

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


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

	Notes	2008 \$	2007 \$
<b>INCOME</b>			
Rates	2	2,895,664	2,767,952
Statutory charges	2	128,702	48,134
User charges	2	998,314	866,480
Grants, subsidies and contributions	2	2,167,417	2,105,584
Investment income	2	57,256	59,378
Reimbursements	2	206,391	185,867
Other income	2	<u>368,495</u>	<u>233,895</u>
<b>Total Income</b>		<u>6,822,239</u>	<u>6,267,290</u>
<b>EXPENSES</b>			
Employee costs	3	1,857,200	1,952,084
Materials, contracts & other expenses	3	3,005,694	2,498,161
Finance costs	3	144,517	113,035
Depreciation, amortisation & impairment	3	<u>1,612,858</u>	<u>1,513,250</u>
<b>Total Expenses</b>		<u>6,620,269</u>	<u>6,076,529</u>
<b>OPERATING SURPLUS</b>		<b>201,970</b>	190,761
Net gain on disposal or revaluation of assets	4	25,099	6,299
Amounts received specifically for new or upgraded assets	2	<u>722,976</u>	<u>654,056</u>
<b>NET SURPLUS</b>		<u>950,045</u>	<u>851,116</u>

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



## District Council of Ceduna

BALANCE SHEET  
as at 30 June 2008

ASSETS	Notes	2008 \$	2007 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	935,038	744,641
Trade & other receivables	5	386,297	445,236
Prepayments	5	-	-
Inventories	5	36,350	10,743
<b>Total Current Assets</b>		<b>1,357,685</b>	<b>1,200,620</b>
<b>Non-current Assets</b>			
Financial Assets	6	40,626	48,163
Infrastructure, Property, Plant & Equipment	7	34,567,437	33,704,458
<b>Total Non-current Assets</b>		<b>34,608,063</b>	<b>33,752,621</b>
<b>Total Assets</b>		<b>35,965,748</b>	<b>34,953,241</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8	604,528	914,278
Borrowings	8	175,592	227,894
Provisions	8	26,247	22,207
<b>Total Current Liabilities</b>		<b>806,367</b>	<b>1,164,379</b>
<b>Non-current Liabilities</b>			
Borrowings	8	2,405,285	2,021,175
Provisions	8	236,222	199,858
<b>Total Non-current Liabilities</b>		<b>2,641,507</b>	<b>2,221,033</b>
<b>Total Liabilities</b>		<b>3,447,874</b>	<b>3,385,412</b>
<b>NET ASSETS</b>		<b>32,517,874</b>	<b>31,567,829</b>
<b>EQUITY</b>			
Accumulated Surplus		15,169,025	14,330,276
Asset Revaluation Reserve	9	16,493,713	16,493,713
Other Reserves	9	855,136	743,840
<b>TOTAL EQUITY</b>		<b>32,517,874</b>	<b>31,567,829</b>

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

## District Council of Ceduna

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

	2008	2007
	\$	\$
	Notes	
<b>ACCUMULATED SURPLUS</b>		
Balance at end of previous reporting period	14,330,276	13,054,283
Adjustment to give effect to changed accounting policies		-
Net Surplus for Year	950,045	851,116
Transfers to Other Reserves	(149,057)	(130,566)
Transfers from Other Reserves	37,761	555,443
WHAT IS THIS	-	-
<b>Balance at end of period</b>	<b>15,169,025</b>	<b>14,330,276</b>
<b>ASSET REVALUATION RESERVE</b>		
	9	
Balance at end of previous reporting period	16,493,713	16,493,713
Gain on revaluation of infrastructure, property, plant & equipment	-	-
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	-	-
<b>Balance at end of period</b>	<b>16,493,713</b>	<b>16,493,713</b>
<b>OTHER RESERVES</b>		
	9	
Balance at end of previous reporting period	743,840	1,168,717
Transfers from Accumulated Surplus	149,057	130,566
Transfers to Accumulated Surplus	(37,761)	(555,443)
<b>Balance at end of period</b>	<b>855,136</b>	<b>743,840</b>
<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>32,517,874</b>	<b>31,567,829</b>

