



THE FLINDERS RANGES COUNCIL

2007 / 2008

FINANCIAL REPORT

ADOPTED 14 OCT 08



The Flinders Ranges Council

General Purpose Financial Reports for the year ended 30 June 2008

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The Flinders Ranges Council

INCOME STATEMENT for the year ended 30 June 2008

	Notes	2008 \$	2007 \$
INCOME			
Rates	2	1,110,071	929,918
Statutory charges	2	31,385	32,186
User charges	2	57,314	36,816
Grants, subsidies and contributions	2	2,351,892	1,623,075
Investment income	2	211,585	114,961
Reimbursements	2	281,410	53,158
Other income	2	81,039	128,587
Total Income		4,124,696	2,918,701
EXPENSES			
Employee costs	3	800,537	816,544
Materials, contracts & other expenses	3	2,394,202	1,371,446
Finance costs	3	101,489	107,770
Depreciation, amortisation & impairment	3	525,877	526,901
Total Expenses		3,822,105	2,822,661
OPERATING SURPLUS / (DEFICIT)		302,591	96,040
Net gain (loss) on disposal or revaluation of assets	4	626	29,106
Net gain (loss) - joint ventures & associates	19		
Amounts received specifically for new or upgraded assets	2	204,695	-
Physical resources received free of charge	2	-	-
NET SURPLUS / (DEFICIT)		507,912	125,146

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



The Flinders Ranges Council

BALANCE SHEET as at 30 June 2008

	Notes	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,050,235	2,005,014
Trade & other receivables	5	96,026	84,350
Other financial assets	5	-	-
Inventories	5	177,430	107,232
		<u>3,323,691</u>	<u>2,196,596</u>
Non-current Assets held for Sale		-	-
Total Current Assets		3,323,691	2,196,596
Non-current Assets			
Financial Assets	6	3,157	18,779
Equity accounted investments in Council businesses	6	-	-
Investment Property	7	-	-
Infrastructure, Property, Plant & Equipment	7	19,364,441	19,255,964
Other Non-current Assets	6	-	-
Total Non-current Assets		19,367,598	19,274,743
Total Assets		22,691,289	21,471,339
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	1,142,609	354,139
Borrowings	8	82,200	89,569
Provisions	8	151,572	164,369
Other Current Liabilities	8	-	-
		<u>1,376,381</u>	<u>608,077</u>
Liabilities relating to Non-current Assets held for Sale		-	-
Total Current Liabilities		1,376,381	608,077
Non-current Liabilities			
Trade & Other Payables	8	-	-
Borrowings	8	1,383,602	1,465,802
Provisions	8	35,037	18,041
Other Non-current Liabilities	8	-	-
Total Non-current Liabilities		1,418,639	1,483,843
Total Liabilities		2,795,020	2,091,920
NET ASSETS		19,896,269	19,379,419
EQUITY			
Accumulated Surplus		10,005,246	9,609,918
Asset Revaluation Reserve	9	8,705,834	8,703,856
Other Reserves	9	1,185,189	1,065,645
TOTAL EQUITY		19,896,269	19,379,419

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



The Flinders Ranges Council

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

	2008 \$	2007 \$
Notes		
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	9,609,918	9,398,301
Adjustment to give effect to changed accounting policies		(2,054)
Net Surplus / (Deficit) for Year	507,912	125,146
Transfers to Other Reserves	(424,481)	(463,981)
Transfers from Other Reserves	304,937	552,506
Adjustment due to compliance with revised Accounting Standards	6,960	-
Balance at end of period	10,005,246	9,609,918
ASSET REVALUATION RESERVE		
9		
Balance at end of previous reporting period	8,703,856	8,702,150
Gain on revaluation of infrastructure, property, plant & equipment	1,978	1,706
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	-	-
Available-for-sale Financial Instruments - change in fair value	-	-
Available-for-sale Financial Instruments - transfer to Income Statement on sale	-	-
Adjustment due to compliance with revised Accounting Standards	-	-
Balance at end of period	8,705,834	8,703,856
OTHER RESERVES		
9		
Balance at end of previous reporting period	1,065,645	1,154,170
Transfers from Accumulated Surplus	424,481	463,981
Transfers to Accumulated Surplus	(304,937)	(552,506)
Balance at end of period	1,185,189	1,065,645
TOTAL EQUITY AT END OF REPORTING PERIOD	19,896,269	19,379,419
<i>Total of all revenues recognised directly in Equity</i>	<i>1,978</i>	<i>1,706</i>
<i>Total of all expenses recognised directly in Equity</i>	<i>-</i>	<i>-</i>
NET CHANGE IN EQUITY	1,978	1,706

