

WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

**Financial Report For The Year Ended
30 June 2024**

WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

Financial Report For The Year Ended 30 June 2024

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WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

Council Certificate

For The Year Ended 30 June 2024

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

(a) the accompanying financial statements comply with the Local Government Act 2019 , Local Government General Regulations 2021 and Australian Accounting Standards.

(b) the financial statements present a true and fair view of the Council's financial position at 30 June 2024 and the results of its operations and cash flows for the financial year.

(c) internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the year.

(d) the financial statements accurately reflect the Council's accounting and other records



PRESIDENT - NEIL WHITE

Dated **21st** October 2024



CEO - VIRGINYA BOON

Dated **21st** October 2024

AUDITOR'S INDEPENDENCE DECLARATION UNDER THE PROVISIONS OF NORTHERN TERRITORY LOCAL GOVERNMENT ACT 2019 AND NORTHERN TERRITORY LOCAL GOVERNMENT (GENERAL) REGULATIONS 2021

TO THE COUNCILLORS OF WAGAIT SHIRE COUNCIL

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Northern Territory Local Government Act 2019 and Northern Territory (General) Regulations 2021*, in relation to the audit, and
- (ii) any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

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Darwin, Northern Territory
Dated: 8 November 2024

Advisory. Tax. Audit.

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WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
INCOME			
Rates and annual charges	2A	393,831	378,770
User charges and fees	2B	160,199	178,167
Grants and contributions	2C	708,172	743,755
Interest	2D	85,121	52,237
Gain on sale of property, plant and equipment	2E	11,960	6,986
TOTAL INCOME		<u>1,359,283</u>	<u>1,359,915</u>
EXPENSES			
Employee Cost	3A	532,769	522,966
Materials and Contracts	3B	399,947	261,628
Depreciation	3C	225,585	204,428
Other operating expenses	3D	111,885	80,996
TOTAL EXPENSES		<u>1,270,186</u>	<u>1,070,018</u>
NET SURPLUS		<u>89,097</u>	<u>289,897</u>
OTHER COMPREHENSIVE INCOME			
Revaluation of buildings and other assets for the year		1,517,302	-
TOTAL OTHER COMPREHENSIVE INCOME		<u>1,517,302</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>1,606,399</u>	<u>289,897</u>

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 579

STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

AS AT

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash on Hand and at Bank	4	2,302,505	2,248,519
Trade and Other Receivables	5	40,589	25,098
TOTAL CURRENT ASSETS		2,343,094	2,273,617
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	3,881,653	2,195,289
Right of Use Assets	7	59,814	18,098
TOTAL NON-CURRENT ASSETS		3,941,467	2,213,387
TOTAL ASSETS		6,284,561	4,487,004
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	78,069	59,067
Other Contract liabilities	9	608,045	456,341
Lease Liabilities	10	15,742	14,459
Employee Leave Provisions	11	85,934	103,103
TOTAL CURRENT LIABILITIES		787,790	632,970
NON-CURRENT LIABILITIES			
Lease Liabilities	10	45,283	4,908
Employee Leave Provisions	11	-	4,037
TOTAL NON-CURRENT LIABILITIES		45,283	8,945
TOTAL LIABILITIES		833,073	641,915
NET ASSETS		5,451,488	3,845,089
EQUITY			
Retained Earnings		2,222,719	2,133,622
Reserves	12	3,228,769	1,711,467
TOTAL EQUITY		5,451,488	3,845,089

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 579
STATEMENT OF WORKING CAPITAL
AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash on Hand and at Bank	4	2,302,505	2,248,519
Trade and Other Receivables	5	40,589	25,098
TOTAL CURRENT ASSETS		2,343,094	2,273,617
Less:			
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	78,069	59,067
Contract liabilities	9	608,045	456,341
Lease Liabilities	10	15,742	14,459
Employee Provisions	11	85,934	103,103
TOTAL CURRENT LIABILITIES		787,790	632,970
NET CURRENT ASSETS		1,555,304	1,640,647
CURRENT RATIO		2.97	3.59

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Retained Earnings	Asset Revaluation Reserve	Asset Replacement and Maintenance Reserves	Total Equity
		\$		\$	\$
Balance at 1 July 2022		2,063,725	991,467	500,000	3,555,192
Comprehensive income:					
Surplus for the year		289,897	-	-	289,897
Other comprehensive income (loss) for the year		-	-	-	-
Total comprehensive income (Loss) attributable to Members of the entity for the year		289,897	-	-	289,897
Transfers to and from Reserves	12	(220,000)		220,000	-
Balance at 30 June 2023		2,133,622	991,467	720,000	3,845,089
Balance at 1 July 2023		2,133,622	991,467	720,000	3,845,089
Comprehensive income:					
Surplus for the year		89,097	-	-	89,097
Other comprehensive income for the year		-	1,517,302	-	1,517,302
Total comprehensive income attributable to Members of the entity for the year		89,097	1,517,302	-	1,606,399
Transfers to and from Reserves	12	-	-	-	-
Balance at 30 June 2024		2,222,719	2,508,769	720,000	5,451,488