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



## District Council of Ceduna

### CASH FLOW STATEMENT for the year ended 30 June 2008

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2008 \$	2007 \$
<u>Receipts</u>			
Operating receipts		7,422,565	6,207,912
Investment receipts		50,454	59,378
<u>Payments</u>			
Operating payments to suppliers & employees		(5,778,739)	(4,537,910)
Finance payments		<u>(114,995)</u>	<u>(113,035)</u>
<b>Net Cash provided by Operating Activities</b>		<b>1,579,285</b>	<b>1,616,345</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		722,976	654,056
Sale of replaced assets		230,682	391,076
Sale of surplus assets		58,004	-
Repayments of loans by community groups		7,066	6,625
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,369,661)	(1,514,744)
Expenditure on new/upgraded assets		<u>(1,369,763)</u>	<u>(2,360,589)</u>
<b>Net Cash used in Investing Activities</b>		<b>(1,720,696)</b>	<b>(2,823,576)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from Borrowings		593,824	830,116
<u>Payments</u>			
Repayments of Borrowings		<u>(175,592)</u>	<u>(131,591)</u>
<b>Net Cash provided by Financing Activities</b>		<b>418,232</b>	<b>698,525</b>
<b>Net Increase (Decrease) in cash held</b>		<b>276,821</b>	<b>(508,706)</b>
Cash & cash equivalents at beginning of period		<u>658,217</u>	<u>1,166,923</u>
<b>Cash &amp; cash equivalents at end of period</b>		<b><u>935,038</u></b>	<b><u>658,217</u></b>

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

## District Council of Ceduna

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

#### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 1999*.

##### 1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollars (\$0).

#### 2 The Local Government Reporting Entity

The District Council of Ceduna is incorporated under the SA Local Government Act 1999 and has its principal place of business at 44 O'Loughlin Terrace, Ceduna, South Australia. These financial statements include the consolidated fund and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

#### 3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

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.

## District Council of Ceduna

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

#### Note 1 - Significant Accounting Policies (cont)

##### 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 Transitional Provisions

Council has elected not to recognise land under roads in accordance with the deferral arrangements available under AASB 1045 which expire 30 June 2008. As at 1 July 2008, Council has elected not to recognise any values for land under roads acquired before the commencement of AASB 1051 *Land Under Roads*.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".



## District Council of Ceduna

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

#### Note 1 - Significant Accounting Policies (cont)

##### 6.2 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

##### 6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

##### 6.4 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and values are provided at Note 8.

##### 6.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

<u>Plant, Furniture &amp; Equipment</u>	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equipment	5 to 8 years
Other Plant & Equipment	5 to 15 years

## District Council of Ceduna

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

#### Note 1 - Significant Accounting Policies (cont)

<u>Building &amp; Other Structures</u>	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
<u>Infrastructure</u>	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
<u>Other Assets</u>	
Library Books	10 to 15 years
Artworks	indefinite

#### 6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

#### 6.7 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with the allowed alternative treatment in AASB 1023 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

#### 7 Payables

##### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.



**District Council of Ceduna**

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

**Note 1 - Significant Accounting Policies (cont)**

**7.2 Payments Received in Advance & Deposits**

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

**8 Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

**9 Employee Benefits**

**9.1 Salaries, Wages & Compensated Absences**

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured using a short hand method which produces a result not materially different from the liability measured using the present value of expected future cash outflows method.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. For purposes of termination of employment, Council will pay employees one third of any accumulated hours of sick leave over and above a sick leave bank of 60 days or 456 hours..

**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.

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2007/08; 9% in 2006/07). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

*Defined Benefit Members*

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently 6% (6% in 2006/2007) of superannuation salary. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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



## District Council of Ceduna

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

#### Note 1 - Significant Accounting Policies (cont)

##### 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 through membership of the Eyre Peninsula Local Government Association and Eyre Regional Development Board.

##### 12 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

##### 13 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.  
Except in relation to input taxed activities, revenues and operating expenditures exclude
- GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

