and Donations	3f	33,729		35,913
TOTAL REVENUE		18,474,359		18,841,139
EXPENSES				
Employee Costs	4a	12,041,505		11,168,779
Materials and Contracts	4e	5,689,105		6,030,361
Interest Charges	4b	4,154		3,659
Net Loss from Disposal of assets	4f	46,031		116,215
Other Operating Expenses	4d	645,551		628,251
TOTAL EXPENSES		18,426,347		17,947,266
(DEFICIT)/SURPLUS BEFORE DEPRECIATION AND CAPITAL GRANTS		48,013		893,874
Grants & Contributions provided for: acquisition of assets				
Capital Grants Revenue	3e	367,613		486,402
OPERATIONAL (DEFICIT)/SURPLUS BEFORE DEPRECIATION AND ASSET CLASSIFICATION		415,625		1,380,276
Depreciation	4c	613,851		457,234
Depreciation Prescribed		1,985,198		1,964,372
(DEFICIT)/SURPLUS BEFORE INCOME TAX EXPENSE		- 2,183,423	-	1,041,330
Income Tax Expense			-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		-2,183,423	-	1,041,330

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

TIWI ISLANDS SHIRE COUNCIL

Statement of Financial Position as at 30 June 2013

	Notes	2013	Restated 2012
		\$	\$
CURRENT ASSETS			
Current Operating Accounts & Cash on Hand	5	5,230,423	7,339,519
Trade and Other Receivables	6	1,213,117	2,097,761
Inventories and Prepayments	7	1,218,736	1,337,750
TOTAL CURRENT ASSETS		7,662,276	10,775,029
CURRENT LIABILITIES			
Trade and Other Payables	9a	1,283,540	1,918,627
Current Provisions	9c	1,290,663	1,339,546
Current Borrowings	9e	333,333	1,000,000
Other Current Liabilities	9b	22,074	154,218
Unexpended Grant Liability	9b&14	1,021,013	2,765,728
TOTAL CURRENT LIABILITIES		3,950,623	7,178,119
NET CURRENT ASSETS		3,711,653	3,596,910
NON CURRENT ASSETS			
Buildings Prescribed	8a&b	25,720,855	27,178,702
Infrastructure Prescribed	8a&b	4,958,939	5,156,744
Plant	8a&b	1,964,877	1,931,429
Equipment	8a&b	302,914	157,218
Motor Vehicles	8a&b	929,024	897,604
Motor Vehicles Prescribed	8a&b	126,015	168,780
Work in Progress	8a&b	392,535	531,427
TOTAL NON CURRENT ASSETS		34,395,160	36,021,903
NON CURRENT LIABILITIES			
Non Current Provisions	9d	73,154	68,398
Non Current Borrowings	9e	666,667	-
TOTAL NON CURRENT LIABILITIES		739,821	68,398
NET ASSETS		37,366,992	39,550,415
EQUITY			
Accumulated Funds		37,366,992	39,550,415
TOTAL EQUITY		37,366,992	39,550,415

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

TIWI ISLANDS SHIRE COUNCIL

Statement of Changes in Equity for the year ended 30 June 2013

	Asset Revaluation Reserve-Prescribed Assets	Retained Earnings	Total Equity
Balance at 1 July 2011	31,965,790	8,086,671	40,052,461
Restricted Cash Recognition		539,284	539,284
Restated (Deficit)/Surplus for the year	-	1,041,330	1,041,330
Revaluation increment - Infrastructure			
Revaluation increment - Buildings			
 Balance at 30 June 2012	 31,965,790	 7,584,625	 39,550,415
(Deficit)/Surplus for the year	-	2,183,423	2,183,423
Revaluation increment - Infrastructure			
Revaluation increment - Buildings			
 Balance at 30 June 2013	 31,965,790	 5,401,202	 37,366,992

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

TIWI ISLANDS SHIRE COUNCIL

Statement of Working Capital for the year ended 30 June 2013

	Notes	2013	Restated 2012
CURRENT ASSETS		\$	\$
Current Operating Accounts & Cash on Hand	5	4,765,858	6,811,458
Trade and Other Receivables	6	1,213,117	2,097,761
Inventories and Prepayments	7	1,218,736	1,337,750
TOTAL CURRENT ASSETS		7,197,711	10,246,969
 CURRENT LIABILITIES			
Trade and Other Payables	9a	1,283,540	1,918,627
Current Provisions	9c	1,290,663	1,339,546
Current Borrowings	9e	333,333	1,000,000
Other Current Liabilities	9b	22,074	154,218
Unexpended Grant Liability	14	1,021,013	2,765,728
TOTAL CURRENT LIABILITIES		3,950,623	7,178,119
 NET CURRENT ASSETS		3,711,653	3,596,910
 CURRENT RATIO		 1.82	 1.43

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

TIWI ISLANDS SHIRE COUNCIL

Statement of Cash Flows for the year ended 30 June 2013

	Notes	2013	2012
		\$	\$
Cash Flows from Operating Activities			
<i>Receipts</i>			
Receipts from rates & annual charges		935,539	771,663
Receipts from user charges & fees		587,169	516,822
Interest received		160,552	244,218
Grants & contributions		12,638,684	12,771,792
Other operating receipts		5,404,673	5,281,787
		19,726,616	19,586,281
 <i>Payments</i>			
Payments to employees		12,085,632	11,091,944
Payments for materials & contracts		8,210,358	5,992,151
Payments of interest		4,154	3,659
Other operating payments		517,231	1,148,042
		20,817,375	18,235,797
Net Cash Flows provided by Operating Activities		- 1,090,759	1,350,484
 Cash Flows from Investing Activities			
<i>Receipts</i>			
Proceeds from sale of assets		14,074	-
		14,074	-
<i>Payments</i>			
Purchase of assets		1,032,410	2,011,523
		1,032,410	2,011,523
Net Cash Flows used in Investing Activities		- 1,018,336	- 2,011,523
 Cash Flows from Financing Activities			
<i>Receipts</i>			
Cash transferred from constituent councils on restructure			
Borrowings		-	-
		-	-
<i>Payments</i>			
Repayment of Borrowings			
		-	-
Net Cash Flows used in Investing Activities		-	-
 NET INCREASE/(DECREASE) IN CASH HELD		- 2,109,096	- 661,039
Cash at Beginning of Reporting Period		7,339,519	8,000,558
Cash at End of Reporting Period		5,230,423	7,339,519

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

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

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 Shire Council.