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



The Flinders Ranges Council

CASH FLOW STATEMENT for the year ended 30 June 2008

	Notes	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		4,493,603	2,551,430
Investment receipts		238,065	114,961
<u>Payments</u>			
Operating payments to suppliers & employees		(3,054,874)	(2,017,875)
Finance payments		(130,571)	(107,770)
Net Cash provided by (or used in) Operating Activities		1,546,223	540,746
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		204,695	114,393
Sale of replaced assets		28,500	137,919
Repayments of loans by community groups		15,622	-
Distributions received from associated entities		-	36,610
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(660,250)	(518,116)
Expenditure on new/upgraded assets		-	(94,756)
Capital contributed to associated entities		-	-
Net Cash provided by (or used in) Investing Activities		(411,433)	(323,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		-	-
Proceeds from Aged Care Facility deposits		-	-
<u>Payments</u>			
Repayments of Borrowings		(89,569)	(83,382)
Repayment of Finance Lease Liabilities		-	-
Net Cash provided by (or used in) Financing Activities		(89,569)	(83,382)
Net Increase (Decrease) in cash held		1,045,221	133,414
Cash & cash equivalents at beginning of period		2,005,014	1,871,600
Cash & cash equivalents at end of period		3,050,235	2,005,014

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



The Flinders Ranges Council

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* dated 14th October 2008

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 Flinders Ranges Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1 Seventh Street, Quorn SA 5433. 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.

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.



The Flinders Ranges Council

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

Note 1 - Significant Accounting Policies (cont)

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.

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

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.

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.



The Flinders Ranges Council

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

Note 1 - Significant Accounting Policies (cont)

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	\$2,000
Other Plant & Equipment	\$2,000
Buildings - new construction/extensions	\$2,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$2,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$2,000
Reticulation extensions	\$2,000
Sidelines & household connections	\$2,000
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	3 years
Office Furniture	10 to 25 years
Vehicles and Road-making Equip	5 to 20 years
Other Plant & Equipment	5 to 50 years
Building & Other Structures	
Buildings – masonry	25 to 100 years
Buildings – other construction	25 to 100 years
Park Structures – masonry	25 to 100 years
Park Structures – other construction	25 to 100 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 years
Sealed Roads – Structure	100 years
Unsealed Roads	Not Depreciated (Interpretation 1055)
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	20 to 60 years
Drains	50 to 80 years
Culverts	60 years
Flood Control Structures	50 to 80 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	50 to 80 years
Reticulation Pipes – other	25 to 75 years



The Flinders Ranges Council

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

Note 1 - Significant Accounting Policies (cont)

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.

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.

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.



The Flinders Ranges Council

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 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.

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.



The Flinders Ranges Council

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

Note 1 - Significant Accounting Policies (cont)

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 2008 reporting period.

- AASB 8 *Operating Segments*
- AASB 101 *Presentation of Financial Statements*
- AASB 123 *Borrowing Costs*
- AASB 1004 *Contributions*
- AASB 1050 *Administered Items*
- AASB 1051 *Land Under Roads*
- AASB 1052 *Disaggregated Disclosures*
- 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.



The Flinders Ranges Council

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>		845,154	790,765
Less: Mandatory rebates		-	-
Less: Discretionary rebates, remissions & write offs		(17,313)	(14,448)
		827,841	776,317
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		23,431	6,883
Waste collection		65,290	62,428
Community wastewater management systems		188,920	81,095
		277,641	150,406
<u>Other Charges</u>			
Penalties for late payment		4,589	3,195
Legal & other costs recovered		-	-
		4,589	3,195
		1,110,071	929,918
STATUTORY CHARGES			
Development Act fees		9,135	9,965
Town planning fees		5,248	-
Animal registration fees & fines		13,284	10,717
Parking fines / expiation fees		-	-
Search Fees		3,037	-
Other fines, penalties & expiations		-	-
Sundry		681	11,504
		31,385	32,186
USER CHARGES			
Cemetery/crematoria fees		16,584	-
Swimming Pools		24,405	19,942
Community Bus Hire		11,366	9,249
Hall & equipment hire		-	525
Waste Management		3,968	-
Sundry		991	7,100
		57,314	36,816
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		147,047	109,323
Banks & other		64,538	5,638
Loans to community groups		-	-
		211,585	114,961
REIMBURSEMENTS			
- for roadworks		219,924	10,550
- for private works		19,666	19,145
- by joint undertakings		-	-
- other		41,820	23,463
		281,410	53,158



