

DISTRICT COUNCIL OF ELLISTON

General Purpose Financial Reports for the year ended 30 June 2009

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DISTRICT COUNCIL OF ELLISTON

INCOME STATEMENT for the year ended 30 June 2009

| | Notes | 2009 \$ | 2008 \$ |
|--|-------|------------------|------------------|
| INCOME | | | |
| Rates | 2 | 1,529,991 | 1,409,074 |
| Statutory charges | 2 | 28,783 | 27,273 |
| User charges | 2 | 84,803 | 32,410 |
| Grants, subsidies and contributions | 2 | 1,765,864 | 1,337,432 |
| Investment income | 2 | 83,458 | 103,271 |
| Reimbursements | 2 | 49,536 | 91,583 |
| Other income | 2 | 23,991 | 16,208 |
| Total Income | | <u>3,566,426</u> | <u>3,017,251</u> |
| EXPENSES | | | |
| Employee costs | 3 | 490,640 | 437,994 |
| Materials, contracts & other expenses | 3 | 1,536,345 | 1,152,956 |
| Finance costs | 3 | 10,185 | 14,380 |
| Depreciation, amortisation & impairment | 3 | 1,155,274 | 1,442,356 |
| Total Expenses | | <u>3,192,444</u> | <u>3,047,686</u> |
| OPERATING SURPLUS / (DEFICIT) | | 373,982 | (30,435) |
| Net gain (loss) on disposal or revaluation of assets | 4 | (16,397) | 372,371 |
| Amounts received specifically for new or upgraded assets | 2 | - | 49,733 |
| NET SURPLUS / (DEFICIT) | | <u>357,585</u> | <u>391,669</u> |

This Statement is to be read in conjunction with the attached Notes.

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DISTRICT COUNCIL OF ELLISTON

BALANCE SHEET

as at 30 June 2009

| ASSETS | Notes | 2009 \$ | 2008 \$ |
|---|-------|--------------------------|--------------------------|
| Current Assets | | | |
| Cash and cash equivalents | 5 | 2,124,885 | 2,027,686 |
| Trade & other receivables | 5 | 139,452 | 155,998 |
| Inventories | 5 | <u>59,585</u> | <u>59,415</u> |
| Total Current Assets | | <u>2,323,922</u> | <u>2,243,099</u> |
| Non-current Assets | | | |
| Infrastructure, Property, Plant & Equipment | 6 | <u>27,853,816</u> | <u>27,628,044</u> |
| Total Non-current Assets | | <u>27,853,816</u> | <u>27,628,044</u> |
| Total Assets | | <u>30,177,738</u> | <u>29,871,143</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 7 | 347,868 | 351,228 |
| Borrowings | 7 | 31,757 | 66,109 |
| Provisions | 7 | <u>13,007</u> | <u>25,046</u> |
| Total Current Liabilities | | <u>392,632</u> | <u>442,383</u> |
| Non-current Liabilities | | | |
| Trade & Other Payables | 7 | - | - |
| Borrowings | 7 | 33,740 | 65,497 |
| Provisions | 7 | <u>54,768</u> | <u>24,250</u> |
| Total Non-current Liabilities | | <u>88,508</u> | <u>89,747</u> |
| Total Liabilities | | <u>481,140</u> | <u>532,130</u> |
| NET ASSETS | | <u>29,696,598</u> | <u>29,339,013</u> |
| EQUITY | | | |
| Accumulated Surplus | | 5,960,498 | 5,602,913 |
| Asset Revaluation Reserve | 8 | 23,736,100 | 23,736,100 |
| Other Reserves | 8 | - | - |
| TOTAL EQUITY | | <u>29,696,598</u> | <u>29,339,013</u> |

This Statement is to be read in conjunction with the attached Notes.

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DISTRICT COUNCIL OF ELLISTON

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2009

| | 2009 \$ | 2008 \$ |
|--|-------------------|-------------------|
| | Notes | |
| ACCUMULATED SURPLUS | | |
| Balance at end of previous reporting period | 5,602,913 | 5,211,244 |
| Net Surplus / (Deficit) for Year | 357,585 | 391,669 |
| Transfers to Other Reserves | - | - |
| Transfers from Other Reserves | - | - |
| Balance at end of period | <u>5,960,498</u> | <u>5,602,913</u> |
| ASSET REVALUATION RESERVE | 8 | |
| Balance at end of previous reporting period | 23,736,100 | 19,345,402 |
| Gain on revaluation of infrastructure, property, plant & equipment | - | 4,390,698 |
| Balance at end of period | <u>23,736,100</u> | <u>23,736,100</u> |
| OTHER RESERVES | 8 | |
| Balance at end of previous reporting period | - | - |
| Transfers from Accumulated Surplus | - | - |
| Transfers to Accumulated Surplus | - | - |
| Balance at end of period | <u>-</u> | <u>-</u> |
| TOTAL EQUITY AT END OF REPORTING PERIOD | <u>29,696,598</u> | <u>29,339,013</u> |
| <i>Total of all revenues recognised directly in Equity</i> | - | 4,390,698 |
| <i>Total of all expenses recognised directly in Equity</i> | - | - |
| NET CHANGE IN EQUITY | <u>-</u> | <u>4,390,698</u> |

