

District Council of Elliston
General Purpose Financial Reports
for the year ended 30 June 2008

TABLE OF CONTENTS

	<u>Page</u>
Principal Financial Statements	
Income Statement	1
Balance Sheet	2
Statement of Changes in Equity	3
Cash Flow Statement	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N7
Note 3 - Expenses	N10
Note 4 - Gain or Loss on Disposal of Assets	N11
Note 5 - Current Assets	N12
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	N13
Note 8 - Liabilities	N16
Note 9 - Reserves	N17
Note 10 - Assets Subject to Restrictions	N18
Note 11 - Reconciliation of Cash Flow Statement	N19
Note 12 - Functions	N20
Note 13 - Financial Instruments	N23
Note 14 - Expenditure Commitments	N25
Note 15 - Financial Indicators	N26
Note 16 - Uniform Presentation of Finances	N27
Note 18 - Superannuation	N28
CEO Statement	
Audit Report & Statement	
Council Certificates of Audit Independence	
Audit Certificate of Audit Independence	

District Council of Elliston
INCOME STATEMENT
for the year ended 30 June 2008

	Notes	2008 \$	2007 \$
INCOME			
Rates	2	1,409,074	1,334,653
Statutory charges	2	27,273	21,576
User charges	2	32,410	29,516
Grants, subsidies and contributions	2	1,337,432	1,173,593
Investment income	2	103,271	48,786
Reimbursements	2	91,583	61,352
Other income	2	16,209	60,152
Total Income		<u>3,017,251</u>	<u>2,729,628</u>
EXPENSES			
Employee costs	3	437,994	419,949
Materials, contracts & other expenses	3	1,152,956	969,512
Finance costs	3	14,380	13,361
Depreciation, amortisation & impairment	3	1,442,356	511,168
Total Expenses		<u>3,047,686</u>	<u>1,913,990</u>
OPERATING SURPLUS / (DEFICIT)		(30,435)	815,638
Net gain (loss) on disposal or revaluation of assets	4	372,371	(220,449)
Amounts received specifically for new or upgraded assets	2	49,733	6,540
Physical resources received free of charge	2	-	2,850
NET SURPLUS / (DEFICIT)		<u>391,669</u>	<u>604,579</u>

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

District Council of Elliston

**BALANCE SHEET
as at 30 June 2008**

	Notes	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,027,686	981,700
Trade & other receivables	5	155,998	83,041
Inventories	5	59,415	473,283
		<u>2,243,099</u>	<u>1,538,024</u>
Total Current Assets		<u>2,243,099</u>	<u>1,538,024</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	7	27,628,044	23,370,598
Total Non-current Assets		<u>27,628,044</u>	<u>23,370,598</u>
Total Assets		<u>29,871,143</u>	<u>24,908,622</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	351,228	115,069
Borrowings	8	66,109	69,552
Provisions	8	25,046	26,516
		<u>442,383</u>	<u>211,137</u>
Total Current Liabilities		<u>442,383</u>	<u>211,137</u>
Non-current Liabilities			
Borrowings	8	65,497	131,605
Provisions	8	24,250	9,234
		<u>89,747</u>	<u>140,839</u>
Total Non-current Liabilities		<u>89,747</u>	<u>140,839</u>
Total Liabilities		<u>532,130</u>	<u>351,976</u>
NET ASSETS		<u>29,339,013</u>	<u>24,556,646</u>
EQUITY			
Accumulated Surplus		5,602,913	5,211,244
Asset Revaluation Reserve	9	23,736,100	19,345,402
TOTAL EQUITY		<u>29,339,013</u>	<u>24,556,646</u>

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

District Council of Elliston

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2008

	2008 \$	2007 \$
Notes		
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	5,211,244	4,576,619
Adjustment due to errors found		30,046
Net Surplus / (Deficit) for Year	<u>391,669</u>	<u>604,579</u>
Balance at end of period	<u>5,602,913</u>	<u>5,211,244</u>
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	19,345,402	19,345,402
Gain on revaluation of infrastructure, property, plant & equipment	<u>4,390,698</u>	<u>-</u>
Balance at end of period	<u>23,736,100</u>	<u>19,345,402</u>
TOTAL EQUITY AT END OF REPORTING PERIOD	<u>29,339,013</u>	<u>24,556,646</u>
<i>Total of all revenues recognised directly in Equity</i>	4,390,698	-
<i>Total of all expenses recognised directly in Equity</i>	<u>-</u>	<u>-</u>
NET CHANGE IN EQUITY	<u>4,390,698</u>	<u>-</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 2008