The Flinders Ranges Council

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 roadworks		219,924	10,550
- for private works		19,666	19,145
- by joint undertakings		-	-
- other		41,820	23,463
		<u>281,410</u>	<u>53,158</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		3,060	-
Rebates received		16,404	-
Sundry		61,575	128,587
		<u>81,039</u>	<u>128,587</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		204,695	-
Other grants, subsidies and contributions		2,351,892	1,623,075
		<u>2,556,587</u>	<u>1,623,075</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		204,695	140,627
State government		2,351,892	1,482,448
Other		-	-
		<u>2,556,587</u>	<u>1,623,075</u>



The Flinders Ranges Council

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

NOTE 2 - INCOME (continued)

	Notes	2008 \$	2007 \$
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>		-	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Roads Infrastructure</i>		-	-
<i>Heritage & Cultural Services</i>		-	-
<i>Subtotal</i>		-	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Roads Infrastructure</i>		-	-
<i>Heritage & Cultural Services</i>		-	-
<i>Subtotal</i>		-	-
<i>Unexpended at the close of this reporting period and held as</i>		-	-
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		-	-
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
<i>Land & Improvements</i>		-	-
<i>Roads, Bridges & Footpaths</i>		-	-
<i>Stormwater Drainage</i>		-	-
TOTAL PHYSICAL RESOURCES RECEIVED		-	-



The Flinders Ranges Council

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		701,754	672,348
Employee leave expense		129,266	64,638
Superannuation - defined contribution plan contributions	20	35,518	32,304
Superannuation - defined benefit plan contributions	20	37,713	33,838
Workers' Compensation Insurance		45,600	35,068
Other		-	-
Less: Capitalised and distributed costs		(149,314)	(21,652)
Total Operating Employee Costs		800,537	816,544
 Total Number of Employees		 17	 20
<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		4,100	4,000
- Other Services		-	-
- Other Auditors		-	-
Bad and Doubtful Debts		-	-
Elected members' expenses		32,339	34,545
Election expenses		1,070	4,607
Operating Lease Rentals - cancellable leases		5,440	5,540
Operating Lease Rentals - non-cancellable leases	18	-	-
- minimum lease payments		-	-
- contingent rentals		-	-
Subtotal - Prescribed Expenses		42,949	48,692
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		926,008	372,202
Energy		170,560	174,514
Individually Significant Items		874,707	476,237
Maintenance		-	-
Legal Expenses		5,074	4,875
Levies paid to government - NRM levy		23,269	6,678
- Other Levies		10,111	-
Parts, accessories & consumables		57,758	263,791
Professional services		8,968	23,545
Sundry		274,798	912
Subtotal - Other Materials, Contracts & Expenses		2,351,253	1,322,754
		2,394,202	1,371,446
 INDIVIDUALLY SIGNIFICANT ITEMS			
Repairing Flood Damage of January 2007		874,707	476,237



The Flinders Ranges Council

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

Note 3 - EXPENSES (cont)

	2,008	2,007
Notes	\$	\$
FINANCE COSTS		
Interest on overdraft and drawdown	-	-
Interest on Loans	101,489	107,770
Charges on Finance Leases	-	-
Less: Capitalised and distributed costs	-	-
	<u>101,489</u>	<u>107,770</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Land & Buildings	224,426	219,502
Plant & Equipment	108,638	121,321
Furniture & Fittings	15,506	16,253
Minor Plant	7,514	9,686
Infrastructure	104,033	97,170
CWMS	52,186	52,186
Other Assets	13,574	10,783
Less: Capitalised and distributed costs	-	-
	<u>525,877</u>	<u>526,901</u>
Investment Property expenses included above		
Property generating rental income		
Repairs, maintenance & other operating expenses	-	-
Depreciation, Amortisation & Impairment	-	-
Property not generating rental income		
Repairs, maintenance & other operating expenses	-	-
Depreciation, Amortisation & Impairment	-	-
	<u>-</u>	<u>-</u>



The Flinders Ranges Council

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		28,500	118,273
Less: Carrying amount of assets sold		27,874	89,167
Gain (Loss) on disposal		626	29,106
<i>Assets surplus to requirements</i>			
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		-	-
Gain (Loss) on disposal		-	-
INVESTMENT PROPERTY			
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		-	-
Gain (Loss) on disposal		-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		-	-
Less: Revaluation increments previously transferred to Asset Revaluation Reserve		-	-
Gain (Loss) on disposal		-	-
REAL ESTATE DEVELOPMENT ASSETS			
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		-	-
Gain (Loss) on disposal		-	-
FAIR VALUE ADJUSTMENTS			
Investment property - fair value increase		-	-
Revaluation decrements previously expensed, now recouped		-	-
Revaluation decrements expensed		-	-
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		626	29,106