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		554,778	542,193
Grants and contributions receipts		859,876	1,023,846
Interest received		83,212	52,211
Payments to suppliers and employees		(1,057,932)	(872,069)
Net cash provided by operating activities	14	439,934	746,181
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals of property, plant and equipment		11,960	6,986
Payment for property, plant and equipment		(375,354)	(217,333)
Net cash (used in) investing activities		(363,394)	(210,347)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		(22,554)	(15,564)
Net cash provided by (used in) financing activities		(22,554)	(15,564)
Net increase (decrease) in cash held		53,986	520,270
Cash and cash equivalents at beginning of the financial year		2,248,519	1,728,249
Cash and cash equivalents at end of the financial year	14	2,302,505	2,248,519

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The financial statements cover Wagait Shire Council as an individual entity, incorporated and domiciled in Australia. Wagait Shire Council is operating pursuant to the *NT Local Government Act 2019 and NT Local Government (General) Regulations 2021*.

The financial statements were authorised for issue on October 2024 by the Councillors of the Council.

Note 1 Material Accounting Policy Information

The accounting policies that are material to the Council are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

New Or Amended Accounting Standards and Interpretations Adopted

The Council has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the requirements of the *Local Government Act 2019, Local Government (General) Regulations 2021* and other authoritative pronouncements of the Australian Accounting Standard Board.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention. Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non current assets and financial assets.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (q) Critical Accounting Judgements, Estimates and Assumptions.

Current and Non Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non current classifications.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the Council's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period and or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non current.

Material Accounting Policy Information

(a) Revenue and Other Income Recognition

The Council recognises revenue as follows :

Revenue from Contracts With Customers

Revenue is recognised at an amount that reflects the consideration to which the Council is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Council identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (Cont.)

(a) Revenue and Other Income Recognition (Cont.)

Capital Grant

When the Council receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Council recognises income in profit or loss when or as the Council satisfies its obligations under the terms of the grant.

Rates

Rates are recognised as revenue when the Council obtains control over the asset comprising the receipt.

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

Uncollected rates are recognised as receivables.

Interest Income

Interest income is recognised using the effective interest method.

Donation Income

Donations and bequests are recognised as revenue when received.

Income from Sale of Goods

Revenue from the sales of goods and the rendering of a service is recognised upon the delivery of the goods and services to the customers.

A receivable will be recognised when the goods are delivered. The Council's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 30 to 45 days.

The Council's historical experience with sales returns show that they are negligible and considered to be highly improbable. As such no provision for sale refunds is recognised by the Council at the time of sale of goods.

All revenue is stated net of the amount of goods and services tax.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold Property

Freehold land and Buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the Freehold Land and Buildings are not subject to an independent valuation, the Councillors conduct Councillors' valuations to ensure the carrying amount for the Land and Buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of Land and Buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (Cont.)

(b) Property, Plant and Equipment

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold Land and Buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost or fair value basis as indicated, less, where applicable, accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate Life (years)
Buildings and improvements	20-40
Infrastructure roads and path assets	10
Plant and equipment	3-10
Office equipment and furniture	3
Motor vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Right of Use Assets

A Right of Use Asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of Use Assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Council expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of Use Assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (Cont.)

(d) Leases

At inception of a contract, the Council assess if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Council where the Council is a lessee. However all contracts that are classified as short term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating lease on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Council uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows :

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Council anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below market terms and conditions principally to enable the Council to further its objectives (commonly known as peppercorn / concessionary leases), the Council has adopted the temporary relief under AASB 2019-8 and measures the right of use assets at cost on initial recognition.

(e) Impairment of Financial Assets

The Council recognises a loss allowance for expected credit losses on :

- financial assets that are measured at amortised cost or fair value through other comprehensive income; and
- contract assets (eg amount due from customers under contracts).

The Council uses the following approach to impairment, as applicable under AASB 9 : Financial Instruments:

- the simplified approach.

Simplified Approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

The approach is applicable to:

- trade receivable; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivable is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (Cont.)

(e) Impairment of Financial Assets (Cont.)

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Council recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

(f) Impairment of Non Financial Assets

Non-financial assets 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. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the Council's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave and superannuation. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and superannuation are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Council classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Council's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least twelve months after the reporting date, in which case the obligations are presented as current liabilities. The Council based on past experience records employee's long service leave entitlements on commencement of their employment within the Council.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

(g) Employee Benefits (Cont.)

Retirement benefit obligations

Superannuation benefits

All employees of the Council receive accumulated contribution superannuation entitlements, for which the Council pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. For the period 1 July 2023 to 30 June 2024 this was 11% of the employee's ordinary average salary. From 1 July 2024 this rate has increased to 11.5%. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Council's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Council's statement of financial position.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Trade and Other receivables

Trade and other receivables include amounts due from clients for fees and goods and services provided, from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for measurement. Refer to Note 1(e) for further discussions on the determination of impairment losses.