The Local Government Reporting Entity Tiwi Islands Shire 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 Shire, and accountability of the resources entrusted to it.

Basis of Accounting

Statement of Compliance

The financial report is a general purpose financial report, which has been prepared to comply with applicable Australian Accounting Standards and Interpretations, the requirements of the Local Government Act and Regulations, and other mandatory professional reporting.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as applicable to for 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

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

Title	Effective date
• AASB 9: Financial Instruments (December 2010)	1 January 2015
• AASB 13: Fair Value Measurement	1 January 2013
• AASB 127: Separate Financial Statements	1 January 2013
• AASB 128: Investment in Associates and Joint Ventures	
• AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7]	1 January 2013
• AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
• AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual improvements [AASB 9]	1 January 2013

No accounting standard has been adopted earlier than the application date as stated in the standard.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

1. Summary of Accounting Policies continued

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. The accounting policies adopted for the reporting period are consistent with those of the previous reporting period except where otherwise indicated.

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

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair value of the consideration given in the exchange for assets. 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.

Revenue is measured on major income categories as follows:

(i) Rates

Rates are an enforceable debt linked to rateable property. As such, Council recognises Rates Income at the time of levying, or earlier upon receipt of rates paid in advance.

The rating period and reporting period for the Council are the same and accordingly all rates levied for the year are recognised as revenue within the period.

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

Control over granted and contributed assets is normally obtained upon their receipt (or acquittal), 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.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

1. Summary of Accounting Policies continued

(v) Commercial and contract revenue

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 financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Assets

(i) Loans and Receivables

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.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

1. Summary of Accounting Policies continued

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.

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 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 Shire 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.

On formation of the Tiwi Islands Shire Council, Tiwi Islands Local Government Fixed Assets were written off as part of the gain on restructure as these could not be reliably recognised or measured. The Council has deemed prudent that these assets should be recognised in some form as the Council has responsibility to insure and manage these assets without clear title.

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 Shire 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 as carrying amounts do not differ materially from those that would be determined using fair value at the end of each reporting period.

This revaluation excludes contingent assets where funding was originally provided to Tiwi Islands Shire Council's former entities. TISC does not currently control those asset(s).

Revaluation increments arising from recognising assets at valuation are offset against one another within the class of asset. 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.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

1. Summary of Accounting Policies continued

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 lives which are reviewed each reporting period.

Major depreciation periods are;

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

Valuation

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

Impairment of Assets

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

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.

(iv) Superannuation

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

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

1. Summary of Accounting Policies continued

(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

Tiwi Islands Shire 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

Where relevant, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

2a Functions	01 General Public Services		02 Public Order & Safety		03 Economic Affairs		04 Environmental Protection		05 Housing	
	2013 Budget	2013 Actual	2013 Budget	2013 Actual	2013 Budget	2013 Actual	2013 Budget	2013 Actual	2013 Budget	2013 Actual
OPERATING REVENUES										
Income Rates General	518,454	567,275	-	-	-	-	-	-	-	-
Income Rates Waste	-	-	-	-	-	-	356,208	375,827	-	-
Income Council Fees and Charges	-	266,097	-	317	-	109,462	-	-	-	144,147
Income Operating Grants Subsidies	3,185,546	1,432,709	1,181,340	1,255,793	5,293,706	6,027,699	-	335,149	211,891	340,790
Income Investments	-	160,552	-	-	-	-	-	-	-	-
Income Contributions Donations	13,895	-	-	-	-	-	-	2,331	-	-
Income Reimbursements	-	158,186	-	600	-	-	-	-	-	2,340
Income Agency & Commercial Serv	1,731,452	1,687,435	-	-	318,906	603,384	-	-257,346	3,606,625	2,358,881
Income Capital Grants	2,000,000	-	-	-	-	367,613	-	-	-	-
Inc Sale of Assets	50,000	15,124	-	-	-	-	-	-	-	888
Prescribed Depreciation Offset	1,904,475	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	9,403,822	4,287,378	1,181,340	1,256,710	5,612,612	7,108,158	356,208	455,962	3,818,516	2,845,270
OPERATING EXPENSES										
Employee Expenses	3,898,248	4,646,280	853,924	857,821	3,177,150	3,229,403	78,965	71,946	1,389,191	1,512,981
Contract and Material Expenses	- 894,035	- 847,017	247,178	251,700	3,685,554	1,387,618	329,179	47,422	1,739,987	852,855
Utility expenses	112,243	113,691	3,440	3,137	45,496	65,614	-	-	67,047	70,923
Fuel Expenses	42,421	125,478	28,180	31,680	246,250	250,511	19,250	25,117	98,957	137,592
Communication Expenses	72,711	8,899	27,680	66,834	325,624	211,423	8,600	6,959	195,221	204,596
Finance Expenses	62,500	59,551	-	13	-	401	-	-	-	697
Depreciation	517,712	385,223	-	6,375	-	219,840	-	29,807	-	11,124
Depreciation Prescribed	1,904,475	769,126	-	24,535	-	265,270	-	-	-	532,354
Training	- 144,047	42,876	4,500	2,537	61,448	97,885	3,500	3,502	3,147	17,875
Travel and accommodation	245,928	305,725	26,840	20,896	133,000	53,425	1,000	76	4,000	- 19,609
Councillor allowance expenses	298,110	288,679	-	-	-	-	-	-	-	-
Miscellaneous Expenses	99,657	347,017	7,416	77,832	243,079	77,582	2,000	67,578	6,308	7,119
Assets	1,232,120	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	7,448,042	6,245,529	1,199,158	1,343,361	7,917,600	5,858,972	442,494	252,408	3,503,858	3,328,506
NET RESULT	1,955,780	- 1,958,151	- 17,818	- 86,650	-2,304,988	1,249,186	-86,286	203,554	314,658	- 483,236