This Statement is to be read in conjunction with the attached Notes

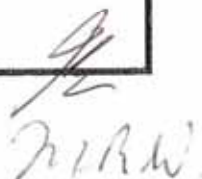
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DISTRICT COUNCIL OF ELLISTON

CASH FLOW STATEMENT for the year ended 30 June 2009

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|--------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Operating receipts | | 3,726,440 | 3,111,901 |
| Investment receipts | | 102,571 | 81,965 |
| <u>Payments</u> | | | |
| Operating payments to suppliers & employees | | (2,396,350) | (1,617,559) |
| Finance payments | | (11,760) | (673) |
| Net Cash provided by (or used in) Operating Activities | | 1,420,901 | 1,575,634 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Amounts specifically for new or upgraded assets | | - | 49,733 |
| Sale of replaced assets | | 36,290 | 150,601 |
| Sale of surplus assets | | 20,421 | - |
| Sale of real estate developments | | - | 864,268 |
| <u>Payments</u> | | | |
| Expenditure on renewal/replacement of assets | | (1,226,376) | (1,488,840) |
| Expenditure on new/upgraded assets | | (87,928) | |
| Development of real estate for sale | | - | (35,858) |
| Net Cash provided by (or used in) Investing Activities | | (1,257,593) | (460,096) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| <u>Payments</u> | | | |
| Repayments of Borrowings | | (66,109) | (69,551) |
| Net Cash provided by (or used in) Financing Activities | | (66,109) | (69,551) |
| Net Increase (Decrease) in cash held | | 97,199 | 1,045,987 |
| Cash & cash equivalents at beginning of period | 10 | 2,027,687 | 981,700 |
| Cash & cash equivalents at end of period | 10 | 2,124,886 | 2,027,687 |

This Statement is to be read in conjunction with the attached Notes



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R.R.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 1999*.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying 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 specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$').

2 The Local Government Reporting Entity

District Council of Elliston is incorporated under the SA Local Government Act 1999 and has its principal place of business at 21 Beach Tce, Elliston. These financial statements include the consolidated fund and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, Property, Plant & Equipment

6.1 Transitional Provisions

As at 1 July 2008, Council has elected not to recognise any values for land under roads acquired before the commencement of AASB 1051 *Land Under Roads*. Details of the effects of this election are given in Note 6.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

6.2 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

| | |
|---|----------|
| Office Furniture & Equipment | \$1,000 |
| Other Plant & Equipment | \$1,000 |
| Buildings - new construction/extensions | \$10,000 |
| Park & Playground Furniture & Equipment | \$2,000 |
| Road construction & reconstruction | \$10,000 |
| Paving & footpaths, Kerb & Gutter | \$2,000 |
| Drains & Culverts | \$5,000 |
| Reticulation extensions | \$5,000 |
| Sidelines & household connections | \$5,000 |
| Artworks | \$5,000 |

6.4 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 6.

6.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

| | |
|--------------------------------------|-----------------|
| Plant, Furniture & Equipment | |
| Office Equipment | 5 to 10 years |
| Office Furniture | 10 to 20 years |
| Vehicles and Road-making Equip | 5 to 8 years |
| Other Plant & Equipment | 5 to 15 years |
| Building & Other Structures | |
| Buildings - masonry | 50 to 100 years |
| Buildings - other construction | 20 to 40 years |
| Park Structures - masonry | 50 to 100 years |
| Park Structures - other construction | 20 to 40 years |
| Playground equipment | 5 to 15 years |

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

| | | |
|----------------|-----------------------------------|-----------------|
| Infrastructure | Benches, seats, etc | 10 to 20 years |
| | Sealed Roads – Surface | 15 to 25 years |
| | Sealed Roads – Structure | 20 to 50 years |
| | Unsealed Roads | 10 to 20 years |
| | Bridges – Concrete | 80 to 100 years |
| | Paving & Footpaths, Kerb & Gutter | 80 to 100 years |
| | Drains | 80 to 100 years |
| | Culverts | 50 to 75 years |
| | Flood Control Structures | 80 to 100 years |
| | Dams and Reservoirs | 80 to 100 years |
| | Bores | 20 to 40 years |
| | Reticulation Pipes – PVC | 70 to 80 years |
| | Reticulation Pipes – other | 25 to 75 years |
| | Pumps & Telemetry | 15 to 25 years |
| Other Assets | | |
| | Library Books | 10 to 15 years |
| | Artworks | indefinite |

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation 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 (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6.7 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with the allowed alternative treatment in AASB 1023 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

10 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

11 Joint Ventures and Associated Entities

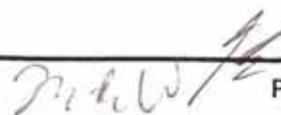
Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

12 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

13 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

14 Comparative Information

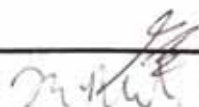
Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

15 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2009 reporting period.

- AASB 3 *Business Combinations*
- AASB 101 *Presentation of Financial Statements*
- AASB 123 *Borrowing Costs*
- AASB 127 *Consolidated and Separate Financial Statements*
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*
- AASB 2007-8 & AASB 2007-10 *Amendments to Australian Accounting Standards arising from AASB 101*
- AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation*
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*
- AASB 2008-5 & AASB 2008-6 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- AASB 2008-8 *Amendments to Australian Accounting Standards - Eligible Hedged Items*
- AASB 2008-9 *Amendments to AASB 1049 for Consistency with AASB 101*
- AASB 2008-11 *Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities*
- AASB 2008-12 *Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition*
- AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners*
- *Interpretation 15* *Agreements for the Construction of Real Estate*
- *Interpretation 16* *Hedges of a Net Investment in a Foreign Operation*
- *Interpretation 17* *Distributions of Non-cash Assets to Owners*
- *Interpretation 18* *Transfers of Assets from Customers*
- (Standards not affecting local government have been excluded from the above list.)