(j) Contract Assets

Contract assets are recognised when the Council has transferred goods or services to the customer and or completed required performance obligations, but has yet to establish unconditional rights to consideration. Contract assets are treated as financial assets for impairment purposes.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Council during the reporting period that remain unpaid at the end of the reporting period. Trade payables are recognised at their transaction price. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Contract Liabilities

Contract liabilities represent the Council's obligation to transfer goods or services to a customer or complete required performance obligations and are recognised when a customer pays consideration, or when the Council recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Council has transferred the goods or services to the customer and or completed required performance obligations.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

(o) Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(p) Comparative Figures

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

(q) Critical Accounting Estimates, Judgements and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Valuation of property, plant and equipment

The Council at 30 June 2024 undertook a valuation of its land, buildings and structures, sports ground and infrastructure, motor vehicles, plant and equipment, office equipment and its road infrastructure. Acumentis and Valuations NT were engaged jointly to undertake this valuation of the Council's assets and infrastructure. The valuation was completed on 7 October 2024 with the valuation date being 30 June 2024. The valuation was performed by Mr Nick Funnell AAPI (CPV), National Director Asset Advisory and Ms Emma Jackson AAPI (CPV), Director Valuation NT. The valuation was prepared in accordance with the Australian Accounting Standards with the basis of value used being fair value of the assets. In determining fair value the valuation approach was based on the highest and best use of the assets in accordance with Australian Accounting Standards. An entity's current use of non financial assets is presumed to be its highest and best use, unless market or other factors suggest that a different use by market participants would maximise the value of the asset. The valuation of these assets at 30 June 2024 resulted in an increase in their value of \$1,517,302 and an increase of the same amount to the Asset Revaluation Reserve.

(ii) Useful lives of property, plant and equipment

As described in Note 1(b), the Council reviews the estimated useful lives of property, plant and equipment at the end of each reporting period, based on the expected utility of the assets.

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(iii) Impairment- General

The Council assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Council that may be indicative of impairment triggers.

Impairment of accounts receivable

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position. Provision for impairment of receivables at 30 June 2024 amounted to \$3,270 (2023 : \$5,510).

(iv) Performance Obligations Under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature / type, cost /value, quantity and the period of transfer related to the goods or services promised.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (Cont.)

(q) Critical Accounting Estimates, Judgements and Assumptions (Cont.)

(v) Lease Term and Options Under AASB 16

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Council's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Council reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Council estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(vi) Employee Benefits Provision

As discussed in Note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(r) Fair Value of Assets and Liabilities

The Council measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Council would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

"Fair value" is the price the Council would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transactions between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Council's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 1 Material Accounting Policy Information (Cont.)

(s) Economic Dependence and Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Council is dependent upon the ongoing receipt of grants from the Northern Territory Government to ensure the continuance of its activities. At this date of this report management has no reason to believe that Council will not continue to receive funding support from the Government.

(t) New and Amended Accounting Standards and Policies Adopted By The Council

AASB 2021-2: Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates.

The Council adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of "material accounting policy information" rather than "significant accounting policies" in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.

AASB 2021-6 amends AASB 1049 and AASB 1060 to require disclosure of 'material accounting policy information' rather than "significant accounting policies" in an entity's financial statements. It also amends AASB 1054 to reflect the updated terminology used in AASB 101 as a result of AASB 2021-2. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.

AASB 2022-7 makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2. It also formally repeals the superseded and redundant Australian Accounting Standards set out in Schedules 1 and 2 of this standard.

The adoption of the amendment did not have a material impact on the financial statements.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 2	Revenue and Other Income	Note	2024	2023
			\$	\$
2A	Rates and annual charges			
	<i>Ordinary rates</i>			
	Residential, business and rural flat rate		266,508	255,774
	Waste management levy		127,323	122,996
	Total rates and annual charges		<u>393,831</u>	<u>378,770</u>
			2024	2023
			\$	\$
2B	User charges and fees			
	Jetty and boat ramp maintenance		91,003	112,549
	Power and water contract income		39,586	47,662
	Other fees and charges		17,775	3,658
	Rent income		8,618	7,882
	Other income		3,217	6,416
	Total User charges and fees		<u>160,199</u>	<u>178,167</u>
			2024	2023
			\$	\$
2C	Grants and Contributions			
	<i>General purpose grants</i>			
	FAA - General purpose component		16,866	15,644
	FAA - Roads to recovery component		70,620	63,459
	<i>Northern Territory Government operating grants</i>			
	General purpose component		213,000	402,540
	Remote Sport Program		20,097	20,367
	<i>Federal and Northern Territory Government non-recurring grants</i>			
	<i>Specific grants</i>		162,160	56,414
	<i>Capital purpose grants</i>			
	IPG-Tipper		-	90,910
	LRCI 2		-	4,896
	LRCI 3		-	22,564
	LRCI 4		23,761	-
	Tourism Town Asset 2022		-	53,862
	WRM #2 21-22		49,118	9,220
	WRM #3 22-23		75,000	-
	WRM #4 23-24		75,000	-
	<i>Non Government grants and contributions</i>			
	Australia Day Council		2,250	2,500
	FRRR		-	1,079
	Carers NT		300	300
	Total grants and contributions		<u>708,172</u>	<u>743,755</u>
			2024	2023
			\$	\$
2D	Interest			
	Financial Institutions		85,121	52,237
	Total Interest		<u>85,121</u>	<u>52,237</u>
			2024	2023
			\$	\$
2E	Gains/ (loss) on disposal property, plant and equipment			
	Gains and Losses		11,960	6,986
	Total Gains/ (loss) on disposal property, plant and equipment		<u>11,960</u>	<u>6,986</u>

