

***CENTRAL DESERT REGIONAL
COUNCIL***

***GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014***

CENTRAL DESERT REGIONAL COUNCIL

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FOR THE YEAR ENDED 30 JUNE 2014

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INDEPENDENT AUDITOR'S REPORT

TO CENTRAL DESERT REGIONAL COUNCIL

We have audited the accompanying financial report of Central Desert Regional Council (the "Council"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Chief Executive Officer's certificate, set out on pages 4 to 34.

The Responsibility of the Chief Executive Officer 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, the Northern Territory Local Government Act 2013 (the "Act") and for such internal control as the directors determine 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, the auditor considers internal control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the chief executive officer, 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.

Deloitte.

INDEPENDENT AUDIT REPORT TO

THE CENTRAL DESERT REGIONAL COUNCIL (continued)

Opinion

In our opinion the financial report of Central Desert Regional Council presents fairly, in all material respects, the Council's financial position as at 30 June 2014 and its financial performance for the year ended on that date in accordance with the Australian Accounting Standards and the Northern Territory Local Government Act 2013.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

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Partner
Chartered Accountants

Alice Springs, 13 / 11 / 2014.

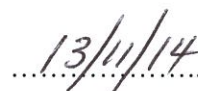
CENTRAL DESERT REGIONAL COUNCIL

CHIEF EXECUTIVE OFFICER'S CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2014

I, Cathryn Hutton, the Chief Executive Officer of the Central Desert Regional Council, certify that to the best of my knowledge and belief:

- a) the annual financial statements have been properly drawn up in accordance with applicable Australian Accounting Standards, the Local Government Act and the Local Government (Accounting) Regulations so as to present fairly the financial position of the Council as at 30 June 2014 and the results for the year,
- b) the statements are in accordance with the accounting and other records of the Council.


.....
Chief Executive Officer


.....
Date

CENTRAL DESERT REGIONAL COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
REVENUES			
Rates & Annual Charges	3a	1,270,979	1,097,907
User Charges & Fees	3b	379,461	340,100
Interest	3c	420,296	638,964
Grants	3d	12,468,065	24,133,786
Other Operating Revenues	3e	5,609,150	6,009,704
Gain from Disposal of Assets	5	124,537	145,355
Revenue from Ordinary Activities		<u>20,272,488</u>	<u>32,365,816</u>
EXPENSES			
Employee costs	4a	14,233,320	15,356,437
Materials & contractors	4c	6,826,789	7,705,325
Interest charges		462	36,654
Depreciation & amortisation	4b	3,349,811	2,949,192
Other operating expenses	4d	2,745,523	3,418,159
Expenses for Ordinary Activities		<u>27,155,905</u>	<u>29,465,767</u>
(Deficit) / Surplus for the Year		<u>(6,883,417)</u>	<u>2,900,049</u>
OTHER COMPREHENSIVE INCOME			
Asset Write Off	4b	(3,545,508)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(10,428,925)</u>	<u>2,900,049</u>

CENTRAL DESERT REGIONAL COUNCIL

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	6	8,464,249	15,992,948
Investments	7	6,053,247	-
Trade and other receivables	8	971,865	1,922,161
Other inventories	9	98,412	28,889
		<u>15,587,773</u>	<u>17,943,998</u>
NON CURRENT ASSETS			
Property, plant and equipment	10	34,176,578	44,805,157
Work in progress - Fixed Assets		335,540	934,691
		<u>34,512,118</u>	<u>45,739,848</u>
TOTAL ASSETS		<u>50,099,891</u>	<u>63,683,846</u>
CURRENT LIABILITIES			
Trade and other payables	11	2,840,931	2,870,794
Provisions	12a	1,732,411	2,211,112
Borrowings	12b	210	108,292
Unexpended grants	16	9,237,584	5,173,540
		<u>13,811,136</u>	<u>10,363,738</u>
NON CURRENT LIABILITIES			
Provisions	12a	305,531	306,609
Borrowings	12b	-	711,416
		<u>305,531</u>	<u>1,018,025</u>
TOTAL LIABILITIES		<u>14,116,667</u>	<u>11,381,763</u>
NET ASSETS		<u>35,983,224</u>	<u>52,302,083</u>
EQUITY			
Accumulated funds		<u>35,983,224</u>	<u>52,302,083</u>

CENTRAL DESERT REGIONAL COUNCIL

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
2014				
Balance at the end of previous reporting period		31,797,068	20,505,015	52,302,083
Total comprehensive income for the year		(10,428,925)	(5,889,935)	(16,318,860)
Balance at end of period		<u>21,368,143</u>	<u>14,615,080</u>	<u>35,983,223</u>
2013				
Balance at the end of previous reporting period		28,897,019	20,505,015	49,402,034
Total comprehensive income for the year		2,900,049	-	2,900,049
Balance at end of period		<u>31,797,068</u>	<u>20,505,015</u>	<u>52,302,083</u>

CENTRAL DESERT REGIONAL COUNCIL

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
<u>Payments</u>			
Employee costs		(14,704,542)	(16,692,559)
Materials, contracts and other costs		(7,584,792)	(7,662,228)
Interest paid		(462)	(36,654)
Other operating payments		(4,912,685)	(5,269,969)
<u>Receipts</u>			
Receipts from activities		8,562,178	10,129,900
Interest received		420,296	668,868
Grants and Contributions		19,524,964	19,550,378
Net cash provided (used) by operating activities	13 (b)	<u>1,304,957</u>	<u>687,736</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payments for property, plant & equipment		(2,241,014)	(5,047,944)
(Payments)/Receipts from Investments		(6,053,246)	5,139,591
Proceeds on sale of assets		280,102	254,631
Net cash used in investing activities		<u>(8,014,158)</u>	<u>346,278</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of borrowings		(819,498)	(85,415)
Net cash provided (used) by financing activities		<u>(819,498)</u>	<u>(85,415)</u>
Net increase (decrease) in cash held		(7,528,699)	948,599
Cash at beginning of the year	13 (a)	15,992,948	15,044,349
Cash at end of the year		<u>8,464,249</u>	<u>15,992,948</u>

Notes to the financial statements are set out on the attached pages.