	Notes	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		3,111,901	2,975,619
Investment receipts		81,965	37,002
<u>Payments</u>			
Operating payments to suppliers & employees		(1,617,559)	(1,547,951)
Finance payments		(673)	(16,227)
Net Cash provided by (or used in) Operating Activities		<u>1,575,633</u>	<u>1,448,443</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		49,733	6,540
Sale of replaced assets		150,601	35,910
Sale of real estate developments		864,268	193,210
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,488,840)	(342,628)
Expenditure on new/upgraded assets		-	(570,520)
Development of real estate for sale		(35,858)	(539,559)
Net Cash provided by (or used in) Investing Activities		<u>(460,096)</u>	<u>(1,217,047)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Repayments of Borrowings		(69,551)	(77,253)
Net Cash provided by (or used in) Financing Activities		<u>(69,551)</u>	<u>(77,253)</u>
Net Increase (Decrease) in cash held		<u>1,045,986</u>	<u>154,143</u>
Cash & cash equivalents at beginning of period		<u>981,700</u>	<u>827,557</u>
Cash & cash equivalents at end of period		<u>2,027,686</u>	<u>981,700</u>

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



District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

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 where 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

The District Council of Elliston is incorporated under the SA Local Government Act 1999 and has its principal place of business at 21 Beach Terrace, Elliston, South Australia. 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 2008

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 13.

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.

6 Infrastructure, Property, Plant & Equipment

6.1 Transitional Provisions

Council has elected not to recognise land under roads in accordance with the deferral arrangements available under AASB 1045 which expire 30 June 2008. 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*.

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".

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.

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 1 - Significant Accounting Policies (cont)

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	\$2,000

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 8.

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	2 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
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 1 - Significant Accounting Policies (cont)

	Reticulation Pipes – other	25 to 75 years
	Pumps & Telemetry	15 to 25 years
Other Assets	Artworks	50 years

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.

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".

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.

Admin Weighted average discount rate	29.49% (2007, 33.5%)
Admin Weighted average settlement period	5.66 years (2007, 6.64 years)
Works Weighted average discount rate	12.68% (2007, 11.93%)
Works Weighted average settlement period	2.37 years (2007, 2.26 years)

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.

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 1 - Significant Accounting Policies (cont)

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.

Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2007/08; 9% in 2006/07). 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.

Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently 6% (6% in 2006/2007) of superannuation salary. 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 Fund's Defined Benefit 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 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.

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 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.

12 Comparative Information

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

13 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2008 reporting period.

- | | |
|-------------|---|
| ➢ AASB 8 | <i>Operating Segments</i> |
| ➢ AASB 101 | <i>Presentation of Financial Statements</i> |
| ➢ AASB 123 | <i>Borrowing Costs</i> |
| ➢ AASB 1004 | <i>Contributions</i> |
| ➢ AASB 1050 | <i>Administered Items</i> |
| ➢ AASB 1051 | <i>Land Under Roads</i> |
| ➢ AASB 1052 | <i>Disaggregated Disclosures</i> |

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 1 - Significant Accounting Policies (cont)

- AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]
- AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]
- AASB 2007-8 Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]
- AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]
- Interpretation 4 Determination whether an Arrangement contains a Lease
- Interpretation 13 Customer Loyalty Programmes
- Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Interpretation 129 Disclosure – Service Concession Arrangements
- Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities

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 2008

Note 2 - INCOME

	Notes	2008 \$	2007 \$
RATES REVENUES			
<u>General Rates</u>		1,105,028	1,228,250
		<u>1,105,028</u>	<u>1,228,084</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		69,590	67,007
Television		9,400	9,400
Waste collection		189,655	
Community wastewater management systems		26,950	26,300
		<u>295,595</u>	<u>102,707</u>
<u>Other Charges</u>			
Penalties for late payment		8,451	3,862
		<u>8,451</u>	<u>3,862</u>
		<u>1,409,074</u>	<u>1,334,653</u>
 STATUTORY CHARGES			
Development Act fees		18,600	16,695
Animal registration fees & fines		7,313	4,858
Sundry		1,360	23
		<u>27,273</u>	<u>21,576</u>
 USER CHARGES			
Cemetery/crematoria fees		2,200	1,968
House rentals		4,985	10,910
Caravan and camping fees		7,653	5,908
Water		10,556	
Waste		2,644	
Sales - general		127	
Sundry		4,245	10,730
		<u>32,410</u>	<u>29,516</u>
 INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		101,938	47,575
Banks & other		1,333	1,211
		<u>103,271</u>	<u>48,786</u>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