Council is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.



DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 2 - INCOME

| | Notes | 2009 \$ | 2008 \$ |
|--|-------|------------|------------|
| RATES REVENUES | | | |
| <u>General Rates</u> | | 1,183,529 | 1,105,028 |
| Less: Discretionary rebates, remissions & write offs | | (11,774) | - |
| | | 1,171,756 | 1,105,028 |
| <u>Other Rates</u> (including service charges) | | | |
| Natural Resource Management levy | | 70,848 | 69,590 |
| Television | | 11,600 | 9,400 |
| Waste collection | | 241,344 | 189,655 |
| Community wastewater management systems | | 26,950 | 26,950 |
| | | 350,742 | 295,595 |
| <u>Other Charges</u> | | | |
| Penalties for late payment | | 7,493 | 8,451 |
| | | 7,493 | 8,451 |
| | | 1,529,991 | 1,409,074 |
| STATUTORY CHARGES | | | |
| Development Act fees | | 11,072 | 18,600 |
| Search Fee | | 2,033 | - |
| Town planning fees | | 10,941 | - |
| Animal registration fees & fines | | 3,791 | 7,313 |
| Sundry | | 946 | 1,360 |
| | | 28,783 | 27,273 |
| USER CHARGES | | | |
| Cemetery/crematoria fees | | 663 | 2,200 |
| House Rentals | | 3,912 | 4,985 |
| Caravan Park income | | 25,275 | 7,653 |
| Camping Fee | | 8,159 | 0 |
| Water | | 6,994 | 10,556 |
| Waste | | 25,111 | 2,644 |
| Community Bus Hire | | 3,503 | - |
| Licence Income | | 1,540 | - |
| Sales - general | | 9,639 | 127 |
| Sundry | | 8 | 4,245 |
| | | 84,803 | 32,410 |
| INVESTMENT INCOME | | | |
| Interest on investments | | | |
| Local Government Finance Authority | | 82,956 | 101,938 |
| Banks & other | | 502 | 1,333 |
| | | 83,458 | 103,271 |

M.H.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 2 - INCOME (continued)

| | Notes | 2009 \$ | 2008 \$ |
|--|-----------|------------------|------------------|
| REIMBURSEMENTS | | | |
| - for private works | | 7,861 | 13,535 |
| - other | | <u>41,675</u> | <u>78,048</u> |
| | | <u>49,536</u> | <u>91,583</u> |
| OTHER INCOME | | | |
| Sundry | | <u>23,991</u> | <u>16,208</u> |
| | | <u>23,991</u> | <u>16,208</u> |
| GRANTS, SUBSIDIES, CONTRIBUTIONS | | | |
| Amounts received specifically for new or upgraded assets | | - | 49,733 |
| Other grants, subsidies and contributions | | 1,507,980 | 1,337,432 |
| Individually significant item - additional Grants Commission payment | see below | 257,884 | - |
| | | <u>1,765,864</u> | <u>1,387,165</u> |
| <i>The functions to which these grants relate are shown in Note 2.</i> | | | |
| Sources of grants | | | |
| Commonwealth government | | 1,748,513 | 1,335,114 |
| State government | | <u>17,351</u> | <u>52,051</u> |
| | | <u>1,765,864</u> | <u>1,387,165</u> |

Individually Significant Item

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.

257,884

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BRW

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 2 - INCOME (continued)

| | 2009 | 2008 |
|--|---------------------------|------------------------|
| Notes | \$ | \$ |
| Conditions over grants & contributions | | |
| <i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i> | | |
| <i>Unexpended at the close of the previous reporting period</i> | 153,469 | 30,021 |
| <i>Less: expended during the current period from revenues recognised in previous reporting periods</i> | | |
| <i>Roads Infrastructure</i> | <i>(67,687)</i> | <i>(4,930)</i> |
| <i>Heritage & Cultural Services</i> | <i>(27,231)</i> | <i>(7,632)</i> |
| <i>Subtotal</i> | <u><i>(94,918)</i></u> | <u><i>(12,562)</i></u> |
| <i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i> | | |
| <i>Roads Infrastructure</i> | 99,791 | 108,779 |
| <i>Community Infrastructure</i> | 26,390 | - |
| <i>General Purpose</i> | 158,093 | - |
| <i>Heritage & Cultural Services</i> | - | 27,231 |
| <i>Subtotal</i> | <u>284,274</u> | <u>136,010</u> |
| <i>Unexpended at the close of this reporting period</i> | <u>342,825</u> | <u>153,469</u> |
| <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i> | <u>189,356</u> | <u>123,448</u> |