General Information

The Central Desert Shire was established as a body corporate by a restructure order under Section 114C of the Local Government Act on 16 October 2007.

The Central Desert Shire Council became Central Desert Regional Council on 1st January 2014, under changes to the Local Government Act.

The principal place of business of the Shire is as follows:

1 Bagot Street
Alice Springs
NT 0870

The purpose of these financial statements is to provide users with information about the stewardship of the Regional Council and accountability for the resources entrusted to it; information about the financial position, performance and cash flows of the Council. The Central Desert Regional Council is the legal description of the local government body that came into full operation on 1 July 2008, after it merged with other constituent councils to form the local government authority .

1 SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The general purpose financial statements have been prepared in accordance with the Local Government Act, Local Government Regulations and all applicable accounting standards and interpretations, with the exception of AASB 1004: "Contributions". During the 2013/2014 financial year the Council changed its accounting policy in relation to unexpended grants. All unexpended grants are recognised as liabilities because management believes that this provides a more conservative and useful representation of the obligation of the Council to complete the relevant funded projects.

The entity is a not-for-profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as they apply to "not for profit" entities. AIFRS include certain specific provisions relating to not for profit entities that are not included in the International Financial Reporting Standards.

The financial statements have been prepared on the basis of historical cost and except where stated, do not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The date the financial statements were authorised for issue is as shown on the Chief Executive Officer's certificate.

Significant accounting policies

In the application of A-IFRS management is required to make judgments, 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 historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

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

Adoption of new and revised Accounting Standards

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

The adoption of these new and revised Standards and Interpretations has not resulted in changes to the entity's accounting policies and has not affected the amounts reported for the current or prior years.

Accounting standards and interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. These standards are not expected to result in any changes in recognition or measurement

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' and the relevant amending standards	01 Jan 2017	30 Jun 2018
AASB 1031 Materiality	01 Jan 2014	30 Jun 2015
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	01 Jan 2014	30 Jun 2015
AASB 2013-3 "Amendments to AASB 135 - Recoverable Amount Disclosures for Non Financial Assets	01 Jan 2014	30 Jun 2015
AASB 2013-9 Amendments to Australian Accounting Standards- Conceptual framework, Materiality and Financial Instruments	01 Jan 2014	30 Jun 2015
Narrow-scope amendments to IAS 19 employee Benefits entitled Defined Benefit Plans:Employee Contributions (Amendments to IAS 19	01 Jan 2014	30 Jun 2014
Annual Improvements to IFRS,s 2010-2012 Cycle and 2011-2013 Cycle	01 Jan 2014	30 Jun 2015

Accounting Standards and interpretations issued but not yet effective

It is anticipated that the adoption, in future periods of standards and interpretations issued but not yet effective, will have no material financial effect on the financial statements.

Accounting Judgements and key sources of estimation uncertainty

A judgement has been made that assets on leases are carried at either historical cost or fair value. There were no other critical judgements (apart from those involving estimations which are dealt with below), that management has made in the process of applying the Council's accounting policies and that are likely to have a significant effect on the amounts recognised in the financial statements.

The major assets and liabilities of the Council are carried at either historical cost or fair value. A management review of properties on leases is being undertaken that may cause a material adjustment to the carrying value of assets within the next financial year.

Accounts Payable

Trade payables and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services.

Depreciation

Items of property, plant and equipment are depreciated over their estimated useful lives using the straight line method. The main lives used are:

Buildings	20-50 Years
Leasehold Improvements	8-40 Years
Infrastructure	5-20 Years
Plant and equipment	5-15 Years
Motor vehicles	4-10 Years
Furniture and fittings	3-10 Years
Computer Equipment	3-5 Years

Economic dependency

A significant proportion of the Council's revenue is from Government grants.

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.

The current portion of employee benefits is the portion to which employees are unconditionally entitled at balance date.

Provisions made in respect of wages and salaries, annual leave and other 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.

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

The superannuation expense for the reporting period is the amount of the contributions the entity makes to the superannuation plans which provide benefits to its employees.

Financial instruments

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Trade receivables, loans, trade payables and other financial liabilities are measured at cost. Trade debtors and creditors do not bear interest and are expected to be settled within 12 months. Bank and cash balances bear interest at rates between 0 and 5%. There is no material difference between the carrying amount of financial assets and financial liabilities and their respective net fair values.

The entity does not have any significant credit risk exposure to any single counterparty.

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired when there is objective evidence that as a result of one or more events that the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the assets's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

Held to maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Operating receipts and payments in the cash flow statement are stated inclusive of GST.

Government Grants

Grants, donations and other contributions are recognised as revenues when the Council obtains control over the assets comprising the contribution.

Where grants, contributions and donations are 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.

Unexpended grants at year end which are refundable to the funding body are transferred to current liabilities.

Impairment of assets

At each reporting date, management reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Income tax

Central Desert Regional Council is tax exempt under Sec 50-25 of the Income Tax Assessment Act 1997, being a local governing body

Inventories

Finished goods are valued at the lower of cost and net realisable value. Costs have been assigned to inventory on hand at balance date using the first in first out basis.

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. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows.

Property, plant and equipment

Property, 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 property, plant and equipment gifted, donated or granted to the Council is the fair value of the asset, plus costs directly attributable to the acquisition.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Capitalisation thresholds of \$5,000 applied to all assets during the year under review.

Purchased assets brought to account for the first time are valued at historical cost. Donated assets brought to account for the first time are valued at fair value.