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 3	Expenses	Note	2024	2023
			\$	\$
3A	Employee Cost			
	Salaries and Wages		495,740	476,012
	Superannuation		49,519	53,533
	Leave Expense		(21,207)	(12,754)
	Recruitment		1,319	-
	Training and development		7,398	6,175
	Total employee cost		<u>532,769</u>	<u>522,966</u>
3B	Materials and contracts		2024	2023
			\$	\$
	Regular Bin and Waste Collection		99,502	84,391
	Insurance		68,665	52,705
	Repairs & Maintenance		111,985	31,858
	Accounting		-	-
	Motor Vehicle Expenses		14,561	13,383
	Other Grant Expenses		59,221	60,293
	Consultant fees		33,200	1,096
	Travel & Accommodation		2,471	5,485
	Community Activities and Functions		8,887	11,234
	Safety Supplies & Equipment		1,455	1,183
	Total materials and contracts		<u>399,947</u>	<u>261,628</u>
3C	Depreciation		2024	2023
			\$	\$
	Buildings		49,461	49,218
	Sports Ground		39,137	32,393
	Plant and equipment		50,732	54,677
	Office equipment		3,296	2,209
	Infrastructure		45,300	43,784
	Motor vehicles		18,366	8,574
	Right of Use Assets -Motor Vehicles		19,293	13,573
	Total Depreciation		<u>225,585</u>	<u>204,428</u>
3D	Other operating expenses		2024	2023
			\$	\$
	Audit services		7,640	12,986
	Administration expenses		35,700	34,145
	Bad and doubtful debt expenses		(2,240)	(191)
	Councillor expenses - allowances		17,623	4,719
	Councillor expenses - professional development	13	7,753	2,045
	Power, water & gas		10,338	9,164
	Other expenses		31,868	16,242
	Interest expense on lease liabilities		3,203	1,886
	Total Other operating expenses		<u>111,885</u>	<u>80,996</u>

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 4 Cash on Hand and at Bank

CURRENT	Note	2024	2023
		\$	\$
Cash at Bank		2,302,505	2,248,519
Total Cash on Hand and at Bank		<u>2,302,505</u>	<u>2,248,519</u>
 Restricted cash and cash equivalents summary			
<i>Purpose</i>			
External restrictions			
Included in liabilities			
Contract liability	9	608,045	306,152
Included in revenue			
Total external restrictions		<u>608,045</u>	<u>306,152</u>
 Internal restrictions			
Included in liabilities			
Employee leave entitlements	11	85,934	99,391
Total external restrictions		<u>85,934</u>	<u>99,391</u>
Total unrestricted		1,608,526	1,842,976
 Total Cash on hand and at bank	 14(a), 18	 <u>2,302,505</u>	 <u>2,248,519</u>

Note 5 Trade and Other Receivables

CURRENT	Note	2024	2023
		\$	\$
Receivables :			
Rates and annual charges		25,667	28,252
Less :Provision for impairment of receivables		(3,270)	(5,510)
Total Unrestricted accounts receivable and other debtors		<u>22,397</u>	<u>22,742</u>
 Other Receivables :			
GST (net) receivable		14,077	150
Accrued interest		4,115	2,206
Total Other receivables		<u>18,192</u>	<u>2,356</u>
Total current trade and other receivables	18, 19	<u>40,589</u>	<u>25,098</u>

The Council normal credit term is 30 days. No interest is charged for the first 30 days from the date of invoice. Thereafter, interest is charged at 17% per annum, which is calculated on a daily basis, on the outstanding balance.

