

DISTRICT COUNCIL

OF

CEDUNA

FINANCIAL STATEMENTS

For the year ended 30 June 2005

DISTRICT COUNCIL OF CEDUNA
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
OPERATING REVENUE			
Rates – General		1,995,728	1,711,244
Rates – Other		377,334	360,287
Statutory charges	3	67,700	34,057
User charges		633,501	587,502
Operating grants and subsidies		1,826,027	1,784,269
Investment income	4	54,837	53,243
Reimbursements		143,549	139,018
Gain on disposal of property, plant and equipment		165,361	77,265
Other		176,183	308,597
		<hr/>	<hr/>
TOTAL OPERATING REVENUE		5,440,220	5,055,482
OPERATING EXPENSES			
Employee costs	5	1,487,690	1,651,655
Contractual services		906,831	1,079,980
Materials		757,432	949,879
Finance charges	6	121,918	136,126
Depreciation and amortisation	7	1,586,278	1,542,781
Loss on disposal of property, plant and equipment		15,003	-
Other	8	558,221	794,797
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		5,433,373	6,155,218
		<hr/>	<hr/>
OPERATING SURPLUS/(DEFICIT) before capital revenues		6,847	(1,099,736)
CAPITAL REVENUES			
Capital grants, subsidies and monetary contributions		876,000	548,605
		<hr/>	<hr/>
NET SURPLUS/(DEFICIT) RESULTING FROM OPERATIONS		882,847	(551,131)

DISTRICT COUNCIL OF CEDUNA
 STATEMENT OF FINANCIAL POSITION
 AT 30 JUNE 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash	9	945,611	451,210
Receivables	10	240,939	270,303
Inventory	11	315,482	311,496
Prepayments		12,099	49,387
TOTAL CURRENT ASSETS		<u>1,514,131</u>	<u>1,082,396</u>
CURRENT LIABILITIES			
Bank overdraft	12	-	79,813
Creditors	13	369,825	368,403
Provisions	14	277,665	240,929
Borrowings	15	122,412	113,878
TOTAL CURRENT LIABILITIES		<u>769,902</u>	<u>803,023</u>
NET CURRENT ASSETS		<u>744,229</u>	<u>279,373</u>
NON-CURRENT ASSETS			
Receivables	10	61,854	68,066
Land	16	5,243,420	2,234,421
Buildings	16	4,304,723	2,539,581
Infrastructure	16	18,985,451	17,921,056
Plant and machinery	16	1,657,890	1,453,570
Furniture and fittings	16	50,684	51,848
TOTAL NON-CURRENT ASSETS		<u>30,304,022</u>	<u>24,268,542</u>
NON-CURRENT LIABILITIES			
Provisions	14	22,914	22,154
Borrowings	15	1,464,120	1,800,498
TOTAL NON-CURRENT LIABILITIES		<u>1,487,034</u>	<u>1,822,652</u>
NET ASSETS		<u>29,561,217</u>	<u>22,725,263</u>
EQUITY			
Accumulated surplus		13,067,504	12,184,657
Reserves		16,493,713	10,540,606
TOTAL EQUITY		<u>29,561,217</u>	<u>22,725,263</u>

DISTRICT COUNCIL OF CEDUNA
STATEMENT OF CHANGE IN EQUITY
FOR THE TYEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
ACCUMULATED SURPLUS			
Balance at beginning of year		12,184,657	12,735,788
Net surplus/(deficit) per income statement		882,847	(551,131)
		<hr/>	<hr/>
Balance at end of year		13,067,504	12,184,657
ASSET REVALUATION RESERVE			
Balance at beginning of year		10,540,606	10,796,706
Transfers to/(from) reserves		5,953,107	(256,100)
		<hr/>	<hr/>
Balance at end of year		16,493,713	10,540,606
		<hr/>	<hr/>
TOTAL EQUITY		29,561,217	22,725,263

DISTRICT COUNCIL OF CEDUNA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		5,268,203	4,954,974
Interest received		54,837	53,243
GST collected		186,538	150,097
GST refunded by the ATO		309,016	401,716
Payments		(3,637,954)	(4,335,353)
Interest paid		(121,918)	(136,126)
GST paid on creditable acquisitions		(327,445)	(392,184)
GST remitted to the ATO		(186,538)	(152,026)
NET CASH GENERATED FROM OPERATING ACTIVITIES	18	1,544,739	544,341
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Loans received		-	74,753
Loan repayments from community groups		5,824	5,824
<i>Payments:</i>			
Repayments of borrowings		(327,843)	(110,116)
NET CASH USED IN FINANCING ACTIVITIES		(322,019)	(29,539)
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Capital grants, subsidies and contributions		876,000	548,605
Sale of land		205,361	17,130
Sale of plant and machinery		376,710	386,565
<i>Payments:</i>			
Additions to buildings		-	(25,763)
Additions to infrastructure		(1,662,743)	(1,177,322)
Additions to plant and machinery		(435,727)	(595,255)
Additions to furniture and fittings		(8,107)	(3,430)
NET CASH USED IN INVESTING ACTIVITIES		(648,506)	(849,470)
NET INCREASE/(DECREASE) IN CASH HELD		574,214	(334,668)
Cash at the beginning of the reporting period		371,397	706,065
CASH AT THE END OF THE REPORTING PERIOD	19	945,611	371,397