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R.R.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 3 - EXPENSES


| | Notes | 2009 \$ | 2008 \$ |
|---|-------|-------------------------|-------------------------|
| EMPLOYEE COSTS | | | |
| Salaries and Wages | | 475,394 | 387,512 |
| Employee leave expense | | 73,026 | 99,172 |
| - Superannuation - defined contribution plan contributions | 17 | 37,181 | 36,959 |
| - Superannuation - defined benefit plan contributions | 17 | 14,029 | 12,670 |
| Workers' Compensation Insurance | | 25,867 | 26,003 |
| Less: Capitalised and distributed costs | | <u>(134,857)</u> | <u>(124,322)</u> |
| Total Operating Employee Costs | | <u>490,640</u> | <u>437,994</u> |
| <i>Total Number of Employees</i> | | 13 | 13 |
| <i>(Full time equivalent at end of reporting period)</i> | | | |
| MATERIALS, CONTRACTS & OTHER EXPENSES | | | |
| <u>Prescribed Expenses</u> | | | |
| Auditor's Remuneration | | | |
| - Auditing the financial reports | | 7,500 | 5,800 |
| - Other Auditors - Travel and Accom | | 2,980 | 2,300 |
| Elected members' expenses | | 49,280 | 47,666 |
| Election expenses | | 612 | 5,446 |
| Operating Lease Rentals - non-cancellable leases | 18 | | |
| - minimum lease payments | | 7,092 | 7,092 |
| Subtotal - Prescribed Expenses | | <u>67,464</u> | <u>68,304</u> |
| <u>Other Materials, Contracts & Expenses</u> | | | |
| Contractors | | 842,483 | 681,763 |
| Registration and Insurance | | 80,773 | 87,828 |
| Electricity | | 34,342 | 29,757 |
| Telephone | | 15,666 | 14,879 |
| Legal Expenses | | 44,073 | 33,259 |
| Levies paid to government - NRM levy | | 68,652 | 68,652 |
| - Other Levies | | 12,826 | 7,579 |
| Material | | 259,317 | 228,190 |
| Water | | 8,193 | 7,675 |
| Advertising | | 13,010 | 8,772 |
| Sundry | | 199,942 | 140,134 |
| Less: Capitalised and Distributed Costs | | <u>(110,396)</u> | <u>(223,836)</u> |
| Subtotal - Other Materials, Contracts & Expenses | | <u>1,468,881</u> | <u>1,084,652</u> |
| | | <u>1,536,345</u> | <u>1,152,956</u> |

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

Note 3 - EXPENSES (cont)

| | Notes | 2009 \$ | 2008 \$ |
|--|-------|------------------|------------------|
| FINANCE COSTS | | | |
| Interest on Loans | | <u>10,185</u> | <u>14,380</u> |
| | | <u>10,185</u> | <u>14,380</u> |
| DEPRECIATION, AMORTISATION & IMPAIRMENT | | | |
| Depreciation | | | |
| Buildings & Other Structures | | 99,512 | 100,354 |
| Infrastructure | | 960,708 | 1,182,358 |
| Plant & Equipment | | 125,375 | 137,500 |
| Furniture & Fittings | | 8,012 | 7,249 |
| Other Asset | | 16,852 | 14,895 |
| Less: Capitalised and distributed costs | | <u>(55,185)</u> | <u>1,442,356</u> |
| | | <u>1,155,274</u> | <u>1,442,356</u> |



P.R.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|-----------------|-----------------|
| INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT | | | |
| <i>Assets renewed or directly replaced</i> | | | |
| Proceeds from disposal | | 36,290 | 150,601 |
| Less: Carrying amount of assets sold | | 53,108 | 179,736 |
| Gain (Loss) on disposal | | <u>(16,818)</u> | <u>(29,135)</u> |
| <i>Assets surplus to requirements</i> | | | |
| Proceeds from disposal | | 20,421 | - |
| Less: Carrying amount of assets sold | | 20,000 | - |
| Gain (Loss) on disposal | | <u>421</u> | <u>-</u> |
| REAL ESTATE DEVELOPMENT ASSETS | | | |
| Proceeds from disposal | | - | 864,268 |
| Less: Carrying amount of assets sold | | - | 462,762 |
| Gain (Loss) on disposal | | <u>-</u> | <u>401,506</u> |
| NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS | | | |
| | | <u>(16,397)</u> | <u>372,371</u> |


 MRW.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 5 - CURRENT ASSETS

| | 2009 | 2008 |
|--------------------------------------|------------------|------------------|
| CASH & EQUIVALENT ASSETS | | |
| | Notes | |
| Cash on Hand and at Bank | \$ | \$ |
| Deposits at Call | 225,832 | 208,516 |
| | <u>1,899,053</u> | <u>1,819,170</u> |
| | <u>2,124,885</u> | <u>2,027,686</u> |
| | | |
| TRADE & OTHER RECEIVABLES | | |
| Rates - General & Other | 58,201 | 61,068 |
| Accrued Revenues | 13,977 | 33,090 |
| Debtors - general | 11,286 | 51,707 |
| GST Recoupment | 55,988 | 9,604 |
| Prepayments | - | 529 |
| | <u>139,452</u> | <u>155,998</u> |
| | | |
| INVENTORIES | | |
| Stores & Materials | 55,829 | 51,677 |
| Trading Stock | 3,756 | 4,105 |
| Real Estate Developments | - | - |
| Other | - | 3,633 |
| | <u>59,585</u> | <u>59,415</u> |