##### 14 Comparative Information

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

##### 15 New Accounting Standards

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

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

**District Council of Ceduna**

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

**Note 1 - Significant Accounting Policies (cont)**

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

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

## District Council of Ceduna

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

#### Note 2 - INCOME

	Notes	2008 \$	2007 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>		2,241,494	2,168,062
Less: Discretionary rebates, remissions & write offs		(78,224)	(66,441)
		<u>2,163,270</u>	<u>2,101,621</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		104,471	100,850
Waste collection		224,272	186,257
Water supply		56,637	59,279
Community wastewater management systems		346,977	319,758
Other		37	187
		<u>2,895,664</u>	<u>2,767,952</u>
<b>STATUTORY CHARGES</b>			
Development Act fees		11,391	11,055
Town planning fees		35,245	15,319
Animal registration fees & fines		17,868	15,507
Parking fines / expiation fees		18,232	3,409
Alcohol expiation fees		20,760	-
Camping fines, penalties & expiations		12,655	30
Training Levy		5,384	
Sundry		7,167	2,814
		<u>128,702</u>	<u>48,134</u>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		13,448	12,935
Aviation landing fees & head taxes		313,827	275,029
Sales - Jet A1 fuel		324,618	261,940
Hall & equipment hire		7,947	9,187
Boat ramp fees		35,193	13,132
Water supply		142,189	140,679
Oysterfest site fees		4,945	20,886
Rental income		88,994	83,866
Commercial refuse collection fees		43,014	32,715
Sundry		24,139	16,111
		<u>998,314</u>	<u>866,480</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		50,855	51,805
Banks & other		3,119	3,828
Loans to community groups		3,282	3,745
		<u>57,256</u>	<u>59,378</u>



## District Council of Ceduna

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

#### NOTE 2 - INCOME (continued)

	Notes	2008 \$	2007 \$
<b>REIMBURSEMENTS</b>			
- for roadworks		-	33,212
- for private works		<u>206,391</u>	<u>152,655</u>
		<u>206,391</u>	<u>185,867</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		-	11,851
Sundry		<u>368,495</u>	<u>222,044</u>
		<u>368,495</u>	<u>233,895</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		<u>722,976</u>	654,056
Other grants, subsidies and contributions		<u>2,167,417</u>	<u>2,105,584</u>
		<u>2,890,393</u>	<u>2,759,640</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		<u>739,644</u>	435,886
State government		<u>2,150,749</u>	<u>2,323,754</u>
		<u>2,890,393</u>	<u>2,759,640</u>
<b>Conditions over grants &amp; contributions</b>			
<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>			
Unexpended at the close of the previous reporting period		<u>84,240</u>	832,723
Less: expended during the current period from revenues recognised in previous reporting periods			
Transport & Communication		-	576,509
Community Services		<u>75,340</u>	273,844
Economic Development		<u>8,900</u>	10,419
Recreation		-	41,538
Other		-	8,070
Subtotal		<u>84,240</u>	<u>910,380</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Transport & Communication		<u>378,000</u>	-
Community Services		-	152,997
Recreation		-	8,900
Other		<u>7,186</u>	-
Subtotal		<u>385,186</u>	<u>161,897</u>
Unexpended at the close of this reporting period and		<u>385,186</u>	<u>84,240</u>
Net increase (decrease) in assets subject to conditions in the current reporting period		<u>300,946</u>	<u>(748,483)</u>



## District Council of Ceduna

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

#### Note 3 - EXPENSES

	Notes	2008 \$	2007 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,574,620	1,704,502
Employee leave expense		258,986	254,276
Superannuation - defined contribution plan contributions	20	112,412	149,625
Superannuation - defined benefit plan contributions	20	67,438	59,852
Workers' Compensation Insurance		96,087	101,258
Less: Capitalised and distributed costs		(252,343)	(317,429)
<b>Total Operating Employee Costs</b>		<b>1,857,200</b>	<b>1,952,084</b>
<b>Total Number of Employees</b>		<b>45</b>	<b>49</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		11,100	7,850
Bad and Doubtful Debts		-	-
Elected members' expenses		66,062	49,157
Election expenses		1,287	6,798
- minimum lease payments		30,310	29,764
Subtotal - Prescribed Expenses		<b>108,759</b>	<b>93,569</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		1,073,107	998,785
Energy		783,655	779,717
Maintenance		42,324	28,251
Legal Expenses		26,202	10,444
Levies paid to government - NRM levy		102,264	100,815
- Other Levies		28,258	15,698
Parts, accessories & consumables		841,125	470,882
Subtotal - Other Materials, Contracts & Expenses		<b>2,896,935</b>	<b>2,404,592</b>
		<b>3,005,694</b>	<b>2,498,161</b>

