



THE FLINDERS RANGES COUNCIL

2005 / 2006

FINANCIAL REPORT

THE FLINDERS RANGES COUNCIL

FINANCIAL STATEMENTS

Operating Statement for the Period 01/07/05 to 30/06/06

		30/6/2006	30.06.2005
		\$	
OPERATING REVENUE	Notes		
Rates		760496	692634
Regulatory Charges	10	32830	25055
User Charges	11	177176	186200
Operating Grants & Subsidies	12	1177667	910502
Investment Income	13	93737	105028
Donations	14	30288	5042
Gain on Disposal of Non-Current Assets			36287
Reimbursements	15	111246	201662
Income from Commercial Activities	16	26868	20095
Other	17	137740	35944
TOTAL OPERATING REVENUE		2548048	2218449
OPERATING EXPENSES			
Wages & Salaries	4	757010	645904
Contractual Services	5	319316	389433
Materials	6	380902	354864
Finance Charges	7	114488	107955
Depreciation	8	533462	1086621
Loss on Disposal of Non-Current Assets		12586	
Other	9	457450	281303
TOTAL OPERATING EXPENSES		2575214	2866080
Operating Surplus/(Deficit) before Capital Revenues		(27166)	(647631)
CAPITAL REVENUES			
Capital Grants,Subsidies and Monetary Contributions	12		1060040
Operating Surplus/(Deficit) after Capital Revenues and before Extraordinary Items		(27166)	412409
Extraordinary Items		0	0
Net Surplus/(Deficit) resulting from Operations		(27166)	412409

THE FLINDERS RANGES COUNCIL

OPERATING STATEMENT OVER FUNCTIONS

2005/2006

	Administration	Public Order	Health and Welfare	Housing & Community	Recreation & Culture	Agricultural Services	Regulatory Services	Transport & Communication	Economic Affairs	Other	Inter Function	TOTAL
EXPENSES												
Wages and Salaries	87889	4204	1910	125593	141913	315	21297	264121	31740	17033	60995	757010
Contractual Services	56792	2339	6892	109677	33161		20330	47339	4665	365	37956	319316
Materials	28453	627	9134	26317	64686	1239	499	52368	23493	780	173306	380902
Finance Charges	163									95472	18853	114488
Depreciation	32167	3475		64402	156090			94384	16108	14307	152529	533462
Other	148170	5292	9601	200194	60107	15725	533	158343	22267	14633	-177417	457448
TOTAL EXPENSES	353634	15937	27337	526183	455957	17279	42659	616555	98273	142590	266222	2562626
INCOME												
Rates	760496				95		29914			191		760496
Statutory Charges	2821			144483	22491							32830
User Charges		281	9731	8182	2000			450586				177177
Grants & Subsidies	713958		2942							93734		1177668
Investments										1000		93734
Donations			3602	15000	10685				1793	43877		30287
Reimbursements	8792	229	7983	20000	8318			20254	10296	1306		111246
Income from Commercial Activities	5180				10087				911	127275		26869
Other		510	773	187760	8697	0	84.00	470840	13000	267383	0	137740
TOTAL INCOME	1491247		25031		62278		29998					2548047
LOSS ON DISPOSAL OF ASSETS										12587		12587
CHANGE IN FINANCIAL POSITION	1137613	-15427	-2306	-338423	-393679	-17279	-12661	-145715	-85273	112206	-266222	-27166

OPERATING STATEMENT

EXPENSES BY FUNCTION 2005/2006		EXPENSES BY TYPE 2005/2006	
Administration	13.80%	Wages & Salaries	29.40%
Public Order & Safety	0.62%	Contractual Services	12.40%
Health & Welfare	1.07%	Materials	14.79%
Housing & Community	20.53%	Finance Charges	4.45%
Services		Depreciation	20.72%
Recreation & Culture	17.79%	Loss on Disposal Assets	0.00
Agricultural Services	0.67%	Other	17.76%
Regulatory	1.66%		99.52%
Transport & Comm.	24.06%		
Economic Affairs	3.83%		
Other	5.56%		
Inter Function	10.42%		
	100.03%		
REVENUE BY FUNCTION 2005/2006		REVENUE BY TYPE 2005/2006	
Administration	58.53%	Rates	29.49%
Public Order & Safety	0.02%	Statutory Charges	1.29%
Health & Welfare	0.98%	User Charges	7.31%
Housing & Community	7.37%	Operation Grants &	46.22%
Services		Subsidies	
Recreation & Culture	2.44%	Investment Income	3.68%
Agricultural Services	0.00%	Donations	1.19%
Regulatory Services	1.18%	Reimbursements	4.37%
Transport & Comm.	18.48%	Inc. from Commercial	1.05%
Economic Affairs	0.51%	Activities	
Other	10.49%	Other	5.41%
	100.00%		100.01%

