

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 2 - FUNCTIONS

	REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	REVENUES		EXPENSES		OPERATING RESULT		GRANTS INCLUDED IN REVENUES		TOTAL ASSETS HELD	
									(CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	1,529,041	1,491,246	373,423	353,635	1,155,618	1,137,611	740,487	713,958		
Public Order	1,574	510	22,849	15,937	(21,275)	(15,427)				
Health	-	773	915	2,214	(915)	(1,441)		8,182		
Housing & Community	116,584	187,760	399,132	526,183	(282,548)	(338,423)				
Recreation & Culture	39,010	62,277	463,090	455,957	(424,080)	(393,680)		2,000		
Agricultural Services	17,825	-	6,883	17,279	10,942	(17,279)				
Regulatory Services	49,230	29,998	40,937	42,659	8,293	(12,661)	20,000			
Transport & Communications	870,033	471,579	1,008,761	616,554	(138,728)	(144,975)	859,483	450,586		
Economic Affairs	14,178	13,000	105,100	98,275	(90,922)	(85,275)	138			
Not Elsewhere classified	286,054	267,386	143,164	142,590	142,890	124,796				
Inter function	-	-	230,037	266,961	(230,037)	(266,961)				
Social Security & Welfare	24,276	24,258	28,368	25,123	(4,092)	(865)	2,967	2,941		
					-	-			21,477,546	
TOTALS	2,947,805	2,548,787	2,822,659	2,563,367	125,146	(14,580)	1,623,075	1,177,667	21,477,546	

-12586

(27,166)

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 3 - REVENUES

	2007	2006
Notes	\$	\$
RATES REVENUES		
<u>General Rates</u>	790,765	770,463
Less: Discretionary rebates, remissions & write offs	(14,448)	(13,099)
	776,317	757,364
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	6,883	
Waste collection	62,428	57,675
Water supply		
Community wastewater management schemes	81,095	73,617
	150,406	131,292
<u>Other Charges</u>		
Penalties for late payment	3,195	3,132
Legal & other costs recovered		
	3,195	3,132
Less: Discretionary rebates, remissions & write offs		
	\$ 929,918	\$ 891,788
STATUTORY CHARGES		
Development Act fees	9,965	10,451
Town planning fees		9,438
Animal registration fees & fines	10,717	9,864
Parking fines / expiation fees		
Other registration fees		3,077
Other fines, penalties & expiations		
Sundry	11,504	
	32,186	32,830
USER CHARGES		
Cemetery/crematoria fees		13,191
Swimming Pools	19,942	21,124
Community Bus Hire	9,249	9,730
Hall & equipment hire	525	0
Parking fees		
Sales - general		
Subsidies received on behalf of users		
Sundry	7,100	1,840
	36,816	45,885
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	109,323	88,061
Banks & other	5,638	5,676
Loans to community groups		
Investment property rental income		
Premiums & discounts recognised		
Unwinding of premiums & discounts		
	114,961	93,737

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

NOTE 3 - REVENUES (continued)

	2007	2006
Notes	\$	\$
REIMBURSEMENTS		
- for roadworks	10,550	36,742
- for private works	19,145	
- by joint undertakings		
- other	23,463	74,504
	<u>53,158</u>	<u>111,246</u>
OTHER REVENUES		
Insurance & other recoupments - infrastructure, property, plant & equipment		15,510
Rebates received		179,385
Sundry	128,587	194,895
	<u>128,587</u>	<u>194,895</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts specifically for new or upgraded assets		
Other grants, subsidies and contributions	1,623,075	1,177,667
	<u>1,623,075</u>	<u>1,177,667</u>
<i>The functions to which these grants relate are shown in Note 2.</i>		
Sources of grants		
Commonwealth government	140,627	171,506
State government	1,482,448	1,006,161
Other	0	0
	<u>1,623,075</u>	<u>1,177,667</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

NOTE 3 - REVENUES (continued)

	2007	2006
Notes	\$	\$
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
	\$	\$
<i>Unexpended at the close of the previous reporting period</i>	223,054	20
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
Roads Infrastructure	125,440	
Heritage & Cultural Services	3,164	
Subtotal	128,604	0
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Roads Infrastructure	114,393	
Heritage & Cultural Services	4,558	
Subtotal	118,951	0
<i>Unexpended at the close of this reporting period and</i>	213,401	20
<i>Net increase (decrease) in restricted assets in the current reporting period</i>	-9,653	0