NOTE 2 - INCOME (continued)

	Notes	2008 \$	2007 \$
REIMBURSEMENTS			
- for private works		13,535	14,069
- other		<u>78,048</u>	<u>47,283</u>
		<u>91,583</u>	<u>61,352</u>
 OTHER INCOME			
Sundry		<u>16,209</u>	<u>60,152</u>
		<u>16,209</u>	<u>60,152</u>
 GRANTS, SUBSIDIES, CONTRIBUTIONS			
<i>Amounts received specifically for new or upgraded assets</i>			
		49,733	6,540
<i>Other grants, subsidies and contributions</i>			
		<u>1,337,432</u>	<u>1,173,593</u>
		<u>1,387,165</u>	<u>1,180,133</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
 Sources of grants			
<i>Commonwealth government</i>		1,335,114	1,168,081
<i>State government</i>		<u>52,051</u>	<u>12,052</u>
		<u>1,387,165</u>	<u>1,180,133</u>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

NOTE 2 - INCOME (continued)

	2008	2007
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>	30,021	312,475
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Roads Infrastructure</i>	(4,930)	(258,132)
<i>Heritage & Cultural Services</i>	(7,632)	(26,475)
<i>Subtotal</i>	(12,562)	(284,607)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Roads Infrastructure</i>	108,779	
<i>Heritage & Cultural Services</i>	27,231	2,153
<i>Subtotal</i>	136,010	2,153
<i>Unexpended at the close of this reporting period and</i>	153,469	30,021
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	 123,448	 (282,454)
 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Furniture and Equipment		2,850
TOTAL PHYSICAL RESOURCES RECEIVED		2,850




District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 3 - EXPENSES

	Notes	2008 \$	2007 \$
EMPLOYEE COSTS			
Salaries and Wages		387,512	338,673
Employee leave expense		99,172	86,712
Superannuation - defined contribution plan contributions	20	36,959	37,678
Superannuation - defined benefit plan contributions	20	12,670	8,567
Workers' Compensation Insurance		26,003	27,110
Other			4,733
Less: Capitalised and distributed costs		<u>(124,322)</u>	<u>(83,524)</u>
Total Operating Employee Costs		<u>437,994</u>	<u>419,949</u>
Total Number of Employees		13	12
<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		5,800	5,000
- Other Services			500
- Other Auditors - travel and accom		2,300	2,200
Elected members' expenses		47,666	45,449
Development Panel expenses		5,446	
Election expenses			9,270
Subtotal - Prescribed Expenses		<u>61,212</u>	<u>63,419</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		681,763	466,296
Registration and insurance		87,828	
Energy		29,757	30,068
Telephone		14,879	
Legal Expenses		33,259	15,929
Levies paid to government - NRM levy		68,652	66,141
- Other Levies		7,579	
Parts, accessories & consumables		228,190	222,215
Water		7,675	
Advertising		8,772	
Sundry		147,226	105,444
Less: Capitalised and distributed costs		<u>(223,836)</u>	
Subtotal - Other Materials, Contracts & Expenses		<u>1,091,744</u>	<u>906,093</u>
		<u>1,152,956</u>	<u>969,512</u>
FINANCE COSTS			
Interest on Loans		14,380	13,361
		<u>14,380</u>	<u>13,361</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Roads, Footpaths		1,181,173	279,267
Buildings & Other Structures		100,354	77,473
Aerodrome, Cycle track		1,185	698
Plant & Equipment		137,500	128,067
Furniture & Fittings		7,249	10,024
Other Assets		14,895	15,639
		<u>1,442,356</u>	<u>511,168</u>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2008 \$	2007 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		150,601	35,909
Less: Carrying amount of assets sold		<u>179,736</u>	<u>349,120</u>
Gain (Loss) on disposal		<u>(29,135)</u>	<u>(313,211)</u>
REAL ESTATE DEVELOPMENT ASSETS			
Proceeds from disposal		864,268	193,210
Less: Carrying amount of assets sold		<u>462,762</u>	<u>100,448</u>
Gain (Loss) on disposal		<u>401,506</u>	<u>92,762</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>372,371</u>	<u>(220,449)</u>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 5 - CURRENT ASSETS

