

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### 7. Other Expenses

Repayment of grants funding not expended	120	-
Non-Staff Travel	27	11
	<u>147</u>	<u>11</u>

### 8. Net Gain/(Loss) on Disposal of Non-Current Assets

#### Costs of Disposal of Non-current Assets

Freehold land	-	(84)
Reserves	-	(288)
Other leases	-	(19)

#### Proceeds from Disposal of Non-current Assets

Property	-	-
Net gain/(loss)	<u>-</u>	<u>(391)</u>

See also note 16 'Property'

	2005/06 (\$'000)	2004/05 (\$'000)
<b>9. Commonwealth Grants and Contributions</b>		
Regional community projects	1,000	3,980
Other	-	60
	<u>1,000</u>	<u>4,040</u>

### 10. Interest Revenue

Interest revenue - cash at bank	<u>326</u>	<u>314</u>
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### 11. Other Revenue

Department of Indigenous Affairs	600	560
Other State Government agencies	262	338
Rent	22	16
Interstate receipts	19	6
Other	3	157
	<u>906</u>	<u>1,077</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### 12. Income from State Government

#### Resources Received Free of Charge

Determined on the basis of the following estimates provided by agencies (1):

- Department of Indigenous Affairs (see Note 2(n))	1,009	1,076
- Department of Land Information (land information and valuation)	937	247
	1,947	1,322

- (1) Where assets or services have been received free of charge or for nominal consideration, the Authority recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

### 13. Restricted cash and cash equivalents

#### Current

	2005/06 (\$'000)	2004/05 (\$'000)
Mining rents and royalties (1)	754	1,370
Community facilities (2)	1,870	3,980
Tjurabalan Stores (3)	73	3,033
CL Johnson Bequest (4)	2	2
H Drake-Brockman (5)	2	2
	2,701	8,387

Cash in these accounts is only to be used for -

- (1) Mining and royalties  
Improvements to land held by the Authority, on which mining activity takes place.
- (2) Community facilities  
The provision of facilities, such as swimming pools, in certain regional communities.
- (3) Regional Stores Strategy  
A project to address the management and operation of regional stores.
- (4) CL Johnson Bequest  
assisting Aboriginal missionaries in Western Australia (see also Note 22).
- (5) H Drake-Brockman  
Awarding a prize each year to the highest achieving indigenous student (see Note 22).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2005/06 (\$'000)	2004/05 (\$'000)
<b>14. Receivables</b>		
<u>Current</u>		
Receivables	1	407
Goods and Services Tax (GST)	56	-
	57	407
<b>15. Other Assets</b>		
<u>Current</u>		
Accrued Interest	48	44
	48	44
	2005/06 (\$'000)	2004/05 (\$'000)
<b>16. Property</b>		
<b>Land</b>		
Freehold land	11,821	9,303
Reserves	31,818	28,884
Pastoral leases	285	74
Other leases	615	802
At fair value (1)	44,539	39,063
<b>Buildings</b>		
At fair value (1)	30,189	26,934
Accumulated depreciation	(604)	(539)
	29,585	26,395
	74,124	65,458

(1) Freehold land and buildings were revalued as at 1 July 2005 by the Department of Land Information (Valuation Services). The valuations were performed during the year ended 30 June 2005 and recognised at 30 June 2006. The fair value of all land and buildings was determined by reference to market values and existing use. See also notes 2 (f), (h) and (l).



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

Reconciliation of the carrying amounts of property at the beginning and end of the current financial year is set out below.

	Freehold Land \$'000	Reserves \$'000	Pastoral Leases \$'000	Other Leases \$'000	Buildings \$'000	Total \$'000
<b><u>2005/06</u></b>						
Carrying amount at start of year	9,303	28,884	74	802	26,395	65,458
Additions	1,600					1,600
Disposals		(1,600)				(1,600)
Revaluation changes	919	4,535	211	(187)	3,793	9,270
Depreciation					(604)	(604)
Carrying amount at end of year	11,821	31,818	285	615	29,584	74,124
<b><u>2004/05</u></b>						
Carrying amount at start of year	6,589	26,936	138	821	26,769	61,253
Additions						
Disposals	(19)	(42)		(19)	(310)	(391)
Revaluation changes	2,733	1,989	(64)		475	5,134
Depreciation					(539)	(539)
Carrying amount at end of year	9,303	28,884	74	802	26,395	65,458

### 17. Impairment of assets

There were no indications of impairment to property at 30 June 2006.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2006 have either been classified as assets held for sale or written off.