PHYSICAL RESOURCES RECEIVED FREE OF CHARGE

Land & Improvements
Roads, Bridges & Footpaths
Stormwater Drainage

TOTAL PHYSICAL RESOURCES RECEIVED	0	0
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THE FLINDERS RANGES COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

Note 4 - EXPENSES

	Notes	2007 \$	2006 \$
EMPLOYEE COSTS			
Salaries and Wages		672,348	578,542
Employee leave expense		64,638	92,237
Superannuation - defined contribution plan contributions	20	32,304	60,791
Superannuation - defined benefit plan contributions	20	33,838	8,468
Workers' Compensation Insurance		35,068	25,440
Other			
Less: Capitalised and distributed costs		(21,652)	
Total Operating Employee Costs		816,544	765,478

Total Number of Employees

(Full time equivalent at end of reporting period)

MATERIALS, CONTRACTS & OTHER EXPENSES

Prescribed Expenses

Auditor's Remuneration			
- Auditing the financial reports		4,000	400
- Other Services			
- Other Auditors			
Bad and Doubtful Debts			
Elected members' expenses		34,545	35,999
Election expenses		4,607	6,577
Operating Lease Rentals - cancellable leases		5,540	
Operating Lease Rentals - non-cancellable leases	18		
- minimum lease payments			
- contingent rentals			
Subtotal - Prescribed Expenses		48,692	42,976

Other Materials, Contracts & Expenses

Contractors		372,202	319,316
Energy		174,514	130,611
Individually Significant Items		476,237	
Maintenance			
Legal Expenses		4,875	
Levies paid to government - NRM levy		6,678	
- Other Levies			357,753
Parts, accessories & consumables		263,791	
Professional services		23,545	
Sundry		912	298,544
Subtotal - Other Materials, Contracts & Expenses		1,322,754	1,106,224
		1,371,446	1,149,200

INDIVIDUALLY SIGNIFICANT ITEMS

Expenditure on Repairing Flood Damage of January 07		476,237	-
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

Note 4 - EXPENSES (cont)

	Notes	2007 \$	2006 \$
FINANCE COSTS			
Interest on short-term borrowings			
Interest on Loans		107,770	114,488
Charges on Finance Leases			
Premiums & discounts recognised			
Unwinding of present value discounts			
Less: Capitalised and distributed costs			
		<u>107,770</u>	<u>114,488</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
	0	-	
LAND & BUILDING		219,502	221,169
PLANT & EQUIP		121,321	118,149
FURNITURE & EQUIP		16,253	20,829
MINOR PLANT		9,686	15,810
ROADS		97,170	94,384
CWMS		52,186	52,186
Other Assets		10,783	10,935
Less: Capitalised and distributed costs			
		<u>526,901</u>	<u>533,462</u>
Investment Property expenses included above			
Property generating rental income			
Repairs, maintenance & other operating expenses			
Depreciation, Amortisation & Impairment		-	
Property not generating rental income			
Repairs, maintenance & other operating expenses			
Depreciation, Amortisation & Impairment			
		<u>-</u>	<u>-</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 5 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2007 \$	2006 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Proceeds from disposal		118,273	18,773
Less: Carrying amount of assets sold		<u>89,167</u>	<u>31,359</u>
Gain (Loss) on disposal		<u>29,106</u>	<u>(12,586)</u>
INVESTMENT PROPERTY			
Proceeds from disposal			
Less: Carrying amount of assets sold			
Gain (Loss) on disposal		<u>-</u>	<u>-</u>
AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Proceeds from disposal			
Less: Carrying amount of assets sold			
Less: Revaluation increments previously transferred to Asset Revaluation Reserve		-	-
Gain (Loss) on disposal		<u>-</u>	<u>-</u>
REAL ESTATE DEVELOPMENT ASSETS			
Proceeds from disposal			
Less: Carrying amount of assets sold			
Gain (Loss) on disposal		<u>-</u>	<u>-</u>
FAIR VALUE ADJUSTMENTS			
Investment property - fair value increase			
Revaluation decrements previously expensed, now recouped			
Revaluation decrements expensed			
		<u>0</u>	<u>0</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>\$ 29,106</u>	<u>\$ (12,586)</u>