Movement (recoveries) in allowance for impairment of receivables	2024	2023
	\$	\$
Balance at beginning of the year	5,510	5,510
Increment/ (Reduction) in allowance	(2,240)	(2,240)
Balance at the end of the year	<u>3,270</u>	<u>3,270</u>

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 6 Property, Plant and Equipment

	Note	2024 \$	2023 \$
Property			
Land :			
At independent valuation 2021		-	350,000
At independent valuation 2024		745,000	-
Total Land		<u>745,000</u>	<u>350,000</u>
Buildings :			
At independent valuation 2021		-	980,000
At independent valuation 2024		1,735,951	-
At cost		-	9,220
		<u>1,735,951</u>	<u>989,220</u>
Less Accumulated depreciation		-	(102,301)
		<u>1,735,951</u>	<u>886,919</u>
Sports Ground :			
At independent valuation 2021		-	310,000
At independent valuation 2024		339,599	-
At cost		-	71,883
		<u>339,599</u>	<u>381,883</u>
Less Accumulated depreciation		-	(68,560)
		<u>339,599</u>	<u>313,323</u>
Total Buildings		<u>2,075,550</u>	<u>1,200,242</u>
Total Land and Buildings	19	<u>2,820,550</u>	<u>1,550,242</u>
Plant and Equipment :			
Infrastructure roads and path assets			
At cost		921,675	894,075
Less Accumulated depreciation		(581,721)	(536,421)
		<u>339,954</u>	<u>357,654</u>
Plant and equipment:			
Plant and equipment:			
At independent valuation 2024		262,547	-
At cost		-	674,766
Less Accumulated depreciation		-	(493,729)
		<u>262,547</u>	<u>181,037</u>
Office equipment:			
At independent valuation 2024		27,870	-
At Cost		-	193,788
Less Accumulated depreciation		-	(177,733)
		<u>27,870</u>	<u>16,055</u>
Motor vehicles:			
At independent valuation 2024		269,537	-
At Cost		-	165,230
Less Accumulated depreciation		-	(74,929)
		<u>269,537</u>	<u>90,301</u>
Total Plant and Equipment		<u>899,908</u>	<u>645,047</u>
Work in Progress :		<u>161,195</u>	<u>-</u>
Total Property, Plant and Equipment		<u>3,881,653</u>	<u>2,195,289</u>

Movements In Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Sports Ground \$	Infrastructure \$	Plant and Equipment \$	Office Equipment \$	Motor Vehicles \$	WIP \$	Total \$
Carrying amount at 1 July 2023	350,000	886,919	313,323	357,654	181,037	16,055	90,301	-	2,195,289
Increment/ (Decrement)	-	-	-	-	-	-	-	-	-
Revaluation	395,000	898,493	(78,464)	-	89,580	15,111	197,602	-	1,517,302
Additions at cost	-	-	143,877	27,600	42,682	-	-	161,195	375,354
Disposals	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(49,461)	(39,137)	(45,300)	(50,732)	(3,296)	(18,366)	-	(206,292)
Carrying amount at 30 June 2024	<u>745,000</u>	<u>1,735,951</u>	<u>339,599</u>	<u>339,954</u>	<u>262,547</u>	<u>27,870</u>	<u>269,537</u>	<u>161,195</u>	<u>3,881,653</u>

Valuation of Building and Improvements

The Council at 30 June 2024 undertook a valuation of its land, buildings and structures, sports ground and infrastructure, motor vehicles, plant and equipment, office equipment and its road infrastructure. Acumtens and Valuations NT were engaged jointly to undertake this valuation of the Council's assets and infrastructure.

The valuation was completed on 7 October 2024 with the valuation date being 30 June 2024.

The valuation was performed by Mr Nick Funnell AAPI (CPV), National Director Asset Advisory and Ms Emma Jackson AAPI (CPV), Director Valuation NT.

The valuation was prepared in accordance with the Australian Accounting Standards with the basis of value used being fair value of the assets. In determining fair value the valuation approach was based on the highest and best use of the assets in accordance with Australian Accounting Standards. An entity's current use of non financial assets is presumed to be its highest and best use, unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

The valuation of these assets at 30 June 2024 resulted in an increase in their value of \$1,517,302 and an increase of the same amount to the Asset Revaluation Reserve.

In addition to the above assets, the independent valuers also valued at 30 June 2024 the Infrastructure Roads and Path assets that exist within the Council's jurisdiction. These were valued at a fair value of \$2,369,204. The Council elected not to recognise the valuation of the Infrastructure Roads and Path assets within its financial statements. Rather it was determined to maintain these assets at their cost less accumulated depreciation. Their written down value at 30 June 2024 being \$339,954.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 6 Property, Plant and Equipment (Cont.)

Grant Funded Asset Additions:

Project Name	Capital Grants Description	Grant Income Received \$	Council Contribution \$	Asset Addition Cost \$	Asset Class
IPG-Tipper	Specific capital grant for purchase of tipper truck	90,910	921	91,831	Motor Vehicles
LRCI 2	Specific grant for verge remediation and signage	4,896	3,039	7,935	Infrastructure
LRCI 3	Specific grant for Skatepark and Pumptrack design and construction	33,329	-	22,564	Infrastructure
Tourism Town Asset 2022	Specific capital grant to install solar light at Sports Court	53,862	18,021	71,883	Sports Ground
WRM #2 21-22	Specific capital grant for ReDiscovery Centre construction	58,338	-	9,220	Buildings

Note 7 Right of Use Assets

(a) AASB 16 Related Amounts Recognised in the Balance Sheet

Right of Use Assets

Note	2024	2023
	\$	\$
Leased Motor Vehicles	115,303	54,294
Less Accumulated depreciation	(55,489)	(36,196)
Total right of use assets	59,814	18,098

The Council's lease portfolio includes motor vehicles. These leases have an average of 4 year as their lease term.