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

2a Functions Continued	06 Health		07 Recreation, Culture and Religion		08 Education		09 Social Protection		Total	
	2013 Budget	2013 Actual	2013 Budget	2013 Actual	2013 Budget	2013 Actual	2013 Budget	2013 Actual	2013 Budget	2013 Actual
OPERATING REVENUES										
Income Rates General	-	-	-	-	-	-	-	-	518,454	567,275
Income Rates Waste	-	-	-	-	-	-	-	-	356,208	375,827
Income Council Fees and Charges	-	-	-	3,236	-	-	-	-	-	523,259
Income Operating Grants Subsidies	-	-	1,045,944	769,199	281,478	399,374	1,668,976	1,676,628	12,868,881	12,237,342
Income Investments	-	-	-	-	-	-	-	-	-	160,552
Income Contributions Donations	-	-	-	31,398	-	-	-	-	13,895	33,729
Income Reimbursements	-	-	-	1,926	-	-	-	-	-	163,053
Income Agency & Commercial Serv	-	-	-	15,242	-	-	-	5,727	5,656,983	4,413,323
Income Capital Grants	-	-	300,000	-	-	-	-	-	2,300,000	367,613
Inc Sale of Assets	-	-	-	162	-	-	-	-	50,000	14,074
Prescribed Depreciation Offset	-	-	-	-	-	-	-	-	1,904,475	-
TOTAL REVENUES	-	-	1,345,944	820,839	281,478	399,374	1,668,976	1,682,355	23,668,896	18,856,046
OPERATING EXPENSES										
Employee Expenses	-	-	761,970	630,380	173,981	178,147	949,059	914,549	11,282,487	12,041,505
Contract and Material Expenses	-	-	- 44,230	441,780	134,743	170,457	656,828	646,077	5,855,203	2,950,892
Utility expenses	-	-	53,826	52,855	-	-	34,064	37,102	316,116	343,321
Fuel Expenses	-	-	9,000	9,440	6,562	1,938	14,916	4,623	465,536	586,379
Communication Expenses	-	-	77,580	128,601	4,755	54,498	41,745	68,130	753,916	749,940
Finance Expenses	-	-	-	14	-	-	-	-	62,500	60,676
Depreciation	-	-	-	20,553	-	254	-	-	517,712	673,176
Depreciation Prescribed	-	-	-	280,689	-	-	-	114,003	1,904,475	1,985,977
Training	-	-	17,603	12,799	124,750	92,467	15,289	521	86,190	270,464
Travel and accommodation	-	-	47,252	90,467	6,000	9,605	14,251	6,378	478,271	466,964
Councillor allowance expenses	-	-	-	-	-	-	-	-	298,110	288,679
Miscellaneous Expenses	-	-	-	5,603	57,000	622	800	38,142	416,260	621,495
Assets	-	-	-	-	-	-	-	-	1,232,120	-
TOTAL EXPENSES	-	-	923,001	1,673,180	507,791	507,988	1,726,952	1,829,525	23,668,896	21,039,469
NET RESULT	-	-	422,943	- 852,341	- 226,313	- 108,615	- 57,976	- 147,170	-	- 2,183,423

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

2b Component Functions

The activities relating to the Shire functions reported on in the Note 2(a) 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, boarding 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 SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

2(c) Fundamental Errors

Tiwi Islands Shire Council's 2012 Financial data was restated to take into account changes in treatment under AASB1004 where previously restricted cash was incorrectly treated as grant Liability

To comply with AASB1004 Income received in advance for operational funding is recognised based on control. Whilst in our opinion the treatment of this funding misrepresents the true Financial Position.

Restated financial information for the year ended 30 June 2012 is presented below.

	Original Balance	Adjustments	Restated Balance
	\$	\$	\$
Statement of Comprehensive Income			
Grants and contributions provided for operating purposes	10,451,043	1,259,150	11,710,193
Capital Grants Revenue	568,522	-82,120	486,402
Surplus/(Deficit) for the year	-	1,177,030	-
	2,218,360	-	1,041,330
Statement of Financial Position			
Other Current Liability	1,342,471	-	1,188,253
Unexpended Grant Liability	3,293,789	-	528,061
Accumulated Funds	37,834,101	1,716,314	39,550,415
Statement of Changes in Equity			
Retained earnings	37,834,101	1,716,314	39,550,415

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

3 Operating Revenue	2013	2012
	\$	\$
a RATES AND CHARGES		
<u>Ordinary Rates</u>		
General Rates	567,275	533,816
Total Ordinary Rates	567,275	533,816
<u>Annual Charges</u>		
Domestic Waste Charges	375,827	364,424
Total Annual Charges	375,827	364,424
Total Rates & Annual Charges	943,102	898,240
b USER CHARGES & FEES		
User Charge Fee Income	237,588	177,110
Property Lease Rental Fee Income	251,451	238,437
Equipment Hire Income	97,752	55,944
Other Charges & Fees	377	45,330
Total User Charges & Fees	587,169	516,822
c INTEREST		
Interest on Investments	160,552	244,218
Total Interest Revenue	160,552	244,218
d OTHER OPERATING REVENUE		
Reimbursements	163,053	44,073
Service Fee Income	272,906	208,010
Sales Income	2,426,060	2,454,218
Contract Fees	1,471,298	2,608,513
Employment Related Outcome Payments	84,545	46,713
Other Operating Revenue	94,603	74,227
Total Other Operating Revenues	4,512,466	5,435,755
e GRANTS		
<u>Commonwealth Special Purpose Funding</u>		
Jirnani Day Care Centre	574,738	565,687
Child Services Pirlangimpi	203,358	200,156
Creche Milikapiti	207,338	204,073
After School Care Wurrumiyanga	179,133	176,312
After School Care Pirlangimpi	90,829	89,398
After School Care Milikapiti	90,829	89,398
Vacation Care Wurrumiyanga	175,923	173,153
Vacation Care Pirlangimpi	90,829	89,398
Vacation Care Milikapiti	83,667	82,350
Night Patrol Shire	1,084,774	754,271
ISRP - Indigenous Sport & Recreation Program Shire	147,200	130,000
ISRP - Jobs Creation Package Shire	187,268	184,500
CDEP Participant Wages Shire	926,371	1,550,082
CDEP Community Development Stream Shire	111,087	-
CDEP Work Readiness Stream Shire	731,161	596,662