The Council's land and buildings were valued by Liquid Pacific. The valuations, which conform to Australian Valuation Standards, were determined by reference to direct comparison of transactions (market sales) approach. The effective date of the valuations was 30 June 2010.

The local government reporting entity

All funds and entities through which the Council controls resources to carry out its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local; government as a single unit , all balances between activities have been eliminated.

Revenue recognition

Revenue from the sale of goods and disposal of other assets is recognised when the Council has passed control of the good or other assets to the buyer.

Revenue from the provision of services is recognised when the services have been provided

Revenue from investments is recognised on an accrual basis.

2a ACTIVITIES UNDERTAKEN

The Central Desert Regional Council commenced operation on 1st July 2008, it undertakes all local government functions in the following communities

Atitjere
Engawala
Lajamanu
Laramba
Nturiya
Nyrippi
Pmara Jutunta
Ti Tree
Willowra
Wilora
Yuelamu
Yuendumu

The major functions undertaken by the entity are:

General public services

Administrative, legislative and executive affairs, financial and fiscal affairs and general services.

Public order and safety

Fire protection, local emergency services, animal control and impounding, control of public places, night

Economic affairs

Centrelink services, essential services, local roads maintenance, postal services, Community Development

Environmental Protection

Storm water drainage and road levies.

Housing, Community Amenities

Housing repairs and maintenance on outstations

Health

Child Nutrition Program

Recreation, Culture & Religion

Provision of sports, recreation and leisure facilities

Education

Preschool care and classes.

Education

Preschool care.

Social Protection

Public Behaviour & Youth Programme, mediation program, Aged care.

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2b FUNCTION RESULTS

	General Public Services			Public Order & Safety			Housing & Community Amenities			Recreation, Culture & Religion		
	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING REVENUE												
3d Grants Revenue	5,493,320	4,548,496	3,911,715	4,085,295	3,221,495	3,409,832	5,718,803	(881,301)	9,885,188	1,095,866	856,086	1,088,176
3c Interest	350,000	420,296	638,964			-			-			-
3e Other operating revenues	3,237,685	322,484	447,776	47,342	29,730	2,097	3,981,713	4,581,038	4,589,635	-	10,410	8,705
3a,b User charges & fees	1,115,000	1,133,222	768,842			-	118,336	9,321	47,869			-
5 Profit on disposal of assets	284,397	103,260	98,610	-	19,000	46,745			-	-	2,277	-
	<u>10,480,402</u>	<u>6,527,758</u>	<u>5,865,907</u>	<u>4,132,637</u>	<u>3,270,225</u>	<u>3,458,674</u>	<u>9,818,852</u>	<u>3,709,058</u>	<u>14,522,692</u>	<u>1,095,866</u>	<u>868,773</u>	<u>1,096,881</u>
OPERATING EXPENSES												
4a Employee costs	5,807,816	5,289,742	5,105,268	2,992,103	2,285,875	2,406,186	2,696,591	2,742,492	3,890,558	825,658	644,391	663,765
4c Materials & contracts	2,703,513	2,228,886	2,208,276	311,723	343,516	322,337	3,361,326	2,616,029	3,559,372	138,316	165,158	275,578
Interest charges	14,000	449	36,654			-	-	13	-			-
4b Depreciation & amortisation	-	3,302,686	2,949,192	-	35,043	-	-	8,892	-			-
4b Sale and Write Off	-	3,473,690					-	71,818				
4d Other operating expenses	2,078,526	(370,438)	1,788,085	687,335	389,711	119,131	366,984	1,260,692	894,571	131,892	213,286	94,714
	<u>10,603,855</u>	<u>13,925,015</u>	<u>12,087,475</u>	<u>3,991,161</u>	<u>3,054,145</u>	<u>2,847,654</u>	<u>6,424,901</u>	<u>6,699,936</u>	<u>8,344,501</u>	<u>1,095,866</u>	<u>1,022,835</u>	<u>1,034,057</u>
OPERATING RESULT	(123,453)	(7,397,257)	(6,221,568)	141,476	216,080	611,020	3,393,951	(2,990,878)	6,178,191	-	(154,062)	62,824

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2b FUNCTION RESULTS

	Social Protection			Environmental Protection			Economic Affairs			Totals			Continued ...
	Budget 2014	Actual 2014	Actual 2013 \$	Budget 2014	Actual 2014	Actual 2013 \$	Budget 2014	Actual 2014	Actual 2013 \$	Budget 2014	Actual 2014	Actual 2013 \$	
OPERATING REVENUE													
3d Grants Revenue	3,058,081	2,944,164	3,917,500	256,324	108,961	137,500	1,645,961	1,670,164	2,026,022	21,353,650	12,468,065	24,375,933	
3c Interest			-			-			-	350,000	420,296	638,964	
3e Other operating revenues	915,398	346,013	451,798	-	116,603	149,883	137,550	202,872	359,810	8,319,688	5,609,150	6,009,704	
3a,b User charges & fees			-	550,378	220,549	409,548	190,895	287,348	211,748	1,974,609	1,650,440	1,438,007	
5 Profit on disposal of assets			-			-			-	284,397	124,537	145,355	
	3,973,479	3,290,177	4,369,298	806,702	446,113	696,931	1,974,406	2,160,384	2,597,580	32,282,344	20,272,488	32,607,963	
OPERATING EXPENSES													
4a Employee costs	2,251,679	2,042,334	2,012,310	723,099	775,857	578,417	708,085	452,629	699,933	16,005,031	14,233,320	15,356,437	
4c Materials & contracts	978,678	991,547	874,493	115,868	83,683	247,983	884,760	397,970	217,286	8,494,184	6,826,789	7,705,325	
Interest charges			-			-			-	14,000	462	36,654	
4b Depreciation & amortisation	-	3,190	-			-			-	-	3,349,811	2,949,192	
4b Sale and Write Off										-	3,545,508		
4d Other operating expenses	770,399	688,780	310,082	63,669	37,590	29,121	405,856	525,902	182,455	4,504,661	2,745,523	3,418,159	
	4,000,756	3,725,851	3,196,885	902,636	897,130	855,521	1,998,701	1,376,501	1,099,674	29,017,876	30,701,413	29,465,767	
OPERATING RESULT	(27,277)	(435,674)	1,172,413	(95,934)	(451,017)	(158,590)	(24,295)	783,883	1,497,906	3,264,468	(10,428,925)	3,142,196	
Total assets											50,099,891	63,683,846	