The Flinders Ranges Council

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

Note 5 - CURRENT ASSETS

	Notes	2008 \$	2007 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		49,266	95,036
Deposits at Call		1,935,779	1,909,978
Short Term Deposits & Bills, etc		1,065,190	
Bills of Exchange			
		<u>3,050,235</u>	<u>2,005,014</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		56,233	29,495
Accrued Revenues		-	26,480
Debtors - general		39,670	28,253
Other levels of Government		-	-
Prepayments		123	122
Sundry		-	-
Total		<u>96,026</u>	<u>84,350</u>
Less: Allowance for Doubtful Debts		-	-
		<u>96,026</u>	<u>84,350</u>
OTHER FINANCIAL ASSETS			
Other Financial Assets		-	-
		<u>-</u>	<u>-</u>
INVENTORIES			
Stores & Materials		177,430	107,232
Other		-	-
		<u>177,430</u>	<u>107,232</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



The Flinders Ranges Council

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

Note 6 - NON-CURRENT ASSETS

	Notes	2008 \$	2007 \$
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		3,157	18,779
Other		-	-
		<u>3,157</u>	<u>18,779</u>
Less: Allowance for Doubtful Debts		-	-
		<u>3,157</u>	<u>18,779</u>
Other Financial Assets			
Other Financial Assets		-	-
TOTAL FINANCIAL ASSETS		<u>3,157</u>	<u>18,779</u>
OTHER NON-CURRENT ASSETS			
Inventories			
Stores & Materials		-	-
Other		-	-
		<u>-</u>	<u>-</u>
Capital Works-in-Progress		-	-
Other		-	-
		<u>-</u>	<u>-</u>



The Flinders Ranges Council

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

	2007				2008			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land & Buildings	4,588,671	-	(221,169)	4,367,502	4,808,173	120,788	(665,097)	4,263,864
Plant & Equipment	1,491,612	-	(118,149)	1,373,463	1,545,299	193,683	(308,217)	1,430,765
Furniture & Fittings	65,952	-	(20,829)	45,123	82,205	2,485	(52,588)	32,102
Minor Plant	62,856	-	(15,810)	47,046	73,031	-	(33,010)	40,021
Infrastructure	11,085,321	-	(94,381)	10,990,940	11,182,492	343,164	(295,587)	11,230,069
CWMS	2,420,109	-	(52,186)	2,367,923	2,473,784	-	(156,558)	2,317,226
Other Assets	74,902	-	(10,935)	63,967	85,686	-	(35,292)	50,394
TOTAL PROPERTY, PLANT & EQUIPMENT	19,789,423	-	(533,459)	19,255,964	20,250,670	660,120	(1,546,349)	19,364,441
2007 Totals					19,789,423	-	(533,459)	19,255,964

This Note continues on the following pages.

Note 7 - INVESTMENT PROPERTY

Land & Buildings	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-
Fixtures & Fittings	-	-	-	-	-	-	-	-
TOTAL INVESTMENT PROPERTY	-	-	-	-	-	-	-	-
2007 Totals					-	-	-	-

This Note continues on the following pages.



The Flinders Ranges Council

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

	2007	CARRYING AMOUNT MOVEMENTS DURING YEAR							2008
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Blank	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Land & Buildings	4,367,502	120,788	-	-	(224,426)	-	-	-	4,263,864
Plant & Equipment	1,373,463	193,683	-	(27,874)	(108,638)	-	131	-	1,430,765
Furniture & Fittings	45,123	2,485	-	-	(15,506)	-	-	-	32,102
Minor Plant	47,046	-	-	-	(7,514)	-	-	489	40,021
Infrastructure	10,990,940	-	343,164	-	(104,033)	-	(2)	-	11,230,069
CWMS	2,367,923	-	-	-	(52,186)	-	-	1,489	2,317,226
Other Assets	63,967	-	-	-	(13,574)	-	1	-	50,394
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	19,255,964	316,956	343,164	(27,874)	(525,877)	-	130	1,978	19,364,441
2007 Totals	19,279,153	610,316		(108,313)	(510,648)		(16,250)	1,706	19,255,964

This Note continues on the following pages.