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

3. Operating Revenue continued	2013	2012
	\$	\$
CDEP Service Fees Shire	760,000	760,000
CDEP Community Development and Support Shire	354,000	527,000
CDEP Activity Generated Income	206,368	203,850
CDEP Prior Period Carried Forward	28,150	-
ICS - Cultural Mentoring	40,000	-
NT Jobs Packages (Arts) Shire	94,551	-
NT Jobs Packages (Broadcasting) Shire		91,050
Jirnani Capital Works	-	85,124
Indigenous Community Broadcasting (IBP) Shire	-	55,000
Bush Camps - Combat Petrol Sniffing Strategy	-	35,596
Roads (R2R)	365,906	34,407
Pirlangimpi Womens Centre	-	15,000
Festivals Australia (DRALGAS)	-	48,530
Total Commonwealth Special Purpose Funding	6,733,480	6,740,997
<u>Operational Funding</u>		
FAA Operating Grant (NTG)	460,667	1,240,344
FAA Operating Pre Payment	551,388	620,172
FAA Roads	390,762	624,845
FAA Roads Pre Payment	435,633	429,030
General Purpose	229,620	212,182
General Purpose Pre Payment	193,076	139,051
	2,261,146	3,265,624
<u>NT Special Purpose Funding</u>		
Territory Housing Shire		
Jirnani Day Care Centre	3,918	18,840
Youth Diversion Scheme	142,057	142,057
Active Remote Communities Sport & Recreation Shire	102,000	103,824
Library	60,802	58,883
International Womens Day Shire	-	297
Outstations Essential Services	267,347	259,560
Outstations Converted Jobs Program	60,729	60,729
NTG Sport & Recreation ARCP (Softball)	7,000	-
Outstations Housing Management	40,000	40,000
Community Events Shire	-	3,000
Matching Funds Salary Income	503,478	491,626
Outstations Housing Maintenance	110,013	110,013
CTG - Strengthen Governance Capacity	11,307	113,068
HMP Fencing Program	-	540,000
Sport Demonstration Program -AFL	-	60,000
Family as First Teachers DET	232,000	130,500
FaFT - Children Week Micro Grant	1,000	-
Workforce Mentoring	122,000	118,000
Youth Engagement Fishing	-	2,000
Environmental Health - Water Bubblers	-	10,200
NTNDRP - Paru Bridge	-	45,455
NTNDRP - Nguiu Culvert	-	18,182

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

3. Operating Revenue continued	2013	2012
	\$	\$
Driver Education Program	16,800	25,200
Indigenous Training for Employment Program	112,841	115,144
Tourism NT	-	4,545
Festivals - Milimika Festival	27,623	15,000
Community Benefit Fund - Small Grant	-	5,000
NDRRA - Cape Fourcroy Road	-	341,524
NDRRA - Kerinauia Hwy (Wurunkuwu Road)	-	57,574
NDRRA - Kerinauia Hwy (Rubbish Tip Road)	-	57,574
NDRRA - Paru Bridge & Surrounds	-	45,351
NDRRA - Pickertaramoor Road A	-	9,001
NDRRA - Pickertaramoor Road B	-	9,001
NTNDRP - Ranku Washout	-	34,091
NT Remote Pools	22,334	15,048
Imparja Cup	8,409	-
Grass Roots	1,200	-
Gym Facility Upgrade at Nguuiu	35,000	-
Community Work Order	54,000	-
CIGP - Septic & Rainwater Tanks	27,273	-
Community Benefit Fund - Inflatable Projector Screen	3,340	-
Barge Landing Upgrade Wurrumiyanga	115,346	-
Community Festivals NT	20,000	-
David Guy Uganda	6,000	-
Australia Day	1,500	-
SPG - Milikapiti Fuel Browsers	171,146	-
Family Safety - LED Pool Lighting	30,791	-
Traffic Management	20,000	-
National Youth Week - Follow the Leader	2,000	-
	2,339,253	3,060,287
Current Operating Funding Total	11,333,880	13,066,908

Prior Year Grants Brought Forward

Operating

CDEP Participant Wages B/F	158,175	-
Night Patrol Shire	488	139,959
Tracking Database Child Care	-	11,051
CDEP Community Development and Support Shire	124,392	95,789
NTG - C Gap (Sport Hall Repair)	-	25,000
NRETAS Pirlangimpi Hall Upgrade	19,764	30,000
CTG Repairs Pirlangimpi Library	25,142	25,142
NTG Closing the Gap DLGH(Governance. Skin Groups)	-	48,454
Milikapiti Creche Establishment Funding	-	18,048
Child Care Establishment Funding Pirlangimpi	-	31,721
Jirnani Capital Works	-	53,341
NTG Sport & Recre ARCP (Softball)	-	4,000
NTG Closing the Gap Workshop Female Employees	-	3,375
Community Fitness Program - Pirlangimpi	-	4,844
Youth Activities	-	276
Shire Street Naming Project - Wurrumiyanga	-	2,500
Festivals - Milimika Festival	-	26,200
ABA Heavy Equipment	-	5,209
Environmental Health Services	329,680	-

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

3. Operating Revenue continued	2013	2012
	\$	\$
HMP Fencing Program	540,000	-
Sport Demonstration Program -AFL	5,333	-
Family as First Teachers DET	82,678	-
Roads (R2R)	132,489	-
CIGP - Wurankuwu New Generators	9,007	-
CTG Flood Lighting Wurrumiyanga	57,869	-
Environmental Health - Water Bubblers	5,469	-
Pirlangimpi Womens Centre	15,000	-
Upgrade / Repair Rec Halls	6,605	-
Driver Education Program	11,777	-
Tourism NT	4,545	-
Community Benefit Fund - Small Grant	5,000	-
Festivals Australia (DRALGAS)	48,530	-
NDRRA - Cape Fourcroy Road	341,524	-
Total Prior Year Operating Grants	1,923,469	524,909