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
3a RATES & ANNUAL CHARGES		
<u>Ordinary Rates</u>		
Residential	722,355	638,248
Farmland	28,195	27,165
Business	32,611	22,946
	<u>783,161</u>	<u>688,359</u>
<u>Annual Charges</u>		
Waste Management Services	<u>487,818</u>	<u>409,548</u>
Total Rates & Annual Charges	<u><u>1,270,979</u></u>	<u><u>1,097,907</u></u>
3b USER CHARGES & FEES		
Accommodation Charges	316,023	313,661
Equipment Hire Income	63,438	26,439
Total User Charges & Fees	<u><u>379,461</u></u>	<u><u>340,100</u></u>
3c INTEREST		
Interest on deposits	345,490	60,531
Interest on Investments	74,806	578,433
Total Interest Revenue	<u><u>420,296</u></u>	<u><u>638,964</u></u>
3d GRANTS		
Commonwealth Government Operational Grants	9,349,330	8,961,332
Commonwealth Government Capital Grants	355,982	1,945,414
NT Government Operational Grants	5,272,331	6,724,195
NT Government Capital Grants	2,414,623	661,725
Other Grants	478,471	350,517
Total Grants received this year	<u>17,870,737</u>	<u>18,643,183</u>
Add: Unexpended Grants prior year	5,173,541	10,666,153
Less: Unexpended Grants repaid	(1,498,978)	(2,010)
Less: Unexpended Grants this year (note 3(d))	<u>(9,077,235)</u>	<u>(5,173,540)</u>
Total Grants recorded as Income	<u><u>12,468,065</u></u>	<u><u>24,133,786</u></u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
3d GRANTS cont		
<u>Commonwealth Operational Grants</u>		
AG's - Night Patrol	3,595,818	3,097,855
AG's - NT Job Transition - RIBS	126,556	151,138
ASC - Active After School Communities	4,425	9,605
DEEWR - Yuendumu Early Childhood Mentor	-	47,230
DFACS - CDEP	244,572	1,675,136
DFACS - Engawala River Crossing	-	6,500
DFACS - Women Centre Floor	-	4,700
DFACS - Women Centre Oven	-	2,500
DFACS - Yuendumu Domestic Violence Project	-	460,574
DHS - Centrelink	685,637	567,663
DOC - Digital Switchover	83,199	204,615
DOE - Anmatjere After/Outside School Care	98,047	96,693
DOE - Atitjere - Establishment grants	68,000	-
DOE - Laramba Child Care	222,804	288,809
DOE - Nyirripi Jet Creche	145,507	134,298
DOE - Yuelamu - Establishment grants	68,000	-
DOE - Yuelamu After/Outside School Care	99,114	97,745
DOE - Yuelamu Jet Creche	155,232	131,446
DOE - Atitjere Jet Creche	152,292	118,882
DOE - Yuendumu Child Care	346,072	471,481
DOH - Anmatjere Flexible Aged Care	669,615	571,714
DOH - CACP - Lajamanu	237,254	265,604
DOH - CACP - Laramba	91,575	147,855
DOH - CACP - Nyirripi	142,619	149,223
DOH - HACC Services	171,999	-
DRALGAS - RIBS Broadcasting	55,000	55,000
DSS - Indigenous Aged Care Workforce	586,224	537,624
PMC - Community Sport and Rec Program	205,103	246,483
PMC - Jobs Package Sport and Rec	163,790	161,370
PMC - School Nutrition Program	506,935	705,407
PMC - Willowra & Ti Tree Mediation Service	104,863	-
PMC - Yuendumu Peace Park	228,902	-
PMC - Yuendumu Playgroup	50,176	202,207
PMC - Community Development Fund (RJCP)	40,000	-
	<u>9,349,330</u>	<u>10,609,357</u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<u>NT Operational Grants</u>		
DAM - Library	84,689	84,689
DCS - NT Jobs Package Oustations	242,916	222,673
DCS - Outstations Essential Services	627,301	239,118
DCS - Outstations Municipal Services	294,906	239,118
DLG&R - Community Engagement	103,280	-
DLG&R - CTG - Gov & Support Officers	215,394	-
DLG&R - CTG-NBN connection for Local Authorities	84,591	-
DLG&R - Indigenous Job Matching Funds	619,713	599,687
DLG&R - Local Area Traffic Management	55,000	16,000
DLG&R - Local Authority Establishment Funds	90,000	-
DLG&R - NT Operational	1,153,145	1,768,474
DLG&R - Regional Councils Rebranding	184,480	-
DLG&R - Workforce Mentor	249,750	183,000
DLGH&RS - Outstations Housing Management Grant	-	63,500
DLGH&RS - Outstations Housing Mtce Grant	-	272,856
DLP&E - NTEPA - Environmental Projects	20,000	-
DOH - Disability in Home Support	38,028	26,937
DOH - HACC Services	-	205,488
DSRR - Active Remote Communities	204,000	204,000
DSRR - Engawala Softball upgrade	13,000	-
DSRR - Laramba Basketball court upgrade	5,300	-
NRETAS - Grass Roots Sports Grant	-	5,500
NTGC - FAA Federal Assistance	355,307	851,192
NTGC - FAA Roads	631,531	786,528
TH - Housing Management Program Fencing	-	686,853
TH - Refurbishment of Housing	-	268,582
	<u>5,272,331</u>	<u>6,724,195</u>
<u>Other Grants</u>		
ADC - Australia Day Grant	-	1,500
CAYLUS - Youth Development Program	135,383	150,000
DCF - Christmas Basketball Carnival Harts Range	-	1,750
DCF - Engawala Summer Festival	-	2,000
DCM - Youth Tunes Road Show	2,000	6,000
DFACS - NAIDOC Activity BBQ Lajamanu	-	1,000
DLGH&RS - SPG Atitjere Playground	-	13,217
DOH - Alcohol Rehab Atitjere & Yuelamu	-	5,000
DOH - Engawala Youth Wellbeing	25,000	-
DSRR - Indigenous Women In sport	23,600	-
GMAAAC - Nyirripi Softball Champetition	10,909	-
LGANT - Asset & Financial Planning	90,000	-
LGANT - Waste Management Co-ordinator	134,602	107,500
NAPCAN - Children's Week Micro Grant	-	700
World Vision - Willowra Playgroup	-	22,250
	<u>421,494</u>	<u>310,917</u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<u>Commonwealth Capital</u>		
DFACS - CDEP	-	5,929,682
DFACS - Engawala Basketball Court	-	20,192
DFACS - Lajamanu Longhouse Upgrade	-	150,000
DI&RD - Roads to Recovery	355,982	1,040,720
DOE - Childcare Upgrade Laramba	-	42,920
Total Commonwealth Capital	<u>355,982</u>	<u>7,183,514</u>
<u>NT Capital</u>		
DCS - Outstations Capital Infrastructure Program	176,814	361,725
DCS - Capital Infrastructure - Alyuen Water Line	254,388	-
DCS - Capital Infrastructure Outstations Eaglebeak Bore	27,273	-
DLGH&RS - House Construction Engawala	-	160,000
DLGH&RS - 2 second hand Backhoes	-	110,000
DLGH&RS - SPG Waste Management Lajamanu	-	30,000
DLG&R - Yuelamu Office	162,000	-
DLG&R - SPG Upgrade Parks in Six Communities	70,000	-
DLG&R - SPG - Lajamanu Oval Upgrade	718,182	-
DLG&R - SPG - Yuendumu Sports Oval & Softball Field Upgrad	850,818	-
DLG&R - Softball/Football Oval Upgrade	35,149	-
DLG&R - 2nd Hand Wheeled Loader	120,000	-
	<u>2,414,623</u>	<u>661,725</u>
<u>Other Capital</u>		
GMAAAC - Lajamanu Oval Seating	-	39,600
DOI - LGEEP Projects Hot Water	24,151	-
GMAAAC - Ethyl Creek Fence Upgrade	14,644	-
DHS - Yuelamu Office Upgrade	18,182	-
	<u>56,977</u>	<u>39,600</u>
Total Grants	<u><u>17,870,737</u></u>	<u><u>25,529,308</u></u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<u>Unexpended Grants Liability</u>		
AG's - Night Patrol	1,027,942	411,938
AG's - NT Job Transition - RIBS	123,387	45,183
DFACS - CDEP	95,087	78,177
DFACS - Lajamanu Longhouse Upgrade	-	150,000
DIT - Roads to Recovery	-	226
DITRD - Yuelamu Office - 2009/10	31,682	-
DLGH&RS - Housing Management Program Fencing	1,282,887	543,327
DLGH&RS - Housing Management Tenancy	116,490	-
DLP&E - NTEPA - Environmental Projects	20,000	-
DOE - Anmatjere Communities After School Care/OSHC	5,962	6,532
DOE - Atitjere - Establishment grants	23,686	-
DOE - Atitjere Jet Creche	-	1,698
DOE - Childcare Upgrade Laramba	-	1,305
DOE - Nyirripi Jet Creche	-	36,816
DOE - Nyirripi Jet Creche	-	28,750
DOE - Yuelamu - Establishment grants	27,048	-
DOE - Yuelamu After School Care/OSHC	11,036	11,036
DOE - Yuelamu Jet Creche	-	9,139
DRALGAS - RIBS Broadcasting	22,927	17,722
PMC - Community Development Fund (RJCP)	38,090	-
PMC - School Nutrition Program	85,565	202,560
PMC - Willowra & Ti Tree Mediation Service	89,375	-
PMC - Yuendumu Domestic Violence Project	32,254	258,447
PMC - Yuendumu Peace Park	228,375	-
PMC - Yuendumu Playgroup	69,751	114,454
Sub total recognised as a liability	<u>3,331,545</u>	<u>1,917,310</u>
<u>Unexpended Grants Liability</u>		
CAYLUS - Sport & Recreation (Youth Development Program)	49,030	-
Centerlink - Housing & Infrastructure Maintenance	37,641	-
DAM Libraries - Library	90,478	84,689
DBCDE - Digital Switchover	-	185,327
DCM - Youth Tunes Road Show	-	1,866
DLG&R - Workforce Mentoring	110,472	68,186
DLG&R - CTG - Local Boards Governance - Shire	215,067	-
DLG&R - CTG - Yuelamu Office	352,797	-
DLG&R - CTG-NBN connection for Local Authorities	83,501	-
DLG&R - Local Authority Establishment Funds	68,605	-
DLG&R - Outstations Capital Infrastructure	889,346	336,496
DLG&R - Outstations Housing Mtce Grant	196,583	25,106