THE FLINDERS RANGES COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

Note 6 - CURRENT ASSETS

	2007	2006
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	95,036	176,831
Deposits at Call	1,909,978	1,694,769
Short Term Deposits & Bills, etc		
Bills of Exchange		
	<u>2,005,014</u>	<u>1,871,600</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	29,495	12,645
Accrued Revenues	26,480	21,660
Debtors - general	28,253	60,484
Other levels of Government		
GST Recoupment		
Prepayments	122	42,223
Loans to community organisations		
Aged Care Facility Deposits		
Sundry		
Total	<u>84,350</u>	<u>137,012</u>
Less: Allowance for Doubtful Debts		
	<u>84,350</u>	<u>137,012</u>
OTHER FINANCIAL ASSETS		
Insert appropriate description		
Insert appropriate description		
Insert appropriate description		
Insert appropriate description		
	<u>-</u>	<u>-</u>
INVENTORIES		
Stores & Materials	107,232	82,550
Trading Stock		
Real Estate Developments	-	-
Other		
	<u>107,232</u>	<u>82,550</u>

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

Real Estate Developments

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

Residential

Industrial & Commercial

Other Properties surplus to requirements

Total Real Estate for Resale

- -

Represented by:

Acquisition Costs

Development Costs

Finance Costs

Other Holding Costs

Other Properties - Book Value

- -

Less: Allowance for Under-Recovery

Total Real Estate for Resale

- -

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 7 - NON-CURRENT ASSETS

	Notes	2007 \$	2006 \$
FINANCIAL ASSETS			
Receivables			
Rates & General			
Prepayments			
Loans to community organisations		18,779	55,389
Aged Care Facility Deposits			
Other			
		<u>18,779</u>	<u>55,389</u>
Less: Allowance for Doubtful Debts		<u>18,779</u>	<u>55,389</u>
Other Financial Assets			
Insert appropriate description			
Insert appropriate description			
Insert appropriate description			
TOTAL FINANCIAL ASSETS		<u>18,779</u>	<u>55,389</u>
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
<i>here describe the associated entity.</i>	20		
<i>here describe the associated entity.</i>	20		
		<u>-</u>	<u>-</u>
OTHER NON-CURRENT ASSETS			
Inventories			
Stores & Materials			
Trading Stock			
Real Estate Developments		-	-
Other			
		<u>-</u>	<u>-</u>
Capital Works-in-Progress			
Other			
		<u>-</u>	<u>-</u>
Real Estate Developments			
<i>(Valued at the lower of cost and net realisable value)</i>			
<i>Residential</i>			
<i>Industrial & Commercial</i>			
<i>Other Properties surplus to requirements</i>			
Total Real Estate for Resale		<u>-</u>	<u>-</u>
<i>Represented by:</i>			
<i>Acquisition Costs</i>			
<i>Development Costs</i>			
<i>Borrowing Costs</i>			
<i>Other Holding Costs</i>			
		<u>-</u>	<u>-</u>
<i>Less: Allowance for Under-Recovery</i>		<u>-</u>	<u>-</u>
Total Real Estate for Resale		<u>-</u>	<u>-</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

	2006				2007			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 8 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
	-	-	-	-	-	-	-	-
LAND & BUILDINGS	4,795,063	-	(221,169)	4,573,894	4,588,671	-	(221,169)	4,367,502
PLANT & EQUIPMENT	1,339,938	-	(118,149)	1,221,789	1,491,612	-	(118,149)	1,373,463
	82,205	-	(20,829)	61,376	65,952	-	(20,829)	45,123
	71,053	-	(15,810)	55,243	62,856	-	(15,810)	47,046
	11,014,160	-	(94,384)	10,919,776	11,085,321	-	(94,381)	10,990,940
	2,428,579	-	(52,186)	2,376,393	2,420,109	-	(52,186)	2,367,923
	81,617	-	(10,935)	70,682	74,902	-	(10,935)	63,967
	-	-	-	-	-	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	19,812,615	-	(533,462)	19,279,153	19,789,423	-	(533,459)	19,255,964
2006 Totals					19,812,615	-	(533,462)	19,279,153

This Note continues on the following pages.