Operating Grant Liability

Creche Milikapiti	-	95	-
After School Care Wurrumiyanga	-	-	10,048
After School Care Pirlangimpi	-	-	10,541
After School Care Milikapiti	-	-	28,982
Vacation Care Milikapiti	-	15,878	16,695
Tracking Database Child Care	-	-	3,944
Milikapiti Creche Establishment Funding	-	-	18,048
Child Services Pirlangimpi	-	-	8,099
Vacation Care Wurrumiyanga	-	1,438	24,812
Vacation Care Pirlangimpi	-	7,523	7,581
CDEP Participant Wages Shire	-	3,188	132,730
CDEP Community Development and Support Shire	-	97,800	124,392
ISRP - Jobs Creation Package Shire	-	48,102	179
NRETAS Pirlangimpi Hall Upgrade	-	-	19,764
Night Patrol Shire	-	25,526	-
CTG Repairs Pirlangimpi Library	-	-	25,142
Community Fitness Program - Pirlangimpi	-	-	1,249
Festivals - Milimika Festival	-	20,000	-
NT Jobs Packages (Broadcasting) Shire	-	11,077	-
Child Care Establishment Funding Pirlangimpi	-	-	27
Driver Education Program	-	-	11,777
Environmental Health Services	-	-	329,680
HMP Fencing Program	-	540,000	540,000
Sport Demonstration Program -AFL	-	-	5,333
Imparja Cup	-	-	8,409
Family as First Teachers DET	-	56,722	82,678
Youth Engagement Fishing	-	-	455
Environmental Health - Water Bubblers	-	-	5,469
Pirlangimpi Womens Centre	-	928	15,000
Tourism NT	-	-	4,545
Community Benefit Fund - Small Grant	-	244	5,000
Festivals Australia (DRALGAS)	-	-	48,530
Workforce Mentoring	-	-	50,990
NDRRA - Cape Forcroy Road	-	46,240	341,524
Family Safety - LED Pool Lighting	-	30,791	-

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

3. Operating Revenue continued	2013	2012
	\$	\$
Roads (R2R)	-	-
ICS - Cultural Mentoring	112,765	-
	-	-
Total Operating Grant Liability	1,020,007	1,881,624
TOTAL OPERATIONAL FUNDING	12,237,342	11,710,193
<u>Commonwealth Capital Funding</u>		
Night Patrol Shire	-	28,512
Commonwealth Capital Funding Total	-	28,512
<u>NT Capital Funding</u>		
CIGP - Wurankuwu New Generators	-	227,273
	-	227,273
<u>Prior Years Capital Funding</u>		
<u>Capital</u>		
CDEP Community Development and Support Shire	367,613	439,283
RLCIP Skate Park Wurrumiyanga	-	22,929
CTG Flood Lighting Wurrumiyanga	-	70,000
CTG BMX Track Wurrumiyanga	-	10,000
RLCIP Rnd 3 Animal Control Compounds Construction	-	30,000
Upgrade / Repair Rec Halls	-	60,000
Dual Control Vehicle Purchase	-	39,500
	367,613	671,712
<u>Capital Grant Liability</u>		
CDEP Community Development and Support Shire	-	367,613
CIGP - Wurankuwu New Generators	-	9,007
CTG Flood Lighting Wurrumiyanga	-	57,869
Upgrade / Repair Rec Halls	-	6,605
	-	441,094
Total Capital Grant Liability	-	441,094
TOTAL CAPITAL FUNDING	367,613	486,402
TOTAL GRANTS	12,604,955	12,196,595
f CONTRIBUTIONS & DONATIONS		
Cash Sponsorship	16,418	3,682
Cash Donations	17,311	32,231
	33,729	35,913

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

	2013	2012
	\$	\$
4 Operating Expenses		
a EMPLOYEE COSTS		
Wages and Salaries	9,443,930	8,898,581
Annual Leave and Long Service Leave Movements	1,493,691	1,301,469
Superannuation	823,437	761,268
FBT	42,676	31,164
Workers Compensation	205,986	140,489
Relocation/Recruitment	28,737	35,335
Total Employee Entitlement Expense	12,038,457	11,168,306
Other Employee Related Expenses	3,049	473
Total Operating Employee Costs	3,049	473
TOTAL EMPLOYEE COSTS	12,041,505	11,168,779
b INTEREST CHARGES		
Bank Fees	4,154	3,659
Total Interest Charges	4,154	3,659
c DEPRECIATION & AMORTISATION		
Depreciation		
Buildings Depreciation	-	-
Plant and Machinery Depreciation	288,071	259,147
Equipment Depreciation	55,807	36,360
Motor Vehicles Depreciation	269,973	161,726
Total Depreciation	613,851	457,234
Depreciation Prescribed Assets		
Prescribed Infrastructure Depreciation	322,423	302,371
Prescribed Building Depreciation	1,620,010	1,616,162
Prescribed Motor Vehicles Depreciation	42,764	45,839
Total Depreciation Prescribed Assets	1,985,198	1,964,372
Total Depreciation/ Prescribed Asset Expenses	2,599,048	2,421,606
d OTHER OPERATING EXPENSES		
Council Chairman's Allowance	85,450	82,521
Councillor Allowance Exp	203,229	190,336
Electoral Commission Expenses	9,307	36,364
Insurance	347,565	319,030
Total Other Operating Expenses	645,551	628,251
e MATERIALS & CONTRACTS		
Accounting Fees	56,522	81,175
Bad Debt write-off Exp	100,977	79,629
Communication Expenses	194,244	189,148
Consultants & Legal Expenses	132,503	128,223
Contract Labour	591,567	920,940
Contract Materials	21,795	62,382
Electricity	194,019	196,224
Freight	280,861	276,765