## District Council of Ceduna

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

#### Note 3 - EXPENSES (cont)

	Notes	2008 \$	2007 \$
<b>FINANCE COSTS</b>			
Interest on Loans		<u>144,517</u>	<u>113,035</u>
		<u>144,517</u>	<u>113,035</u>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings and Other Structures		103,482	102,548
Infrastructure		1,331,237	1,214,931
Plant and Equipment		167,031	183,789
Furniture and Fittings		11,108	11,982
Less: Capitalised and distributed costs		-	-
		<u>1,612,858</u>	<u>1,513,250</u>

#### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

##### INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

###### *Assets renewed or directly replaced*

Proceeds from disposal		230,682	391,074
Less: Carrying amount of assets sold		<u>263,587</u>	<u>384,775</u>
<b>Gain (Loss) on disposal</b>		<u>(32,905)</u>	<u>6,299</u>

##### REAL ESTATE DEVELOPMENT ASSETS

Proceeds from disposal		58,004	-
Less: Carrying amount of assets sold		-	-
<b>Gain on disposal</b>		<u>58,004</u>	<u>-</u>

##### NET GAIN ON DISPOSAL OR REVALUATION OF ASSETS

		<u>25,099</u>	<u>6,299</u>
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## District Council of Ceduna

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

#### Note 5 - CURRENT ASSETS

	2008	2007
	Notes	
	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on Hand and at Bank	79,902	800
Deposits at Call	<u>855,136</u>	<u>743,841</u>
	<b>935,038</b>	<b>744,641</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	38,612	31,070
Accrued Revenues	8,472	1,670
Debtors - general	78,001	30,998
GST Recoupment	78,976	82,433
Prepayments	28,653	1,650
Loans to community organisations	7,537	7,066
Sundry	<u>146,046</u>	<u>290,349</u>
	<b>386,297</b>	<b>445,236</b>
<b>INVENTORIES</b>		
Stores & Materials	<u>36,350</u>	<u>10,743</u>
	<b>36,350</b>	<b>10,743</b>

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.

#### Note 6 - NON-CURRENT ASSETS

##### FINANCIAL ASSETS

<b>Receivables</b>		
Loans to community organisations	<u>40,626</u>	<u>48,163</u>
<b>TOTAL FINANCIAL ASSETS</b>	<b>40,626</b>	<b>48,163</b>

## District Council of Ceduna

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

#### Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2007 \$					2008 \$					
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	Other	Impairment	Depreciation
Land	5,245,140	-	-	5,245,140	5,245,140	-	-	-	-	-	-
Buildings & Other Structures	4,530,616	26,039	(455,320)	4,101,335	4,530,616	-	-	(103,482)	-	-	-
Infrastructure	22,537,652	3,167,302	(3,344,337)	22,360,617	22,537,652	1,023,334	-	(1,331,237)	-	-	-
Plant & Equipment	1,722,283	645,396	(442,727)	1,924,952	1,722,283	341,309	(263,587)	(167,031)	-	-	-
Furniture & Fittings	80,422	36,596	(44,604)	72,414	80,422	5,018	-	(11,108)	-	-	-
<b>TOTAL</b>	<b>34,116,113</b>	<b>3,875,333</b>	<b>(4,286,988)</b>	<b>33,704,458</b>	<b>34,116,113</b>	<b>(2,847,120)</b>	<b>31,727,152</b>	<b>(1,612,858)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>31,291,729</b>	<b>3,282,543</b>	<b>(2,847,120)</b>	<b>31,727,152</b>	<b>34,116,113</b>	<b>(2,847,120)</b>	<b>31,727,152</b>	<b>(1,513,250)</b>	<b>3,875,333</b>	<b>(4,286,988)</b>	<b>33,704,458</b>

	2007 \$					2008 \$				
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Other	CARRYING AMOUNT		
		New/Upgrade	Renewals							
Land	5,245,140	104,833	-	-	-	-	-	5,349,973		
Buildings & Other Structures	4,101,335	41,184	-	-	-	-	-	4,039,037		
Infrastructure	22,360,617	910,636	1,023,334	-	-	-	-	22,963,350		
Plant & Equipment	1,924,952	313,110	341,309	(263,587)	-	-	-	2,148,753		
Furniture & Fittings	72,414	-	5,018	-	-	-	-	66,324		
<b>TOTAL</b>	<b>33,704,458</b>	<b>1,369,763</b>	<b>1,369,661</b>	<b>(263,587)</b>	<b>(1,612,858)</b>	<b>-</b>	<b>-</b>	<b>34,567,437</b>		
	<b>31,727,152</b>	<b>3,875,333</b>	<b>(384,777)</b>	<b>(384,777)</b>	<b>(1,513,250)</b>	<b>-</b>	<b>-</b>	<b>33,704,458</b>		

## District Council of Ceduna

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

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

##### Valuation of Assets

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

##### **Plant, Furniture & Equipment**

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

##### **Land & Land Improvements**

Pursuant to Council's election, freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1995 at current replacement cost. Additions are recognised at cost.

