



UPGRADING 2009 South Australian TEMPLATES TO VERSION 1.1

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WHY IS IT NEEDED?

On 26 June 2009, South Australian Councils received payment of the first quarter instalment of the 2009/10 Grant Commission grant.

AASB 1004 provides:

Measurement of Contributions

11. Income shall be measured at the fair value of the contributions received or receivable.

Recognition of Contributions of Assets

12. Income arising from the contribution of an asset to the entity shall be recognised when, and only when, all the following conditions have been satisfied:
 - (a) the entity obtains control of the contribution or the right to receive the contribution;
 - (b) it is probable that the economic benefits comprising the contribution will flow to the entity; and
 - (c) the amount of the contribution can be measured reliably.
13. A contribution occurs when an entity receives an asset, including the right to receive cash or other forms of asset without directly giving approximately equal value to the other party or parties to the transfer; that is, when there is a *non-reciprocal transfer*.
...

In this case,

- (a) Council has received a non-reciprocal transfer
- (b) Council has obtained control of the contribution (grant)
- (c) it is probable that the economic benefits will flow to Council, and
- (d) the amount of the contribution (grant) can be measured reliably.

The Standard is therefore quite clear that the amount must be recognised as **income at the time of receipt**.

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**WE SHARE YOUR CONCERNS OF THE
DISTORTIONS THAT WILL RESULT IN THE 2009
RESULT, 2010 RESULT AND THE FINANCIAL
INDICATORS.**

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TO MODIFY THE SPREADSHEETS

THE FOLLOWING INSTRUCTIONS ASSUME THAT YOU HAVE NOT INSERTED OR DELETED ANY ROWS FROM THE ORIGINAL FORMULATION SENT TO YOU. If so, you will need to make allowance for any such changes in modifying your templates.

Subject to the above, follow these instructions exactly, and in the order set out.

Open CoalSAFS09.xls and CoalDATA09.xls together in the normal way.

Move to CoalAFS09.xls, Note 2

1. Place the cursor in row 87.
2. Insert one (1) row.
3. Highlight row 87 (i.e. the new row) and Format Cell Alignment Vertical - select Center, and ensure that the Wrap Text box is checked.
4. Move the cursor to cell C87 and type in the words "Individually Significant Item - additional Grants Commission payment". Immediately after the hyphen, press the alt and enter keys together to produce a forced break within the cell.
5. Move the cursor to cell D87 and type in the words "see below".
6. Move the cursor to cell E88 and modify the formula to read "=SUM(E85:E87)".
7. Move the cursor to cell E88 and modify the formula to read "=SUM(G85:G87)".
8. Move the cursor to row 97 and insert seven (7) rows.
9. Move the cursor to cell B97 and format as bold, italic. Insert the words "Individually significant item".

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10. Move the cursor to cell C98 and insert a text box covering cells C98:D103. Ensure that the text box is formatted as follows - Font - Arial, Regular, 9; Alignment - Horizontal, Justified; Line Color - No Line
11. Insert the following text into the text box:
"On 26 June 2009, Council received payment of the first quarter instalment of the 2009/10 Grant Commission (FAG) grant. This represents a significant increase in income from this source for 2008/09, with an equivalent reduction in 2009/10."
12. Move the cursor to cell E100 and insert the following formula "=E87".
13. Move the cursor to cell E100 and insert the following formula "=G87".

Move to CoalAFS09.xls, Inc(ome Statement)

14. Move the cursor to cell D13 and insert the following formula "=SUM(Note2!E86:E87)".
15. Move the cursor to cell F13 and insert the following formula "=SUM(Note2!G86:G87)".

Move to CoalDATA09.xls, CshFlwWk sheet

16. Move the cursor to cell D59 and insert the following formula
"=-SUM([CoalAFS09.xls]Note2!E86:E87)".

Move to CoalAFS09.xls, Note 15

17. You may, if you wish, insert a narration explaining the distortion in 2008/09 indicators arising from the changed timing of the Grants Commission payment.

TEST THE CHANGES

18. Insert exactly the same amount in the following cells:

CoalAFS09.xls	Note 2	cell E87
CoalAFS09.xls	Note 2	cell E93
CoalAFS09.xls	Note 5	cell D10
CoalAFS09.xls	Note 12	cell C27
CoalAFS09.xls	Note 12	cell I27
CoalAFS09.xls	Note 12	cell K27
19. Move to CoalDATA09.xls Integrity Sheet and check that all checks are showing correctly.
20. Delete all amounts inserted in step 18 above.
21. Exit Excel®, saving files.