

The Flinders Ranges Council



ANNUAL REPORT 2010 / 2011

Council Office :	1 Seventh Street, Quorn, S.A. 5433
Telephone :	(08) 8648 6031
Facsimile :	(08) 8648 6001
Email :	council@frc.sa.gov.au
Website :	www.frc.sa.gov.au
Adopted :	8 November 2011

VISION

A thriving community with a healthy lifestyle and living environment and a secure and sustainable future.

MISSION STATEMENT

To enhance the well being of the community by maintaining and improving the quality of life with The Flinders Ranges Council area.

The Council will –

- ✓ Lead and represent the community
- ✓ Manage community resources efficiently and effectively
- ✓ Value the participation and contribution of individuals and groups in the community
- ✓ Support and encourage individual enterprise
- ✓ Provide infrastructure, services and facilities to meet the reasonable needs and aspirations of the community and contribute to a safe, healthy environment for residents and visitors
- ✓ Conserve and enhance the natural and built environment.

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The Flinders Ranges Council Financial Report 2010 / 2011
Central Local Government Region Annual Report

COUNCIL PROFILE

Area	4,127 square kilometres
Population	1,818 (ABS estimate)
Sealed Roads	19 kilometres
Unsealed Roads	1,244 kilometres
Number of Rateable Properties	1,614
Total Revenue (including Rates)	\$4,138,567
Rate Revenue	\$1,437,573
Total Expenditure	\$4,549,277
Total Capital Expenditure	\$1,206,644

Local Industries –

Tourism, pastoral, mixed farming, general light industry, film.

Major Tourist Attractions –

The beautiful Flinders Ranges
Pichi Richi Railway
Hawker Panorama
Pichi Richi Camel Farm
Warren's Gorge
Pichi Richi Marathon
Hawker & Quorn Races

Council –

The Council consists of a Mayor and eight Councillors with each Member representing the whole community. Council elections are controlled by the State Electoral Office and conducted by postal ballot. The next periodic election is scheduled to be held in November 2014.

Council meets on the second Tuesday of the month and meetings, open to the public, commence at 6.30 p.m.

Meetings are held at Quorn in January, February, April, May, July, August, October and November.

Meetings are held at Hawker in March, June, September and December.

Elected Members –

2006 – 2010

Mayor	Max McHugh
Deputy Mayor	John Shute
Councillors	Ronald Daniel (2008 – 2010) Gary Lucas Modris Ozolins Wayne Schuttloffel Peter Slattery Garry Thompson Kathleen Walsh (2008 – 2010)

2010 -

Mayor	Peter Slattery
Deputy Mayor	John Shute
Councillors	Ken Anderson Jannene Cannard Ronald Daniel Bronwyn Filsell Gary Lucas Garry Thompson Kathleen Walsh

Elector Representation –

Number of Electors 1,205

Council	Electors	Total Members Including Mayor	Representation
District Council of Cleve	1,333	8	167
District Council of Elliston	880	8	110
The Flinders Ranges Council	1,205	9	134
District Council of Franklin Harbour	938	6	156
District Council of Kimba	826	7	118
District Council of Orroroo Carrieton	900	7	129
District Council of Peterborough	1,323	9	147
District Council of Robe	2,068	7	295
Wudinna District Council	971	7	139

Council will conduct a review of its representation quota in 2012 / 2013 pursuant to Section 12(4) of the Local Government Act 1999.

Section 12 of the Local Government Act 1999 details the procedures that are available to electors to make submissions on representation under this Act.

Elected Members' Allowances –

Allowances are determined in accordance with the Local Government Act 1999 and the Local Government (Members Allowances and Benefits) Regulations 2010.

Allowances paid are –

➤ Mayor	\$20,000.00
➤ Deputy Mayor	\$ 6,250.00
➤ Elected Member	\$ 5,000.00

In accordance with the Local Government (Members Allowances and Benefits) Regulations 2010 members are reimbursed for prescribed out-of-pocket expenses incurred while representing Council on official duties.

Allowances are determined by the Remuneration Tribunal which is outside the control of Council and appointed by State Government.

Cr Ozolins donated his allowance to the Quorn Sporting Association.

Senior Executive –

Two (2) Senior Executives are employed on a negotiated contract basis. The contracts do not provide bonuses, but pay for the rental of a private home telephone, reimbursement of work related call costs made from that telephone, and the use of a Council provided motor vehicle for business and private use.

Use of Confidentially Provisions

Section 90 of the Local Government Act 1999 provides Council with the authority to consider certain matters on a confidential basis. Otherwise Council meetings are open to the public.

During 2010 - 2011 Council used the confidentiality provisions on six (6) occasions to deal with Native Title, Property, Development Application, Tender and Personnel Matter.

All matters excluding Native Title have subsequently been released.

Regional Subsidiaries

Council is a member of the Central Local Government Region of South Australia Incorporated, a Regional Subsidiary created under the provisions of Section 43 of the Local Government Act 1999.

The annual financial report of the Regional Subsidiary is incorporated in the Annual Report as required by Clause 28 of Schedule 2 to the Local Government Act 1999. The full report is available at the Council office or at the Region's office, Crystal Brook.

MAYOR'S REPORT

This past year has seen the usual challenges, along with some significant achievements for The Flinders Ranges Council.

The November 2010 scheduled Local Government Elections are a case in point – we filled all positions without requiring a ballot, and had a number of long-standing Councillors step down. Balancing that significant loss of experience and knowledge is the induction of a number of new Councillors, which brings a fresh perspective and viewpoint on a number of issues facing the area, along with the challenges of introducing those representatives to the functional environment, regulations and specific responsibilities of an elected member of Local Government.

I must particularly acknowledge the long and distinguished service to the region of the outgoing Mayor Max McHugh. Max had been Mayor since the amalgamation of the District Councils of Hawker and Kanyaka / Quorn in 1997 to form The Flinders Ranges Council, and has represented the Council with great commitment and honour throughout those years. Succeeding him in the role, given the profile he held and the regard he had earned in his tenure, is a fair responsibility in its own right!

It is also appropriate to acknowledge the commitment of Councillors Modris Ozolins and Wayne Schuttloffel, who each contributed a great many years of service to the Council and area.

A few of the highlights include the opening of the new Hawker Pool facility, which was a terrific event for our Council area and Hawker residents in particular. The new pool looks great, works very well and with community support we will continue to develop the area to make it a real focal point of the town. Further refurbishment and upgrading of the Quorn pool will see many more years of service from that facility also. The pools are a huge cost to the community, but are considered vital recreational and social facilities so it is good to have them in sound condition going forward.

The successful completion of the Kanyaka Surgery Refurbishment project provides a significant asset for the area, and will make local provision of medical services more proficient and reliable in years to come.

Council also continued the street sealing and sealed road resurfacing programs, as well as the usual unsealed road resheeting and patrol grading programs. We were fortunate this year to escape the massive flood damage we have incurred in recent years, and which adjoining areas suffered this year, as these events really strain Council's budget and resources under the current Local Government Disaster Fund arrangements.

Council continues to work on improving communications with residents and ratepayers about matters affecting them and what is going on generally. We think we are heading in the right direction with Council newsletters each month, the redeveloped website and where appropriate, the use of community papers and noticeboards. Council has received much encouraging feedback particularly about the newsletter.

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I must recognise the commitment and work of all who are involved in the day to day running of the Council and achievement of its objectives – Colin Davies, Chief Executive Officer and all the staff; all of the Councillors past and present; and a special *Thank You* to all of the volunteers who support their communities in various capacities and roles. We greatly appreciate the volunteer and community groups who do so much in our towns, and could not achieve what we have without your involvement, commitment and assistance. We are fortunate to have strong, caring and committed communities who work together and make things happen for themselves, and recognise that this is a real strength and positive of our Flinders Ranges area. Council strives to support and assist our communities wherever possible, to continue developing and improving our area.

With a new elected body now settled in place, we will continue to make our decisions in the best interests of the community we represent and work together for the future of all in The Flinders Ranges Council area.

Peter Slattery
Mayor

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OFFICERS' REPORTS

Chief Executive Officer

2010/2011 has been another demanding year for The Flinders Ranges Council with the impost of yet more legislative reform and increased costs by the State Government, requiring staff to ensure that further compliance and reporting requirements were met. The new compliance and reporting requirements necessitated an increase in administration time and therefore cost. As in previous years, there was no additional funding from the State Government to assist Council in ensuring compliance with the legislative changes. This unfortunately resulted in the ratepayers having to pay higher rates than otherwise would have been imposed.

Council elections were held in November 2010 which saw long standing Mayor Max McHugh and Councillors Wayne Schuttloffel and Modris Ozolins retire. I wish to thank them on behalf of The Flinders Ranges Council community for their contribution of a collective 57 years of service to the community! Special thanks to Max McHugh for his Mayoral guidance.

Public consultation undertaken during the year included the Heritage Development Plan Amendment, which considered items of local heritage value and was ultimately rejected by ratepayers; the Annual Business Plan and Long Term Financial Plan.

Council has progressed with the negotiations with the Pichi Richi Railway Preservation Society Inc. (PRRPS) for the co-location of the Flinders Ranges VIC at the Quorn Railway Station. Council was successful in gaining a \$276,355 grant on behalf of PRRPS from National Historic Sites program. Draft plans are currently being finalised for works to commence late in 2011.

The upgrade of Council's website was instrumental in providing more information to residents and visitors alike and enhancing Council's image. New content continues to be added regularly.

Council started its climate change campaign with the introduction of Zen Home Energy's C-PREP program for local residents and business during the year. This initiative is ongoing and has seen 18 residential solar power systems ranging from 1KWh to 5.25KWh installed. Council has budgeted in its Long Term Financial Plan to install solar power on all Council buildings over the next 10 years.

Council's bi-monthly "Green Sheet" newsletter continues to inform residents of action they can take to reduce their carbon footprint and help mitigate the effects of climate change. Council continues to publish its Newsletter on a monthly basis with informative content and Council news.

Management of waste is one avenue that Council is pursuing to reduce its carbon footprint which started last Annual Report year with the introduction of a kerbside collection of waste and recyclables. Recycling has seen a diversion of 45% of household waste from landfill which was further enhanced when Council opened the new transfer station at Quorn. Council is moving toward a "user pays" methodology for waste management to encourage ratepayers to maximise recycling and buy products with minimal or no packaging.

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Last year saw the return of good rains, which whilst welcomed for the farmers and graziers, resulted in nearly \$600,000 of flood damage to Council's vast road network. Unfortunately, the State Government has so far declined any financial support to assist Council's cost of repairing the damage, which continues to have a substantial effect on Council finances. Council continues to lobby the State Government for a more equitable and accountable Disaster Fund methodology.