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
DLG&R - Regional Councils Rebranding	165,697	-
DLG&R - SPG - Atitjere Playground	10,527	-
DLG&R - SPG - SPG Engawala Demountable	152,927	-
DLG&R - SPG - Yuendumu Sports Oval & Softball Field Upgrad	718,182	-
DLG&R - SPG - Yuendumu Sports Oval & Softball Field Upgrad	848,237	-
DLG&R - SPG Upgrade Parks in Six Communities	70,000	-
DLG&R - SPG Waste Management Lajamanu	15,000	-
DLG&R - SPG Yuendumu Softball/Football Oval Upgrade	35,149	-
DLG&R- Outstations CDEP Conversion	23,869	5,893
DLG&R -Second Hand Wheeled Loader	120,000	-
DLGH&RS - 2 second hand Backhoes	-	110,000
DLGH&RS - House Construction Engawala	-	160,000
DLGH&RS - LB Capacity Dev	29,671	-
DLGH&RS - NT Operational	-	946,844
DLGH&RS - Outstations Municipal Services	448	239,119
DLGH&RS - SPG Atitjere Playground	-	10,527
DLGH&RS - SPG Waste Management Lajamanu	-	15,000
DOH - Alcohol Rehab Atitjere & Yuelamu	-	5,000
DOH - Anmatjere Flexible Aged Care	404,608	100,114
DOH - CACP - Lajamanu	60,819	42,869
DOH - CACP - Laramba	112,238	133,880
DOH - CACP - Nyirripi	156,830	129,657
DOH - Disability in Home Support	99,341	14,545
DOH - HACC Services	99,429	62,987
DOH - RAAS-Vacation Program Engawala	14,345	-
DOHA Community Care Lajamanu	10,900	-
DOHA Community Care Nyirripi	65,000	-
DRALGAS - NT Job Transition - Sport and Rec	-	21,561
DSRR - Indigenous Women In sport	23,600	-
DSRR - Laramba Basketball court upgrade	5,300	-
DSS - Indigenous Aged Care Workforce	222,000	144,933
GMAAAC - Lajamanu Oval Seating	-	33,810
GMAAAC - Nyirripi/Yuelamu	45,229	-
GMAAAC - Yuelamu Aged Care	7,518	-
LGANT - Waste Management Co-ordinator	26,398	756
NRETAS - Active Remote Communities - CSRO	-	-
NRETAS - Grass Roots	-	5,500