**THE FLINDERS RANGES COUNCIL
FINANCIAL STATEMENTS**

Statement of Financial Position for the Period 01/07/05 to 30/06/06

		30/06/2006	30.06.05
		\$	
CURRENT ASSETS	Notes		
Cash	18	717429	422578
Receivables	18	73129	50043
Inventory	18	82550	30370
Investments	19	1154171	1211702
Other	18	63883	24605
TOTAL CURRENT ASSETS		2091162	1739298
CURRENT LIABILITIES			
Bank Overdraft		(0)	0
Creditors & Provisions	21	(178090)	(249679)
Borrowings	21	(83381)	(93360)
Other	21	(275067)	(129740)
TOTAL CURRENT LIABILITIES		(536538)	(472779)
NET CURRENT ASSETS		1554624	1266519
NON - CURRENT ASSETS			
Land & Buildings	20	4573894	3414810
Infrastructure	20	13296169	8173534
Equipment	20	1221789	825891
Furniture & Fittings	20	61376	75986
Other - Minor Plant	20	55243	21253
Other - Loans Community Groups	20	55389	96516
Other	20	70682	83104
TOTAL NON - CURRENT ASSETS		19334542	12691094
NON CURRENT LIABILITIES			
Creditors & Provisions	21	(79173)	(20887)
Borrowings	21	(1555373)	(1638753)
TOTAL NON CURRENT LIABILITIES		(1634546)	(1659640)
NET ASSETS		19254620	12297973
COMMUNITY WEALTH			
Accumulated Surplus/(Deficit)	22	(9398301)	9367776
Reserves		9856319	2930197
TOTAL COMMUNITY WEALTH		19254620	12297973

FINANCIAL STATEMENTS

Statement of Changes in EQUITY for the period ended 01/07/05 to 30/06/06

		30.06.06	30.06.05
		\$	\$
ACCUMULATED SURPLUS	Notes		
Balance at beginning of period		9367776	9470352
Adjustments Including Leave In Lieu		165	(6798)
Adjust A.R. Reserve			
Change in Financial Position resulting from Operations - Surplus/(Deficit)		(27166)	412409
Transfers from Reserves		296372	953345
Transfers to Reserves		(238846)	(1461532)
Balance at end of Period	22	9398301	9367776
ASSET REVALUATION RESERVE			
Balance at beginning of period		1718502	1718502
Transfers to Reserve		6983648	0
Balance at end of Period		8702150	1718502
LAND & BUILDING RESERVE			
Balance at beginning of period		49360	34360
Transfer from Accumulated surplus			15000
Transfer from Reserve to Operating account		(25327)	
Balance at end of Period		24033	49360
LONG SERVICE/ANNUAL LEAVE RESERVE			
Balance at the beginning of the period		95781	83057
Transfer from Accumulated surplus		6678	13824
Transfer from Reserve to Operating account		(1170)	(-1100)
Balance at end of Period		101289	95781
PLANT REPLACEMENT RESERVE			
Balance at beginning of period		239832	144142
Transfer from Accumulated surplus		89266	95728
Transfer from Reserve to Operating account		(20040)	(38)
Balance at end of period		309058	239832
CWMS RESERVE (Hawker)			
Balance at beginning of period		29563	21019
Transfer from Accumulated surplus		20141	8686
Transfer from Reserve to Operating account		(10320)	(142)
Balance at end of Period		39384	29563
DAM RESERVE			
Balance at beginning of period		9452	7455
Transfer from Accumulated surplus		11	2008
Transfer from Reserve to Operating account		(11)	(11)
Balance at end of period		9452	9452
COMMUNITY TRUSTS FUND			
Balance at beginning of period		27637	26292
Transfer from Accumulated surplus		20895	1345
Transfer from Reserve to Operating account		(213)	(0)
Balance at end of period		48319	27637
AIRSTRIIP RESERVE			
Balance at beginning of period		82300	77300
Transfer from Accumulated surplus			5000
Transfer from Reserve to Operating account			
Balance at end of period		82300	82300