Other highlights for the 2010/11 Annual Return year include completion of the \$500,000 upgrade of the Kanyaka Surgery; completion and opening of the new Hawker Swimming Pool; further upgrades to the Quorn Swimming Pool; and finally the successful application to the Special Local Roads Grant program for the sealing of Arden Vale Road to Warrens Gorge over 4 years.

Council continues to negotiate for a Lifestyle Village to be built in Quorn and the relocation of the Tennis/Netball courts to the oval.

The sustainable provision of a wide range of services and maintenance of infrastructure remains a key challenge for our Council, which continues to pursue alternative service delivery models including shared services. Council continues to actively seek additional funding opportunities to enhance Council's sustainable provision of infrastructure and services.

I wish to thank all Council staff for their tireless dedication to serving the community. I also thank the Mayor and Elected Members for their continued support.

Colin Davies
Chief Executive Officer

Works Manager

The Flinders Ranges Council maintains 1,263 kilometres of roadway mainly open surface, with only 19 kilometres of sealed road in the two larger towns. The Council covers an area of 4,127 square kilometres, with 3 towns namely the historic railway towns of Hawker and Quorn, and Cradock the smallest, but no less historic. The Council maintains and operates two swimming pools, two airports - sealed strip at Hawker and gravel strip at Quorn, two cemeteries and two waste depots.

The Works Department consists of two groups; construction group has a supervisor, team leader and four construction employees; town group has a team leader and three employees who all, once again, achieved a pleasing result in a difficult year.

The Council allocated \$280,000 to the following specific road resheeting projects:-

- Boolcunda Road 600 metres
- Warcowie Road 1,400 metres
- Carrieton Road 1,800 metres
- Cemetery/Pearce Road 600 metres
- Deakin Road 1,000 metres
- Finlay Road 2,000 metres
- Golf Course Road 400 metres
- Oval Road 700 metres
- Richman Valley Road 2,000 metres
- Stoney Creek Road 400 metres


The town reseal program included the following:-

- Fifth Street
- Saint Barbe / Orient Streets
- South Terrace
- Tenth Street
- Wolseley Terrace
- Fourth Street
- Cradock Road.

The *Road to Recovery* program again continued with an allocation \$382,338 which included the following Quorn streets:-

- Ellis Street - from Park Terrace to Poole Street
- Hannigan Street - from Park Terrace to Poole Street
- Joyce Street - from Park Terrace to Poole Street
- Oval Road - from Park Terrace to Poole Street.
- Poole Street - from Oval Road to Joyce Street.

The reporting period realised four rain events in the Council district, with the majority of damage being to creek crossings, which must be repaired and opened to vehicles. The cost of the required repairs was \$230,000. The Flinders Ranges Council's district road network contains 1,800 creek crossings.

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In line with best practice Council replaced the following machinery, vehicles and equipment:-

- single axle tipper truck
- dual cab utility
- Mitsubishi Pajero
- single cab utility.

Small plant purchases included brush cutters, chainsaws and blower/vac.

Three major projects funded from Federal grants were the Kanyaka Surgery Refurbishment at Quorn; construction of a new swimming pool at Hawker; and the construction of the waste transfer station at Quorn which commenced in May 2011.

Other projects completed during the period included the facility perimeter fence upgrade at the Hawker Aerodrome, and installation of pool covers at the Hawker and Quorn Swimming Pools.

Mark Hill
Works Manager

General Inspector

Overall it has been a good year for Dog and Cat Management for The Flinders Ranges Council. This year saw a major ongoing issue of keeping excess animals in this area by one family resolve itself when the family relocated to another state. This Issue has been a major source of concern for Council over a number of years and taken up many hours of time and resources in trying to bring the issue to a satisfactory conclusion.

Thankfully there have been no serious dog attacks this year although there have been several minor incidents of harassment which were quickly dealt with.

The usual wandering dog issues are the main cause for Council being contacted in relation to dog complaints/requests. As the number of dogs being registered in the district increases it becomes easier and much more time effective in locating Owners and their pets, saving both Owners and pets less stress and anxiety of being separated for extended periods of time.

In the year ahead it is hoped to increase registrations so the number of animals that remain unregistered in our district continues to decrease.

Statistics: Year 2010 - 2011	Total
Dog Wandering	81.00
Impounded	5.00
Noise Complaint	8.00
Dog Attack / Harassment	7.00
Unregistered	7.00
Cat Cage Hire Days	281.00
Citronella Collar Hire Days	0.00
Cat complaints – Domestic	1.00
Cat complaints – Feral	0.00
Expiations Unregistered Dogs	0.00
Expiations Wandering Dogs	1.00
Expiations Breach Of By-Law 3	0.00
Admin & Training	32.00
Other (including follow-up)	47.75
Field hours	42.75
Destroyed Dogs	2.00
Destroyed Cats	0.00
Other Animal Complaints (not dog or cat)	7.00
WORK HOURS	122.50

Lynette Fatchen
General Inspector

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Development Officer

Development applications totalled forty - four (44) during the reporting period.

Significant projects completed during the reporting period with excellent results included the new Hawker Swimming Pool and the Kanyaka Surgery Refurbishment.

Whilst there is generally a 10% decline in development applications throughout South Australia, significant enquiries and purchases of land seem to be ongoing particularly from young families who wish to be located in close proximity to the mining areas.

Enquiries relating to the sale of land within the Rural Landscape Protection Zone, under, under Council's Development Plan are increasing but unfortunately with no real satisfactory outcome in most cases, particularly for the vendor. Proceedings are still proceeding ongoing against an illegal building structure within this Zone.

Building Fire Safety inspections were ongoing with some properties now fully compliant.

I look forward to my weekly visits to The Flinders Ranges Council and enjoy working with friendly and helpful staff and the pleasurable atmosphere of the Council office.

Ron Ashenden
Development Officer

Environmental Health Officer

Businesses which have been inspected since June 2010 have included -

- Food outlets
- Hotels and Motels
- Hairdressers
- Hospitals
- School canteens
- Caravan Parks
- Sporting facilities
- Backpackers and Hostels
- Council facilities

No orders have been issued in this period with most premises continuing to upgrade and maintain good overall standards.

Work continues to ensure compliance with the Public and Environmental Health (Legionella) Regulations 2008 for those facilities with water systems.

Health education, promotion and community engagement has included:

- provision of Food Information Kits to food businesses and community groups
- provision of templates for the recording of temperatures, cleaning rosters, delivery of food in food premises
- ongoing availability of digital thermometers for sale to businesses and community groups as access to shops is limited in rural areas

Food Safe Practice and Healthy and Hygiene Awareness sessions continue to be delivered across the Flinders Shared Services Group (District Councils of Orroroo Carrieton, Peterborough and Mount Remarkable and The Flinders Ranges Council) which have proven to be beneficial to attendees. The session provides food handlers with a necessary qualification and because they are being delivered locally, the sessions have been well supported.

Mark Smith
Environmental Health Officer

PUBLIC PARTICIPATION AND ACCESS TO COUNCIL DOCUMENTS

Public Participation -

Council Meetings are open to the public and residents are invited to attend meetings to obtain a better understanding of the workings of Council.

Deputations and presentations to Council can occur subject to a written request being made to Council and addressed to the Mayor.

Petitions can also be presented to Council on any issue that is within Council jurisdiction.

Access to Council Documents -

The following documents are available for public inspection at the Council office.

- Agenda and Minutes
- Strategic Plan
- Policy Manual
- Annual Business Plan
- Long Term Financial Plan
- Annual Report
- Annual Financial Statement
- Development Plan
- Development Application Register
- Assessment Book
- Register of Members Allowances and Benefits
- Register of Employees Salaries, Wages and Benefits.

Printed copies of the above are available for a charge or are freely available on Council's website: www.frc.sa.gov.au

Other Information Requests –

Requests for other information will be considered and may be determined in accordance with the Freedom of Information Act 1991.

An application and search fee will be required to be lodged with any application for information under Freedom of Information Act 1991.

Any request for information should be addressed to the:
Chief Executive Officer, The Flinders Ranges Council, PO Box 43, Quorn SA 5433 stating the information required and the intended use of that information. Any Freedom of Information application should be made on the correct form and will be assessed within the statutory period required under the Freedom of Information Act 1991.

Council Certificates –

For the 2010 / 2011 financial year there were no certificates pursuant to Section 91(7) of the Local Government Act, 1999 issued by Council that restricted access to any document. Council believes that in only very special circumstances where there is a legal requirement, should access to documents be restricted.

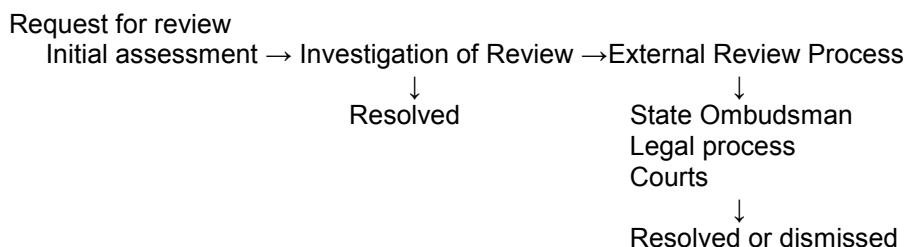
Public Consultation –

The Flinders Ranges Council has adopted a Public Consultation Policy in accordance with Section 50 of the Local Government Act, 1999. The steps to be taken in implementing the Consultation and Decision Making processes are outlined below –

- Research and develop strategies
- Undertake consultation process
- Feedback about topic via submissions
- Council decision making
- Communicate decisions to stakeholders

Internal Review of Council Decisions –

Council is committed to open, accountable and responsive decision making, facilitated by effective communication and consultation between Council and the community. The following demonstrates the review processes available to the applicant for a review of Council decisions –



Amendment of Council Records –

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act 1999 or the Freedom of Information Act 1991 depending on the document that requires correction. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out-of-date. To gain access to these Council records, a member of the public must complete a Freedom of Information request application as indicated above outlining the records that they wish to inspect.

Application of National Competition Policy to Local Government -

Pursuant to the Government Business Enterprises (Competition) Act 1996 Council has no report to make as no activities were conducted in Category 1 or 2 activities during the 2010 / 2011 financial year.

Council does not operate any business activity subject to the application of Policy principles.

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Public Access to Council Documents -

During 2010 / 2011 Council applied the provisions of Section 90(2) of the Local Government Act 1999 on six occasions.