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

##### **Buildings & Other Structures**

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

##### **Infrastructure**

Transportation assets were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1996 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Council officers as at 30 June 1997 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 1997 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1995 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are: (here list useful lives of principal asset types)

##### **All other assets**

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

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## District Council of Ceduna

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

#### Note 8 - LIABILITIES

	2008		2007	
	\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	Current	Non-current	Current	Non-current
Payments received in advance	26,575	-	6,531	-
Accrued expenses - employee entitlements	241,230	-	270,083	-
Accrued expenses - other	333,345	-	636,241	-
Deposits, Retentions & Bonds	3,378	-	1,423	-
	<u>604,528</u>	-	<u>914,278</u>	-
 <b>BORROWINGS</b>				
Bank Overdraft	-	-	86,424	-
Short term draw down facility	-	-	-	-
Loans	175,592	1,461,321	141,470	1,191,059
Other	-	943,964	-	830,116
	<u>175,592</u>	<u>2,405,285</u>	<u>227,894</u>	<u>2,021,175</u>

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

#### **PROVISIONS**

Employee entitlements (including oncosts)	<u>26,247</u>	<u>236,222</u>	<u>22,207</u>	<u>199,858</u>
	<u>26,247</u>	<u>236,222</u>	<u>22,207</u>	<u>199,858</u>



## District Council of Ceduna

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

#### Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/07/2007	Net Increments (Decrements)	Transfers on Sale	30/06/2008
	\$	\$	\$	\$
Total Infrastructure, Property, Plant & Equipment	16,493,713	-	-	16,493,713
<b>TOTAL</b>	16,493,713	-	-	16,493,713
<i>2007 Totals</i>	16,493,713	-	-	16,493,713

OTHER RESERVES	1/07/2007	Transfers to Reserve	Transfers from Reserve	30/06/2008
STEDS Ceduna/Smoky Bay	35,796	106,132	-	141,928
Ceduna/Koonibba Water	240,391	10,600	(32,651)	218,340
ATSIC Koonibba Water Subsidy	138,607	9,352	-	147,959
Foreshore Toilet	24,713	-	-	24,713
Roads to Recovery	302,471	19,305	(2,700)	319,076
Ceduna General	1,862	3,668	(2,410)	3,120
<b>TOTAL</b>	743,840	149,057	(37,761)	855,136
<i>2007 Totals</i>	1,168,717	130,566	(555,443)	743,840

#### 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.

**STEDS Ceduna/Thevenard** - For future maintenance and capital replacement/upgrades to the Ceduna/Thevenard STEDS. 15 year Financial Plan adopted by Council

**Ceduna/Koonibba Water** - For future maintenance and capital replacement/upgrades.

**ATSIC Koonibba Water Subsidy** - To provide water subsidy to Koonibba Aboriginal Community to ensure they pay only statewide water charge (ie SA Water rates instead of Council fees and charges)

**Foreshore Toilet** - For construction or major upgrade of public conveniences in Ceduna/Thevenard.

**Roads to Recovery** - To be expended on specific roads - amounts received in advance with works not yet

**Ceduna General** - For general expenditure.

## District Council of Ceduna

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

#### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

	Notes	2008 \$	2007 \$
<b>CASH &amp; FINANCIAL ASSETS</b>			
Unexpended amounts received from Federal Government STEDs Scheme		385,186	84,240
		<u>218,340</u>	<u>240,391</u>
		<u>603,526</u>	<u>324,631</u>
<b>RECEIVABLES</b>			
Water Scheme		19,519	11,876
STEDs Scheme		7,993	6,359
		<u>27,512</u>	<u>18,235</u>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<u>631,038</u>	<u>342,866</u>

Unexpended Government amounts - roads to recovery and a recycling grant.