POOL RESERVE - HAWKER

Balance at beginning of period	18121	15681
Transfer from Accumulated surplus	259	2680
Transfer from Reserve to Operating account	(259)	(240)
Balance at end of period	18121	18121

OTHER RESERVE

Balance at beginning of period	171445	132510
Transfer from Accumulated surplus	56702	38935
Transfer from Reserve to Operating account	(71969)	
Balance at end of period	156178	171445

ROADS RESERVE

Balance at beginning of period	111000	101000
Transfer from Accumulated surplus		10000
Transfer from reserve to Operating account	(29386)	
Balance at end of period	81614	111000

LEGAL COSTS RESERVE

Balance at beginning of period	13808	13940
Transfer from Accumulated surplus	344	129
Transfer from Reserve to Operating account	(278)	(261)
Balance at end of period	13874	13808

POOL RESERVE - QUORN

Balance at beginning of period	6890	4390
Transfer from Accumulated surplus		2500
Transfer from Reserve to Operating account		
Balance at end of period	6890	6890

CWMS RESERVE (QUORN)

Balance at beginning of period	332852	26845
Transfer from Accumulated surplus	38300	1257560
Transfer from Reserve to Operating account	(137399)	(951553)
Balance at end of period	233753	332852

HAWKER COMMUNITY BUS

Balance at beginning of period	23654	15519
Transfer from Accumulated Reserve	6250	8134
Transfer from Reserve to Operating account		
Balance at end of Period	29904	23654

TOTAL COMMUNITY WEALTH

19254620	12297973
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THE FLINDERS RANGES COUNCIL

FINANCIAL STATEMENTS

Statement of Cash Flows for the period 1/7/2005 to 30/6/2006

		\$ (Inflows) Outflows
Cash Flows from Operating Activities		
Payments		2624098
Receipts		<u>2194241</u>
<i>Net Cash Used in Operating Activities</i>		(429857)
Cash Flows from Financing Activities		
<u>Payments</u>		
	Advances/Borrowings Repaid	52232
<u>Receipts</u>		
	Borrowings Received	57531
	Interest Received	94076
		<u>99375</u>
<i>Net Cash Used in Financing Activities</i>		
Cash Flows from Other Activities		
<u>Payments</u>		
	Capital Equipment and Works	<u>263865</u>
		263865
<u>Contributions</u>		
	Proceeds from Sale of Plant	<u>29484</u>
		29484
<i>Net Cash Used in Investment Activities</i>		234381
<i>Net Increase/(Decrease) in Cash Held</i>		294851
<i>Cash at Beginning of Reporting Period</i>		422578
BALANCE OF CASH HELD		<u>717429</u>

THE FLINDERS RANGES COUNCIL

FINANCIAL STATEMENTS

Reference Notes

Note 3

Reconciliation of Net Cash provided by Operating Statement to Change in Financial position from Operating Activities

Change in Financial Position from	
Operating Activities	(27166)
Add Depreciation Allocated	533462
Increase in Receivables	(23086)
Increase in Stores Held	(52180)
increase in Employee Entitlements	(6880)
Decrease in Creditors	(20181)
decrease in other liabilities	(47399)
Increase Other Assets	(39617)
Grants	192881
Net Interest	(93737)
	<hr/>
	429857

Note 4

Employee Costs

Wages and Salaries	578542	
Annual/Sick Leave, Public Holidays	92237	
Superannuation - Administration	21124	
- Indirect	39667	
Inc. in Liability - L.S.L. & A/L	25440	
		783252
 <i>Operating A/C</i>	 <i>757010</i>	
<i>Capital - Works</i>	<i>26242</i>	