Note 7 - INVESTMENT PROPERTY

Land & Buildings	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-	-
Fixtures & Fittings	-	-	-	-	-	-	-	-	-
TOTAL INVESTMENT PROPERTY	-	-	-	-	-	-	-	-	-
2007 Totals									-

This Note continues on the following pages.



The Flinders Ranges Council

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 2005 at current replacement cost. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

Buildings & Other Structures

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

Infrastructure

Transportation assets were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 2005 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Council officers as at 30 June 2005 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2008 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 2005 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. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

INVESTMENT PROPERTY

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing but not anxious parties in an arms length transaction, based on current prices in an active market for similar parties in the same location and subject to similar leases.

Council does not currently have any investment property.



The Flinders Ranges Council

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

Note 8 - LIABILITIES

		2008		2007	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		(308)	-	57,709	-
Payments received in advance		671,334	-	253,304	-
Accrued expenses - employee entitlements		19,563	-	14,044	-
Accrued expenses - other		452,020	-	29,082	-
Other		-	-	-	-
		1,142,609	-	354,139	-
BORROWINGS					
Bank Overdraft		-	-	-	-
Short term draw down facility		-	-	-	-
Loans		82,200	1,383,602	89,569	1,465,802
Finance Leases	15	-	-	-	-
Other		-	-	-	-
		82,200	1,383,602	89,569	1,465,802

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

PROVISIONS

Employee entitlements (including oncosts)	151,572	35,037	164,369	18,041
Insurance Losses	-	-	-	-
Future reinstatement / restoration, etc	-	-	-	-
Other	-	-	-	-
	151,572	35,037	164,369	18,041

Movements in Provisions - 2008 year only (current & non-current)

	Insurance Losses	Future Reinstatement	Other Provision
Opening Balance	-	-	-
Add Unwinding of present value discounts	-	-	-
Additional amounts recognised	-	-	-
(Less) Payments	-	-	-
Unused amounts reversed	-	-	-
Add (Less) Remeasurement Adjustments	-	-	-
Closing Balance	-	-	-



The Flinders Ranges Council

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	\$	\$	\$	\$
Land & Buildings	-	-	-	-
Plant & Equipment	-	-	-	-
Furniture & Fittings	-	-	-	-
Infrastructure	-	-	-	-
- Roads, bridges, footpaths	-	-	-	-
- Stormwater drainage	-	-	-	-
CWMS	-	-	-	-
Other Assets	-	-	-	-
Asset Revaluation Reserve	8,703,856	1,978	-	8,705,834
Total Infrastructure, Property, Plant & Equipment	8,703,856	1,978	-	8,705,834
Available for Sale Investments	-	-	-	-
TOTAL	8,703,856	1,978	-	8,705,834
2007 Totals	8,702,150	1,706	-	8,703,856

OTHER RESERVES	39,264	Transfers to Reserve	Transfers from Reserve	39,629
Land & Buildings	-	-	-	-
Plant Replacement	185,839	-	(82,610)	103,229
Employee Entitlements	101,289	85,321	-	186,610
Other	183,723	1,689	-	185,412
Refuse service charge	613	65,290	(62,857)	3,046
Hawker Dam	9,794	-	-	9,794
Hawker Swimming Pool	4,021	-	-	4,021
Legal Costs	13,874	-	-	13,874
Community Trust Funds	39,267	3,457	-	42,724
Quorn Swimming Pool	6,890	-	-	6,890
Hawker CWMS service charge	39,385	34,660	(39,118)	34,927
Quorn CWMS service charge	254,808	154,432	(120,352)	288,888
Airstrip	82,300	1	-	82,301
Roads	111,000	76,910	-	187,910
Community Bus	32,842	2,721	-	35,563
TOTAL OTHER RESERVES	1,065,645	424,481	(304,937)	1,185,189
2007 Totals	1,154,170	463,981	(552,506)	1,065,645

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.

Other Reserve

The Refuse Service charge, Hawker CWMS service charge and Quorn CWMS service charge are all reserves legislated under Sec 155 of the Local Government Act 1999 for surplus charges funds collected as a service charge. These funds can only be used for the purpose for which they were raised.

All the other reserves are discretionary reserves set up by Council to fund future capital works or unforeseen costs.



The Flinders Ranges Council

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			
Unexpended amounts received from Federal Government		-	-
CWMS Annual Service Charge		323,815	294,193
Refuse Annual Service Charge		3,046	-
		-	-
		326,861	294,193
RECEIVABLES			
		-	-
		-	-
		-	-
		-	-
INVENTORIES & OTHER ASSETS			
		-	-
		-	-
		-	-
		-	-
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
		-	-
		-	-
		-	-
		-	-
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		326,861	294,193

The following liabilities, included in Note 9, may be discharged from restricted assets in the first instance.