1 SIGNIFICANT ACCOUNTING POLICIES

(a) The local government reporting entity

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. All entities controlled by the Council have been consolidated. In the process of reporting on the Council as a single unit, all transaction and balances between those funds (for example, loans and transfers between funds) have been eliminated.

(b) Basis of accounting

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent issues Group Consensus view, other authoritative pronouncements of the AASB and the *Local Government Act 1999*. It has been prepared on the accrual basis under the convention of historical cost accounting, with the exception of property, plant and equipment which are included at Council or independent valuation.

(c) Recognition of assets

All items of property, plant and equipment with a value greater than \$1,000 are recognised as assets. Assets acquired are initially recorded at cost. Cost includes all costs incidental to the acquisition and incurred in getting the asset ready for use. Where assets are constructed by the Council, costs includes an appropriate share of variable and fixed overheads.

(d) Depreciation of property, plant and equipment

All property, plant and equipment having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets. Land is not depreciated.

Depreciation is recognised on a straight-line basis, using rates that are reviewed each reporting period. Estimates of remaining useful lives are made on a regular basis for all property, plant and equipment. Major depreciation periods are as follows:

Buildings	25 to 80 years
Stormwater drainage	50 years
Common effluent drainage	15 to 50 years
Plant and equipment	5 to 20 years
Aerodrome infrastructure	20 to 30 years
Boat ramps and pontoons	25 to 50 years
Sealed car parking	30 years
Sealed roads	20 years
Unsealed roads	12 years
Footpaths	30 years
Traffic control devices	10 years
Playground and reserve equipment	15 years
Improvements to parks & gardens	10 to 30 years
Furniture, fittings and office equipment	2 to 10 years

(e) Capital and recurrent expenditure

As a general rule, material expenditure in the purchase or development of property, plant and equipment is capital expenditure. Expenditure necessarily incurred in either maintaining the operational capacity of the property, plant and equipment or ensuring that the original life estimate is achieved, is considered maintenance expenditure and treated as an expense as incurred.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Employee benefits

Long service leave is accrued for full-time and part-time employees at various rates. Those employees who have exceeded 7 years of service are accrued at 100% of their entitlement, those between 5 and 7 years at 50% of their entitlement and all other employees at 10% of their entitlement. This basis of calculation provides an estimate of liability for long service leave in excess of that determined by using the present value basis of measurement.

Annual leave entitlements are accrued in respect of services provided by employees up to the reporting date.

The superannuation expense for the reporting period is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in note 17.

(g) Investments

Investments are valued at the lower of their cost or net realisable value. Interest revenues are recognised as they accrue.

(h) Rates, grants, donation and other contributions

Rates, grants, donations and contributions are recognised as revenues when Council obtains control over the assets comprising the contribution. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. Contributions, over which Council has control, that are not received are recognised as receivables. Provision is made in respect of rates considered not to be collectable at the year end.

(i) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid.

(j) Cash

For purposes of the statement of cash flows, cash includes cash on hand and cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of any outstanding bank overdraft.

(k) Revaluation of property, plant and equipment

Property, plant and equipment, except for land held for development and/or resale, is revalued at intervals not exceeding 5 years, unless otherwise specified. Land held for development and/or resale is accounted for at cost and is not revalued.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of the asset or as part of an item of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) International Financial Reporting Standards

For the reporting periods beginning on or after 1 January 2005, Council must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

The financial statements have been prepared in accordance with the Australian Accounting Standards and other financial reporting requirements (eg. Australian GAAP).

Council has not quantified the effects of the differences. Accordingly, there can be no assurances that Council's performance and financial position would not be significantly different if determined in accordance with IFRS.

2 FUNCTIONS/ACTIVITIES OF COUNCIL

The activities relating to the Council's components reported on in this note 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 & safety, health services, aged services, children & youth services, community support, cemeteries, public conveniences and 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

Animal & plant boards, waste, recycling, waste disposal facility, coastal protection, stormwater & drainage, street cleaning, street lighting and other environmental services.

Recreation

Jetties, other marine facilities, parks & gardens, sports facilities and swimming centres.

Regulatory services

Dog & cat control, building control, town planning, health inspections, litter control, parking control and other regulatory services.

Transport

Aerodromes, footpaths & kerbings, construction & maintenance of roads, traffic management and other transport services.

Plant hire and depot costs

Plant operations and depot costs.