Note 5

Contractual Services

Data Processing	19496	
Works	47339	
Effluent Drainage	4117	
Tourism	4264	
Public Conveniences	13156	
Halls	19474	
Garbage	88445	
Machinery	16809	
Other	106216	
		<hr/>
		383036
 <i>Operating A/C</i>	 <i>319316</i>	

	Capital - Works	63720	
Note 6	<u>Materials</u>		
	Administration	24200	
	Reserves	25079	
	Swimming Pools	33126	
	Machinery	127846	
	Works	52368	
	Indirect (Depots,etc.)	45456	
	Members	4253	
	Other	45425	
	Street Lighting	23148	
			<hr/>
			380901
	Operating A/C	380901	
	Capital - Works	102248	

Note 7	<u>Financial Charges</u>		
	Bank Fees	165	
	Debenture Loans		
	Machinery	18853	
	Other	95470	
			<hr/>
			114488

Note 8	<u>Depreciation</u>		
	Buildings	221169	
	Plant & Equipment	118149	
	Furniture & Fittings	20829	
	Infrastructure	146570	
	Minor Plant	15810	
	Other	10935	
			<hr/>
			533462

Note 9	<u>Other</u>		
	Insurances	54225	
	Subscriptions/Donations ect.	23628	
	Administration	44727	
	Members	35999	
	Other	285677	
	Libraries	13194	
			<hr/>
			0
		22014	
	Operating A/C	457450	
	Capital - Works		

Note 10

Statutory Charges (inc.)

Search Fees	2821	
Dog Registration & Control	9864	
Development Act	9438	
Building Act	10451	
Other	256	
		32830

Note 11

User Charges (inc.)

Cemeteries	13190	
Swimming Pools	21124	
Effluent Drainage	73616	
Reserves	1365	
Sanitary & Garbage	57675	
Community Buses	9730	
Other	476	
		177176

Note 12

Grants & Subsidies (inc.)

Financial Assistance Grant	713958	
Local Road Grant	209905	
Road to Recovery	171508	
Supplementary Local Road Grant	69173	
Other	13123	
		1177667

Note 13

Investment (inc.)

Local Government Finance Authority	88061	
Banks	5676	
		93737

Note 14

Donations (inc.)

Swimming Pool	8299	
Other	21989	
		30288

Note 15

Reimbursements (inc.)

Administration - Photocopying etc	8869	
Private Works (inc Transport SA)	36742	
Work Cover Reimbursement	16002	
Recreation & Sport	5163	
Other	22328	
Social Security/Welfare	2142	
Heritage Review Reimbursement	20000	
		111246

Note 16

Commercial Activities (inc.)

Craft Shop Rental	1820	
Caravan Park Lease	8476	
Swimming Pools	10086	
Other	6486	
		26868

Note 17

Other (inc.)

Various	46365	
Interest Repaid	91376	
		137741

Note 18

Current Assets

Cash		
Cash on Hand	1123	
National Australia Bank	161254	
ANZ Hawker	14454	
Short Term Investment	540598	
Rserve Accounts	1154171	
Receivables		
Rates Debtors	12645	
Debtors - General	56169	
Debtors - Development	4315	
Inventory		
Stores	22014	
Crushed Rubble	57839	
Culverts/Headwalls	2697	
Other		
Accrued Income	21660	
Prepayments	42223	
		2091162

Note 19

Current Assets (Investments - Reserves)

Land & Buildings	24034
Plant & Machinery	309058
Long Service Leave	101289
Other	156178
Hawker Dam	9452
Swimming Pools	25011
Legal Costs	13874
Communiy Trust Funds	48319
STED Schemes	273137
Airstrips	82300
Road Sealing	81615
Community Bus	29904
	<hr/>
	1154171

Note 20

Non Current Assets

	Total Value	Written Down 30.06.06
Land & Buildings	4795063	221169
Plant & Equipment	1339938	118149
Furniture & Equipment	82205	20829
Minor Plant	71053	15810
Infrastructure	11014160	94384
CWMS Schemes	2428579	52186
Other	84617	10935
	<hr/>	<hr/>
	19815615	533462
Loans Community Groups		55389
		<hr/>
		19337542