Bank Overdraft	9	-	-
Payables	9	-	-
Borrowings	9	-	-
Provisions	9	-	-
		-	-
		-	-

Section 155 of the Local Government Act 1999 requires that any surplus funds generated from Annual Service Charges be held in a reserve for that purpose. The best practice model suggested approach is to also hold these funds as a "cash" investment as well, which are the funds designated above.



The Flinders Ranges Council

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	3,050,235	2,005,014
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		<u>3,050,235</u>	<u>2,005,014</u>

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

Net Surplus (Deficit)	507,912	125,146
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	525,877	526,901
Fair value adjustments	-	-
Equity movements in equity accounted investments (increase) decrease	-	-
Net increase (decrease) in unpaid employee benefits	9,718	-
Premiums & discounts recognised & unwound	-	-
Change in allowances for under-recovery	-	763
Non-cash asset acquisitions	-	-
Grants for capital acquisitions treated as Investing Activity	(204,695)	-
Net (Gain) Loss on Disposals	(626)	-
	<u>838,186</u>	<u>652,810</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(11,676)	(11,221)
Net (increase) decrease in inventories	(70,198)	(24,682)
Net (increase) decrease in other current assets	-	36,610
Net increase (decrease) in trade & other payables	789,911	3,463
Net increase (decrease) in other provisions	-	-
Net increase (decrease) in other liabilities	-	(116,234)
Net Cash provided by (or used in) operations	<u>1,546,223</u>	<u>540,746</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	-	-
- Non-cash grants & contributions		-	-
<i>Amounts recognised in Income Statement</i>		-	-
- Finance Leases		-	-
- Land taken over for non-payment of Rates		-	-
		<u>-</u>	<u>-</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts

Corporate Credit Cards

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



The Flinders Ranges Council

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

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT) BEFORE CAPITAL		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	1,605,422	1,529,041	385,577	373,423	1,219,845	1,155,618	763,091	740,487	
Public Order & Health	8,841	1,574	20,801	23,764	(11,960)	(22,190)			
Social Security & Welfare	31,209	24,276	59,057	28,368	(27,848)	(4,092)	2,104	2,967	
Community Amenities	284,166	116,584	567,119	399,132	(282,953)	(282,548)			
Recreation & Culture	50,865	39,010	625,057	463,090	(574,192)	(424,080)	5,840		
Agricultural Services	23,431	17,825	38,123	6,883	(14,692)	10,942			
Regulatory Services	28,473	49,230	77,966	40,937	(49,493)	8,293		20,000	
Transport & Communication	1,768,762	840,927	1,661,161	1,008,761	107,601	(167,834)	1,548,838	859,483	
Economic Development	47,723	14,178	148,666	105,100	(100,943)	(90,922)	32,019	138	
Not Elsewhere Classified	275,804	286,056	77,242	143,166	198,562	142,890			
Works Overheads			161,336	230,037	(161,336)	(230,037)			
				-	-			22,691,289	21,471,339
				-	-				
TOTALS	4,124,696	2,918,701	3,822,105	2,822,661	302,591	96,040	2,351,892	1,623,075	22,691,289
									21,471,339

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.



The Flinders Ranges Council

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:

Council Administration

Governance, Administration NEC., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

Public Order & Health

Immunisation, Fire Protection, Vandalism, ESL, SES/CFS support

Social Security & Welfare

Northern Passenger Transport Scheme, Youth Advisory Council, Youth programs, Community Buses, Aged Homes support, Hospitals support, Community support programs

Community Amenities

Waste collection and disposal, Cemeteries/Crematoria, Public Conveniences, Street Cleaning, Heritage Advisor, CWMS

Recreation & Culture

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation. Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services, Civic & community Halls

Agricultural Services

NRM Levy, Corella Control, Animal & Pest Plant expenditure

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

Transport & Communication

Bridges, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), Drainage, Signs, guide posts, line marking.