	2008	2007
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	208,516	142,660
Deposits at Call	1,819,170	839,040
	<u>2,027,686</u>	<u>981,700</u>
 TRADE & OTHER RECEIVABLES		
Rates - General & Other	61,068	57,883
Accrued Revenues	33,090	11,784
Debtors - general	51,707	13,394
GST Recoupment	9,604	
Prepayments	529	
Total	<u>155,998</u>	<u>83,041</u>
 INVENTORIES		
Stores & Materials	51,677	38,474
Trading Stock	4,105	4,272
Real Estate Developments	-	426,904
Other	3,633	3,633
	<u>59,415</u>	<u>473,283</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

Real Estate Developments

(Valued at the lower of cost and net realisable value)

Residential	-	426,904
Total Real Estate for Resale	<u>-</u>	<u>426,904</u>

Represented by:

Development Costs	-	426,904
Total Real Estate for Resale	<u>-</u>	<u>426,904</u>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

	2007				2008			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	8,187,219	3,765	-	8,190,984	8,187,219	3,765	-	8,190,984
Roads, Footpaths	11,123,918	2,113,038	(1,099,238)	12,137,718	27,148,982	21,586	(10,896,272)	16,274,296
Buildings & Other Structures	3,476,700	30,836	(1,970,942)	1,536,394	3,646,702	69,516	(2,071,296)	1,644,922
Aerodrome, Cycle track	5,703	250,124	(231,410)	24,417	5,704	250,124	(232,596)	23,232
Plant & Equipment	77,902	1,468,783	(679,100)	867,585	77,902	1,496,528	(656,289)	918,141
Furniture & Fittings	-	182,458	(89,506)	92,952	-	130,569	(70,401)	60,168
Other	202,028	496,450	(177,930)	520,548	202,028	507,099	(192,826)	516,301
TOTAL PROPERTY, PLANT & EQUIPMENT	23,073,470	4,545,254	(4,248,126)	23,370,598	39,268,537	2,479,187	(14,119,680)	27,628,044
2007 Totals	21,240,930	4,545,253	(2,415,585)	23,370,598	23,073,470	4,545,254	(4,248,126)	23,370,598

This Note continues on the following pages.

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2008 \$
	2007 \$		Additions		Disposals	Depreciation	Impairment	Blank	Net Revaluation	CARRYING AMOUNT	
	CARRYING AMOUNT	-	New/Upgrade	Renewals							
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT											
Land	8,190,984	-	-	-	-	-	-	-	-	-	8,190,984
Roads, Footpaths	12,137,718	162,433	934,619	-	(1,181,173)	-	-	-	4,220,699	-	16,274,298
Buildings & Other Structures	1,536,394	18,182	20,700	-	(100,354)	-	-	-	170,000	-	1,644,922
Aerodrome, Cycle track	24,417	-	-	-	(1,185)	-	-	-	-	-	23,232
Plant & Equipment	867,585	3,500	331,052	(146,496)	(137,500)	-	-	-	-	-	918,141
Furniture & Fittings	92,952	-	7,705	(33,240)	(7,249)	-	-	-	-	-	60,168
Other assets	520,548	10,648	-	-	(14,895)	-	-	-	-	-	516,301
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	23,370,598	194,763	1,294,076	(179,736)	(1,442,356)	-	-	-	4,390,699	-	27,628,044
2007 Totals	17,741,495	1,134,175	-	(349,118)	(511,168)	-	-	-	5,355,213	-	23,370,598

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 7 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIFRS.

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

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 and pursuant to Council's election are disclosed at deemed cost. 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 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are: (here list useful lives of principal asset types)

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 2008

Note 8 - LIABILITIES

	Notes	2008		2007	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		270,034		64,799	
Payments received in advance		7,882			
Accrued expenses - employee entitlements		44,630		40,557	
Accrued expenses - other		18,439		4,732	
Deposits, Retentions & Bonds		4,981		4,981	
Other		5,262			
		<u>351,228</u>	-	<u>115,069</u>	-
 BORROWINGS					
Loans		66,109	65,497	69,552	131,605
		<u>66,109</u>	<u>65,497</u>	<u>69,552</u>	<u>131,605</u>
 PROVISIONS					
Employee entitlements (including oncosts)		25,046	24,250	26,516	9,234
		<u>25,046</u>	<u>24,250</u>	<u>26,516</u>	<u>9,234</u>

All interest bearing liabilities are secured over the future revenues of the Council.