Note 21

Liabilities

Current	
Creditors	75617
Received in Advance	230553
Accrued Expenses	44514
Provision - Annual Leave	84389
Loans	83382
Provision - L. S. L.	18084
Non Current	
Provision L. S. L.	79175
Loans	1555373
	<hr/>
	2171087

THE FLINDERS RANGES COUNCIL

Comparison between Budget and Actual for year ending 30th June 2006

<u>Adopted Budget</u>	<u>Budget</u>	<u>Actual</u>	
<u>Expenditure</u>			
Administration	367385	353634	13751
Public Order & Safety	13670	15937	-2267
Health/Social Security and Welfare }	28056	27337	719
			0
Housing & Community Services	335687	526183	-190496
Recreation & Cultural Services	456656	455957	699
Agricultural Services	20000	17279	2721
Regulatory Services	50845	42659	8186
Transport & Communication	1441949	616555	825394
Economic Affairs	142662	98273	44389
Not Elsewhere Classified	133186	142590	-9404
Other Purposes	727804	266222	461582
Plant & Indirects allocated	(380161)	(431932)	-51771
Debenture Loan Repayments	91892	93360	-1468
Transfer to Reserves	15000	238846	-223846
Major Purchases & Capital Expenditure	205850		205850
	<u>3650481</u>	<u>2462900</u>	<u>1187581</u>
			0
<u>Income</u>			
Rates	760466	770462	-9996
Administration	695117	720785	-25668
Public Order & Safety	1035	510	525
Health }	20078	25031	-4953
Social Security & Welfare }			0
Housing & Community Services	137950	187760	-49810
Sport & Recreation	49435	62278	-12843
Agricultural Services			0
Regulatory Services	19430	29998	-10568
Transport & Communication	463465	470840	-7375
Economic Affairs	37687	13000	24687
Not Elsewhere Classified	181216	267383	-86167
Loan Principal Repaid	39661		39661
Transfer from Reserves	198000	296372	-98372
Major Purchases - Loans			0
	<u>2603540</u>	<u>2844419</u>	

Asset Management/Depreciation

As result of Council's assets being revalued and the Financial Sustainability Reports Council has reviewed its Asset Accounting and Depreciation Policy and altered the materiality threshold from \$1000 to \$2000 and unsealed roads and footpaths are not depreciated on the basis that unsealed road/footpaths are being maintained.
Refer Policy no.79

Administration

Expenses variation minimal Income \$25000
over budget forecast attributed to increased
Financial Assistance Grant

3 Social Security & Welfare

Community Bus income from Hawker and Quorn exceeded expenditure requirements. Surplus income invested in Community Bus Reserve

4 Housing & Community Services

Repayment of surplus funding received for Quorn Community Wastewater Management Scheme to LGA. Review of Quorn Refuse Management Contractors fees increased the operating costs for the Quorn area

5 Recreation & Cultural Services

Expenditure on Parks and Reserve variation from budget minimal
Donation for the Quorn Swimming Pool received from defunct Quorn Senior Citizens group

6 Agricultural Services

Projected expenditure for Other Agricultural services
allocation not required

7 Regulatory Services

Planning Assessment Review expenditure not required
in 2005/2006 funds transferred to Other Reserve
to assist funding the Review in 2006/2007
Increased development in Quorn area exceeded
income forecasted in building and development fees

8 Transport and Communication

Unsealed roads and footpaths not depreciated in consideration of Asset Accounting and Depreciation Policy 79
Total footpath reseal expenditure less than budget allocation
Supplementary Road Grant not forecasted in budget

Supplementary Road to Recovery 2 funding received in advance

9 Economic Affairs

Caravan Park contractual expenses and street lighting.
less than budgetted. Walking Trails project not continued

10 Not Elsewhere Classified

Private Works income and expenditure not included in budget net affect
LGFA interest received exceeded budgetted expectations
Trust funds transferred into Community Trust Reserve

11 Loan Borrowings

Nil

12 Reserves

Surplus income from Bus and CWMS schemes transferred to reserves
\$89225 of plant depreciation funded and transferred to reserves. Loader and
dump trailer not purchased. Transfer Trust Fund account into an interest
earning Reserve. Surplus LGA CWMS funds repaid from Reserve.
\$57839 Borrowed from Quorn CWMS Reserve to fund rubble store to be repaid as used with 5.25% interest
Wirreanda Terrace kerbing funded from Road Reserve

(Note 1) STATEMENT OF ACCOUNTING POLICIES

A) Significant Accounting Policies

All funds the Council uses to resource its functions and activities have been included in the financial statements forming part to this financial report.