The confidentiality provision was applied for the purpose of discussing Native Title (two items), Property (one item), Development Application (one item), Tender (one item) and Personnel (one item) matters on the six occasions. As at 30 June 2011 all matters have been reviewed with two matters released and four withheld until the next review.

Competitive Tender and Local Purchasing –

Council 's Policy Number MF001 – Competitive Tendering, Contracting, Purchase, Sale and Disposal of Land and Other Assets has been applied in the purchase of capital goods and works. Wherever possible the use of local suppliers for the purchase of materials is given due attention as the consideration of post sales support and service is an important consideration in the acquisition of assets.

Training and Development Opportunities for Elected Members –

Training appropriate to the legislative and governance roles and functions of Elected Members is provided by the Local Government Association of South Australia and associated training providers and is available for Members able and willing to participate.

Strategic Management Plan –

Council has aligned its Strategic Management Plan with the South Australian Strategic Plan 2007, and during 2010 / 2011 has achieved fifteen key areas of performance against the twenty one key areas outlined in the Council Strategic Management Plan.

Council committed to a review of the Strategic Management Plan 2006 / 2011, which will commence in the late 2011.

Annual Business Plan –

Council has successfully minimised the financial impact of external factors beyond its control in its Annual Business Plan during 2010 / 2011 and has continued to maintain and enhance delivery of all services imposed by the Local Government Act 1999, the Development Act 1993 and other applicable legislation enacted by Federal and State Governments.

Community Land Management Plan –

Council has adopted a Community Land Management Plan in accordance with Section 196 of the Local Government Act 1999. The Management Plan guides Council in the utilisation of community land and buildings.

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Auditor's Remuneration –

Ian MacDonald was paid the sum of eight thousand, five hundred dollars (\$8,500.00) for the 2010 / 2011 audit of Council's financial statements and processes.

Ian McDonald also undertook a desktop review of both The Flinders Ranges Council and the District Council of Orroroo Carrieton with the view to determining whether there were any "show stoppers" if the two councils were to proceed with amalgamation. This work was undertaken prior to Ian's appointment as Council's auditor.

Internal Review of Council Actions –

No applications were made pursuant to Section 270(8) of the Local Government Act 1999 for a review of Council actions.

Decision Making Structure -

All decisions are the property of the Council. The Committees appointed by Council have advisory functions only, and Council officers are empowered to act in accordance with delegations made by Council pursuant to the provisions of the Local Government Act 1999 and associated legislation.

STAFF

Administration –

Chief Executive Officer	:	Colin Davies
Chief Finance Officer	:	Colin Davies
Executive Assistant / HRO	:	Julie Campbell
Rates and Administration Officer	:	Chris Bowden
OHS&W / Asset Management	:	Ann Frick
Administration Officers (Job Share)	:	Michelle Baker and Julie Wilson

Operations –

Works Manager	:	Mark Hill
Works Supervisor	:	Lee Braddy
General Inspector / Works Clerk	:	Lynette Fatchen
Works Project Officer	:	Bob Wakefield
Team Leader	:	Robin Ward
Team Leader	:	John Deer
Plant Operators/General Hands	:	Trent Downing
	:	Corrie Beens
	:	Victor Clark
	:	Mark Finlay
	:	David Jackson
	:	Ian Press
	:	Danny Martin
	:	Tony Agnew
Cleaners	:	Daisy Higgins
	:	Kaye Bradley
	:	Chris Morrell / Ruth Tye

Contract Staff –

Development Officer	:	Ron Ashenden
Environmental Health Officer	:	Mark Smith
Planning Consultant	:	Access Planning
Legal Advisors	:	Norman Waterhouse Lawyers
Auditor	:	Ian McDonald

Seasonal Staff –

Pool Supervisors	:	Sasha Andersson / Denni Rose /
	:	Yvonne Bailey / Duncan Bailey

Senior Officers -

The Chief Executive Officer is paid to compensate for time worked outside normal office hours and twenty – five percent extra for dual finance role. In addition, Council has also resolved to meet the cost of rental for the telephone and cost of memberships.

The Works Manager has his telephone rental and the cost of any work related calls reimbursed.

A vehicle for full private use is provided to both officers.

OTHER

Registers –

- Members Register of Interest
- Staff Register of Interest
- Members Allowances and Benefits
- Staff Allowances and Benefits
- Campaign Donations (elected members)
- Assessment Book
- Asset Register
- Signs
- Grids
- Development Approvals
- Loans
- Licences / Leases / Permits
- Various OHS&W
- Contractors
- Insurance.

Governance and Community Development -

Council has continued its membership of the Central Local Government Region and participated in the regional activities of that organisation.

During the year Council was a member of Regional Development Australia Far North,

Council was also a member of the Flinders Shared Services Group, with other membership by the District Councils of Mount Remarkable, Orroroo Carrieton and Peterborough.

Distribution of Information –

Council continues to communicate with its residents by regular distribution of reports and newsletters and placement of information notices in local newspapers. Council's website is beginning to further enhance the distribution of information. Council has initiated a Facebook page during the year.

Council distributes a quarterly circulation of a 'Green Sheet' to all residents

2011 Australia Day Awards –

The following 2011 Australia Day Awards were made by Council -

Australia Day Citizen of the Year
Mr Maxwell McHugh

Australia Day Community Event of the Year
Quorn Hospital Auxiliary.

COUNCIL COMMITTEES AND DELEGATES

Council Committees –

Audit Committee
Regional Development Assessment Committee
Enterprise Bargaining Committee
The Flinders Ranges Council Building Fire Safety Committee
The Flinders Ranges Council District Bushfire Prevention Committee
Hawker War Memorial Swimming Pool Management Committee /
Hawker Swimming Pool Management Committee
Kanyaka Surgery Refurbishment Committee
Policy Review Committee
Proposed Local Heritage Listing Committee
Proposed Relocation of Visitor Information Centre to Railway Station
Quorn and Districts War Memorial Swimming Pool Management Committee.

Council Delegates –

Council Members, staff and residents represent Council on the following committees:

Central Local Government Region of South Australia
District Council of Mount Remarkable Building, Health and Inspectorial
Services Advisory Committee
Flinders Ranges and Outback SA Tourist Association
Flinders Ranges and Outback SA Integrated Strategic Tourism Plan
Committee
The Flinders Ranges Council Building Fire Safety Committee
The Flinders Ranges Bushfire Prevention Committee
Locust Community Reference Group
Hawker Airport Emergency Committee
Hawker Area School Governing Council
Hawker Community Development Board
Hawker Country Fire Service
Hawker School / Community Library Board
Hawker Community Sporting Centre
Hawker Health Advisory Council
Local Government Association of South Australia
Local Government Finance Association of South Australia
Local Government System Incorporated
Natural Disaster and Flood Mitigation Working Group
Northern Passenger Transport Network
Quorn Agricultural Show Society
Quorn Country Fire Service
Quorn Health Advisory Council
Quorn Hospital Primary Health Care Committee
Quorn State Emergency Services
Quorn School / Community Library Board
Quorn Youth Centre
Quorn Local History Group
Regional Development Australia Far North
Regional Bushfire Committee
Wirreanda Cottages.

Policies and Codes of Conduct -

The Local Government Act requires Councils to have in place certain policies and codes of conduct. Listed below are the various policies or codes of conduct either required by the Local Government Act or agreed to by Council -

Governance

G001	Camping
G002	Code of Conduct – Elected Members and Staff
G003	Consultation
G004	Bargaining Fees – non union employees
G005	Elected Members Allowance and Support
G006	Election Signs in Public Places
G007	Filming
G008	Flying the Flag
G009	Internal Review of Council Decisions Procedure
G010	Tourism
G011	Statutory Code of Practice, Access to Council Meetings, Council Committees and Council Documents
G012	Making of Orders
G013	Closure of Surveyed Roads
G014	Election – resignation of Members
G015	Risk Management
G016	Risk Management Register
G017	Members Training and Development
G018	Safe Environment
G019	Section 41 Committees – Terms of Reference
G020	Council Audit Committee – Terms of Reference
G021	Statutory Code of Conduct – Elected Members
G022	Statutory Code of Conduct – Council Employees

Infrastructure – Roads

I001	Cross Over
I002	Fences, Construction of – rural land
I003	Footpath Trees – widening of footpaths, planting of footpath trees, street tree removal, planting under powerlines
I004	Grids
I005	Roadside Native Vegetation Management Plan
I006	Rural Roadside Planting of Trees, Guidelines
I007	Rubble Pits – weed control, compensation, search for

Management

Assets - Plant and Equipment

MA001	Country Fire Service – utilisation of Council plant
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Finance

MF001	Competitive Tendering, Contracting, Purchase, Sale and Disposal of Land and Other Assets
MF002	Asset Accounting and Depreciation

Human Resources - Personnel

MH001	Country Fire Service – Council Employees
MH002	Employee Grievances
MH003	Equal Employment Opportunities
MH004	Recruitment
MH005	Sexual Harassment

Property

MP001	Hawker Dam – pumping, pumping to private property, standpipe.
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Any of the policies or codes of conduct can be viewed at the Quorn Council Office, Monday to Friday between the hours of 9.00 a.m. and 5.00 p.m. or at the website www.frc.sa.gov.au

Delegations –

The Chief Executive Officer and other officers have the delegated authority from Council to make decisions on a number of specified administrative and policy matters. The delegations are included in the Policy Manual and reviewed annually by Council.

Council cannot delegate to staff various functions as outlined in Section 44(3)(a) and (k) of the Local Government Act, 1999.

Delegations are –

<i>Local Government Act 1999</i>	:	Colin Davies
<i>Development Act 1993</i>	:	Colin Davies
	:	Ron Ashenden
<i>Dog and Cat Management Act 1995</i>	:	Colin Davies
	:	Mark Hill
	:	Lynnette Fatchen
<i>Environment Protection Act 1993</i>	:	Colin Davies
	:	Mark Hill
<i>Fire and Emergency Services Act 2005</i>	:	Colin Davies
	:	Mark Finlay
<i>Public and Environmental Health Act 1987</i>	:	Colin Davies
	:	Ron Ashenden
<i>Impounding Act 1920</i>	:	Colin Davies
	:	Mark Hill
<i>Food Act 1985</i>	:	Colin Davies
	:	Ron Ashenden
<i>Expiation of Offences Act 1996</i>	:	Colin Davies
<i>Land and Business (Sale and Conveyancing) Act 1994</i>	:	Colin Davies



The Flinders
Ranges Council

THE FLINDERS RANGES COUNCIL

FINANCIAL REPORT

2010/11



THE FLINDERS RANGES COUNCIL

General Purpose Financial Reports for the year ended 30 June 2011

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THE FLINDERS RANGES COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2011

CERTIFICATION OF FINANCIAL STATEMENTS

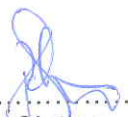
The Mayor and Chief Executive Officer, pursuant to Section 14 of the Local Government (Financial Management) Regulations 2011, have been authorised by The Flinders Ranges Council at the Ordinary Meeting of Council held on 13th September 2011 to certify the financial statements in their final form.