STEDS/Water Schemes - for future maintenance and capital replacement/upgrades to the Ceduna/Thevenard STEDs. 15 year Financial Plan adopted by Council.

#### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

##### (a) Reconciliation of Cash

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

Total cash & equivalent assets	5	935,038	744,641
Less: Short-term borrowings	8	-	(86,424)
Balances per Cash Flow Statement		<u>935,038</u>	<u>658,217</u>

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

Net Surplus		227,070	197,061
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,612,858	1,513,250
Net increase (decrease) in unpaid employee benefits		11,551	67,713
Net (Gain) Loss on Disposals		(25,099)	(6,299)
Net (increase) decrease in receivables		59,410	(56,806)
Net (increase) decrease in inventories		(25,607)	11,622
Net increase (decrease) in trade & other payables		(280,898)	(110,195)
<b>Net Cash provided by operations</b>		<u>1,579,285</u>	<u>1,616,346</u>

##### (c) Non-Cash Financing and Investing Activities

	-	-
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##### (d) Financing Arrangements

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

Bank Overdrafts	100,000	100,000
Corporate Credit Cards	30,000	25,500

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



**District Council of Ceduna**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

**Note 12 - FUNCTIONS**

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES											
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT) BEFORE CAPITAL		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Business Undertakings	990,402	1,083,367	857,375	1,143,431	133,027	(60,064)	-	-	9,447,526	9,620,379	9,447,526	9,620,379
Community Services	45,154	154,338	502,148	449,217	(456,994)	(294,879)	22,517	130,413	2,679,873	2,810,770	2,679,873	2,810,770
Culture	7,947	22,904	135,390	86,144	(127,443)	(63,240)	-	11,173	807,574	864,952	807,574	864,952
Economic Development	106,225	100,722	221,948	361,256	(115,723)	(260,534)	-	8,900	561,746	568,944	561,746	568,944
Environment	413,477	325,545	403,754	375,343	9,723	(49,798)	9,455	-	237,942	234,773	237,942	234,773
Recreation	81,762	30,340	453,754	559,933	(371,992)	(529,593)	70,000	21,710	2,855,077	2,972,114	2,855,077	2,972,114
Regulatory Services	97,461	64,003	251,191	236,489	(153,730)	(172,486)	-	-	8,264	13,689	8,264	13,689
Transport & Communication	1,008,067	1,472,776	928,602	1,392,345	79,465	80,431	499,881	471,853	15,066,039	13,543,866	15,066,039	13,543,866
Plant Hire & Depot/Indirect	649,862	9,765	1,311,354	433,429	(661,492)	(423,664)	-	-	2,472,822	2,097,495	2,472,822	2,097,495
Unclassified Activities	3,282	3,745	3,282	3,745	-	-	-	-	408,455	837,127	408,455	837,127
Council Administration	3,418,600	2,999,785	1,551,471	1,035,197	1,867,129	1,964,588	1,565,564	1,461,535	1,420,430	1,389,132	1,420,430	1,389,132
<b>TOTALS</b>	<b>6,822,239</b>	<b>6,267,290</b>	<b>6,620,269</b>	<b>6,076,529</b>	<b>201,970</b>	<b>190,761</b>	<b>2,167,417</b>	<b>2,105,584</b>	<b>35,965,748</b>	<b>34,953,241</b>	<b>35,965,748</b>	<b>34,953,241</b>

## **DISTRICT COUNCIL OF CEDUNA**

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

#### **Note 12 (cont) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

##### **Business Undertakings**

Development of Land for Resale, Private Works, Property Portfolio, Sewerage/Steds, Water supply and Jet A1 Refuelling.

##### **Community Services**

Crime Prevention, Emergency Services, Fire Protection, Public Order and Safety Pest Control, Health Services, Senior Citizens Facilities, Children and Youth Services, Community Support, Cemeteries, Public Conveniences & Car Parking.

##### **Culture**

Library Services, Cultural Venues, Heritage and Other Cultural Services.

##### **Economic Development**

Regional Development, Support for Local Businesses, Tourism and Other Economic Development.

##### **Environment**

Waste, Recycling, Waste Disposal Facility, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting and Other Environmental Services.

##### **Recreation**

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Outdoor and Swimming Centres – Outdoor.

##### **Regulatory Services**

Dog and Cat Control, Building Control, Town Planning, Health Inspections, Litter Control, Parking Control and Other Regulatory Services.