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

	2013	2012
4 Operating Expenses continued	\$	\$
Fuel & Oil Motor Vehicles	585,411	555,997
Gas Expenditure	8,701	8,611
Material Expenditure	2,021,609	2,302,229
Operating Lease Expenses	339,489	159,321
Software/Internet/Support	387,022	432,349
Travel/Accommodation/Training	737,427	546,202
Sea cat ferry expenses	-	20,695
Other Materials & Contracts	36,957	70,470
Total Materials & Contracts	5,689,105	6,030,361

f LOSS ON DISPOSAL OF ASSETS

Net Expense from Disposal of assets	46,031	116,215
Total Expense from Disposal of assets	46,031	116,215

5 Cash and Investments

CASH

Current Operating Accounts & Cash on Hand	5,230,423	7,339,519
TOTAL CASH	5,230,423	7,339,519

Restricted Cash

	2013	2012
	\$	\$
08/09 Funding Year		
Indigenous Women's Programs	1,707	1,707
09/10 Funding Year		
CTG - Appoint Independent Advisor	12,144	7,644
CTG - Shade n Play Milikapiti	25,000	25,000
CTG - Indigenous Womens Group	8,692	8,692
Outstation Community Converted Salary	36,096	36,096
10/11 Funding Year		
Misc repairs to Bores	24,177	46,810
Water Feature Milikapiti	57,120	57,120
11/12 Funding Year		
Outstation Community Converted Salary	-	26,359
Outstations Housing Maintenance	-	14,031
Munns Essential Services Outstations	-	3,124
Bush Camps	14,866	34,646
ITEP Training	38,759	109,393
Workforce Mentoring	50,990	50,990
Governance Manager	-	106,450
12/13 Funding Year		
Outstations Converted Jobs	31,411	-
SPG - Fuel Bowsers	105,573	-
Active Remote Communities	19,911	-

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

5 Cash and Investments continued

CIGP - Tanks	18,182	-
Traffic Management	19,936	-
Total Restricted Cash	464,565	528,061
Total Unrestricted	4,765,858	6,811,458
Total Cash Available	5,230,423	7,339,519

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

6 Current Assets - Receivables	2013	2012
	\$	\$
Rates & Annual Charges	255,815	248,251
GST Receivables	-	97,939
Accrued Income	80,456	107,866
Other Receivables	1,096,511	1,847,076
Less Provision for Doubtful Debts	- 219,665	- 203,371
TOTAL RECEIVABLES	1,213,117	2,097,761

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 2013 is detailed below:

Agged Analysis	2013	2012
	\$	\$
Not past due	635,264	839,001
Past due 31-60 days	32,281	72,836
Past due 61-90 days	28,962	129,028
Past due 91-days	736,275	1,260,267
Total Gross Trade Receivables 2013	1,432,782	2,301,132

b Impaired receivables

As at 30 June 2013, receivables with a nominal value of \$219,665 were impaired (2012: \$203,371). 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:

Agged Analysis	2013	2012
	\$	\$
Not past due	-	-
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91-days	219,665	203,371

Movement in the provision for impairment are as follows

Balance at beginning of year	-	203,371	-	312,728
Provision for impairment recognised during the year	-	100,977	-	152,764
Reversal of provision for impairment	-	117,271	-	43,407
Balance at end of year	-	219,665	-	203,371

As at 30 June 2013, current receivables of the Council with a nominal value of \$577,853 (2012: \$1,258,670) were past due but not impaired. These relate to a number of customers for whom there is no history of default

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

6 Current Assets – Receivables continued

The ageing of these receivables are as follows:

	2013	2012
	\$	\$
Past due 31-60 days	32,281	72,836
Past due 61-90 days	28,962	129,028
Past due 91-days	516,610	1,056,896
Total Receivables	577,853	1,258,760

7 Other Assets

Inventories:

Fuel Stock	92,823	59,881
Stores and Material	1,123,902	1,255,808
Prepayments	2,011	22,060
TOTAL INVENTORIES	1,218,736	1,337,750

8 Property Plant & Equipment

a Gross carrying amount and accumulated depreciation

Gross carrying amount;

at cost

Prescribed Buildings - at revaluation

	30,563,488	30,401,325
Less: Accumulated Depreciation and Impairment	- 4,842,633	- 3,222,623
Total	25,720,855	27,178,702

Plant and Machinery - at cost

	3,122,511	2,816,475
Less: Accumulated Depreciation and Impairment	- 1,157,634	- 885,046
Total	1,964,877	1,931,429

Equipment - at cost

	415,421	213,918
Less: Accumulated Depreciation and Impairment	- 112,507	- 56,700
Total	302,914	157,218

Motor Vehicles - at cost

	1,440,336	1,177,431
Less: Accumulated Depreciation and Impairment	- 511,313	- 279,828
Total	929,024	897,604

Prescribed Motor Vehicles - at cost

	258,524	258,524
Less: Accumulated Depreciation and Impairment	- 132,509	- 89,745
Total	126,015	168,780

Prescribed Infrastructure - at revaluation

	5,861,395	5,736,776
Less: Accumulated Depreciation and Impairment	- 902,455	- 580,032
Total	4,958,939	5,156,744

Work in Progress

	392,535	531,427
Total	392,535	531,427

Total Property, Plant and Equipment

	34,395,160	36,021,903
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TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

8 Property Plant & Equipment continued

b

	2013	2012
	\$	\$
Prescribed Buildings - at revaluation		
Buildings - at revaluation	27,178,702	28,761,516
Plus: Revaluation	-	-
Plus: Acquisitions	162,163	33,348
Less: Sold/Written Off		
Less: Depreciation	- 1,620,010	- 1,616,162
Total	<u>25,720,855</u>	<u>27,178,702</u>
Plant and Machinery - at cost		
Plant and Machinery - at cost	1,931,429	1,625,150
Plus: Revaluation	-	-
Plus: Acquisitions	340,046	654,032
Asset Reclassification		
Less: Sold/Written Off	- 18,527	- 88,605
Less: Depreciation	- 288,071	- 259,147
Total	<u>1,964,877</u>	<u>1,931,429</u>
Equipment - at cost		
Equipment - at cost	157,218	76,053
Plus: Revaluation	-	-
Plus: Acquisitions	201,503.0	117,525.0
Asset Reclassification		
Less: Sold/Written Off		
Less: Depreciation	- 55,807	- 36,361
Total	<u>302,914</u>	<u>157,218</u>
Motor Vehicles - at cost		
Motor Vehicles at cost	897,604	727,837
Plus: Revaluation	-	-
Plus: Acquisitions	342,972	573,721
Asset Reclassification		214,619
Less: Sold/Written Off	- 41,578	- 27,610
Less: Depreciation	- 269,973	- 161,726
Total	<u>929,024</u>	<u>897,604</u>
Prescribed Motor Vehicles - at cost		
Motor Vehicles Prescribed at cost	168,780	-
Plus: Revaluation	-	-
Plus: Acquisitions	-	-
Asset Reclassification		214,619
Less: Sold/Written Off		
Less: Depreciation	- 42,764	- 45,839
Total	<u>126,015</u>	<u>168,780</u>
Prescribed Infrastructure - at revaluation		
Infrastructure - at revaluation	5,156,744	5,214,729
Plus: Revaluation	-	-
Plus: Acquisitions	124,618	244,387
Less: Sold/Written Off		
Less: Depreciation	- 322,423	- 302,371
Total	<u>4,958,939</u>	<u>5,156,744</u>