Economic Development

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development. VIC, Caravan Park, Art & craft Shop

Not Elsewhere Classified (NEC)

Airstrips, shared services, advertising signs, private works, interest, Natural Disaster Mitigation

Works - Indirect

Depots, Machinery maintenance & operating costs, minor plant, OHS&W, signage, training,



The Flinders Ranges Council

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 placed on 24 hour call with the Local Government Finance Authority at market interest rates</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 at the prescribed rate. 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>
Receivables - Retirement Home Contributions	<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: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</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 - Retirement Home Contributions	<p>Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p>Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p>Carrying amount: approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</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 by equal 6 monthly instalments of principal and interest, with interest charged at fixed rates.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>



The Flinders Ranges Council

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 Interest Rate \$	≤ 1 year \$	Fixed interest maturing in > 1 year ≤ 5 years \$	> 5 years \$	Non- interest bearing \$	Total \$
Financial Assets						
Fair Value through P&L						
Cash Assets	1,984,545	1,065,190	-	-	500	3,050,235
Other Financial Assets	-	-	-	-	-	-
Loans & Receivables						
Receivables	-	-	-	-	99,060	99,060
Other Financial Assets	-	-	-	-	-	-
Held to Maturity Investments						
Other Financial Assets	-	-	-	-	-	-
Available for Sale						
Cash Assets	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
Total	1,984,545	1,065,190	-	-	99,560	3,149,295
<i>Weighted Average Interest Rate</i>	<i>7.0%</i>	<i>7.5%</i>				
Financial Liabilities						
Payables					671,026	671,026
Current Borrowings	-	-	-	-	-	-
Non-Current Borrowings		82,200	358,619	1,024,983	-	1,465,802
Total	-	82,200	358,619	1,024,983	671,026	2,136,828
<i>Weighted Average Interest Rate</i>		<i>6.6%</i>	<i>6.6%</i>	<i>6.6%</i>		
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,984,545	982,990	(358,619)	(1,024,983)	(571,466)	1,012,467

2007	Floating Interest Rate \$	≤ 1 year \$	Fixed interest maturing in > 1 year ≤ 5 years \$	> 5 years \$	Non- interest bearing \$	Total \$
Financial Assets						
Fair Value through P&L						
Cash Assets	1,969,538	-	-	-	35,476	2,005,014
Other Financial Assets	-	-	-	-	-	-
Loans & Receivables						
Receivables	-	-	-	-	76,527	76,527
Other Financial Assets	-	-	-	-	-	-
Held to Maturity Investments						
Other Financial Assets	-	-	-	-	-	-
Available for Sale						
Cash Assets	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
Total	1,969,538	-	-	-	112,003	2,081,541
<i>Weighted Average Interest Rate</i>	<i>6.0%</i>					
Financial Liabilities						
Payables	-	-	-	-	311,013	311,013
Current Borrowings	-	-	-	-	-	-
Non-Current Borrowings		13,164	159,970	1,382,237	-	1,555,371
Total	-	13,164	159,970	1,382,237	311,013	1,866,384
<i>Weighted Average Interest Rate</i>		<i>6.6%</i>	<i>6.6%</i>	<i>6.6%</i>		
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,969,538	(13,164)	(159,970)	(1,382,237)	(199,010)	215,157



The Flinders Ranges Council

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.



The Flinders Ranges Council

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

Note 14 - COMMITMENTS FOR EXPENDITURE

	2008	2007
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land	-	-
Buildings	-	-
Plant & Equipment	-	-
	<u>-</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</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	47,309	90,112
Employee Remuneration Contracts	666,522	243,409
Investment Property maintenance contracts	-	-
Other	-	-
	<u>713,831</u>	<u>333,521</u>
These expenditures are payable:		
Not later than one year	253,024	173,854
Later than one year and not later than 5 years	460,807	159,667
Later than 5 years	-	-
	<u>713,831</u>	<u>333,521</u>
	<u>713,831</u>	<u>333,521</u>
Finance Lease Commitments		
Council does not currently lease any plant and equipment.		
Some leases provide for the payment of contingent rentals depending on actual use of the equipment. Contingent rental payments made are disclosed in Note 4.		
Commitments under finance leases at the reporting date are as follows:		
Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
Minimum lease payments	-	-
Less: future finance charges	-	-
Net Lease Liability	<u>-</u>	<u>-</u>
Representing lease liabilities:		
Current	9 -	-
Non-Current	10 -	-
	<u>-</u>	<u>-</u>



The Flinders Ranges Council

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

Note 15 - FINANCIAL INDICATORS

	2008	2007	2006
These Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators 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.			
Operating Surplus	302,591	96,040	(14,580)
<i>Being the operating surplus (deficit) before capital amounts .</i>			
Operating Surplus Ratio			
<u>Operating Surplus</u>	28%	10%	(2%)
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			
	(354,398)	(16,223)	107,083
<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>	-9%	-1%	4%
Total Operating Revenue less NRM levy			
Interest Cover Ratio			
<u>Net Interest Expense</u>	(3.0%)	0.0%	1.0%
Total Operating Revenue less NRM levy less Investment Income			
Asset Sustainability Ratio			
<u>Net Asset Renewals</u>	120%	72%	39%
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>	90%	96%	96%
Gross value of depreciable assets			
<i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.</i>			