##### **Transport**

Aerodrome, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport Services.

##### **Plant Hire & Depot**

Plant Operations and Depot Costs

##### **Unclassified Activities**

Activities not elsewhere classified

##### **Council Administration**

Administration activities not elsewhere classified, Governance, Elected Members, Organisational, Human resources, Information technology, Rates Administration, occupancy, LGCC – General Purpose and Other Council Administration.



**District Council of Ceduna**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

**Note 13 - FINANCIAL INSTRUMENTS**

**Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 0% and 7.2% (2007: 0% and 6%). Short term deposits have an average maturity of 24 hours and an average interest rates of 7.25% (2006: 24hrs, 6%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b>	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 9.75% (2007: 9.75%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> 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><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> 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 &amp; State.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Loans</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, loans are repayable by 6 monthly instalments of principal &amp; interest; interest is charged at fixed rates between 6.5% and 8.75% (2007: 6.5% and 8.75%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>



## District Council of Ceduna

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

## Note 13 (cont) - FINANCIAL INSTRUMENTS

## Liquidity Analysis

2008	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	935,038	-	-	-	-	935,038
Other Financial Assets	-	-	-	-	-	#REF! 0
<b>Loans &amp; Receivables</b>						
Receivables	-	7,737	35,507	4,919	341,635	389,798
Other Financial Assets	-	-	-	-	-	-
<b>Available for Sale</b>						
Cash Assets	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
<b>Total</b>	<b>935,038</b>	<b>7,737</b>	<b>35,507</b>	<b>4,919</b>	<b>341,635</b>	<b>#REF! 1324836</b>
<b>Weighted Average Interest Rate</b>	<b>7.25%</b>	<b>6.55%</b>	<b>6.55%</b>	<b>6.55%</b>		
<b>Financial Liabilities</b>						
Payables	-	-	-	-	29,953	29,953
Borrowings	-	1,120,563	779,449	680,865	-	2,580,877
<b>Total</b>	<b>-</b>	<b>1,120,563</b>	<b>779,449</b>	<b>680,865</b>	<b>29,953</b>	<b>2,610,830</b>
<b>Weighted Average Interest Rate</b>		<b>7.40%</b>	<b>7.40%</b>	<b>7.40%</b>		
<b>NET FINANCIAL ASSETS (LIABILITIES)</b>	<b>935,038</b>	<b>(1,112,826)</b>	<b>(743,942)</b>	<b>(675,946)</b>	<b>311,682</b>	<b>#REF! (1285974)</b>
<b>2007</b>						
	Floating Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	744,641	-	-	-	-	744,641
Other Financial Assets	-	-	-	-	-	#REF! 0
<b>Loans &amp; Receivables</b>						
Receivables	-	7,066	28,647	19,516	434,850	490,079
Other Financial Assets	-	-	-	-	-	-
<b>Total</b>	<b>744,641</b>	<b>7,066</b>	<b>28,647</b>	<b>19,516</b>	<b>434,850</b>	<b>#REF! 1234720</b>
<b>Weighted Average Interest Rate</b>	<b>6.00%</b>	<b>6.55%</b>	<b>6.55%</b>	<b>6.55%</b>		
<b>Financial Liabilities</b>						
Payables	-	-	-	-	7,954	7,954
Short-term borrowings	86,424	-	-	-	-	86,424
Borrowings	-	971,586	503,282	687,777	-	2,162,645
<b>Total</b>	<b>86,424</b>	<b>971,586</b>	<b>503,282</b>	<b>687,777</b>	<b>7,954</b>	<b>2,257,023</b>
<b>Weighted Average Interest Rate</b>	<b>10.40%</b>	<b>7.22%</b>	<b>7.22%</b>	<b>7.22%</b>		
<b>NET FINANCIAL ASSETS (LIABILITIES)</b>	<b>658,217</b>	<b>(964,520)</b>	<b>(474,635)</b>	<b>(668,261)</b>	<b>426,896</b>	<b>#REF! (1022303)</b>

## District Council of Ceduna

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

#### Note 13 (cont) - FINANCIAL INSTRUMENTS

##### Net Fair Value

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

##### Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of Council's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either Council incomes or expenditures.