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NTGC - FAA Federal Assistance	-	483,253
NTGC - FAA Roads	-	419,961
PMC - Community Sport and Rec Program	1,687	-
PMC - Jobs Package Sport and Rec	107,221	-
World Vision Willowra Playgroup	-	17,989
Sub total recognised in revenue	<u>5,745,691</u>	<u>3,805,868</u>
Total	9,077,235	5,723,178
Grants in advance - CAYLUS/Tangentyere Council Inc	160,349	-
Total Unexpended Grants Liability	<u><u>9,237,584</u></u>	<u><u>5,723,178</u></u>
3e OTHER OPERATING REVENUES		
Agency Fees	807,952	274,180
Commission Income	22,343	24,601
Contract fee income	1,890,215	3,473,275
Fuel Tax Rebate	6,885	17,353
Post Office Sales	66,001	68,871
Reimbursements	28,794	223,263
Service fee income	2,647,520	1,743,058
Other Income	139,440	185,103
	<u><u>5,609,150</u></u>	<u><u>6,009,704</u></u>
4a EMPLOYEE COSTS		
Salary and Wages	11,658,532	11,566,910
Employee Leave Benefits	1,359,996	2,127,020
Superannuation	1,157,688	1,114,642
Fringe Benefit Tax	11,086	70,015
Other Staff Costs	46,018	477,850
	<u><u>14,233,320</u></u>	<u><u>15,356,437</u></u>
4b DEPRECIATION/WRITE OFF		
Buildings	2,088,716	1,789,271
Infrastructure	294,122	237,794
Plant and Equipment	348,533	365,585
Vehicles	612,258	550,360
Office Equipment	3,408	3,408
Leasehold Improvements	2,774	2,774
	<u><u>3,349,811</u></u>	<u><u>2,949,192</u></u>
Buildings Write Off	3,473,690	-
Plant and Equipment Write Off	71,818	-
	<u><u>3,545,508</u></u>	<u><u>-</u></u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
4c MATERIALS AND CONTRACTORS		
Consulting Fees	9,790	114,518
Contract Labour	344,952	1,098,488
Contract Materials and Labour	1,176,543	1,170,009
Fuel and Oil	668,446	610,874
Materials Food	570,231	514,994
Materials Other	1,223,415	1,225,955
Minor Asset Purchases	138,393	268,463
Motor Vehicle expenses	602,573	670,265
Operating Lease	90,428	195,058
Printing and Stationary	42,379	42,136
Protective Clothing and uniforms	111,346	105,175
Repairs and Maintenance	749,100	723,755
Software and business systems	538,112	469,936
Utility expenses	561,081	495,699
	<u>6,826,789</u>	<u>7,705,325</u>
4d OTHER OPERATING EXPENSES		
Advertising	89,330	169,475
Audit - Deloitte Touche Tohmatsu	59,150	47,500
Bad and Doubtful debts	(77,522)	29,351
Bank Fees	9,327	12,893
Elected Member Allowances	288,576	281,198
Insurance	531,984	465,924
IT expenses (network and internet)	294,543	357,269
Membership or Subscriptions	49,452	49,781
Postage, Freight and courier	154,868	105,710
Sundry Expenses	25,713	111,120
Telephone	280,629	295,889
Training and Conference Expenses	436,644	795,911
Travelling and accommodation	602,830	696,138
	<u>2,745,523</u>	<u>3,418,159</u>
5 GAIN OR (LOSS) ON DISPOSAL OF ASSETS		
Proceeds from disposal	280,102	254,631
Less: carrying amount of assets disposed of	155,565	109,276
	<u>124,537</u>	<u>145,355</u>
6 CASH AND CASH EQUIVALENTS		
Cash at Bank	8,456,343	15,985,508
Cash on Hand	7,906	7,440
	<u>8,464,249</u>	<u>15,992,948</u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
7 INVESTMENTS		
General Short Term Deposits	6,053,247	-
	<u>6,053,247</u>	<u>-</u>
TOTAL CASH AND SHORT TERM DEPOSITS	14,517,496	15,992,948
The following portion of cash and bank balances is subject to restrictions in that it represents unexpended grant funds provided for specific purposes.		
Included in liabilities	9,237,584	5,173,540
Included in revenue	-	6,093,503
8 TRADE AND OTHER RECEIVABLES		
Rates and Annual Charges	162,480	91,144
Accrued Income	-	619,831
Goods and Services Tax	305,528	140,324
Trade receivables	533,005	1,179,588
Total	<u>1,001,013</u>	<u>2,030,887</u>
Less Provision for Doubtful debts	<u>(29,148)</u>	<u>(108,726)</u>
Total Receivables	<u>971,865</u>	<u>1,922,161</u>
<u>Ageing of past due but not impaired</u>		
> 30 Days	5,640	52,132
> 60 Days	-	9,735
> 90 Days	33,007	517,076
Total	<u>38,647</u>	<u>578,943</u>
<u>Ageing of impaired trade receivables</u>		
> 90 Days	<u>29,148</u>	<u>108,726</u>
9 OTHER INVENTORIES		
Finished Goods - Post Office Stock	23,357	28,889
Computer	75,055	-
	<u>98,412</u>	<u>28,889</u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