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

8 Property Plant & Equipment continued	2013	2012
	\$	\$
Work in Progress		
Opening Balance	531,427	142,916
Disposals	60,105	-
Purchased	972,305	2,011,523
Capitalisation	- 1,171,301 -	1,623,013
Total	392,535	531,427
TOTAL - All Non-Current Assets	34,395,160	36,021,903
9 Creditors, Provisions & Borrowings		
a Creditors		
Goods & Services	1,283,341	1,712,097
Employee Related	73	-
GST Payable	245	215,650
Credit Cards Payable	- 119 -	9,119
Total Accounts Payable	1,283,540	1,918,627
b Other Liabilities	22,074	154,218
Unexpended grant liability	1,021,013	2,765,728
	1,043,086	2,919,946
TOTAL CREDITORS	2,326,627	4,838,573
Analysis of Creditors:		
Current	1,188,359	1,817,795
30days	33,303	51,376
60 days	15,959	3,912
> 90 days	35,814	45,545
Total Gross Trade Payables	1,273,435	1,918,627
c Provision - Current		
Annual Leave	978,840	1,020,570
Current Long Service Leave	311,823	318,976
Contingent Liability - Contractor Entitlements	-	-
Total Current Provisions	1,290,663	1,339,546
d Provisions - Non Current		
Long Service Leave	73,154	68,398
Total Non-Current Provisions	73,154	68,398
TOTAL PROVISIONS	1,363,818	1,407,944
e Borrowings (Unsecured)		
Current Borrowings	333,333	1,000,000
Non Current Borrowings	666,667	-
TOTAL BORROWINGS	1,000,000	1,000,000
TOTAL CREDITORS, PROVISIONS & BORROWINGS	4,960,444	7,246,518

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

10 Statement of Cash Flows	2013	2012
	\$	\$
a Reconciliation of Cash		
Cash on hand and at Bank	1,067,062	1,058,641
Cash Management Account	4,163,361	6,280,878
Term Deposits	-	-
Balances as per Statement of Cash Flow	<u>5,230,423</u>	<u>7,339,519</u>
b Reconciliation of Change in Net Assets to Cash from Operating Activities		
Change in net assets after operations	- 2,183,423	- 1,041,330
Add		
Depreciation and Amortisation	2,599,048	2,421,606
Decrease in Stock	98,964	-
Decrease in Trade & Other Receivables	884,644	-
Decrease in Prepayments	20,049	15,043
Increase in Trade Creditors	-	-
Increase in Borrowings	-	-
Loss on sale of Fixed Assets	46,031	116,215
Increase in Provisions	-	76,834
Increase in Other Current Liabilities	-	693,367
	<u>1,465,314</u>	<u>2,281,735</u>
Less		
Decrease in Trade Creditors	635,087	79,509
Decrease in Other Current Liabilities	1,876,859	-
Decrease in Borrowings	-	-
Increase in Trade and other receivables	-	280,545
Increase in Stock	-	571,197
Profit on sale of Fixed Assets	-	-
Decrease in Provision	44,127	-
Gain on revaluation	-	-
	<u>2,556,073</u>	<u>931,251</u>
Net Cash provided by operating activities	<u>- 1,090,759</u>	<u>1,350,484</u>

11 Operating Leases

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	257,327	99,345
Later than one year and not later than 5 years	925,726	120,743
Later than 5 years	2,792,361	406,736

12 Commitments for Expenditure

No significant commitments for expenditure existed at 30 June 2013.

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

13 Statement of Performance Measure

	Amounts \$	Indicators
<u>1. CURENT RATIO</u>		
Factors		
<u>Current Assets</u>	7,197,711	1.82
Current Liabilities	3,950,623	
2. RATE COVERAGE RATIO		
Factors		
<u>Rate Revenues</u>	943,102	0.05
Total Revenue	18,841,972	
3. RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGES		
Factors		
<u>Rates & Annual Charges Outstanding</u>	255,815	0.27
Rates & Annual Charges Collectible	943,102	

14 Conditions Over Grants & Contributions

	2013 \$	2012 \$
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:		
Grant Liability from 08/09 Funding Year		
CDEP 05/06 Capital Funding	-	114,789
08/09 Grant Liability Total	-	114,789
Grant Liability from 09/10 Funding Year		
OSHC Nguiu	-	4,221
Child Care Centre	-	8,101
VAC Shire	-	9,882
Milikapiti Child Care Centre	-	18,048
CDEP Service Fees	-	36,064
Pirlangimpi Hall upgrade	-	19,764
CTG - Repairs Pirlangimpi Library	-	25,142
CTG - Flood Lighting Nguiu	-	57,869
09/10 Grant Liability	-	78,757
Grant Liability from 10/11 Funding Year		
CDEP Participant Wages 10/11	-	272,548
Pirlangimpi Establishment Funding 1-F46ZDEEWR	-	27
Milikapiti Child Care Centre	-	28,104
	-	300,679