#### Note 14 - COMMITMENTS FOR EXPENDITURE

	2008	2007
	\$	\$
<b>Other Expenditure Commitments</b>		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	-	-
Waste Management Services	54,000	60,000
Employee Remuneration Contracts	1,510,417	1,533,140
Patrol Grading	438,960	46,406
Other - Visitor Information Centre, cleaning contractors	353,950	413,070
	<u>2,357,327</u>	<u>2,052,616</u>
These expenditures are payable:		
Not later than one year	878,940	397,410
Later than one year and not later than 5 years	1,478,387	888,636
Later than 5 years	-	766,570
	<u>2,357,327</u>	<u>2,052,616</u>

## District Council of Ceduna

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

#### Note 15 - FINANCIAL INDICATORS

	2008	2007	2006
<p>These Financial Indicators have been calculated in accordance with <i>Information Paper 9 - Local Government Financial Indicators</i> prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.</p>			
<b>Operating Surplus</b>	201,970	190,761	588,546
<i>Being the operating surplus (deficit) before capital amounts .</i>			
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	7%	7%	24%
Rates - general & other less NRM levy			
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>			
<b>Net Financial Liabilities</b>	2,085,913	2,147,372	1,032,804
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i>			
<b>Net Financial Liabilities Ratio</b>			
<u>Net Financial Liabilities</u>	31%	35%	16%
Total Operating Revenue less NRM levy			
<b>Interest Cover Ratio</b>			
<u>Net Interest Expense</u>	1.4%	1.0%	0.8%
Total Operating Revenue less NRM levy less Investment Income			
<b>Asset Sustainability Ratio</b>			
<u>Net Asset Renewals</u>	71%	74%	77%
Depreciation Expense			
<i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.</i>			



## District Council of Ceduna

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

#### Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics. All Councils in South Australia voluntarily have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2008 \$	2007 \$
Operating Revenues	6,822,239	6,267,290
less Operating Expenses	<u>(6,620,269)</u>	<u>(6,076,529)</u>
Operating Surplus	201,970	190,761
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	1,369,661	1,514,744
less Depreciation, Amortisation and Impairment	(1,612,858)	(1,513,250)
less Proceeds from Sale of Replaced Assets	<u>(230,682)</u>	<u>(391,076)</u>
	(473,879)	(389,582)
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	1,369,763	2,360,589
less Amounts received specifically for New and Upgraded Assets	(722,976)	(654,056)
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	(58,004)	-
	<u>588,783</u>	<u>1,706,533</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u>87,066</u>	<u>(1,126,190)</u>

#### Note 17 - OPERATING LEASES

##### Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment. No lease imposes any additional restrictions on Council in relation to additional debt or further leasing. Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased. No lease contains any escalation clause. Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	11,541	13,091
Later than one year and not later than 5 years	26,846	31,241
Later than 5 years	<u>38,387</u>	<u>44,332</u>

## DISTRICT COUNCIL OF CEDUNA

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2008

#### STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Anthony John Irvine, the person for the time being occupying the position of Chief Executive Officer of the District Council of Ceduna, do hereby state that the Financial Statements of the Council for the year ended 30 June 2008 are to the best of my knowledge presented fairly, and in accordance with accounting procedures which have been maintained in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999* made under that Act.



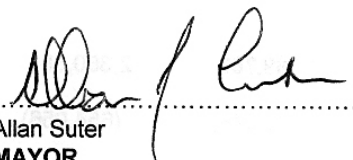
Anthony John Irvine

**CHIEF EXECUTIVE OFFICER**

Dated this 28 day of October 2008

#### ADOPTION STATEMENT

Laid before the District Council of Ceduna and adopted on the 28 day of October 2008.

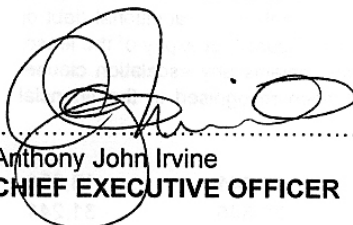


Allan Suter  
**MAYOR**

#### CERTIFICATION OF AUDITOR INDEPENDENCE

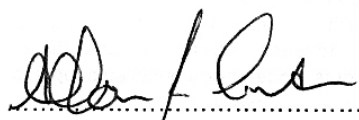
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of

This statement is prepared in accordance with the requirements of Regulation 16A(2)



Anthony John Irvine

**CHIEF EXECUTIVE OFFICER**

  
Mayor Allan Suter  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date: 28.10.08