Note 8 - INVESTMENT PROPERTY

	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL INVESTMENT PROPERTY	-	-	-	-	-	-	-	-
2005 Totals					-	-	-	-

This Note continues on the following pages.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

	2006	CARRYING AMOUNT MOVEMENTS DURING YEAR						2007
	\$	\$						\$
	CARRYING AMOUNT	Additions	Disposals	Depreciation	Impairment	Blank	Net Revaluation	CARRYING AMOUNT
Note 8 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
	0	-	-	-	-	-	-	-
LAND & BUILDINGS	4,573,894	13,110	-	(219,502)	-	-	-	4,367,502
PLANT & EQUIPMENT	1,221,789	379,602	(108,313)	(121,321)	-	-	1,706	1,373,463
	0	61,376	217,604	-	(169,825)	-	-	45,123
	0	55,243	-	-	-	-	-	47,046
ROADS	10,919,776	-	-	-	-	-	-	10,990,940
CWMS	2,376,393	-	-	-	-	-	-	2,367,923
OTHER	70,682	-	-	-	-	-	-	63,967
	-	-	-	-	-	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	19,279,153	610,316	(108,313)	(510,648)	-	-	1,706	19,255,964
2006 Totals								19,279,153

This Note continues on the following pages.

Note 8 - INVESTMENT PROPERTY

	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL INVESTMENT PROPERTY	-	-	-	-	-	-	-	-
2005 Totals								-

This Note continues on the following pages.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 9 - LIABILITIES

		2007		2006	
		\$		\$	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		57,709		75,617	
Payments received in advance		253,304		230,553	
Accrued expenses - employee entitlements		14,044			
Accrued expenses - other		29,082		44,514	
Aged Care Facility Deposits					
Deposits, Retentions & Bonds					
Other					
		<u>354,139</u>	<u>-</u>	<u>350,684</u>	<u>-</u>
BORROWINGS					
Bank Overdraft					
Short term draw down facility					
Loans		89,569	1,465,802	83,382	1,555,373
Finance Leases	15				
Other					
		<u>89,569</u>	<u>1,465,802</u>	<u>83,382</u>	<u>1,555,373</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
PROVISIONS					
Employee entitlements (including oncosts)		164,369	18,041	102,473	79,173
Insurance Losses					
Future reinstatement / restoration, etc					
Other					
		<u>164,369</u>	<u>18,041</u>	<u>102,473</u>	<u>79,173</u>
Movements in Provisions - 2007 year only					
(current & non-current)			Insurance Losses	Future Reinstatement	Other Provision
Opening Balance			0	0	0
Add Unwinding of present value discounts			0	0	0
Additional amounts recognised					
(Less) Payments					
Unused amounts reversed					
Add (Less) Remeasurement Adjustments					
Closing Balance			<u>0</u>	<u>0</u>	<u>0</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 10 - RESERVES

ASSET REVALUATION RESERVE	1/07/2006	Net Increments (Decrements)	Transfers on Sale	30/06/2007
	Notes	\$	\$	\$
ASSET REVALUATION RESERVE		8,702,150	1,706	8,703,856
Total Infrastructure, Property, Plant & Equipment		8,702,150	1,706	8,703,856
Available for Sale Investments		(8,702,150)		(8,702,150)
TOTAL			1,706	1,706
2006 Totals		8,702,150		

OTHER RESERVES	1/07/2006	Transfers to Reserve	Transfers from Reserve	30/06/2007
LAND AND BUILDING	24,034	10	(24,044)	
PLANT RESERVE	309,057	240,392	(363,610)	185,839
LONG SERVICE LEAVE	101,289	35,799	(35,799)	101,289
OTHER RESERVES	156,178	63,045	(35,500)	183,723
HAWKER DAM	9,452	363	(21)	9,794
HAWKER SWIMMING POOL	18,121	7,920	(22,020)	4,021
LEGAL COSTS RESERVE	13,874	8,484	(8,484)	13,874
COMMUNITY TRUST ACCOUNT	48,319	2,566	(11,618)	39,267
QUORN SWIMMING POOL	6,890			6,890
HAWKER STEDS	39,385	6,205	(6,205)	39,385
QUORN STEDS	233,753	66,260	(45,205)	254,808
AIRSTRIIP RESERVE	82,300			82,300
ROAD RESERVE	81,614	29,386		111,000
COMMUNITY BUS	29,904	2,938		32,842
TOTAL OTHER RESERVES	1,154,170	463,368	(552,506)	1,065,032
2006 Totals	1,211,702	238,846	(296,372)	1,154,170

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 11 - ASSETS SUBJECT TO RESTRICTIONS