Mr. W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

| | 2008 | | | | 2009 | | | |
|--|-------------------|------------------|--------------------|--------------------|-------------------|------------------|---------------------|--------------------|
| | AT FAIR VALUE | AT COST | ACCUM DEP'N | CARRYING AMOUNT | AT FAIR VALUE | AT COST | ACCUM DEP'N | CARRYING AMOUNT |
| Land | 8,187,219 | 3,765 | - | 8,190,984 | 8,167,219 | 3,765 | - | 8,170,984 |
| Land Improvements | - | - | - | - | - | - | - | - |
| Buildings & Other Structures | 3,646,702 | 69,516 | (2,071,296) | 1,644,922 | 3,646,702 | 82,455 | (2,170,808) | 1,558,349 |
| Infrastructure | 27,154,686 | 271,710 | (11,128,868) | 16,297,528 | 27,154,686 | 1,590,843 | (12,089,576) | 16,655,953 |
| Plant & Equipment | 77,902 | 1,496,528 | (656,289) | 918,141 | 77,902 | 1,495,733 | (750,342) | 823,293 |
| Furniture & Fittings | - | 130,569 | (70,401) | 60,168 | - | 149,212 | (78,413) | 70,799 |
| Other assets | 202,028 | 507,099 | (192,826) | 516,301 | 202,028 | 582,088 | (209,678) | 574,438 |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| TOTAL PROPERTY, PLANT & EQUIPMENT | 39,266,537 | 2,479,187 | (14,119,680) | 27,628,044 | 39,248,537 | 3,904,096 | (15,298,817) | 27,853,816 |
| 2008 Totals | 23,073,470 | 4,545,254 | (4,248,126) | 23,370,598 | 39,268,537 | 2,479,187 | (14,119,680) | 27,628,044 |

This Note continues on the following pages.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

| | CARRYING AMOUNT MOVEMENTS DURING YEAR | | | | | | | | | | 2009 \$ |
|--|---------------------------------------|----------------|------------------|------------------|--------------------|------------|------------------|--------------------|--------------------|--|------------|
| | 2008 \$ CARRYING AMOUNT | Additions | | Disposals | Depreciation | Impairment | Blank | Net Revaluation | CARRYING AMOUNT | | |
| | | New/Upgrade | Renewals | | | | | | | | |
| Land | 8,190,984 | - | - | (20,000) | - | - | - | - | 8,170,984 | | |
| Land Improvements | - | - | - | - | - | - | - | - | - | | |
| Buildings & Other Structures | 1,644,922 | 12,939 | - | - | (99,512) | - | - | - | 1,558,349 | | |
| Infrastructure | 16,297,528 | - | 1,319,133 | - | (960,708) | - | - | - | 16,655,953 | | |
| Plant & Equipment | 918,141 | - | 83,635 | (53,108) | (125,375) | - | - | - | 823,293 | | |
| Furniture & Fittings | 60,168 | - | 18,643 | - | (8,012) | - | - | - | 70,799 | | |
| Other assets | 516,301 | 74,989 | - | - | (16,852) | - | - | - | 574,438 | | |
| TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT | 27,628,044 | 87,928 | 1,421,411 | (73,108) | (1,210,459) | - | - | - | 27,853,816 | | |
| 2008 Totals | 23,370,598 | 194,763 | 1,294,076 | (179,736) | (1,442,356) | - | 4,390,699 | - | 27,628,044 | | |

This Note continues on the following pages.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 6 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

Plant, Furniture & Equipment

Pursuant to Council's election, these assets are recognised on the cost basis.

Land & Land Improvements

Pursuant to Council's election, freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1995 at current replacement cost. Additions are recognised at cost.

Buildings & Other Structures

Pursuant to Council's election, buildings and other structures are recognised on the cost basis.

Infrastructure

Unsealed roads were re-valued by Council officers and sealed roads and footpaths were re-valued by independent contractors at fair value during the reporting period ended 30 June 2008.

Transportation assets were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1996. All acquisitions made after the respective dates of valuation are recorded at cost.

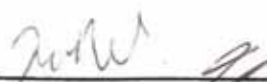
Other

Stormwater drainage infrastructure was valued by Council officers as at 30 June 1997 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 1997. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1995. All acquisitions made after the respective dates of valuation are recorded at cost.

All other assets

Pursuant to Council's election, these assets are recognised on the cost basis.



DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 7 - LIABILITIES

| | Notes | 2009 | | 2008 | |
|--|-------|----------------|---------------|----------------|---------------|
| | | \$ | | \$ | |
| TRADE & OTHER PAYABLES | | Current | Non-current | Current | Non-current |
| Goods & Services | | 274,854 | | 270,034 | |
| Payments received in advance | | - | | 7,882 | |
| Accrued expenses - employee entitlements | | 63,598 | | 44,630 | |
| Accrued expenses - other | | 1,513 | | 18,439 | |
| Aged Care Facility Deposits | | - | | - | |
| Deposits, Retentions & Bonds | | - | | 4,981 | |
| Other | | 7,903 | | 5,262 | |
| | | <u>347,868</u> | <u>-</u> | <u>351,228</u> | <u>-</u> |
| BORROWINGS | | | | | |
| Loans | | 31,757 | 33,740 | 66,109 | 65,497 |
| | | <u>31,757</u> | <u>33,740</u> | <u>66,109</u> | <u>65,497</u> |
| <i>All interest bearing liabilities are secured over the future revenues of the Council.</i> | | | | | |
| PROVISIONS | | | | | |
| Employee entitlements (including oncosts) | | 13,007 | 54,768 | 25,046 | 24,250 |
| | | <u>13,007</u> | <u>54,768</u> | <u>25,046</u> | <u>24,250</u> |