B) Accounting Statement and Regulations

This is a general purpose financial report prepared in accordance with the applicable Australian Accounting Standards, the applicable provisions of the Local Government Act 1999 (as amended) and the Local Government (Financial Management) Regulations, 1990.

C) Basis of Accounting

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

D) Inventory

Inventories are valued at the lower of cost and net realisable value

E) Recognition of Assets

All items of property, plant and equipment with a value greater than \$2,000 are recognised as assets. Assets acquired are initially recorded at cost. Cost includes all expenses incidental to the acquisition and incurred in getting the asset ready for use. Where assets are constructed by Council cost includes an appropriate share of fixed and variable overheads.

Non-monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at the date of receipt. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

F) Depreciation of Non Current Assets

All non current assets excepting land, unsealed roads and footpaths, other than receivables and investments are systematically depreciated using the straight line method over the useful life of the asset, with all depreciation rates reviewed annually and at each revaluation of assets.

G) Rates, Donations, Grants and Contributions

Rates, grants, donations and other contributions are recognised as revenues when the Council obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over the granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured, and the timing of the commencement of control depends upon the arrangements that exist between the grantor and the Council.

H) Employee Entitlements

Employee entitlements are accrued for annual leave and long service leave in respect of service provided by employees up to the reporting date. Liabilities for employees are assessed at each reporting date and are calculated at pay rates current at the reporting date. A liability for sick leave is only recognised when the employee is entitled to have that leave paid in cash.

The superannuation expense for the reporting period is the amount of the statutory contribution Council makes to the superannuation plan which provides the benefits to its employees.

I) GOODS & SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense of an item. Receivables and payables in the financial report are shown inclusive of GST.

J) Investments

Investments are valued at cost, interest revenues are recognised as they accrue.

K) Cash

For the purpose of statement of cash flows cash includes all monetary deposits that are readily convertible to cash on hand and which are used or available for use in the cash management function on a day to day basis net of outstanding bank overdraft.

L) Maintenance and Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred, and specifically regarding roads:

- (a) Resheeting in full or in part is considered to be maintenance;*
- (b) Signage and traffic control device replacement is considered to be maintenance; and*
- (c) Patching is considered to be maintenance.*

1a FUNCTIONS / ACTIVITIES OF COUNCIL

ADMINISTRATION

General operations, council operations, elections, council offices and halls, rates and service charges, regional and state organisations.

PUBLIC ORDER AND SAFETY

Fire protection, animal control, state emergency service, vandalism.

HEALTH

Food premises inspections, immunisation, effluent treatment and waste management.

SOCIAL SECURITY AND WELFARE

Activities for the aged and youth, community buses.

HOUSING AND COMMUNITY AMENITIES

Cemeteries, town planning, effluent drainage, public conveniences, garbage collection, waste disposal facilities, street cleaning, street lighting, television transmission services, aerodromes.

RECREATION AND CULTURE

Halls, community libraries, parks and gardens, sport and recreation facilities, heritage advisory services and swimming pools.

NATURAL RESOURCE MANAGEMENT

Liaison with the Northern and Yorke Natural Resource Management Board and Department of Environment and Heritage

REGULATORY SERVICES

Building and Health approvals and inspections, Development control, and Dog and Cat Control Management Act compliance

TRANSPORT AND COMMUNICATION

Road construction and maintenance, footpaths, traffic control, signs, grids maintenance

ECONOMIC AFFAIRS

Caravan park, visitor information centre management, regional and local affiliations, craft shop

OTHER PURPOSES

Debtors management, donations, public debt transactions, private works, depots.