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

	Notes	2007 \$	2006 \$
CASH & FINANCIAL ASSETS			
Unexpended Loans			
Developer Contributions			
Other unexpended amounts from other levels of Government			
STEDs scheme		294,193	
Other			
		<u>294,193</u>	<u>0</u>
RECEIVABLES			
here describe type of asset; do not disclose if not applicable			
		<u>0</u>	<u>0</u>
INVENTORIES & OTHER ASSETS			
here describe type of asset; do not disclose if not applicable			
		<u>0</u>	<u>0</u>
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
here describe type of asset; do not disclose if not applicable			
		<u>0</u>	<u>0</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>294,193</u>	<u>0</u>

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

Bank Overdraft	9		
Payables	9		
Borrowings	9		
Provisions	9		
		<u>0</u>	<u>0</u>

A narrative description providing a short summary of the nature of each restriction should be shown here. See the explanatory comments for further information.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 12 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2007 \$	2006 \$
Total cash & equivalent assets	6	95,036	71,429
Less: Short-term borrowings	BS	-	-
Balances per Cash Flow Statement		<u>95,036</u>	<u>71,429</u>

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

Net Surplus (Deficit)	125,146	(27,166)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	526,901	533,462
Fair value adjustments	-	-
Equity movements in equity accounted investments (increase) decrease	-	-
Net increase (decrease) in unpaid employee benefits	764	(6,880)
Premiums & discounts recognised & unwound	-	-
Change in allowances for under-recovery	-	-
Non-cash asset acquisitions	-	-
Grants for capital acquisitions treated as Investing Activity	-	192,881
Net (Gain) Loss on Disposals	-	-
	<u>652,811</u>	<u>692,297</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(11,221)	(23,086)
Net (increase) decrease in inventories	(24,682)	(52,180)
Net (increase) decrease in other current assets	36,610	(39,617)
Net increase (decrease) in trade & other payables	3,463	(20,181)
Net increase (decrease) in other provisions	-	(47,399)
Net increase (decrease) in other liabilities	(116,234)	(79,977)
Net Cash provided by (or used in) operations	<u>540,747</u>	<u>429,857</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

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

(d) Financing Arrangements

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

Bank Overdrafts
Corporate Credit Cards

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

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

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 placed on 24 hour call with the Local Government Finance Authority at market rates.</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment)	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest at the prescribed rate. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Loans	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, loans are repayable by equal 6 monthly instalments of principal & interest, with interest charged at fixed rates. Where a cash advance debenture has been utilised, loan repayments are made in accordance with Budget provisions and interest charged at market rates on a quarterly basis.</p> <p>Carrying amount: approximates fair value.</p>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2007	Floating Interest Rate	≤ 1 year	Fixed interest maturing in		Non- interest bearing	Total
	\$	\$	> 1 year ≥ 5 years	> 5 years	\$	\$
Financial Assets						
Fair Value through P&L						
Cash Assets	1,969,538				35,476	2,005,014
Other Financial Assets					-	-
Loans & Receivables						
Receivables					76,527	76,527
Other Financial Assets						-
Held to Maturity Investments						
Other Financial Assets						-
Available for Sale						
Cash Assets						-
Other Financial Assets						-
Total	1,969,538	-	-	-	112,003	2,081,541
Weighted Average Interest Rate	5.97%					
Financial Liabilities						
Payables					311,013	311,013
Short-term Borrowings		-				-
Borrowings		13,164	159,970	1,382,237	-	1,555,371
Total	-	13,164	159,970	1,382,237	311,013	1,866,384
Weighted Average Interest Rate		6.60%	7.72%	6.61%		

NET FINANCIAL ASSETS (LIABILITIES)

1,969,538	(13,164)	(159,970)	(1,382,237)	(199,010)	215,157
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2006	Floating Interest Rate	≤ 1 year	Fixed interest maturing in		Non- interest bearing	Total
	\$	\$	> 1 year ≥ 5 years	> 5 years	\$	\$
Financial Assets						
Fair Value through P&L						
Cash Assets	1,856,023				15,577	1,871,600
Other Financial Assets					-	-
Loans & Receivables						
Receivables					128,518	128,518
Other Financial Assets						-
Held to Maturity Investments						
Other Financial Assets						-
Available for Sale						
Cash Assets						-
Other Financial Assets						-
Total	1,856,023	-	-	-	144,095	2,000,118
Weighted Average Interest Rate	5.47%					
Financial Liabilities						
Payables					306,170	306,170
Short-term Borrowings		-				-
Borrowings			73,644	1,565,110	-	1,638,754
Total	-	-	73,644	1,565,110	306,170	1,944,924
Weighted Average Interest Rate			9.93%	6.60%		