Movements In Carrying Amounts

Carrying amount at 1 July 2023

Additions at cost
 Depreciation expense

Carrying amount at 30 June 2024

	Motor Vehicles	Total
	\$	\$
Carrying amount at 1 July 2023	18,098	18,098
Additions at cost	61,009	61,009
Depreciation expense	(19,293)	(19,293)
Carrying amount at 30 June 2024	59,814	59,814

(b) AASB 16 Related Amounts Recognised in the Statement of Profit and Loss

Depreciation charge related to right of use assets
 Interest expense on lease liabilities
 Short Term leases expense

	2024	2023
	\$	\$
Depreciation charge related to right of use assets	19,293	13,573
Interest expense on lease liabilities	3,203	1,886
Short Term leases expense	-	1,598
	22,496	17,057

Note 8 Trade and Other Payables

CURRENT

Trade creditors
 Sundry creditors and accrued expenses
 Payroll and Super liabilities
 Credit card liabilities
 Rates in advance

Total Trade and Other Payables

	2024	2023
	\$	\$
Trade creditors	30,786	8,241
Sundry creditors and accrued expenses	24,050	24,804
Payroll and Super liabilities	10,572	13,501
Credit card liabilities	3,986	2,009
Rates in advance	8,675	10,512
Total Trade and Other Payables	78,069	59,067

(a) Financial liabilities at amortised cost are classified as trade and other payables.

Trade and other payables:

— Total Current
 — Total Non Current

Total trade and other payables

	78,069	32,041
	-	-
Total trade and other payables	78,069	32,041

Financial liabilities as trade and other payables

	18, 19	78,069	32,041
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Note 9 Other Contract Liabilities

CURRENT

Contract Liabilities - grant in advance
 Contract Liabilities - grant funded programmes

Total Other Contract Liabilities

Total Contract and Unspent liabilities comprising the following grant funding amounts:

LRCI
 WRM 21-22
 Healthy Lifestyle
 Wagait Youth Program- DOH
 CBF - Makers 2022
 Financial Assistance Road- Early Release
 DCMC - CPP Community Place for People 2023
 DCMC IPG-Sportsground
 NT Men's Places Grant
 Quick Response Youth 2023
 Youth Vibe School Holiday 2022-23
 DCMC - CPP Community Place for People 2024
 IPG - Driveway_Road Drainage
 WRM #4 23-24
 Suicide Prevention Program 2023-24

Total Other Contract Liabilities

	2024	2023
	\$	\$
Contract Liabilities - grant in advance	415,000	84,477
Contract Liabilities - grant funded programmes	193,045	371,864
Total Other Contract Liabilities	608,045	456,341
Total Contract and Unspent liabilities comprising the following grant funding amounts:		
LRCI	6,067	10,765
WRM 21-22	-	124,117
Healthy Lifestyle	-	20,000
Wagait Youth Program- DOH	-	10,769
CBF - Makers 2022	-	76
Financial Assistance Road- Early Release	-	84,477
DCMC - CPP Community Place for People 2023	15,942	53,400
DCMC IPG-Sportsground	2,263	142,640
NT Men's Places Grant	7,494	8,115
Quick Response Youth 2023	-	1,965
Youth Vibe School Holiday 2022-23	-	17
DCMC - CPP Community Place for People 2024	415,000	-
IPG - Driveway_Road Drainage	84,000	-
WRM #4 23-24	75,000	-
Suicide Prevention Program 2023-24	2,279	-
Total Other Contract Liabilities	608,045	456,341

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 9 Other Contract Liabilities (Cont.)

	2024	2023
	\$	\$
(b) Contract liabilities - movement in amounts :		
Balance at the beginning of the year	456,341	176,250
Additions: Grants for which performance obligations will only be satisfied in subsequent years	608,045	456,341
Expended : Grants acquitted or utilised during the year	(456,341)	(176,250)
Closing balance	608,045	456,341

Note 10 Lease Liabilities

	Note	2024	2023
		\$	\$
CURRENT			
Leases - Motor Vehicles		15,742	14,459
		15,742	14,459
NON-CURRENT			
Leases - Motor Vehicles		45,283	4,908
		45,283	4,908
Total Lease Liabilities	18, 19	61,025	19,367

The lease liabilities are secured by the underlying assets and are subject to the terms of their individual lease agreements.