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/07/2007	Net Increments (Decrements)	Transfers on Sale	30/06/2008
Notes	\$	\$	\$	\$
ASSET REVALUATION RESERVE	19,345,402	4,390,698		23,736,100
Total Infrastructure, Property, Plant & Equipment	19,345,402	4,390,698		23,736,100
Available for Sale Investments				
TOTAL	<u>19,345,402</u>	<u>4,390,698</u>		<u>23,736,100</u>
<i>2007 Totals</i>	<u>19,345,402</u>			<u>19,345,402</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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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 10 - 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.

	Notes	2008 \$	2007 \$
CASH & FINANCIAL ASSETS			
CWMS		44,507	20,158
TV Fund		32,118	28,677
Pt Kenny Water Supply		35,565	32,764
		<u>112,190</u>	<u>81,599</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>112,190</u>	<u>81,599</u>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 11 - 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 Statement of Financial Position as follows:

	Notes	2008 \$	2007 \$
Total cash & equivalent assets	5	<u>2,027,686</u>	<u>981,700</u>
Balances per Cash Flow Statement		<u>2,027,686</u>	<u>981,700</u>

**(b) Reconciliation of Change in Net Assets to Cash
from Operating Activities**

Net Surplus (Deficit)	391,669	604,579
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,442,356	511,168
Net increase (decrease) in unpaid employee benefits	17,619	(104)
Non-cash asset acquisitions	-	(2,850)
Grants for capital acquisitions treated as Investing Activity	(49,733)	(6,540)
Net (Gain) Loss on Disposals	<u>(372,371)</u>	<u>220,449</u>
	1,429,540	1,326,702
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(72,957)	56,217
Net (increase) decrease in inventories	(13,036)	16,201
Net increase (decrease) in trade & other payables	<u>232,086</u>	<u>47,323</u>
Net Cash provided by (or used in) operations	<u>1,575,633</u>	<u>1,448,443</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:		
- Physical resources received free of charge	3	<u>2,850</u>
<i>Amounts recognised in Income Statement</i>		<u>2,850</u>
		<u>2,850</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts	450,000	450,000
Corporate Credit Cards	No Limit	No Limit

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 12 - FUNCTIONS

INCOME		EXPENSES				OPERATING SURPLUS (DEFICIT) BEFORE CAPITAL				GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
		ACTUAL		ACTUAL		ACTUAL		ACTUAL		2008		2007	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
104,108	115,143	122,632	46,474	(18,524)	68,669	58,500			226,405				
43,980	18,633	216,185	101,766	(172,205)	(65,133)				208,794				842,453
3,000	-	32,723	41,352	(29,723)	(41,352)				12,237				13,400
265,376	79,494	489,613	358,603	(224,237)	(279,109)				17,504				784,447
45,353	24,303	116,222	91,749	(70,869)	(67,446)			12,052					
25,913	20,076	130,812	72,834	(104,899)	(52,758)	602,014							
602,557	643,840	1,550,621	529,819	(948,064)	114,021			640,435					13,345,232
795,363	576,929	105,133	268,548	690,230	308,381	676,918		527,646					7,146,910
1,131,601	1,253,210	283,745	402,845	847,856	850,365								2,776,180
3,017,251	2,729,628	3,047,686	1,913,990	(30,435)	815,638	1,337,432		1,180,133					24,908,622

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 2008

Note 12 (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

LGCC – 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.