In our opinion:

- ✓ the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards.
- ✓ the financial statements present a true and fair view of the Council's financial position at 30 June 2011 and the results of its operations and cash flows for the financial year.
- ✓ internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- ✓ the financial statements accurately reflect the Council's accounting and other records.


.....
Colin Davies
CHIEF EXECUTIVE OFFICER

Date: 30/9/11.....


.....
Peter Slattery
MAYOR

Date: 30/09/11.....

THE FLINDERS RANGES COUNCIL

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
INCOME			
Rates	2	1,437,573	1,296,050
Statutory charges	2	40,099	38,315
User charges	2	68,868	72,519
Grants, subsidies and contributions	2	2,177,378	1,681,160
Investment income	2	138,646	132,668
Reimbursements	2	91,476	66,646
Other income	2	184,527	134,621
Total Income		4,138,567	3,421,979
EXPENSES			
Employee costs	3	1,292,825	1,136,099
Materials, contracts & other expenses	3	2,396,667	1,690,270
Depreciation, amortisation & impairment	3	771,667	621,585
Finance costs	3	88,118	92,799
Total Expenses		4,549,277	3,540,753
OPERATING SURPLUS / (DEFICIT)		(410,710)	(118,774)
Asset disposal & fair value adjustments	4	(127,678)	(15,506)
Amounts received specifically for new or upgraded assets	2	498,438	318,459
NET SURPLUS / (DEFICIT)		(39,950)	184,179
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	16	2,409,119
Total Other Comprehensive Income		16	2,409,119
TOTAL COMPREHENSIVE INCOME		(39,934)	2,593,298
Share of Net Surplus / (Deficit) Council		(39,950)	184,179
Share of Other Comprehensive Income Council		(39,950)	184,179
		16	2,409,119
TOTAL COMPREHENSIVE INCOME		(39,934)	2,593,298

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



THE FLINDERS RANGES COUNCIL

BALANCE SHEET as at 30 June 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,802,156	2,448,264
Trade & other receivables	5	199,472	356,426
Other financial assets	5	-	-
Inventories	5	343,827	479,481
		<u>3,345,455</u>	<u>3,284,171</u>
Non-current Assets held for Sale	20	-	-
Total Current Assets		<u>3,345,455</u>	<u>3,284,171</u>
Non-current Assets			
Financial Assets	6	19,231	22,057
Equity accounted investments in Council businesses	6	-	-
Investment Property	7	-	-
Infrastructure, Property, Plant & Equipment	7	37,872,373	37,655,867
Other Non-current Assets	6	-	-
Total Non-current Assets		<u>37,891,604</u>	<u>37,677,924</u>
Total Assets		<u>41,237,059</u>	<u>40,962,095</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	1,420,633	1,033,535
Borrowings	8	69,203	76,553
Provisions	8	-	-
Other Current Liabilities	8	-	-
		<u>1,489,836</u>	<u>1,110,088</u>
Liabilities relating to Non-current Assets held for Sale	20	-	-
Total Current Liabilities		<u>1,489,836</u>	<u>1,110,088</u>
Non-current Liabilities			
Trade & Other Payables	8	37,219	32,866
Borrowings	8	1,157,958	1,227,161
Provisions	8	-	-
Liability - Equity accounted Council businesses	6	-	-
Other Non-current Liabilities	8	-	-
Total Non-current Liabilities		<u>1,195,177</u>	<u>1,260,027</u>
Total Liabilities		<u>2,685,013</u>	<u>2,370,115</u>
NET ASSETS		<u>38,552,046</u>	<u>38,591,980</u>
EQUITY			
Accumulated Surplus		10,556,676	10,554,160
Asset Revaluation Reserves	9	26,294,170	26,294,154
Available for sale Financial Assets	9	-	-
Other Reserves	9	1,701,200	1,743,666
Total Council Equity		<u>38,552,046</u>	<u>38,591,980</u>
Minority Interest		-	-
TOTAL EQUITY		<u>38,552,046</u>	<u>38,591,980</u>

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 2011

	Accumulated Surplus	Asset Revaluation Reserve	Available for sale Financial Assets	Other Reserves	Total Council Equity	Minority Interest Equity	TOTAL EQUITY	
2011	Notes	\$	\$	\$	\$	\$	\$	
Balance at end of previous reporting period		10,554,160	26,294,154	-	1,743,666	38,591,980	-	38,591,980
Adjustment due to compliance with revised Accounting Standards						-		-
Adjustment to give effect to changed accounting policies						-		-
Restated opening balance		10,554,160	26,294,154	-	1,743,666	38,591,980	-	38,591,980
Net Surplus / (Deficit) for Year		(39,950)				(39,950)	-	(39,950)
Other Comprehensive Income								
Gain on revaluation of infrastructure, property, plant & equipment			16			16		16
Available-for-sale Financial Instruments - change in fair value						-		-
Share of other comprehensive income - joint ventures and associates						-		-
Impairment (expense) / recoupments offset to asset revaluation reserve						-		-
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment						-		-
Transfer to accumulated surplus on sale of available-for-sale Financial Instruments						-		-
Transfers between reserves		42,466		(42,466)		-		-
Balance at end of period		10,556,676	26,294,170	-	1,701,200	38,552,046	-	38,552,046
2010								
Balance at end of previous reporting period		9,930,911	23,885,035		2,128,477	35,944,423		35,944,423
Adjustment due to compliance with revised Accounting Standards						-		-
Adjustment to give effect to changed accounting policies						-		-
Restated opening balance		9,930,911	23,885,035	-	2,128,477	35,944,423	-	35,944,423
Net Surplus / (Deficit) for Year		184,179				184,179	-	184,179
Other Comprehensive Income								
Changes in revaluation surplus - infrastructure, property, plant & equipment			2,409,119			2,409,119		2,409,119
Available-for-sale Financial Instruments - change in fair value						-		-
Share of other comprehensive income - joint ventures and associates						-		-
Impairment (expense) / recoupments offset to asset revaluation reserve						-		-
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment						-		-
Transfer to accumulated surplus on sale of available-for-sale Financial Instruments						-		-
Transfers between reserves		439,070		(384,811)		54,259		54,259
Balance at end of period		10,554,160	26,294,154	-	1,743,666	38,591,980	-	38,591,980

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 2011

	Notes	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other			-
Fees & other charges			-
Operating receipts		4,138,875	3,534,069
Investment receipts		138,646	147,428
Grants utilised for operating purposes			-
<u>Payments</u>			
Employee Costs			-
Contractual services & materials			-
Operating payments to suppliers & employees		(3,142,841)	(3,362,020)
Finance payments		(89,664)	(107,379)
Net Cash provided by (or used in) Operating Activities		1,045,016	212,098
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		498,438	318,459
Sale of replaced assets		90,809	138,198
Sale of surplus assets		-	-
Sale of investment property		-	-
Net disposal of investment securities		-	-
Sale of real estate developments		-	-
Repayments of loans by community groups		2,826	10,755
Distributions received from associated entities		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(326,338)	(1,393,158)
Expenditure on new/upgraded assets		(880,306)	-
Purchase of investment property		-	-
Net purchase of investment securities		-	-
Development of real estate for sale		-	-
Loans made to community groups		-	-
Capital contributed to associated entities		-	-
Net Cash provided by (or used in) Investing Activities		(614,571)	(925,746)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		-	-
Proceeds from Aged Care Facility deposits		-	-
<u>Payments</u>			
Repayments of Borrowings		(76,553)	(79,888)
Repayment of Finance Lease Liabilities		-	-
Repayment of Aged Care Facility deposits		-	-
Net Cash provided by (or used in) Financing Activities		(76,553)	(79,888)
Net Increase (Decrease) in cash held		353,892	(793,536)
Cash & cash equivalents at beginning of period	11	2,448,264	3,241,800
Cash & cash equivalents at end of period	11	2,802,156	2,448,264

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 2011

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 Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations (e.g. UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 1st May 2011

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 AAS 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.

Note 1 - Significant Accounting Policies

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

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

5.1 Real Estate Assets Developments

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

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

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 Initial Recognition

All assets are initially recognised at cost.

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". 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. 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.

For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

The Flinders Ranges Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies

6.2 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

6.3 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.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis, which in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

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 to 5 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
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

The Flinders Ranges Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies

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

6.5 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.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in the Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 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.



The Flinders Ranges Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies

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.

Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

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 AASB117.

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 2011

Note 1 - Significant Accounting Policies

14 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandated for the year ending 30 June 2011 reporting period and have not been used in preparing these reports.

- AASB 1 *First-time Adoption of Australian Accounting Standards*
- AASB 3 *Business Combinations*
- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
- AASB 7 *Financial Instruments: Disclosures*
- AASB 8 *Operating Segments*
- AASB 9 *Financial Instruments*
- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 110 *Events after the Reporting Period*
- AASB 118 *Revenue*
- AASB 119 *Employee Benefits*
- AASB 132 *Financial Instruments: Presentation*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
- AASB 139 *Financial Instruments: Recognition and Measurement*
- AASB 140 *Investment Property*
- AASB 1031 *Materiality*
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]*
- AASB 2009-12 *Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1032 and Interpretations 2, 4, 16, 1039 & 1052]*
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 3, 7, 121, 128, 131, 132 & 139]*
- AASB 2010-5 *Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and interpretations 112, 115, 127, 132 & 1042]*
- AASB 2010-6 *Amendments to Australian Accounting Standards [AASBs 1 & 7]*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and interpretations 2, 5, 10, 12, 19 & 127]*
- *Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

Standards not affecting local government have been excluded from the above list.