Note 11 Employee Leave Provisions

	2024	2023
	\$	\$
CURRENT		
Provision for employee benefits: annual leave	55,804	59,384
Provision for employee benefits: long service leave	30,130	43,719
	85,934	103,103
NON-CURRENT		
Provision for employee benefits: long service leave	-	4,037
	-	4,037
Total provisions for employee benefits	85,934	107,140
Analysis of total provisions:	Total	
	\$	
Opening balance at 1 July 2023	107,140	
Net change in the provision during the year	(21,206)	
Balance at 30 June 2024	85,934	

Provision For Employee Benefits

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Council does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Council does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Note 12 Reserves

	Note	2024	2023
		\$	\$
Asset Revaluation Reserve			
Balance at beginning of reporting year		991,467	991,467
Revaluation/ Increment (decrement)		1,517,302	-
Balance at end of the reporting year		2,508,769	991,467
Asset Replacement and Maintenance Reserves			
Balance at beginning of reporting year		720,000	500,000
Transfers to and from reserves		-	220,000
Balance at end of the reporting year		720,000	720,000
Total reserves		3,228,769	1,711,467

The asset replacement and maintenance reserve is maintained to replace roads and motor vehicles as the need arises.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 13 Key Management Remuneration

	2024	2023
	\$	\$
Short-term employment benefits	158,074	181,235
Long-term employment benefits	1,927	11,058
Councillor Allowances	17,623	4,719
Total Key Management Remuneration	177,624	197,012

CEO Remuneration	2023-24		2023-24	2023-24	2022-23
	CEO	Renita	CEO	Totals	Totals
	Glencross 1/7/2023 - 20/10/2023	17/10/2023 - 30/06/2024	17/10/2023 - 30/06/2024		
Short-term benefits	\$ 94,263	\$ 63,811	\$ 158,074	\$ 160,835	
Non-cash benefits	\$ -	\$ -	\$ -	\$ 20,400	
Other long-term benefits	\$ 1,927	\$ -	\$ 1,927	\$ 11,058	
Total remuneration	\$ 96,190	\$ 63,811	\$ 160,001	\$ 192,293	

Note 13 B Other Related Party Disclosure

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel or individual or collectively with their close family members.

Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no other related party transactions in 2024 (2023 :\$Nil).

Note 14 Cash Flow Information

	2024	2023
	\$	\$
(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows :		
Cash on hand and at bank	4 2,302,505	2,248,519
Total cash as stated in the Statement of cash flows	2,302,505	2,248,519
(b) Reconciliation of Cash Flow from Operating Activities with Current Year Profit (Loss)		
Profit (Loss) for the current year	89,097	289,897
Non-cash flows:		
Depreciation and amortisation expense	225,585	204,428
Gain/ (losses) on disposal of property, plant and equipment	(11,960)	(6,986)
Interest expense on lease liabilities	3,203	1,886
Changes in assets and liabilities:		
(Increase)/decrease in Trade and Other Receivables	(15,491)	(16,109)
Increase/(decrease) in Trade and Other payables	19,002	2,863
Increase/(decrease) in Other Contract liabilities	151,704	280,091
Increase/(decrease) in Employee Provisions	(21,206)	(9,889)
Net cash provided by operating activities	439,934	746,181

Note 15 Lease and Capital Expenditure Commitments Outstanding:

	2024	2023
	\$	\$
(a) Lease Liability Commitments		
<i>Motor Vehicles</i>		
Within one year	19,346	15,564
One to five years	51,435	6,485
More than 5 years	-	-
Total Future Lease Payments at the End of the Reporting Period:	70,781	22,049
(a) Operating Lease Commitments		
<i>Leasehold rental commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	-
One to five years	-	-
More than 5 years	-	-
	-	-

The Council has no operating lease commitments.

The Northern Territory Government allows the Council to use their Sports Ground Land for free. As a result the Council has a Crown lease and expiring date in Perpetuity with the NT Government for its Sports Ground Property Section 110 (50) plans S98/294 Wagait Tower Road. As previously noted the Council has adopted the temporary relief under AASB 2018-8 in relation to Peppercorn Lease.

(b) Capital Expenditure Commitments

The Council has no capital expenditure commitments as at 30 June 2024 (2023:\$Nil).

Note 16 Contingent Liabilities and Contingent Assets

The Council has no Contingent Liabilities and Contingent Assets as at 30 June 2024 (2023:\$Nil).

Note 17 Events After the Reporting Period

The Councillors are not aware of any significant events since the end of the reporting period that have significantly affected, or may significantly affect the Corporation's operations, the results of those operations, or the Corporation's state of affairs in future financial years.

Note 18 Financial Risk Management

The Council's financial instruments consist mainly of deposits with banks accounts, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2024 \$	2023 \$
Financial assets			
Cash on hand	4	2,302,505	1,768,806
Trade and other receivables	5	40,589	7,815
Total financial assets		2,343,094	1,776,621
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	7	78,069	32,041
Lease liabilities	10	61,025	45,984
Total financial liabilities		139,094	78,025

Financial Risk Management Policies

Management is responsible for mentoring and managing the Council's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Council in meeting its financial targets whilst minimising potential adverse effects on financial performance. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Council is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There has been no substantive change in the types of risk the Council is exposed to, how these risks arise, management's objectives, policies and procedures for managing or measuring risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Council.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Legislative restrictions on Council's investment powers effectively limit investments to financial instruments issued or guaranteed by Australian Governments, banks and authorised deposit taking institutions. Rates and other receivables are monitored on an ongoing basis with the result that the Council's exposure to bad debts is not significant.