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 13 - 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: Deposits have an average maturity of 24 hours and interest rates of between 0 and 7% (2006: 24 hours, 0-8%)</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 10.25% (2007: 9.75%) 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 Loans	<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, loans are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.7% and 6.5% (2007: 5.7% and 6.5%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2008	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$	\$	\$	\$	\$	\$
Financial Assets						
Fair Value through P&L						
Cash Assets	2,017,328				10,358	2,027,686
Other Financial Assets						
Loans & Receivables						
Receivables					122,379	122,379
Other Financial Assets						
Held to Maturity Investments						
Other Financial Assets						
Available for Sale						
Cash Assets						
Other Financial Assets						
Total	2,017,328	-	-	-	132,737	2,150,065
Weighted Average Interest Rate	6.30%					
Financial Liabilities						
Payables					288,159	288,159
Current Borrowings						
Non-Current Borrowings		66,109	65,497			131,606
Total	-	66,109	65,497	-	288,159	419,765
Weighted Average Interest Rate		6.25%	6.25%			
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	2,017,328	(66,109)	(65,497)	-	(155,422)	1,730,300

2007	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$	\$	\$	\$	\$	\$
Financial Assets						
Fair Value through P&L						
Cash Assets	981,699					981,700
Other Financial Assets						
Loans & Receivables						
Receivables					71,257	71,257
Other Financial Assets						
Held to Maturity Investments						
Other Financial Assets						
Available for Sale						
Cash Assets						
Other Financial Assets						
Total	981,699	-	-	-	71,257	1,052,957
Weighted Average Interest Rate	5.15%					
Financial Liabilities						
Payables					69,780	69,780
Current Borrowings						
Non-Current Borrowings		89,552	131,606		(1)	201,157
Total	-	89,552	131,606	-	69,779	270,937
Weighted Average Interest Rate		6.28%	6.28%			
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	981,699	(89,552)	(131,606)	-	1,479	782,020

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 13 (cont) - FINANCIAL INSTRUMENTS

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 provision 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. Most of Council's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either Council incomes or expenditures.

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 14 - COMMITMENTS FOR EXPENDITURE

	2008	2007
Notes	\$	\$
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Capping of Lock Landfill Site	<u>31,000</u> <u>31,000</u>	<u> </u> <u> </u>
These expenditures are payable: Not later than one year	<u>31,000</u> <u>31,000</u>	<u> </u> <u> </u>

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District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 15 - FINANCIAL INDICATORS

	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	(30,435)	815,638
<i>Being the operating surplus (deficit) before capital amounts.</i>		
Operating Surplus Ratio		
<u>Operating Surplus</u>	(2%)	64%
Rates - general & other less NRM levy		
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>		
Net Financial Liabilities	(1,651,554)	(712,765)
<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>	-56%	-27%
Total Operating Revenue less NRM levy		
Interest Cover Ratio		
<u>Net Interest Expense</u>	(3.1%)	(1.4%)
Total Operating Revenue less NRM levy less Investment Income		
Asset Sustainability Ratio		
<u>Net Asset Renewals</u>	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>	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 2008

Note 16 - 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.

	2008 \$	2007 \$
Operating Revenues	3,017,251	2,729,628
less: Operating Expenses	<u>(3,047,686)</u>	<u>(1,913,990)</u>
Operating Surplus / (Deficit)	(30,435)	815,638
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,488,840	342,628
less Depreciation, Amortisation and Impairment	<u>(1,442,356)</u>	<u>(511,168)</u>
less Proceeds from Sale of Replaced Assets	<u>(150,601)</u>	<u>(35,910)</u>
	(104,117)	(204,450)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	35,858	1,110,079
less Amounts received specifically for New and Upgraded Assets	<u>(49,733)</u>	<u>(6,540)</u>
less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>(864,268)</u>	<u>(193,210)</u>
	(878,143)	910,329
Net Lending / (Borrowing) for Financial Year	<u>951,825</u>	<u>109,759</u>

gc *JMB*

District Council of Elliston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2008

Note 18 – SUPERANNUATION

Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme (the Scheme). The Scheme has two categories of membership, each of which is funded differently.

The Scheme's accumulation category, Local Super, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). 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 Scheme.

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

Council makes employer contributions to the defined benefit category of the Scheme at rates determined by the Trustee on the advice of the Scheme's Actuary. On the basis of the results of 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 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities.

District Council of Elliston

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2008

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Miss Henion 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 2008 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.


CHIEF EXECUTIVE OFFICER

Dated this day of 2008

ADOPTION STATEMENT

Laid before the District Council of Elliston and adopted on the day of
2008.

✓ 
CHAIRPERSON

District Council of Elliston

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2008


CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Elliston for the year ended 30 June 2008, 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*.


.....
(Insert name)
CHIEF EXECUTIVE OFFICER


.....
(Insert name)
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 13/10/08