M.R.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 8 - RESERVES

| ASSET REVALUATION RESERVE | 1/07/2008 | Net Increments (Decrements) | Transfers on Sale | 30/06/2009 |
|--|-------------------|--------------------------------|----------------------|-------------------|
| Notes | \$ | \$ | \$ | \$ |
| Asset Revaluation Reserve | 23,736,100 | | | 23,736,100 |
| Land Improvements | | | | |
| Buildings & Other Structures | | | | |
| Infrastructure | | | | |
| - Roads, bridges, footpaths | | | | |
| Total Infrastructure, Property, Plant & Equipment | <u>23,736,100</u> | | | <u>23,736,100</u> |
| Available for Sale Investments | | | | |
| TOTAL | <u>23,736,100</u> | | | <u>23,736,100</u> |
| 2008 Totals | <u>19,345,402</u> | <u>4,390,698</u> | | <u>23,736,100</u> |

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

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R.R.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 9 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

| CASH & FINANCIAL ASSETS | Notes | 2009 \$ | 2008 \$ |
|---|-------|----------------|----------------|
| Unexpended amounts received from Federal Government | | | |
| CWMS | | 63,723 | 44,507 |
| TV FUND | | 43,355 | 32,118 |
| Pt Kenny Water Supply | | 1,511 | 35,565 |
| | | <u>108,589</u> | <u>112,190</u> |

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|------------------|------------------|
| Total cash & equivalent assets | 5 | 2,124,885 | 2,027,686 |
| Less: Short-term borrowings | 8 | - | - |
| Balances per Cash Flow Statement | | 2,124,885 | 2,027,686 |
| | | | |
| (b) Reconciliation of Change in Net Assets to Cash from Operating Activities | | | |
| Net Surplus (Deficit) | | 357,585 | 391,669 |
| Non-cash items in Income Statement | | | |
| Depreciation, amortisation & impairment | | 1,155,274 | 1,442,356 |
| Net increase (decrease) in unpaid employee benefits | | 37,447 | 17,619 |
| Grants for capital acquisitions treated as Investing Activity | | - | (49,733) |
| Net (Gain) Loss on Disposals | | 16,397 | (372,371) |
| | | 1,566,703 | 1,429,540 |
| Add (Less): Changes in Net Current Assets | | | |
| Net (increase) decrease in receivables | | 16,546 | (72,957) |
| Net (increase) decrease in inventories | | (170) | (13,036) |
| Net increase (decrease) in trade & other payables | | (162,178) | 232,086 |
| Net Cash provided by (or used in) operations | | 1,420,901 | 1,575,633 |

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DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 11 - FUNCTIONS

| | | INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES | | | | | | | | | | | |
|-----------------------------|------------------|--|------------------|------------------|----------------|-----------------|------------------|--------------------------------|-------------------|------------------------------|------|---|--|
| | | INCOME | | | EXPENSES | | | OPERATING SURPLUS (DEFICIT) | | GRANTS INCLUDED IN INCOME | | TOTAL ASSETS HELD (CURRENT & NON-CURRENT) | |
| | | ACTUAL 2009 | ACTUAL 2008 | ACTUAL 2009 | ACTUAL 2008 | ACTUAL 2009 | ACTUAL 2008 | 2009 | 2008 | 2009 | 2008 | | |
| Business Undertakings | 92,749 | 104,108 | 104,018 | 122,632 | (11,269) | (18,524) | | | 226,405 | 226,405 | | | |
| Community Services | 39,011 | 43,980 | 257,817 | 216,185 | (218,806) | (172,205) | 4,500 | | 208,794 | 208,794 | | | |
| Economic Development | | 3,000 | 15,448 | 32,723 | (15,448) | (29,723) | | | 12,237 | 12,237 | | | |
| Environment | 339,448 | 265,376 | 655,274 | 489,613 | (315,826) | (224,237) | | | 75,641 | 17,504 | | | |
| Recreation & Culture | 13,226 | 45,353 | 144,095 | 116,222 | (130,869) | (70,869) | 10,450 | | 337,505 | 324,566 | | | |
| Regulatory Services | 26,750 | 25,913 | 122,178 | 130,812 | (95,428) | (104,899) | 2,401 | | | | | | |
| Transport & Communication | 856,765 | 602,557 | 1,445,386 | 1,550,621 | (588,621) | (948,064) | 856,765 | 651,747 | 17,641,846 | 17,303,421 | | | |
| Plant Hire & Depot/Indirect | 986,192 | 795,363 | 159,086 | 105,133 | 827,106 | 690,230 | 100,000 | | 321,941 | 516,301 | | | |
| Unclassified Activities | 1,212,285 | 1,131,601 | 289,142 | 283,745 | 923,143 | 847,856 | 791,748 | 676,918 | 11,330,773 | 11,261,915 | | | |
| Council Administration | | | | | - | - | - | | | | | | |
| TOTALS | 3,566,426 | 3,017,251 | 3,192,444 | 3,047,686 | 373,982 | (30,435) | 1,765,864 | 1,387,165 | 30,155,142 | 29,871,143 | | | |

Excludes net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

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DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 11 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Caravan Parks, Development of Land for Resale, Private Works, Sewerage/CWMS, Water Supply – Domestic.