10 PROPERTY, PLANT AND EQUIPMENT

	Buildings*	Land	Infrastructure	Plant and Equipment	Vehicles	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Gross Carrying Amount								
Balance at start of prior year	37,285,156	1,310,000	2,635,256	8,785,877	7,398,518	1,121,539	347,616	58,883,962
Additions	4,014,194	-	932,482	708,176	892,414	-	-	6,547,266
Disposals	-	-	-	(503,854)	(731,685)	-	-	(1,235,539)
Balance at end of prior year	41,299,350	1,310,000	3,567,738	8,990,199	7,559,247	1,121,539	347,616	64,195,689
Additions	600,392	-	749,087	448,820	442,715	-	-	2,241,014
Disposals	-	-	-	(244,485)	(933,292)	-	-	(1,177,777)
Write Off	(11,252,625)	-	-	-	-	-	-	(11,252,625)
Balance at end of current year	30,647,117	1,310,000	4,316,825	9,194,534	7,068,670	1,121,539	347,616	54,006,301
Accumulated Depreciation								
Balance at start of prior year	3,261,407	-	934,520	7,088,089	4,844,813	1,104,431	334,343	17,567,603
Charge for the year	1,789,271	-	237,794	365,585	550,360	3,408	2,774	2,949,192
Accumulated on disposals	-	-	-	(497,861)	(628,402)	-	-	(1,126,263)
Balance at end of prior year	5,050,678	-	1,172,314	6,955,813	4,766,771	1,107,839	337,117	19,390,532
Charge for the year	2,095,705	-	294,122	350,375	610,416	3,408	2,775	3,356,801
Accumulated on disposals	-	-	-	(244,485)	(777,727)	-	-	(1,022,212)
Accumulated on Write Off	(1,895,399)	-	-	-	-	-	-	(1,895,399)
Balance at end of current year	7,146,383	1,310,000	1,466,436	7,061,703	4,599,460	1,111,247	339,892	19,829,723
Net Book Value								
Balance at start of current year	36,248,672	1,310,000	2,395,424	2,034,386	2,792,476	13,700	10,499	44,805,157
Balance at end of current year	23,500,734	1,310,000	2,850,389	2,132,831	2,469,210	10,292	7,724	34,176,578

Land: With the sole exception of a 50% share in the land component of the Council's headquarters building in Alice Springs and ownership of land in Ti Tree, the Council has no registered or registrable freehold or leasehold interests in land.

In the 2013-14 financial year the Central Desert Regional Council surrendered some properties to other Government Agencies and did not apply for Section 19 or Community Living area leases on others, consequently the value of the building assets has been reduced by the residual value of these buildings.

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
11 TRADE AND OTHER PAYABLES		
Trade Creditors	2,806,506	2,423,121
Accrued Expenditure	34,425	447,673
	<u>2,840,931</u>	<u>2,870,794</u>
12a PROVISIONS		
Annual leave - Current	1,027,449	1,630,400
Long Service Leave - Non Current	305,531	306,609
Salary And Wages	654,391	520,458
Audit Fees, FBT and Other	50,571	60,254
	<u>2,037,942</u>	<u>2,517,721</u>
TOTAL PROVISIONS CONSISTS OF		
Current Provisions	1,732,411	2,211,112
Non-Current Provisions	305,531	306,609
	<u>2,037,942</u>	<u>2,517,721</u>
MOVEMENTS IN PROVISIONS		
<u>Annual Leave</u>		
Opening Balance	1,630,400	1,879,389
Add: Additional Amounts recognised (service costs)	347,959	399,368
(Less): Payments (settlement costs)	(364,148)	(648,357)
Unused Amount Reversed during the period.	(586,762)	-
Closing Balance	<u>1,027,449</u>	<u>1,630,400</u>
<u>Long Service Leave</u>		
Opening Balance	306,609	315,845
Add: Additional Amounts recognised (service costs)	29,505	28,875
(Less): Payments (settlement costs)	(12,141)	(38,111)
Unused Amount Reversed during the period.	(18,442)	-
Closing Balance	<u>305,531</u>	<u>306,609</u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
12b BORROWINGS		
<u>Current</u>		
Bank Loans	210	108,292
	<u>210</u>	<u>108,292</u>
<u>Non - Current</u>		
Bank Loans	-	711,416
	<u>-</u>	<u>711,416</u>
 Total Borrowings	 <u>210</u>	 <u>819,708</u>
 13 STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
For the purpose of the statements of cash flows, cash includes cash on hand, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
 Cash on hand and at bank	8,464,249	15,992,948
Total Cash and Short Term Investment	<u>8,464,249</u>	<u>15,992,948</u>
 (b) Reconciliation of profit from ordinary activities to net cash flows from operating activities		
Change in net assets resulting from operations	(6,883,417)	2,900,049
Depreciation and Amortisation	3,349,811	2,949,192
Profit on sale of assets	(124,537)	(145,355)
Other non-cash adjustments		
Net cash used in operating activities before changes in assets and liabilities	<u>(3,658,143)</u>	<u>5,703,886</u>
 (Increase) Decrease in receivables	1,190,439	1,968,095
(Increase) Decrease in inventory	(69,524)	1,591
Increase (Decrease) in payables	(22,545)	(568,544)
Increase (Decrease) in provision for doubtful debts	(79,578)	-
Increase (Decrease) in employee leave entitlements	(604,029)	(258,225)
Increase (Decrease) in unexpended grants	4,548,337	3,099,511
Net Cash Flows from Operating Activities	<u>1,304,957</u>	<u>9,946,314</u>