The Council has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 6.

b. Liquidity risk

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Council manages this risk through the following mechanisms:

- > preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.
- > maintaining short term investments to cater for unexpected volatility in cash flows.
- > monitoring the ageing of receivables and payables.
- > maintaining a reputable credit profile.
- > managing credit risk related to financial assets.
- > only investing surplus cash with major financial institutions.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 18 Financial Risk Management (Cont.)

c. Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Council is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Council to interest rate risk are limited to cash and cash equivalents.

The Council also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) Sensitivity analysis

The following table illustrates sensitivities to the Council's exposures to changes in interest. The table indicates the impact on how profit reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2024	2023
	\$	\$
Surplus \$		
(+/- 1% in interest rates)	22,755	19,884

No sensitivity analysis has been performed on foreign exchange risk as the entity has no material exposures.

Refer to Note 19 for detailed disclosures regarding the fair value measurements of the Council financial assets.

Note 19 Fair Values Measurements

Fair value estimation

The Council measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- freehold land and buildings.

The Council does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities on a non-recurring basis.

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position.

	Note	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand and at bank	4,18	2,302,505	2,302,505	1,768,806	1,768,806
Trade and other receivables	5,18	40,589	40,589	7,815	7,815
Total financial assets		2,343,094	2,343,094	1,776,621	1,776,621
Financial liabilities					
Trade and other payables	7,18	78,069	78,069	32,041	32,041
Lease Liabilities	10,18	61,025	61,025	19,367	19,367
Total financial liabilities		139,094	139,094	51,408	51,408

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

(ii) Lease liabilities fair values are assessed on an annual basis by Management and the Directors. Current available data is used in assessing their carrying and fair values.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- (a) in the principal market for the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability.*

	Note	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Non-Financial assets					
Land and Buildings	6	2,820,550	2,820,550	1,550,242	1,550,242
Total non-financial assets		2,820,550	2,820,550	1,550,242	1,550,242

(i) The Council at 30 June 2024 undertook a valuation of its land, buildings and structures, sports ground and infrastructure, motor vehicles, plant and equipment, office equipment and its road infrastructure. Acumētis and Valuations NT were engaged jointly to undertake this valuation of the Council's assets and infrastructure. The valuation was completed on 7 October 2024 with the valuation date being 30 June 2024. The valuation was performed by Mr Nick Funnell AAPI (CPV), National Director Asset Advisory and Ms Emma Jackson AAPI (CPV), Director Valuation NT. The valuation was prepared in accordance with the Australian Accounting Standards with the basis of value used being fair value of the assets. In determining fair value the valuation approach was based on the highest and best use of the assets in accordance with Australian Accounting Standards. An entity's current use of non financial assets is presumed to be its highest and best use, unless market or other factors suggest that a different use by market participants would maximise the value of the asset. The valuation of these assets at 30 June 2024 resulted in an increase in their value of \$1,517,302 and an increase of the same amount to the Asset Revaluation Reserve.

WAGAIT SHIRE COUNCIL
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Note 20 Council Details

Wagait Shire Council is a local government body formerly called Cox Peninsular Government Council.

The Principal place of business is:

142 Wagait Tower Road
Wagait Beach NT 0822

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGAIT SHIRE COUNCIL

Opinion

We have audited the financial report of Wagait Shire Council (the Council), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Chief Executive Officer's Certificate.

In our opinion, the accompanying financial report of Wagait Shire Council, is in accordance with the *Northern Territory Local Government Act 2019* including:

- (i) giving a true and fair view of the Council's financial position as at 30 June 2024 and of its financial performance and its cashflows for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Northern Territory Local Government (General) Regulations 2021*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Councillors and Chief Executive Officer are responsible for the other information. The other information comprises the information in Wagait Shire Council's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Advisory. Tax. Audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGAIT SHIRE COUNCIL (CONT.)

Responsibilities of the Councillors and Chief Executive Officer for the Financial Report

The Councillors and Chief Executive Officer of Wagait Shire Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Northern Territory Local Government Act 2019* and for such internal control as the Councillors and Chief Executive Officer determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors and Chief Executive Officer are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors and Chief Executive Officer either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The Councillors and Chief Executive Officer are responsible for overseeing the entity's financial reporting process.

Auditor's responsibility for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

Advisory. Tax. Audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGAIT SHIRE COUNCIL (CONT.)

Auditor's responsibility for the audit of the financial report (Cont.)

- Conclude on the appropriateness of the Councillors and Chief Executive Officer use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

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Email: nclifford@nexiaem.com.au

Darwin, Northern Territory

Dated: 8 November 2024

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