NET FINANCIAL ASSETS (LIABILITIES)

1,856,023	-	(73,644)	(1,565,110)	(162,075)	55,194
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THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 13 (cont) - FINANCIAL INSTRUMENTS

Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. Except as detailed in Notes 6 & 7 in relation to individual classes of financial assets, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Reconciliation of Financial Assets & Liabilities

	2007	2006
	\$	\$
Net financial assets from above		
Financial Assets	2,081,541	2,000,118
Financial Liabilities	1,866,384	1,944,924
	<u>215,157</u>	<u>55,194</u>
Non-financial assets and liabilities		
Accrued Revenues	26,480	21,660
Prepayments	122	42,223
Inventories	107,232	82,550
Investments in Associates	0	0
Investment Property	0	0
Property, Plant & Equipment	19,255,964	19,279,153
Other Assets	0	0
Accrued Expenses	(43,126)	(44,514)
Provisions	(182,410)	(181,646)
Other liabilities	0	0
	<u>19,164,262</u>	<u>19,199,426</u>
Net Assets per Balance Sheet	<u>19,379,419</u>	<u>19,254,620</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. With the exception of investments, there is no recognised market for the financial assets of the Council.

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 14 - COMMITMENTS FOR EXPENDITURE

	2007	2006
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land		
Buildings		
Plant & Equipment		
	<u>-</u>	<u>-</u>
These expenditures are payable:		
Not later than one year		
Later than one year and not later than 5 years		
Later than 5 years	<u>-</u>	<u>-</u>
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services		
Waste Management Services	90,112	
Employee Remuneration Contracts	243,409	
Investment Property maintenance contracts		
Other		
	<u>333,521</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	173,854	4,000
Later than one year and not later than 5 years	159,667	
Later than 5 years	<u>333,521</u>	<u>ERROR</u>
Not later than one year		
Later than one year and not later than 5 years		
Later than 5 years		
Minimum lease payments	<u>-</u>	<u>-</u>
Less: future finance charges		
Net Lease Liability	<u>-</u>	<u>-</u>
Representing lease liabilities:		
Current	9 -	-
Non-Current	10 -	-
	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

2007	2006
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Operating Surplus	96,040	(14,580)
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Operating Surplus Ratio

Net Financial Liabilities

Net Financial Liabilities Ratio

Interest Cover Ratio

Asset Sustainability Ratio

Asset Consumption Ratio

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 2007

Note 16 - UNIFORM PRESENTATION OF FINANCES

The Local Government Association's General Meeting in March 2006 resolved that a high level summary of both operating and capital investment activities of each council be prepared on a uniform and consistent basis, thereby enabling more meaningful comparisons between councils.

It also is intended that annual budgets and long-term financial plans be summarised on the same basis.

A feature of the arrangement is that it facilitates the reporting of a standard set of key financial indicators of the Council's financial sustainability – all of which are shown in Note 15 above.

	2007 \$	2006 \$
Operating Revenues	2,918,701	2,548,048
less Operating Expenses	<u>(2,822,661)</u>	<u>(2,562,628)</u>
Operating Surplus / (Deficit) before Capital Amounts	96,040	(14,580)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	518,116	(237,753)
less Depreciation, Amortisation and Impairment	(526,901)	(533,462)
less Proceeds from Sale of Replaced Assets	<u>(137,919)</u>	<u>(29,484)</u>
	(146,704)	(800,699)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	94,756	(38,698)
less Amounts received specifically for New and Upgraded Assets	(114,393)	-
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-	-
	<u>(19,637)</u>	<u>(38,698)</u>
Net Lending / (Borrowing) for Financial Year	<u>262,381</u>	<u>824,817</u>

THE FLINDERS RANGES COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

	2007 \$	2006 \$
Not later than one year	-	
Later than one year and not later than 5 years		
Later than 5 years		
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Lease payment commitments of Council

	2007 \$	2006 \$
Not later than one year		
Later than one year and not later than 5 years		
Later than 5 years		
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>