Community Services

Public Order and Safety, Emergency Services, Other Fire Protection, Health Services - Immunisation, Doctor's Vehicle, Community Support, Home Assistance Scheme, Youth Services, Community Amenities, Cemeteries/Crematoria, public Conveniences, Telecommunications Networks, Community Bus, Lock Swimming Pool Assistance.

Economic Development

Tourism, and Other Economic Development.

Environment

Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

Recreation and Culture

Jetties, Boat Ramps, Other Marine Facilities, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Camping Grounds, Library Services, Halls, Cultural Services.

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Litter Control, Parking Control, and Other Regulatory Services.

Transport

Aerodrome, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

Unclassified Activities

LGGC – General Purpose

Council Administration

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services.

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DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 12 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

| | |
|---|---|
| Bank, Deposits at Call, Short Term Deposits | <p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits have an average maturity of 30 days and an average interest rates of 5% (2008: 30 days, 6%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p> |
| Receivables - Rates & Associated Charges (including legals & penalties for late payment) | <p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 11.25% (2008: 10.25%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Receivables - Fees & other charges | <p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Receivables - other levels of government | <p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Creditors and Accruals | <p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Interest Bearing Borrowings | <p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (Half yearly payments); interest is charged at fixed rate between 6.15 % and 6.50%(2008: 6.15% and 6.50%)</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Finance Leases | <p>Accounting Policy: accounted for in accordance with AASB 117.</p> |

M.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 12 (cont) - FINANCIAL INSTRUMENTS Liquidity Analysis

| 2009 | Due < 1 year | Due > 1 year, ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|------------------------------|----------------|----------------------------|---------------|------------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial Liabilities | | | | | |
| Payables | 282,757 | | | 282,757 | 282,757 |
| Current Borrowings | | | | - | - |
| Non-Current Borrowings | 31,757 | 33,740 | | 65,497 | 65,497 |
| Total | 314,514 | 33,740 | - | 348,254 | 348,254 |
| | | | | | |
| 2008 | Due < 1 year | Due > 1 year, ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
| | \$ | \$ | \$ | \$ | \$ |
| Financial Liabilities | | | | | |
| Payables | 288,159 | | | 288,159 | 288,159 |
| Current Borrowings | | | | - | - |
| Non-Current Borrowings | 66,109 | 65,497 | | 131,606 | 131,606 |
| Total | 354,268 | 65,497 | - | 419,765 | 419,765 |

The following interest rates were applicable to Council's borrowings at balance date:

| | 30 June 2009 | | 30 June 2008 | |
|----------------------|--------------------------------------|----------------|--------------------------------------|----------------|
| | Weighted Average Interest Rate | Carrying Value | Weighted Average Interest Rate | Carrying Value |
| | % | \$ | % | \$ |
| Other Variable Rates | 0 | 282,757 | 0 | 288,159 |
| Fixed Interest Rates | 6.15 | 65,497 | 6.25 | 131,306 |
| | | <u>348,254</u> | | <u>419,465</u> |

[Handwritten Signature]

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

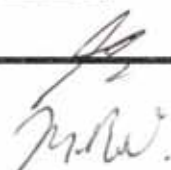
A handwritten signature in black ink, appearing to be 'M. W.', is located in the lower right quadrant of the page. The signature is written in a cursive style and is positioned below the main body of text.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 13 - COMMITMENTS FOR EXPENDITURE

| | 2009 | 2008 |
|--|----------------|---------------|
| <u>Notes</u> | \$ | \$ |
| Other Expenditure Commitments | | |
| Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities: | | |
| Audit Services | | |
| Waste Management Services | 514,800 | 31,000 |
| Employee Remuneration Contracts | | |
| | <u>514,800</u> | <u>31,000</u> |
| These expenditures are payable: | | |
| Not later than one year | 128,700 | 31,000 |
| Later than one year and not later than 5 years | 386,100 | |
| | <u>514,800</u> | <u>31,000</u> |



DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 14 - FINANCIAL INDICATORS

| | 2009 | 2008 | 2007 |
|--|-------------|-------------|-----------|
| <p>These Financial Indicators have been calculated in accordance with <i>Information Paper 9 - Local Government Financial Indicators</i> prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.</p> | | | |
| Operating Surplus | 373,982 | (30,435) | 815,638 |
| <i>Operating Surplus (without Grant prepayment)</i> | 116,098 | | |
| <i>Being the operating surplus (deficit) before capital amounts.</i> | | | |
| Operating Surplus Ratio | | | |
| <u>Operating Surplus</u> | 26% | (2%) | 64% |
| Rates - general & other less NRM levy | | | |
| <i>Operating Surplus Ratio (without Grant prepayment)</i> | 8% | | |
| <i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i> | | | |
| Net Financial Liabilities | (1,783,197) | (1,651,554) | (712,765) |
| <i>Net Financial Liabilities (without Grant prepayment)</i> | (1,525,313) | | |
| <i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i> | | | |
| Net Financial Liabilities Ratio | | | |
| <u>Net Financial Liabilities</u> | -51% | -56% | -27% |
| Total Operating Revenue less NRM levy | | | |
| <i>Net Financial Liabilities Ratio (without Grant prepayment)</i> | -44% | | |
| Interest Cover Ratio | | | |
| <u>Net Interest Expense</u> | (2.1%) | (0.8%) | (1.4%) |
| Total Operating Revenue less NRM levy less Investment Income | | | |
| Asset Sustainability Ratio | | | |
| <u>Net Asset Renewals</u> | 103% | 93% | 60% |
| Depreciation Expense | | | |
| <i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.</i> | | | |
| Asset Consumption Ratio | | | |
| <u>Carrying value of depreciable assets</u> | 56% | 58% | 78% |
| Gross value of depreciable assets | | | |
| <i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.</i> | | | |