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

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 2 - INCOME

	Notes	2011 \$	2010 \$
RATES REVENUES			
<u>General Rates</u>		1,068,607	967,126
Less: Mandatory rebates			
Less: Discretionary rebates, remissions & write offs		(34,758)	(27,290)
		<u>1,033,849</u>	<u>939,836</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		32,119	28,787
Waste collection		141,460	109,503
Community wastewater management systems		217,080	208,550
		<u>390,659</u>	<u>346,840</u>
<u>Other Charges</u>			
Penalties for late payment		13,118	9,374
		<u>13,118</u>	<u>9,374</u>
Less: Discretionary rebates, remissions & write offs		(53)	
		<u>1,437,573</u>	<u>1,296,050</u>
STATUTORY CHARGES			
Development Act fees		11,711	16,881
Town planning fees		12,776	6,962
Animal registration fees & fines		10,794	11,635
Other registration fees		4,818	2,837
		<u>40,099</u>	<u>38,315</u>
USER CHARGES			
Cemetery/crematoria fees		15,132	14,927
Swimming Pools		27,463	28,774
Community Bus hire		8,385	8,017
Hall & equipment hire		6,086	9,722
Waste Management		8,272	5,065
Airport Fees		2,603	325
Sundry		927	5,689
		<u>68,868</u>	<u>72,519</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		106,080	46,179
Banks & other		32,566	84,451
Loans to community groups			2,038
		<u>138,646</u>	<u>132,668</u>
REIMBURSEMENTS			
- for private works		17,038	18,412
- other		74,438	48,234
		<u>91,476</u>	<u>66,646</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 2 - INCOME

	Notes	2011 \$	2010 \$
OTHER INCOME			
Rebates received		32,585	21,482
Commercial Income		30,799	
Donations		79,557	
Sundry		41,586	113,139
		<u>184,527</u>	<u>134,621</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		498,438	318,459
Other grants, subsidies and contributions		1,675,878	1,681,160
Individually significant item - additional Grants Commission payment	see below	501,500	
		<u>2,675,816</u>	<u>1,999,619</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		2,500,013	1,627,405
State government		164,997	372,214
Other		10,806	-
		<u>2,675,816</u>	<u>1,999,619</u>
Individually Significant Item			
National Rural and Remote Health Infrastructure Program - Kanyaka Surgery		501,500	-
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>		315,259	198,156
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(883,839)	(581,176)
Heritage & Cultural Services		(1,846,539)	(1,130,293)
	Subtotal	<u>(2,730,378)</u>	<u>(1,711,469)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		883,839	581,176
Heritage & Cultural Services		1,586,852	1,247,396
	Subtotal	<u>2,470,691</u>	<u>1,828,572</u>
<i>Unexpended at the close of this reporting period</i>		<u>55,572</u>	<u>315,259</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		<u>(259,687)</u>	<u>117,103</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 3 - EXPENSES

	Notes	2011 \$	2010 \$
EMPLOYEE COSTS			
Salaries and Wages		962,478	841,251
Employee leave expense		200,581	203,996
Superannuation - defined contribution plan contributions	18	42,802	41,660
Superannuation - defined benefit plan contributions	18	52,879	45,484
Workers' Compensation Insurance		98,778	66,072
Less: Capitalised and distributed costs		(64,693)	(62,364)
Total Operating Employee Costs		1,292,825	1,136,099
Total Number of Employees		20	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		4,400	4,300
Elected members' expenses		63,574	47,551
Election expenses		2,917	2,916
Subtotal - Prescribed Expenses		70,891	54,767
<u>Other Materials, Contracts & Expenses</u>			
Contractors		497,351	840,008
Energy		138,347	159,346
Waste Management		334,458	-
Insurance		28,891	-
Individually Significant Items		822,801	385,036
Maintenance		90,789	91,243
Legal Expenses		41,549	24,090
Levies paid to government - NRM levy		32,217	28,945
- Other Levies		14,465	12,494
Parts, accessories & consumables		29,317	20,734
Professional services		28,528	29,459
Sundry		267,063	44,148
Subtotal - Other Materials, Contracts & Expenses		2,325,776	1,635,503
		2,396,667	1,690,270
INDIVIDUALLY SIGNIFICANT ITEMS			
Kanyaka Surgery refurbishment		674,779	-
Flood Damage Repairs (Own funds - No State Government Support)		148,022	385,036
		822,801	385,036

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 3 - EXPENSES

	Notes	2011 \$	2010 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Land & Buildings		261,579	250,419
Plant & Equipment		139,711	123,025
Furniture & Fittings		26,687	28,640
Minor plant		5,737	7,829
Infrastructure		271,305	145,024
CWMS		66,648	66,648
		<u>771,667</u>	<u>621,585</u>
FINANCE COSTS			
Interest on Loans		88,118	92,799
		<u>88,118</u>	<u>92,799</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2011 \$	2010 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		90,809	138,198
Less: Carrying amount of assets sold		218,487	153,704
Less: amounts previously recognised in other comprehensive income			
Gain (Loss) on disposal		(127,678)	(15,506)

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 5 - CURRENT ASSETS

	Notes	2011 \$	2010 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		51,165	32,357
Deposits at Call		750,991	756,829
Short Term Deposits & Bills, etc		2,000,000	1,659,078
		<u>2,802,156</u>	<u>2,448,264</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		124,738	94,408
Debtors - general		74,734	262,018
Total		<u>199,472</u>	<u>356,426</u>
 INVENTORIES			
Stores & Materials		343,827	479,481
		<u>343,827</u>	<u>479,481</u>



THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 6 - NON-CURRENT ASSETS

		2011	2010
FINANCIAL ASSETS	Notes	\$	\$
Receivables			
Loans to community organisations		19,231	22,057
TOTAL FINANCIAL ASSETS		19,231	22,057

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2010				2011			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land & Buildings	13,923,643	-	(8,339,445)	5,584,198	14,456,153	-	(8,697,257)	5,758,896
Plant & Equipment	784,347	1,372,942	(338,598)	1,818,691	618,648	1,600,032	(431,624)	1,787,056
Furniture & Fittings	198,032	-	(119,590)	78,442	260,380	-	(146,277)	114,103
Minor plant	73,031	-	(49,712)	23,319	73,031	-	(55,449)	17,582
Infrastructure	30,742,135	-	(3,372,196)	27,369,939	31,123,607	-	(3,643,501)	27,480,106
CWMS	3,685,671	-	(904,393)	2,781,278	3,685,671	-	(971,041)	2,714,630
TOTAL PROPERTY, PLANT & EQUIPMENT	49,406,859	1,372,942	(13,123,934)	37,655,867	50,217,490	1,600,032	(13,945,149)	37,872,373
Comparatives	47,155,817	1,012,853	(13,539,791)	34,628,879	49,406,859	1,372,942	(13,123,934)	37,655,867

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 2011

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2010	CARRYING AMOUNT MOVEMENTS DURING YEAR							2011
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Land & Buildings	5,584,198	465,744	66,766	(96,233)	(261,579)	-	-	-	5,758,896
Plant & Equipment	1,818,691	-	230,330	(122,254)	(139,711)	-	-	-	1,787,056
Furniture & Fittings	78,442	33,106	29,242	-	(26,687)	-	-	-	114,103
Minor plant	23,319	-	-	-	(5,737)	-	-	-	17,582
Infrastructure	27,369,939	381,456	-	-	(271,305)	-	-	16	27,480,106
CWMS	2,781,278	-	-	-	(66,648)	-	-	-	2,714,630
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	37,655,867	880,306	326,338	(218,487)	(771,667)	-	-	16	37,872,373
<i>Comparatives</i>	34,628,879	638,510	754,648	(153,704)	(621,585)	-	-	2,409,119	37,655,867

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 2011

Note 7 – 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. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

All Council's assets were adjusted as a result of a revaluation undertaken by *Asset Valuation Consulting Pty Ltd* as at 30 June 2009.

Major depreciation periods are detailed in Note 1.

Plant, Furniture & Equipment

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

Land & Land Improvements

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

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 2009 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 at fair value being written down replacement cost.

Infrastructure

Transportation assets were valued by Council at written down current replacement cost during the reporting period ended 30 June 2011 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 as at 30 June 2011 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2011 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 at written down current replacement cost during the reporting period ended 30 June 2011 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

All other assets

Pursuant to Council's election, these assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 8 - LIABILITIES

		2011		2010	
		\$		\$	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		5,018		(2,029)	
Payments received in advance		355,250	-	640,745	-
Accrued expenses - employee entitlements		271,456	37,219	222,741	32,866
Accrued expenses - other		225,454	-	147,377	-
Other		563,455	-	24,701	-
		1,420,633	37,219	1,033,535	32,866
BORROWINGS					
Loans		69,203	1,157,958	76,553	1,227,161
		69,203	1,157,958	76,553	1,227,161

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 9 - RESERVES

ASSET REVALUATION RESERVE		1-7-2010	Net Increments (Decrements)	Transfers, Impairments	30-6-2011
	Notes	\$	\$	\$	\$
Land & Buildings		1,527,007			1,527,007
Plant & Equipment		-			-
Furniture & Fittings		38,487			38,487
Minor plant		-			-
Infrastructure		15,521,021	16		15,521,037
CWMS		538,625			538,625
Other Assets		(36,820)			(36,820)
Asset Revaluation Reserve		8,705,834	-		8,705,834
TOTAL		26,294,154	16	-	26,294,170
Comparatives		23,885,035	2,409,119		26,294,154

OTHER RESERVES		1-7-2010	Transfers to Reserve	Transfers from Reserve	30-6-2011
NRM Levy		152	7	(105)	54
Land & Buildings		53,584	2,648	-	56,232
Plant Replacement		50,000	16,471	-	66,471
Employee Entitlements		222,877	48,499	(271,376)	-
Other		541,333	428,181	(20,833)	948,681
Garbage Service Charge		(68,429)	40,931	(3,381)	(30,879)
Hawker Dam		10,690	9,027	-	19,717
Hawker Swimming Pool		-	100,000	(100,000)	-
Legal Costs		13,757	3,180	-	16,937
Community Trust Funds		365,523	10,601	(355,221)	20,903
Quorn Swimming Pool		-	-	-	-
Hawker CWMS Service Charge		34,293	30,902	-	65,195
Quorn CWMS Service Charge		291,209	14,389	(7,686)	297,912
Airstrips		-	-	-	-
Roads		189,863	9,382	-	199,245
Community Buses		38,814	1,918	-	40,732
TOTAL OTHER RESERVES		1,743,666	716,136	(758,602)	1,701,200
Comparatives		2,128,477	701,625	(1,086,436)	1,743,666

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 (less any subsequent impairment losses, where applicable).

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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.