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

14 Conditions Over Grants & Contributions continued

Grant Liability from 11/12 Funding Year

VAC Nguiu	-	24,812
VAC Pirlangimpi	-	7,581
VAC Milikapti	-	16,695
ASC Nguiu	-	10,048
ASC Pirlangimpi	-	10,541
ASC Milikapiti	-	28,982
Child Care Pirlangimpi	-	8,099
Night Patrol Capital	-	488
Sports Demonstration	-	5,333
FaFT	-	82,678
Roads To Recovery	-	132,489
CDEP Participant Wages	-	199,295
CDEP Participant Wages Leave Accrual	-	66,564
CDEP Community Development and Support	-	492,005
Sport and Rec Manager Department of Sport	-	179
Wuranku Generator	-	9,007
Youth Fishing	-	455
Water Bubblers	-	5,469
Womens Centre Sewing Pirlangimpi	928	15,000
Rec Hall Upgrade	-	6,605
Community Fitness	1,249	1,249
HMP Environmental Life Skills	-	329,680
HMP Fencing	540,000	540,000
Driver Training	-	11,777
Tourism NT	-	4,545
Festivals Australia	-	48,530
Small Grants Design Program and Inks	-	5,000
Cape Forcroy Road	46,240	341,524
	588,417	2,271,503

Grant Liability from 12/13 Funding Year

CDEP Participant Wages	3,188	-
OHSC Nguiu	1,438	-
OHSC Pirlangimpi	7,523	-
OHSC Milikapiti	15,878	-
Child Care Pirlangimpi	95	-
FaFT	56,722	-
LED Pool Lights Shire	30,791	-
Sport and Rec JCP	48,102	-
Milikmika Festival 2013	20,000	-
R2R	112,765	-
Art JCP	11,077	-
Art Cultural Mentoring	1,690	-
CDEP Community Development and Support HR	45,040	-
CDEP Community Development and Support Cool Rooms	6,660	-
CDEP Community Development and Support	46,101	-
Demountables		
Night Patrol	25,526	-
	432,596	-

Total Grant Liability

1,021,013 2,765,728

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

15a Financial Risk Exposure and Management

The main risk 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 (16a).

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 of Council is low.

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. For further details on interest rate risk refer to note 15(b).

Sensitivity analysis

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

	2013	2012
	\$	\$
Financial Assets		
Cash at bank	5,230,423	7,339,519
Investment	-	-
	<hr/> 5,230,423	<hr/> 7,339,519
Financial Liabilities		
	<hr/> -	<hr/> -
	-	-

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.

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

15a Financial Risk Exposure and Management continued

	Change in Variable	Effect on Profit or Loss 2013	Effect on Equity 2013	Effect on Profit or Loss 2012	Effect on Equity 2012
Financial Assets					
Cash at bank and Investments	1%	52,304	52,304	73,395	73,395
	-1%	- 52,304	- 52,303	- 73,395	- 73,395
Financial Liabilities					
	1%	-	-	-	-
	-1%	-	-	-	-

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

15b Terms, Conditions and Accounting Policies

The accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date are as follows:

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Receivables - Trade	6	Trade Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit Sales are on a 30 day terms.
Term Deposits	5	Term Deposits are stated at the lower cost and net realisable value. Interest is recognised in the profit and loss when earned.	Term Deposits have effective interest rates of between 2.5 and 3.25 percent.
(ii) Financial Liabilities			
Trade Creditors	9	Liabilities are recognised for accounts to be paid in the future for goods and services received, whether or not billed to the organisation.	Trade Liabilities are normally settled on 30 day terms.

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2013**

15c 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	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Financial Assets - cash flows realisable								
Cash on Hand	5,230,423	7,339,519	-	-	-	-	5,230,423	7,339,519
Trade and other receivables	1,213,117	2,097,761	-	-	-	-	1,213,117	2,097,761
Short Term Deposits	-	-	-	-	-	-	-	-
Total	6,443,540	9,437,280					6,443,540	9,437,280
Financial Liabilities due for payment								
Trade and other payables	1,283,540	1,918,627	-	-	-	-	1,283,540	1,918,627
Borrowings	333,333	1,000,000	666,667				1,000,000	1,000,000
Other Current Liabilities	22,074	154,218					22,074	154,218
Unexpended Grant Liability	1,021,013	2,765,728					1,021,013	2,765,728
Total	2,659,960	5,838,573	666,667	-	-	-	2,659,960	5,838,573
								-

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

16 Related party transactions

a Responsible Persons

Names of person holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Lynette De Santis	Wokai Bourke
	Barry Puruntatameri	Gawin Tipiloura
	Emmanuel Rioli	Andrew Tipungwuti
	Pirrawayingi Puruntatameri	
	Peter Rioli	
	John Naden	
	Leslie Tungutalum	
	Crystal Johnson	
	Brian Tipungwuti	
	Chief Executive Officer	Alan Hudson

b Remuneration of Responsible Persons

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

	2013	2012
	\$	\$
Short term employee benefits	203,365	649,869
Post employment benefits		-
Termination benefits		-

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 2012/13.

e No transactions other than remuneration payment or reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year 2012/13.

f Investment in Councilbiz

CouncilBiz was incorporated as a Local Government subsidiary on 10 June 2008. Members of CouncilBiz include the Local Government Association of the Northern Territory and eight shire councils, including Tiwi Islands Shire Council. CouncilBiz provides IT services to the councils. Upon the incorporation of CouncilBiz, the Council made an initial funding contribution to CouncilBiz 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 and which has rules prohibiting the distribution of assets and income to its members. As Council will not realise any returns from its funding contribution to CouncilBiz, Council expensed the \$50,000 when it was incurred.

g Contingent liabilities arising from interest in joint venture

Under the terms and conditions of the Constitution of CouncilBiz, Council and other members have guaranteed the debts and liabilities of CouncilBiz. As at 30 June 2013, the amount of the obligation cannot be measured with sufficient reliability, and has not been recognised in the accounts.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

17 Remuneration	2013	2012
	\$	\$
Amounts received or due and receivable by the auditors of Tiwi Islands Shire Council	Auditors	Auditors
- Audit or review services	54,825	74,581
- Other Services	-	-
Total Remuneration	<u>54,825</u>	<u>74,581</u>