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DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

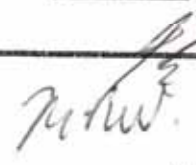
Note 15 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

| | 2009 \$ | 2008 \$ |
|---|--------------------|--------------------|
| Income | 3,566,426 | 3,017,251 |
| less Expenses | <u>(3,192,444)</u> | <u>(3,047,686)</u> |
| | 373,982 | (30,435) |
| Net Outlays on Existing Assets | | |
| Capital Expenditure on renewal and replacement of Existing Assets | (1,226,376) | (1,488,840) |
| less Depreciation, Amortisation and Impairment | 1,155,274 | 1,442,356 |
| less Proceeds from Sale of Replaced Assets | <u>36,290</u> | <u>150,601</u> |
| | (34,812) | 104,117 |
| Net Outlays on New and Upgraded Assets | | |
| Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i> | (87,928) | (35,858) |
| less Amounts received specifically for New and Upgraded Assets | - | 49,733 |
| less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i> | <u>20,421</u> | <u>864,268</u> |
| | (67,507) | 878,143 |
| Net Lending / (Borrowing) for Financial Year | <u>271,663</u> | <u>951,825</u> |



DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 16 - OPERATING LEASES

Lease payment commitments of Council

Council has entered into non-cancellable operating lease for a Motor Vehicle .
Commitments under non-cancellable operating leases that have not been recognised in
the financial statements are as follows:

| | 2009 | 2008 |
|--|--------------|---------------|
| | \$ | \$ |
| Not later than one year | 7,092 | 7,092 |
| Later than one year and not later than 5 years | 2,360 | 9,452 |
| Later than 5 years | | |
| | <u>9,452</u> | <u>16,544</u> |

M.R.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 17 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2008/09 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2007/08). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6% (6% in 2007/2008) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2008, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

M.R.W.

DISTRICT COUNCIL OF ELLISTON

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 18 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

LAND UNDER ROADS

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 1148 km of road reserves of average width 20 metres.

MS
M.R.W.

DISTRICT COUNCIL OF ELLISTON

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2009

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, **Rob Gregor**, the person for the time being occupying the position of Chief Executive Officer of the District Council of Elliston, do hereby state that the Financial Statements of the Council for the year ended 30 June 2009 are to the best of my knowledge presented fairly, and in accordance with accounting procedures which have been maintained in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.



Rob Gregor

CHIEF EXECUTIVE OFFICER

Dated this th 15 day of ~~SEPTEMBER~~ 2009

ADOPTION STATEMENT

Laid before the District Council of Elliston and adopted on the 19th day of October 2009.



Cr Michael R Wandel

CHAIRMAN

DISTRICT COUNCIL OF ELLISTON
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of the District Council of Elliston for the year ended 30 June 2009, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (4) *Local Government (Financial Management) Regulations 1999*.



John D Ewen

John D Ewen & Associates

Dated this 21st day of September 2009

DISTRICT COUNCIL OF ELLISTON

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2009

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of SA Model Council for the year ended 30 June 2009, the Council's Auditor,

JOHN D EWEN & ASSOCIATES has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (2) *Local Government (Financial Management) Regulations 1999*.



ROB GREGOR
CHIEF EXECUTIVE OFFICER



CR MICHAEL R WANDEL
CHAIRMAN

Date: 15 SEPT 2009.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE DISTRICT COUNCIL OF ELLISTON

We have audited the accompanying Financial Report of the District Council of Elliston which comprises the balance sheet as at 30 June 2009 and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Chief Executive Officer's declaration as set out on pages 1 – 4 and N1 – 34.

THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

AUDITOR'S INDEPENDENCE DECLARATION

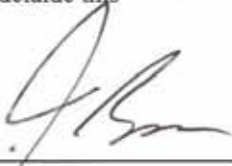
In conducting our audit we have complied with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 1999* and the Australian professional accounting bodies.

AUDIT OPINION

In our opinion the financial report of the District Council of Elliston is properly drawn up:

- a) To give a true and fair view of:
 - i) the Council's state of affairs as at 30 June 2009 and changes in equity resulting from operations and cashflows for the year ended on that date.
 - ii) the other matters required by the Local Government Act 1999 to be dealt with in the financial statements.
- b) According to the Local Government Act 1999, together with the Local Government Act 1999 (Financial Management) Regulations 1999 made under that Act; and
- c) According to Australian Accounting Standards and mandatory professional reporting requirements.

Signed at Adelaide this 21st day of September 2009.



JOHN D EWEN
JOHN D EWEN & ASSOCIATES
CHARTERED ACCOUNTANT