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
14 COMMITMENTS FOR EXPENDITURE		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	-	-
Infrastructure	-	-
Plant and equipment	-	-
Vehicles	-	34,649
	<u>-</u>	<u>34,649</u>
These expenditures are payable as follows:		
Not later than 1 year	<u>-</u>	<u>34,649</u>

15 FINANCIAL INSTRUMENTS

(a) Financial Risk Exposures and Management

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

Liquidity Risk

Liquidity risk is the risk that 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 the 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 a 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.

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
FINANCIAL INSTRUMENTS Cont		
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 the Council is low.		
<i>Market risk</i>		
Market risk is the risk that changes in the 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 exposure.		
<i>Interest rate risk</i>		
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.		
<i>Sensitivity analysis</i>		
At balance sheet date, the Council had the following assets and liabilities exposed to variable interest rate risk.		
Financial Assets		
Cash on Hand and at Bank	-	-
Financial Liabilities		
Bank Loan	210	819,708

At balance sheet date the Council has loans that present exposure to interest rate risk. Credit cards are the only short term financial instrument used by the 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.

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

		2014 \$	2014 \$	2013 \$	2013 \$
15 FINANCIAL INSTRUMENTS Cont					
(a)					
	Change in rate	Effect on Profit or Loss	Effect on Equity	Effect on Profit or Loss	Effect on Equity
Financial Assets					
Cash on Hand and at Bank	1%	-	-	-	-
Financial Liabilities					
Bank Loan	1%	(2)	(2)	(8,197)	(8,197)

(b) 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 sheet date are as follows:

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Receivables - Trade	6	Trade receivables are carried at nominal amounts less any provision for bad debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
Term Deposits	7	Term deposits are stated at the lower of cost and net realisable value. Interest is recognised in the profit and loss when earned.	The Term Deposit has effective interest rate of 3.71%.
(ii) Financial Liabilities			
Trade Creditors	11	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.
Bank Loans	12b	Loans are measured at fair value, net of transaction costs.	The Council has repaid the outstanding Loan amount in April 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

15 FINANCIAL INSTRUMENTS Cont

(c) Interest Rate Risk

The entity's exposure to interest rate risks both recognised and unrecognised at the balance sheet date are as follows:

Financial Instruments	Floating interest rate	Fixed Interest Maturing In		Non - interest bearing	Total carrying amount as per balance sheet	Weighted average interest
		≤ 1 year	≥ 1 year < 5 years			
2014						
Financial Assets						
Cash on Hand and at Bank	-	-	-	-	-	2.75%
Short Term deposits	-	8,464,249	-	-	8,464,249	3.71%
Receivables	-	-	-	6,053,247	6,053,247	
Total Financial Assets	-	8,464,249	-	6,053,247	14,517,496	
Financial Liabilities						
Trade Creditors	-	-	-	2,806,506	2,806,506	
Bank Loans	210	-	-	-	210	4.95%
Finance Lease Liability	-	-	-	-	-	
Unexpended Grants	-	-	-	9,237,584	9,237,584	
Total Financial Liabilities	210	-	-	12,044,090	12,044,300	
2013						
Financial Assets						
Cash on Hand and at Bank	-	-	-	-	-	2.75%
Short Term deposits	-	15,992,948	-	-	15,992,948	
Receivables	-	-	-	-	-	
Total Financial Assets	-	15,992,948	-	-	15,992,948	
Financial Liabilities						
Trade Creditors	-	-	-	2,423,121	2,423,121	
Bank Loans	819,708	-	-	-	819,708	5.09%
Finance Lease Liability	-	-	-	-	-	
Unexpended Grants	-	-	-	5,173,540	5,173,540	
Total Financial Liabilities	819,708	-	-	7,596,661	8,416,369	

CENTRAL DESERT REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
16 CONDITIONS OVER GRANTS		
Grants and contributions received in the current and prior periods which were obtained on the condition that they be expended on specified purposes, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of previous reporting period recognised as liabilities	5,173,540	10,666,153
Unexpended at the close of previous reporting period - recognised in revenue	6,093,503	5,652,757
<u>Less:</u>		
Expended during the current reporting period from revenue recognised in previous reporting periods.	(3,297,546)	(3,365,122)
Repaid during this period	(1,498,978)	(2,010)
Recognised as Current Period Revenue	(6,470,519)	(7,407,913)
<u>Plus:</u>		
Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions	-	3,805,868
Unexpended Grants recognised as liability	9,237,584	1,917,310
Unexpended at the end of current reporting period and held as restricted assets	9,237,584	11,267,043
Total Balance of unexpended grants recognised as liability - note 3(d)	9,237,584	5,173,540
17 LEASES		
<u>Non-cancellable operating lease commitments</u>		
Not longer than 1 year	113,740	119,504
Longer than 1 year and not longer than 5 years	121,342	57,549
Longer than 5 years	-	-
	235,082	177,053