		2011	2010
	Notes	\$	\$
CASH & FINANCIAL ASSETS			
Unexpended amounts received from Federal Government			
CWMS Annual Service Charge		363,107	325,503
Garbage Annual Service Charge		(30,879)	(68,429)
NRM Levy		54	152
Unexpended Grant funds		55,572	315,260
Employee Entitlements		271,377	222,877
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		659,231	795,363

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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 Balance Sheet as follows:

	Notes	2011 \$	2010 \$
Total cash & equivalent assets	5	2,802,156	2,448,264
Balances per Cash Flow Statement		2,802,156	2,448,264

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

Net Surplus (Deficit)		(39,934)	2,593,298
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		771,667	621,585
Equity movements		-	-
Net increase (decrease) in unpaid employee benefits		53,068	56,372
Premiums & discounts recognised & unwound		-	5,803
Asset Revaluation movements		(16)	(2,409,119)
Grants for capital acquisitions treated as Investing Activity		(498,438)	(318,459)
Net (Gain) Loss on Disposals		127,678	15,506
		414,025	564,986
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		156,954	(239,608)
Net (increase) decrease in inventories		135,654	(281,053)
Net increase (decrease) in trade & other payables		338,383	167,773
Net Cash provided by (or used in) operations		1,045,016	212,098

(d) Financing Arrangements

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

Bank Overdrafts	200,000	200,000
Corporate Credit Cards	10,000	10,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$				
Administration	2,158,321	1,932,177	219,051	253,906	1,939,270	1,678,271	1,068,641	947,865		
Public Order & Health	-	510	59,582	17,791	(59,582)	(17,281)	-	-		
Social Security & Welfare	15,938	19,844	33,965	59,934	(18,027)	(40,090)	3,000	7,275		
Community Amenities	506,069	349,161	1,072,645	690,584	(566,576)	(341,423)	124,125	10,216		
Recreation & Culture	84,734	74,603	919,888	757,083	(835,154)	(682,480)	19,444	15,979		
Agricultural Services	34,514	33,234	33,218	41,389	1,296	(8,155)	2,395	(3,625)		
Regulatory Services	37,470	40,283	108,451	103,289	(70,981)	(63,006)	-	1,424		
Transport & Communication	421,213	652,319	1,216,310	1,332,442	(795,097)	(680,123)	385,401	633,509		
Economic Development	593,460	107,127	803,816	257,536	(210,356)	(150,409)	512,306	68,517		
Not Elsewhere Classified	286,848	212,721	70,714	131,362	216,134	81,359	62,066	-		
Works Overheads	-	-	11,637	(104,563)	(11,637)	104,563		-		
					-	-			41,237,059	40,962,095
TOTALS	4,138,567	3,421,979	4,549,277	3,540,753	(410,710)	(118,774)	2,177,378	1,681,160	41,237,059	40,962,095

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 2011

Note 12 - 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 2011

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 are returning fixed interest rates between 5.1% and 5.4% (2010: 3.2% and 5.3%). Short term deposits have an average maturity of 30 days and an average interest rates of 5.25% (2010: 30 days, 3%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<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>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable by 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 2011

Note 13 - FINANCIAL INSTRUMENTS

Liquidity Analysis

	2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		\$	\$	\$	\$	\$
Cash & Equivalents		2,802,156			2,802,156	2,802,156
Receivables		93,965			93,965	93,965
Other Financial Assets		3,013	14,177	2,041	19,231	19,231
Total		2,899,134	14,177	2,041	2,915,352	2,915,352
Financial Liabilities						
Payables		2,007,945			2,007,945	923,723
Current Borrowings		69,203			69,203	69,203
Non-Current Borrowings			245,326	912,632	1,157,958	1,157,958
Total		2,077,148	245,326	912,632	3,235,106	2,150,884

	2010	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		\$	\$	\$	\$	\$
Cash & Equivalents		2,448,264			2,448,264	2,448,264
Receivables		284,075			284,075	284,075
Other Financial Assets		2,826	13,298	5,933	22,057	22,057
Total		2,735,165	13,298	5,933	2,754,396	2,754,396
Financial Liabilities						
Payables		663,417			663,417	663,417
Current Borrowings		76,553			76,553	76,553
Non-Current Borrowings			247,990	979,171	1,227,161	1,227,161
Total		739,970	247,990	979,171	1,967,131	1,967,131

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

	30 June 2011		30 June 2010	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates		1,227,161	6.6	1,303,714
		1,227,161		1,303,714

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are currently made with the Local Government Finance Authority (LGFA) 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. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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



THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 14 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2011 \$	2010 \$
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Land		-	40,000
Buildings		-	500,000
		<u>-</u>	<u>540,000</u>
These expenditures are payable:			
Not later than one year		-	540,000
		<u>-</u>	<u>540,000</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		34,000	-
Employee Remuneration Contracts		1,119,389	951,000
		<u>1,153,389</u>	<u>951,000</u>
These expenditures are payable:			
Not later than one year		333,754	257,200
Later than one year and not later than 5 years		819,635	693,800
		<u>1,153,389</u>	<u>951,000</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 15 - FINANCIAL INDICATORS

	2011	2010	2009
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	\$ (410,710)	(118,774)	(14,099)
Being the operating surplus (deficit) before capital amounts .			
Operating Surplus Ratio			
<u>Operating Surplus</u>	-29%	-9%	-1%
Rates - general & other less NRM levy			
Adjusted Operating Surplus Ratio	-29%	-9%	-1%
This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.			
Net Financial Liabilities	\$ (335,846)	(456,632)	(1,117,116)
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	-8%	-13%	-32%
Total Operating Revenue less NRM levy			
Interest Cover Ratio			
<u>Net Interest Expense</u>	-1%	-1%	-2%
Total Operating Revenue less NRM levy less Investment Income			
Asset Sustainability Ratio			
<u>Net Asset Renewals</u>	31%	202%	123%
Depreciation Expense			
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.			
Asset Consumption Ratio			
<u>Carrying value of depreciable assets</u>	63%	64%	62%
Gross value of depreciable assets			

Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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 simplified Uniform Presentation Framework basis.

All Councils in South Australia 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

	2011 \$	2010 \$
Income	4,138,567	3,421,979
less Expenses	(4,549,277)	(3,540,753)
Operating Surplus / (Deficit)	(410,710)	(118,774)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	326,338	1,393,158
less Depreciation, Amortisation and Impairment	771,667	621,585
less Proceeds from Sale of Replaced Assets	90,809	138,198
	(536,138)	633,375
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	880,306	-
less Amounts received specifically for New and Upgraded Assets	498,438	318,459
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-	-
	381,868	(318,459)
Net Lending / (Borrowing) for Financial Year	(256,440)	(433,690)

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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 where ever 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.

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

	2011	2010
	\$	\$
Not later than one year	10,400	10,400
Later than one year and not later than 5 years	41,600	41,600
Later than 5 years	61,600	72,000
	113,600	124,000



The Flinders Ranges Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 18 – SUPERANNUATION

The Flinders Ranges Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme (the Scheme). The Scheme has two types of membership, each of which is funded differently. Prior to 24th November 2009, permanent and contract employees of the South Australian Local Government sector had the option to contribute to Marketlink and/or Salarylink. Since that date and all other employees (including casuals) have all contributions allocated to Marketlink only.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2010/11 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2009/10). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate for the 2010/11 year was 6.3% (6% in 2009/10) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

In September and October 2009 a series of workshops were held to discuss the future of the defined benefit arrangements (Salarylink) of Local Super. Councils were asked to consider options relating to the continuation of Salarylink. The key question was whether to keep Salarylink open or should Salarylink be closed to new entrants. The councils were concerned about the risk associated with maintaining an open defined benefit scheme, particularly to ensure that the council contribution rate to superannuation remained stable over time. The response from councils was that approximately 75% voted for Salarylink to be closed to new entrants.

At the LGA State Executive meeting held on Thursday 19 November 2009, it was decided to adopt Option 3 ie to close Salarylink to new entrants, whilst honouring the obligations to existing Salarylink members. The Local Super Board amended the rules of the scheme, to close Salarylink to new entrants, at the Board meeting on held on Tuesday 24 November 2009.



THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

Council has no Joint Venture or Associated Entities



THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 20 - NON-CURRENT ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS

Council has no Non-Current Assets held for sale or Discontinued Operations



The Flinders Ranges Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

Note 21 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Balance Sheet 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. LAND UNDER ROADS

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

At reporting date, Council controlled 1,263 km of road reserves of average width 10 metres.

2. 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.

3. BANK GUARANTEES

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

4. 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 1 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 2011

Note 22 - EVENTS OCCURRING AFTER REPORTING DATE

There are no known events that have occurred after the reporting date that would have a material effect on the Financial Reports for 2010/11 as stated herein.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 23 - RECONCILIATION OF GRANTS RECEIVED

This schedule records all grants received, including from other levels of Government, whether described as grants, subsidies or otherwise.

GRANTS

GENERAL PURPOSE

Grants Commission Grant - General Purpose
Grants Commission Grant - Local Roads
Grants Commission Grant - Supplemental Local Roads

Subtotal

SPECIFIC PURPOSE

Planning SA - RDAP
FRC - Little Corellas Trailer
Kanyaka Surgery
Tourism - Walking Trails
Film Maker in Residence
Community Flavours
Bush Festival
YAC
Quorn Transfer Station
Hawker Revegetation Project
Native Veg Survey
Hawker Airstrip Fence
RCLIP - CIP Grant Round 2
RCLIP - CIP Grant Round 3

Subtotal

TOTAL OTHER GRANTS

Comparatives

Opening Balance 01 July 2010	Movements		Closing Balance 30 June 2011
	Received/ Receivable	Expended	
\$	\$	\$	\$
-	1,068,641	(1,068,641)	-
-	266,169	(266,169)	-
-	119,232	(119,232)	-
-	1,454,042	(1,454,042)	-
10,000			10,000
7,217			7,217
250,750	310,750	(561,500)	-
7,475		(7,475)	-
1,850		(1,641)	209
1,690		(1,690)	-
6,277			6,277
-	3,000	(3,000)	-
-	120,000	(120,000)	-
-	20,000	(18,131)	1,869
-	2,395	(2,395)	-
-	32,066	(32,066)	-
30,000	-	(30,000)	-
-	30,000	-	30,000
315,259	518,211	(777,898)	55,572
315,259	1,972,253	(2,231,940)	55,572
198,156	1,610,113	(1,493,010)	315,259

GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS

SPECIFIC PURPOSE

Roads to Recovery

TOTAL GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS

Comparatives

Opening Balance 01 July 2010	Movements		Closing Balance 30 June 2011
	Received/ Receivable	Expended	
-	498,438	(498,438)	-
-			-
-	498,438	(498,438)	-
-	218,459	(218,459)	-

Recognised as revenue in advance of expenditure
Current receivable - Other levels of Government

5

315,259	55,572
-	-
315,259	55,572



The Flinders Ranges Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2011

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 2011, the Council's Auditor, Ian McDonald, has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

.....
Colin Davies
CHIEF EXECUTIVE OFFICER

.....
Peter Slattery
**PRESIDING MEMBER
AUDIT COMMITTEE**

Dated this 30th day of September 2011

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE FLINDERS RANGES COUNCIL**

I have audited the accompanying financial report of The Flinders Ranges Council which comprises the balance sheet as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2011.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit I followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of The Flinders Ranges Council as of 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 1999.