	2005/06 (\$'000)	2004/05 (\$'000)
<b>18. Payables</b>		
<u>Current</u>		
Goods and Services Tax (GST)	-	411
	-	411

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### 19. Equity

Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

#### Contributed equity

Balance at start of year	1,014	1,014
Contributions by owners - transfers of land (1)	-	-
Balance at end of year	<u>1,014</u>	<u>1,014</u>

#### (1) Transfers of land - no charge (see Note 2(d))

The AAPA Act allows for the acquisition of unvested land where it has been shown to have been used by Aboriginal people. The land is transferred to the ALT free of charge and becomes part of the land transfer program. These transactions are of an adhoc nature and vary from year to year. No land was acquired during 05/06.

#### Reserves

Asset Revaluation Reserve		
Balance at start of year	67,136	62,003
Net revaluation (decrements)/increments		
Land	5,477	4,658
Buildings	3,793	475
Balance at end of year	<u>76,406</u>	<u>67,136</u>

#### Accumulated surplus/(deficit) (Retained Earnings)

Balance at start of year	7,226	3,569
Result for the period	(6,726)	3,657
Balance at end of year	<u>500</u>	<u>7,226</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2005/06 \$'000	2004/05 \$'000
<b>20. Notes to the Statement of Cash Flows</b>		
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Income Statement as follows:		
Cash and cash equivalents	990	1,491
Restricted cash and cash equivalents (see note 11)	2,701	8,387
	3,691	9,878
<b>Reconciliation of net cost of services to net cash flows provided by/ (used in) operating activities</b>		
Net cost of services	(8,762)	2,334
<u>Non-cash items:</u>		
Depreciation	604	539
Resources received free of charge	1,947	1,322
Cost of disposal of non-current assets	-	391
<u>(Increase)/decrease in assets:</u>		
Receivables	350	(298)
Other assets	(4)	(33)
<u>Increase/(decrease) in liabilities</u>		
Payables	(411)	105
	(6,187)	4,360
Net cash provided by/(used in) operating activities		

## 21. Explanatory Statement

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$100,000. The Authority receives no appropriations from the Consolidated Fund and therefore, comparison to estimates is not applicable.

### Expenses

#### a) Supplies and services

Increase of \$826,000 (2005/06 \$2,556,000 - 2004/05 \$1,730,000)

The variance largely reflects the increase in resources received free of charge from the Department of Land Information.

#### b) Grants and subsidies

Increase of \$7,171,000 (2005/06 \$7,598,000 - 2004/05 \$427,000)

This variance reflects increased funding during the year. The payment of grant funding varies from year to year.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

**c) Carrying amount of non-current assets disposed of**

**Decrease of \$391,000 (2005/06 Nil - 2004/05 \$391,000)**

The program of handing land back to its original holders began in 1999/00. During the year, there were no transfers of land

**d) Other expenses**

**Increase of \$136,000 (2005/06 \$147,000 - 2004/05 \$11,000)**

The increase is mainly due to the repayment of grant monies to the Department of Housing and Works that related to previous years.

**Income**

**e) Commonwealth grants and contributions..**

**Decrease of \$3,040,000 (2005/06 \$1,000,000 - 2004/05 \$4,040,000)**

The decrease reflects Commonwealth funds received for projects during the year being less than the previous year.

**f) Other revenue**

**Decrease of \$171,000 (2005/06 \$906,000 - 2004/05 \$1,077,000)**

The decrease largely reflects funding received for the Indigenous Land Care project during the previous financial year.

**Revenues from State Government**

**g) Resources received free of charge**

**Increase of \$625,000 (2005/06 \$1,947,000 - 2004/05 \$1,322,000)**

The increase is mainly the result of the value of services provided by the Department of Land Information.

## 22. Financial Instruments

### (a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, receivables and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

#### *Credit risk*

The Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

### (b) Financial Instrument disclosures

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. See also note 2(p) 'Comparative figures'.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### 23. Related body

The Aboriginal Lands Trust (ALT) was deemed a related body by the Treasurer by virtue of Section 3(b) of the Financial Administration and Audit Act 1985. The revenue and expenditures and assets and liabilities of the ALT have been included within the financial statements of the Aboriginal Affairs Planning Authority.