The Flinders Ranges Council

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	4,124,696	2,918,701
less Operating Expenses	(3,822,105)	(2,822,661)
Operating Surplus / (Deficit)	302,591	96,040
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	660,250	518,116
less Depreciation, Amortisation and Impairment	(525,877)	(526,901)
less Proceeds from Sale of Replaced Assets	(28,500)	(137,919)
	105,873	(146,704)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	-	94,756
less Amounts received specifically for New and Upgraded Assets	(204,695)	(114,393)
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-	-
	(204,695)	(19,637)
Net Lending / (Borrowing) for Financial Year	401,413	262,381



The Flinders Ranges Council

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

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2008 \$	2007 \$
Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>

Lease payment commitments of Council

Council has not entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2008 \$	2007 \$
Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>



The Flinders Ranges Council

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, 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.



The Flinders Ranges Council

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

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

Council has no joint venture or associated entities

	2008	2007
	\$	\$

Council's respective interests are:

- interest in outputs of the joint operation
- ownership interest in the joint operation
- the proportion of voting power in the joint operation

Movements in Investment in Joint Operation

	\$	\$
Opening Balance	-	-
New Capital Contributions	-	-
Share in Operating Result	-	-
Distributions Received	-	-
Adjustment to Equity Share	-	-
Share in Equity of Joint Operation	-	-

Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Capital Expenditures payable

Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	-	-

Operating Expenditures payable

Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	-	-

Contingent Liabilities

Each member of the operation is jointly and severally liable for the debts of the operation

- arising from Council's share of the joint operation
- arising from joint and several liability of all members



The Flinders Ranges Council

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

Note 20 - 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.

1. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

2. BANK GUARANTEES

Council has not guaranteed any loans or other banking facilities on behalf of community organisations and sporting bodies as at reporting date.

3. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 0 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.



The Flinders Ranges Council

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

Note 21 - EVENTS OCCURRING AFTER REPORTING DATE

There are no known events that have occurred after the reporting date that would have an material effect on the Financial Reports for 2007/08 as stated herein.



The Flinders Ranges Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2008

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Lee Edward Connors, the person for the time being occupying the position of Chief Executive Officer of The Flinders Ranges Council, 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.

Lee Edward Connors

CHIEF EXECUTIVE OFFICER

Dated this 3rd day of OCTOBER, 2008

ADOPTION STATEMENT

Laid before The Flinders Ranges Council and adopted on the 14th day of October, 2008.

Maxwell Sydney McHugh

MAYOR



The Flinders Ranges Council

INDEPENDENT AUDIT REPORT TO THE FLINDERS RANGES COUNCIL RATEPAYERS

Scope

I have audited the financial report of **The Flinders Ranges Council** for the financial period ended 30th June 2008. **The Flinders Ranges Council** is responsible for the preparation and presentation of the financial report and the information contained therein. I have conducted an independent audit of the financial report in order to express an opinion on it to **The Flinders Ranges Council** ratepayers.

The audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards so as to present a view of **The Flinders Ranges Council** which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit

In my opinion, the financial statements of **The Flinders Ranges Council** are properly drawn up:

- (a) So as to give a fair view of:
 - (1) The Council's state of affairs as at 30th June 2008 and its operating result for the year ended on that date, and
 - (2) The other matters required by the Local Government Act 1999 to be dealt with in the accounts;
- (b) In accordance with the provisions of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999, and
- (c) In accordance with Statements of Accounting Concepts and Australian Accounting Standards, and
- (d) The internal administration and procedures adopted by Council, given the size of the administration, were of acceptable standards.


.....

Gerald P Cobiac, AUA, CPA
AUDITOR, Cobiac & Chapman

Dated this 3rd day of October, 2008



The Flinders Ranges Council

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 The Flinders Ranges Council for the year ended 30 June 2008, the Council's Auditor, Gerald P Cobiac, has maintained his 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*.

.....
Lee Edward Connors
CHIEF EXECUTIVE OFFICER

.....
Maxwell Sydney McHugh
**PRESIDING MEMBER
AUDIT COMMITTEE**

Dated this day of 2008



The Flinders Ranges Council
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2008

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of The Flinders Ranges Council for the year ended 30 June 2008, 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*.


.....

Gerald P Cobiac, AUA, CPA

Cobiac & Chapman

Dated this 3rd day of October 2008