**IAN G MC DONALD FCA
CHARTERED ACCOUNTANT
REGISTERED COMPANY AUDITOR**

Liability limited by a scheme approved under Professional Standards Legislation

Signed 17 day of November 2011, at Eastwood, South Australia



Central

Local Government Region of South Australia

Incorporated under provisions of the Local Government Act

Annual Report for 2010 – 2011

A regional subsidiary of:

- *The Barossa Council*
- *District Council of Barunga West*
- *Clare & Gilbert Valleys Council*
- *District Council of The Copper Coast*
- *The Flinders Ranges Council*
- *Regional Council of Goyder*
- *Light Regional Council*
- *District Council of Mallala*
- *District Council of Mount Remarkable*
- *Northern Areas Council*
- *District Council of Orroroo/Carrieton*
- *District Council of Peterborough*
- *Port Pirie Regional Council*
- *Wakefield Regional Council*
- *District Council of Yorke Peninsula*

Contact Details

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The Central Local Government Region of South Australia

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence and as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by virtue of the provisions of Section 25 of the Local Government (Implementation) Act 1999.

The Central Region is established to:

- ✓ undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- ✓ facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- ✓ develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- ✓ develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- ✓ develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- ✓ undertake projects and activities that benefit the region and its communities
- ✓ associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Central Region is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the Central Region and ensure that the Central Region acts in accordance with its Charter. The Board has 15 members, comprising one representative elected from each constituent Council:

- | | |
|--|---|
| ▪ Barossa Council | ▪ District Council of Mount Remarkable |
| ▪ District Council of Barunga West | ▪ Northern Areas Council |
| ▪ Clare & Gilbert Valleys Council | ▪ District Council of Orroroo/Carrieton |
| ▪ District Council of The Copper Coast | ▪ District Council of Peterborough |
| ▪ The Flinders Ranges Council | ▪ Port Pirie Regional Council |
| ▪ Regional Council of Goyder | ▪ Wakefield Regional Council |
| ▪ Light Regional Council | ▪ District Council of Yorke Peninsula |
| ▪ District Council of Mallala | |

The Region's area spans the Barossa through the Clare Valley, Yorke Peninsula, Adelaide Plains, Mid and Upper North districts through to the Flinders Ranges, covering 27 per cent of the incorporated area of the State and comprises some 27 per cent of the State's population outside Adelaide.

Office Bearers for 2010/11

Chairman:	Mayor James Maitland (Wakefield)
Deputy Chairs:	Mayor Ray Agnew (Yorke Peninsula) Mayor Max Mc Hugh (Flinders Ranges) - to Nov 2010 Cr Neville Wilson (Port Pirie) – from Feb 2011
Delegate to the LGA State Executive:	Mayor James Maitland (Wakefield) Mayor Ray Agnew (Yorke Peninsula) – to April 2011 Mayor Allan Aughey (Clare & Gilbert Valleys) – from April 2011
Proxy Delegate to the LGA State Executive:	Mayor Allan Aughey (Clare & Gilbert Valleys) – to April 2011 Mayor Ray Agnew (Yorke Peninsula) –from April 2011
Delegates to SAROC:	Mayor James Maitland (Wakefield) Mayor Ray Agnew (Yorke Peninsula) – to April 2011 Mayor Allan Aughey (Clare & Gilbert Valleys) – from April 2011 Ms Anita Crisp Proxy: Mayor Allan Aughey (Clare & Gilbert Valleys) – to April 2011; Mayor Ray Agnew (Yorke Peninsula) –from April 2011
Executive Officer:	Anita Crisp
Auditor:	To be confirmed

Central Local Government Region Board of Management

The Central Local Government Region Board of Management comprises an elected delegate appointed from each of the 15 member councils. A proxy delegate is also appointed, with policy provisions allowing for representation by other elected or endorsed members.

In February 2007 the Central Local Government Region confirmed, subject to the provisions within the Charter, the appointment of the following Council delegates to the CLGR Board of Management for a term that expired concurrent with the November 2010 Local Government elections:

Council	Delegate	Proxy Delegate
The Barossa Council	Mayor Brian Hurn	Cr Barrie Stewart (to Nov 2010) D/Mayor David DeVries (from Nov 2010)
District Council of Barunga West	Mayor Dean Dolling	D/Mayor Ian Burgess (to Nov 2010) Cr Brian Rooney (from Nov 2010)
District Council of the Copper Coast	Mayor Paul Thomas	D/Mayor Dean Rodda
Clare & Gilbert Valleys Council	Mayor Allan Aughey	Cr Wayne Thomas Cr Elizabeth Calvert
Flinders Ranges Council	Mayor Max McHugh (to Nov 2010) Mayor Peter Slattery (from Nov 2010)	D/Mayor John Shute
Regional Council of Goyder	Mayor Peter Matthey	D/Mayor Warren Mosey (to Nov 2010) D/Mayor Judy Partington (from Nov 2010)
Light Regional Council	Mayor Robert Hornsey (to Nov 2010) Mayor Bill O'Brien (From Nov 2010)	D/Mayor Dean Rohrlach (from Nov 2010)
District Council of Mallala	Cr Marcus Strudwicke	nil
District Council of Mount Remarkable	Mayor Trevor Roocke (to Nov 2010) Mayor Sandra Wauchope (from Nov 2010)	Cr Michael Pearce (to Nov 2010) D/Mayor Ray Walker (from Nov 2010)
Northern Areas Council	Chair Cr Allan Woolford (to Nov 2010) Chair Ben Browne (form Nov 2010)	Cr Denis Clark
District Council of Orroroo Carrieton	Chair Cr Kathie Bowman (to Nov 2010) Chair Colin Parkyn (from Nov 2010)	D/Chair Malcolm Byerlee
District Council of Peterborough	Mayor Ruth Whittle	Cr Judith Kempen (to Nov 2010) Cr Frank Hardbottle (from Nov 2010)
Port Pirie Regional Council	Deputy Mayor Neville Wilson	nil
Wakefield Regional Council	Mayor James Maitland	D/Mayor Darryl Ottens (from Nov 2010)
District Council of Yorke Peninsula	Mayor Ray Agnew	Cr John Rich (from Nov 2010)s

Meetings of the Central Local Government Region Board of Management

Four meetings of the Central Local Government Region Board of Management were held during the 2010/2011, each hosted by one of the member Councils. The meeting host and location is rotated throughout the region on alphabetical order. Meetings were held:

- Friday 13th August 2010 – AGM, hosted by District Council of Mallala
- Friday 12th November 2010, hosted by District Council of Mt Remarkable
- Friday 11th February 2011, hosted by Northern Areas Council
- Friday 13th May 2011, hosted by District Council of Orroroo Carrieton



Committee Meetings

In accordance with its Charter, the Central Local Government Region maintains several sub committees to assist in effective project implementation and governance. The committee's generally meet on an as needs basis and comprise representatives from the various member councils along with, in many cases additional delegates from other relevant regional bodies or state government agencies:

Committee	Members	Meeting Dates
Executive Committee:	Mayor James Maitland, Mayor Max McHugh (to Nov 2010), Mayor Ray Agnew, Mayor Trevor Roocke (to Nov 2010), Cr Kathie Bowman (to Nov 2010), Cr Neville Wilson (from Feb 2011), Mayor Allan Aughey (from Feb 2011), Mayor Ruth Whittle (from Feb 2011)	9 th September 2010 29 th October 2010 1 st April 2011 28 th April 2011
Audit Committee:	Mayor Ray Agnew (Chair), Cr Kathie Bowman, Dr Andrew Johnson, Mr Colin Davies	29 th July 2010 29 th October 2010
Member Councils CEO's Forums:	David Morcom (Barossa), Nigel Hand (Barunga West), Roy Blight (Clare & Gilbert Valleys), Peter Dinning (Copper Coast) – to Jan 2011, Colin Davies (Flinders Ranges), John Brak (Goyder), Brian Carr (Light), Charles Mansueto (Mallala), Sean Cheriton (Mt Remarkable), Keith Hope (Northern Areas), Iain Wilson (Orroroo/Carrieton), Terry Barnes (Peterborough), Andrew Johnson (Pirie Regional), Phil Barry (Wakefield), Ricki Bruhn (Yorke Peninsula) – to Oct 2010. Chaired by a member of the CLGR Executive	16 th July 2010 8 th October 2010 17 th December 2010 15 th April 2011 (cancelled)
Transport Infrastructure Planning Committee:	Iain Wilson - Chair (Orroroo Carrieton), John Tillack (Mallala), Grant McKenzie (Clare & Gilbert Valleys), Roy O'Connor (Goyder), Fred Linke (Barunga West), Brenton Pearce (Mt Remarkable), Len Wilton (Port Pirie), Richard Pym (Copper Coast), Joanne Buchanan (Regional Development), Bob Bemmerl (DTEI)	5 th July 2010 30 th September 2010 16-17 th February 2011 7 th April 2011
Regional Climate Change Steering Committee:	David Morcom (Barossa), Anita Crisp (CLGR Executive Officer), Kelly-Anne Saffin (RDA Y&MN), Anne Moroney (RDA Barossa), Lynne Walden & Pam Pilkington (N&Y NRM Board), Mike Fretwell (Y&MN ZEMC)	21 st December 2010 24 th February 2011 21 st April 2011
Coastal Councils Network:	Aleisa Lamanna (District Council of Mallala), TBA (Wakefield Regional Council), Stephen Goldsworthy (District Council of Yorke Peninsula), Peter Dinning/Andy West District Council of the Copper Coast, Nigel Hand (District Council of Barunga West), TBA (Port Pirie Regional Council), Sean Cheriton (District Council of Mt Remarkable). Ms Anita Crisp (Central Region Executive Officer), Ms Deborah Allen (Coastcare Facilitator) – ex officio	22 nd October 2010
Regional Waste Management Committee:	Nil	Nil
Water Project Steering Committee:	Mr Ricki Bruhn (Yorke Peninsula) – to Oct 2010, Mr Peter Dinning (Copper Coast) – to Jan 2011, Mr Henri Mueller (Mallala), Mr Peter Stockings (Yorke Regional Development Board), Mr Kerry Ward (Northern & Yorke NRM Board) – to April 2011, Mr Paul Doherty (SA Water/Office of Water Security) – to Nov 2010. Mr Geoffrey White (Project Officer) – to July 2010	Nil
Executive Officer Performance Review Committee:	Mayor James Maitland, Mr Nigel Hand, Cr Kathie Bowman	Nil

Regional Forums and Workshops

In order to progress specific priorities and actions, the Central Local Government Region occasionally holds information forums or workshops to allow member councils and other relevant stakeholders to come together and discuss or learn about particular initiatives.