### 24. Trust Accounts

#### C L Johnson Bequest Trust Account

##### Purpose

To hold funds so as to enable the Aboriginal Affairs Planning Authority to administer in accordance with the bequest of the late Christian Larsen Johnson to the Department of Native Welfare (now abolished) for the benefit of Aboriginal Missionaries in Western Australia during illness.

#### Statement of Receipts and Payments for the year ended 30 June 2006

	2005/06 \$
Opening balance	1,836
Receipts: Interest	-
Payments: Bank fees	-
Closing balance	<u>1,836</u>

The funds are held in a savings account with the Commonwealth Bank.

#### Henrietta Drake-Brockman Trust Account

##### Purpose

To hold funds so as to enable the Aboriginal Affairs Planning Authority to administer, in accordance with the bequest of the late Henrietta Drake-Brockman, a prize annually in the form of books, apparatus, equipment, etc to the Aboriginal student (boy or girl) who achieves the highest Tertiary Entrance Examination (TEE) aggregate results in Western Australia.

#### Statement of Receipts and Payments for the year ended 30 June 2006

	2005/06 \$
Opening balance	2,340
Receipts:	-
Deposits	
Interest	14
Total Receipts	<u>14</u>
Less payments (bank fees)	<u>(50)</u>
Closing balance	<u>2,304</u>

The funds are held in a savings account with the Challenge (Westpac) Bank.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### Intestate Trust Account

#### Purpose

To hold intestate funds so as to enable the Aboriginal Affairs Planning Authority to administer pursuant with section 35 of the Aboriginal Affairs Planning Authority Act.

#### Statement of Receipts and Payments for the year ended 30 June 2006

	2005/06
	\$
Opening balance	26,786
Receipts:	1,358
Interest	
Intestate Revenue	22,409
Other income	-
Total Receipts	<u>23,767</u>
Less payments	
Intestate Disbursements	<u>(13,089)</u>
Total payments	<u>(13,089)</u>
Closing balance	<u>37,464</u>

These funds are held in Aboriginal Affairs Planning Authority Operating account with the Commonwealth Bank.

### 25. Events occurring after reporting date

There have been no material events occurring after 30 June 2006 as defined by the Australian Accounting Standard AASB 110.3.

### 26. Remuneration of the auditor

Remuneration to the Auditor General for the financial year is as follows:

	2005/06	2004/05
	\$'000	\$'000
Auditing the accounts, financial statements and performance indicators:	<u>11</u>	<u>10</u>



## 27. Supplementary financial information

**a) Write-offs**

No amounts (2004/05 - nil) being debts due to the State or public property of the State, were written off during 2005/06.

**b) Losses through theft, defaults and other causes**

There were no losses written off during the 2005/06 financial year (2004/05 - nil).

**c) Gifts of public property**

There were no gifts of public property provided by the Authority during the 2005/06 financial year (2004/05 - nil).

**d) Expenditure commitments**

There are no outstanding expenditure commitments against the Consolidated Fund as at 30 June 2006 (30 June 2005 - nil).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### Interest Rate Risk Exposure

The following table details the Authority's exposure to interest rate risk, as at the reporting date.

	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
<b>2005/06</b>	%	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	5.4%	990		990
Restricted cash and cash equivalents	5.4%	2,701		2,701
Receivables			57	57
Other assets			48	48
		3,691	105	3,796
<b>Financial Liabilities</b>				
Payables			-	-
			-	-
	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
<b>2004/05</b>	%	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	4.9%	1,491		1,491
Restricted cash and cash equivalents	4.9%	8,387		8,387
Receivables			407	407
Other assets			44	44
		9,878	451	10,329
<b>Financial Liabilities</b>				
Payables			411	411
			411	411

### Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### 28.Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

#### RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 30 JUNE 2005 (AASB1.39(a)(ii))

	Previous GAAP 1 Jul 2004	Adjustments	AIFRS 1 Jul 2004
	(\$'000)	(\$'000)	(\$'000)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4,087	-	4,087
Restricted cash assets	1,431	-	1,431
Receivables	110	-	110
Prepayments	-	-	-
Accrued Interest	11	-	11
<b>Total Current Assets</b>	<u>5,639</u>	-	<u>5,639</u>
<b>Non-Current Assets</b>			
Property	61,253	-	61,253
<b>Total Non-Current Assets</b>	<u>61,253</u>	-	<u>61,253</u>
<b>TOTAL ASSETS</b>	<u>66,892</u>	-	<u>66,892</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	306	-	306
<b>Total Current Liabilities</b>	<u>306</u>	-	<u>306</u>
<b>Net Assets</b>	<u>66,586</u>	-	<u>66,586</u>
<b>Equity</b>			
Contributed equity	1,014	-	1,014
Reserves	62,003	-	62,003
Accumulated profit/(loss)	3,569	-	3,569
<b>Total Equity</b>	<u>66,586</u>	-	<u>66,586</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 30 JUNE 2005 (AASB1.39(a)(ii))

	Previous GAAP 30 June 2005	Adjustments	AIFRS 30 June 2005
	(\$'000)	(\$'000)	(\$'000)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1,491	-	1,491
Restricted cash assets	8,387	-	8,387
Receivables	407	-	407
Other current assets	44	-	44
<b>Total Current Assets</b>	<b>10,329</b>	<b>-</b>	<b>10,329</b>
<b>Non-Current Assets</b>			
Property	65,458	-	65,458
<b>Total Non-Current Assets</b>	<b>65,458</b>	<b>-</b>	<b>65,458</b>
<b>TOTAL ASSETS</b>	<b>75,787</b>	<b>-</b>	<b>75,787</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	411	-	411
<b>Total Current Liabilities</b>	<b>411</b>	<b>-</b>	<b>411</b>
<b>Net Assets</b>	<b>75,376</b>	<b>-</b>	<b>75,376</b>
<b>Equity</b>			
Contributed equity	1,014	-	1,014
Reserves	67,136	-	67,136
Accumulated profit/(loss)	7,226	-	7,226
<b>Total Equity</b>	<b>75,376</b>	<b>-</b>	<b>75,376</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.39(b))

	GAAP 30 June 2005	Adjustments	AIFRS 30 June 2005
	(\$'000)	(\$'000)	(\$'000)
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Supplies and services	1,730	-	1,730
Depreciation expense	539	-	539
Grants and subsidies	427	-	427
Loss on disposal of non-current assets	391	-	391
Other expenses	11	-	11
<b>Total Cost of Services</b>	<b>3,097</b>	<b>-</b>	<b>3,097</b>
<b>Income</b>			
<b>Revenue</b>			
Commonwealth grants and contributions	4,040	-	4,040
Mining royalties	-	-	-
Interest	314	-	314
Other revenue	517	-	517
<b>Total Revenue</b>	<b>4,871</b>	<b>-</b>	<b>4,871</b>
<b>Total Income other than Income from State Government</b>	<b>4,871</b>	<b>-</b>	<b>4,871</b>
<b>NET COST OF SERVICES</b>	<b>(1,774)</b>	<b>-</b>	<b>(1,774)</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Transfers from other organisations	560	-	560
Resources received free of charge	1,322	-	1,322
<b>Total Income from State Government</b>	<b>1,882</b>	<b>-</b>	<b>1,882</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>3,657</b>	<b>-</b>	<b>3,657</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

### RECONCILIATION OF CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.40)

	GAAP 30 June 2005	Adjustments	AIFRS 30 June 2005
<b>CASH FLOWS FROM STATE GOVERNMENT</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
Transfers from other Government agencies	560	-	560
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Supplies and services	(418)	-	(418)
Grants and subsidies	(440)	-	(440)
GST payments on purchases	(61)	-	(61)
GST payments to taxation authority	(328)	-	(328)
	(1,247)	-	(1,247)
<b>Receipts</b>			
Grants and contributions	4,258	-	4,258
Interest received	280	-	280
Rent received	16	-	16
GST receipts on sales	428	-	428
GST receipts from taxation authority	52	-	52
Other receipts	13	-	13
	5,047	-	5,047
<b>Net cash provided by/(used in) operating activities</b>	<b>3,800</b>	<b>-</b>	<b>3,800</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,360</b>	<b>-</b>	<b>4,360</b>
Cash and cash equivalents at the beginning of the period	5,518		5,518
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9,878</b>		<b>9,878</b>