The forums and workshops provide an opportunity for greater awareness, understanding and engagement with various Central Local Government Region activities and increases the level of active involvement by stakeholders. The following issue-specific forums were held during the 2010/11 financial year.

16 th July 2010	Governance, Asset and Risk Management Workshop, Crystal Brook
22 nd July 2010	Waste Management Update Forum, Port Pirie
13 th August 2010	Digital Television Switchover, Parham
27 th October 2010	Regional Transport Workshop – Special Local Roads Briefing, Crystal Brook
1 st April 2011	Regional Planning Review Forum, Clare – <i>hosted in conjunction with the Northern & Yorke Natural Resources Management Board and Regional Development Australia Yorke</i>
31 st May 2011	Climate Change Vulnerability Assessment Workshop, Clare – <i>hosted in conjunction with the Northern & Yorke Natural Resources Management Board and Regional Development Australia Yorke and Mid North</i>



Achievements for 2010/11

During the 2010/11 year, the Central Region continued to progress a number of priority activities, pursued under the three key target areas identified within the strategic and business plan:

1. Board Governance and Operations

- ✓ **The operation of the Central Region subsidiary is in accordance with legislative requirements and board policy**
- ✓ **CLGR is well regarded by its member councils and stakeholders as a valid and relevant organisation**

Achievements for 2010/11

- Review of Central Region Strategic Plan five year targets
- Ongoing alignment of Central Local Government operations with agreed policies and procedures
CLGR Board meeting agendas & minutes distributed in accordance with policy
Operation of Central Region Audit Committee
Committee operations executed within terms of reference
- Application for audit committee exemption
 - Executive support performance and operational review

2. Local Government Leadership and Sustainability

- ✓ **The Central Local Government Region Councils supported to collaboratively improve service delivery, resourcing & financial capacity**
- ✓ **Central Local Government Region Councils well represented & regarded at state and national Local Government levels**
- ✓ **Improved awareness & understanding of Central Region Council issues and activities by key stakeholders & political decision makers**

Achievements for 2010/11

- Quarterly Council Chief Executive Officer's forum held
- Workshop Council Asset, Governance and Risk Management
 - Coordination of early access by Central Region Councils to LGA Reform Fund audits
- Attendance by Local Government Association (LGA) and Department of Planning and Local Government (DPLG) at Central Region quarterly meetings
Communications with LGA and DPLG staff as required
- Coordination of Central Zone appointments to LGA State Executive Committee
- Regional representation at SA Regional Organisation of Councils (SAROC) and LGA State Executive meetings
Attendance at Local Government Association SA general meetings in Adelaide
Attendance at Australian Local Government Association assembly in Canberra
Communication with SAROC Executive Officers on key issues as required
Participation of relevant regional agencies and bodies on Central Region committees and at workshops and forums as appropriate
Member of Parliament briefings as required
Monthly newsletter prepared and distributed
- Regular ABC local radio and newspaper media coverage of Central Region projects and events
 - Website update commenced

3. Regional and Community Sustainability

- ✓ **The long-term economic, environmental and social sustainability of the Central Local Government Region is fostered through pro-active, innovative, efficient and collaborative approaches to issues of priority.**

Achievements for 2010/11

Regional Identity & Cohesion

- Formation of Regional Strategic Alliance with Northern & Yorke Natural Resources Management Board (NRM) and Regional Development Australia Yorke and Mid North (RDA)
- Inaugural Annual Planning Review Forum with NRM and RDA
- Central Region delegate to LGA Planning Reform Working Group
- DPLG planning reform trial with NRM and RDA
- Correspondence to Premier and Ministers regarding lack of coordination across agencies in planning and community consultation
- Development of State Budget regional implications information paper
- Liaison with LGA and RDA regarding Federal Regional Australia agreement
- Participation in Regional Government Coordination Network
- Continued Central Region office co-location with Regional Department of Transport, Crystal Brook

Waste Management

- Waste management update forum
- Coordination of Regional Assessment Panel for Zero Waste SA 'Regional Implementation Program'
- Preparation of Regional Implementation Program regional submission
- Liaison with Federal and State Government and LGA regarding e-waste particularly in relation to digital TV switchover

Transport

Assessment, inspection and regional submission to Special Local Roads program

Council Special Local Roads briefing held

- Correspondence to Minister regarding Road Reserve Responsibilities

Environment

- Technical support input into LGA roadside vegetation management review

Local Government rep attendance at Regional NRM Board meetings

- Submissions to Adelaide/Mt Lofty, SA Murray Darling and Northern & Yorke NRM Board business plans
- Australian Government Caring for our Country funding for engagement of Regional Coastcare Officer and on-ground works
- Formalisation of Coastal Councils Group as a standing committee

Water Resources

- Funding of Technical Officer (Water) for Central Region
- Reinvigoration of Water Committee including agency representatives
- Murray Darling Association Region 8 annual update to Central Region board

Climate Change and Emergency Management

Participation in Zone Emergency Management committees (ZEMC)

- Local Government representation on Regional Drought Taskforce
- Correspondence to State Minister regarding Regional Bushfire Management committee
- Funding for Regional Climate Change Vulnerability Assessment with RDA, NRM and ZEMC support
- Climate Change Sector Agreement with RDA, NRM and Dept Premier & Cabinet
- Coordination of Council flood damage data; meetings with MPs; correspondence to Minister; local media; liaison with LGA

Community Wellbeing, Health and Prosperity

- Meeting and correspondence to Minister Conroy re Digital TV switchover
- Federal funding for engagement of a regional Digital TV Switchover Liaison Officer
- Participation in RDA Broadband Committee
- Liaison with NBN Co.
- Liaison with LGA, DPLG, Renewables SA and Correspondence to Minister regarding windfarm development
- Australia Day Council presentation to Central Region board

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011	2010
INCOME		\$	\$
Council Contributions	3.	159,605	147,201
Grants, Subsidies and Other Contributions	4.	547,064	230,468
Investment Income	5.	22,108	13,074
Other Incomes	6.	19,500	7,727
TOTAL INCOME		748,277	398,470
EXPENSES			
Materials, Contracts & Other Expenses	7.	579,944	550,155
TOTAL EXPENSES		579,944	550,155
OPERATING SURPLUS (DEFICIT)		168,333	(151,685)
Asset Disposal & Fair Value Adjustments	8.	(19,293)	(7,277)
NET SURPLUS (DEFICIT)		149,040	(158,962)
TOTAL COMPREHENSIVE INCOME		149,040	(158,962)

BALANCE SHEET
AS AT 30 JUNE 2011

	NOTES	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	9.	544,362	380,773
Trade & Other Receivables	10.	38,201	30,027
TOTAL CURRENT ASSETS		582,564	410,801
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	11.	28,059	21,830
TOTAL NON-CURRENT ASSETS		28,059	21,830
TOTAL ASSETS		610,623	432,630
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	12.	28,953	
TOTAL CURRENT LIABILITIES		28,953	0
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		0	0
TOTAL LIABILITIES		28,953	0
NET ASSETS		581,670	432,630
EQUITY			
Accumulated Surplus		249,170	310,630
Other Reserves		332,500	122,000
TOTAL EQUITY		581,670	432,630

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

2011	Accumulated Surplus	Asset Revaluation Reserve	Available for Sale Financial Assets	Other Reserves	Total Equity
Balance at End of Previous Reporting Period	310,630			122,000	432,630
Adjust. due to Compliance with Revised Acc Standards					0
Adjust. to give effect to Changed Acc Policies					0
RESTATED OPENING BALANCE	310,630	-	-	122,000	432,630
NET SURPLUS (DEFICIT)	149,040				149,040
OTHER COMPREHENSIVE INCOME					
Gain on Revaluation of I,P,P&E					0
Avail-for-Sale Fin Instruments - Change in Fair Value					0
Share of Other Comp Income - Joint Ventures & Associates					0
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					0
Transfer to Acc Surplus on Sale of I,P,P & E					0
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments					0
Transfer Between Reserves	(210,500)			210,500	0
BALANCE AT END OF PERIOD	249,170	-	-	332,500	581,670

2010	Accumulated Surplus	Asset Revaluation Reserve	Available for Sale Financial Assets	Other Reserves	Total Equity
Balance at End of Previous Reporting Period	591,592				591,592
Adjust. due to Compliance with Revised Acc Standards					0
Adjust. to give effect to Changed Acc Policies					0
RESTATED OPENING BALANCE	591,592	-	-	-	591,592
NET SURPLUS (DEFICIT)	(158,962)				(158,962)
OTHER COMPREHENSIVE INCOME					
Gain on Revaluation of I,P,P&E					0
Avail-for-Sale Fin Instruments - Change in Fair Value					0
Share of Other Comp Income - Joint Ventures & Associates					0
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					0
Transfer to Acc Surplus on Sale of I,P,P & E					0
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments	(122,000)			122,000	0
BALANCE AT END OF PERIOD	310,630	-	-	122,000	432,630

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 \$	2010 \$
		INFLOWS (OUTFLOWS)	
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Operating Receipts		721,114	453,861
Investment Receipts		19,310	12,126
GST Collected		70,132	42,706
GST Refund from the ATO		55,000	43,469
<i>Payments</i>			
Operating Payments to Suppliers & Employees		(553,594)	(550,366)
Finance Payments			
GST Payments on Purchases		(52,214)	(43,674)
GST Remitted to the ATO		(70,637)	(35,493)
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES		189,111	(77,371)
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Sale of Replaced Assets		35,541	21,364
<i>Payments</i>			
Expenditure on Renewal/Replacement of Assets		(61,063)	(21,830)
NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES		(25,523)	(466)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
<i>Payments</i>			
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES		0	0
NET INCREASE (DECREASE) IN CASH HELD		163,589	(77,837)
CASH & CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD		380,773	458,610
CASH & CASH EQUIVALENTS AT END OF REPORTING PERIOD	13.	544,362	380,773