Unclassified activities

Activities not elsewhere classified.

Council administration

Administration activities not elsewhere classified, elected members, organisational, human resources, information technology, rates administration, occupancy and other council administration.

Note: Full cost attribution

The philosophy of full cost attribution has been fully adopted in these financial statements in accordance with the requirements of the *Local Government Act 1999* and the associated regulations.

DISTRICT COUNCIL OF CEDUNA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

2 FUNCTIONS/ACTIVITIES OF COUNCIL (Continued)

FUNCTIONS/ ACTIVITIES	TOTAL GRANTS	TOTAL OTHER	REVENUE TOTAL	%	EXPENSES TOTAL	%	OPERATION SURPLUS/ (DEFICIT)
	\$	\$	\$		\$		\$
Business undertakings							
2005	-	1,003,224	1,003,224	15.9	943,258	17.4	59,966
2004	-	632,631	632,631	11.3	989,250	16.1	(356,619)
Community services							
2005	132,718	28,939	161,657	2.6	563,749	10.4	(402,092)
2004	192,914	32,781	225,695	4.0	472,526	7.7	(246,831)
Culture							
2005	1,590	8,357	9,947	0.2	85,769	1.6	(75,822)
2004	1,100	10,533	11,633	0.2	80,531	1.3	(68,898)
Economic development							
2005	5,000	63,066	68,066	1.1	335,002	6.2	(266,936)
2004	27,800	153,496	181,296	3.2	544,700	8.8	(363,404)
Environment							
2005	40,000	83,944	123,944	2.0	477,310	8.8	(353,366)
2004	53,300	29,198	82,498	1.5	433,491	7.0	(350,993)
Recreation							
2005	14,418	3,078	17,496	0.3	544,679	10.0	(527,183)
2004	1,400	624	2,024	-	521,497	8.5	(519,473)
Regulatory services							
2005	-	83,043	83,043	1.3	237,389	4.4	(154,346)
2004	-	56,008	56,008	1.0	267,376	4.3	(211,368)
Transport							
2005	1,221,326	214,218	1,435,544	22.7	1,464,491	27.0	(28,947)
2004	782,991	325,136	1,108,127	19.8	1,853,759	30.1	(745,632)
Plant hire & depot costs							
2005	-	3,989	3,989	0.1	279,217	5.1	(275,228)
2004	-	99,715	99,715	1.8	682,864	11.1	(583,149)
Unclassified							
2005	-	4,569	4,569	0.1	4,569	0.1	-
2004	-	7,344	7,344	0.1	4,979	0.1	2,365
Council administration							
2005	1,286,975	2,117,766	3,404,741	53.7	497,940	9.0	2,906,801
2004	1,273,369	1,923,747	3,197,116	57.1	304,245	5.0	2,892,871
TOTAL							
2005	2,702,027	3,614,193	6,316,220	100.0	5,433,373	100.0	882,847
2004	2,332,874	3,271,213	5,604,087	100.0	6,155,218	100.0	(551,131)

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
3 STATUTORY CHARGES		
Development act fees	42,638	23,276
Dog registration fees	15,953	7,617
Parking fines and expiation fees	9,109	2,258
Other	<u>-</u>	<u>906</u>
	<u>67,700</u>	<u>34,057</u>
4 INVESTMENT INCOME		
Interest received from:		
- LGFA	46,225	44,893
- Community groups	4,569	7,344
- Banks	<u>4,043</u>	<u>1,006</u>
	<u>54,837</u>	<u>53,243</u>
5 EMPLOYEE COSTS		
Salaries and wages	1,588,057	1,539,168
Leave entitlements	176,774	137,476
Superannuation expenses	163,357	138,042
Other employee related expenses	<u>-</u>	<u>575</u>
	1,928,188	1,815,261
<i>Less amounts</i> not included in the operating statement for capital works	<u>(440,498)</u>	<u>(163,606)</u>
	<u>1,487,690</u>	<u>1,651,655</u>
<i>Number of permanent employees at year end</i>	36	40
6 FINANCE CHARGES		
Interest paid to the LGFA	<u>121,918</u>	<u>136,126</u>
7 DEPRECIATION AND AMORTISATION		
Buildings	176,109	131,875
Infrastructure	1,149,707	1,140,701
Plant and machinery	241,281	236,061
Furniture and fittings	<u>19,181</u>	<u>34,144</u>
	<u>1,586,278</u>	<u>1,542,781</u>
8 OTHER EXPENSES		
Included in other expenses are the following:		
Councillors' emoluments and expenses	48,278	55,215
Insurance	139,545	158,421
Auditor's remuneration for audit services	6,470	6,350

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
9 CASH		
Cash on hand	800	800
Deposits - Local Government Finance Authority	<u>944,811</u>	<u>450,410</u>
	<u>945,611</u>	<u>451,210</u>
<i>Unspent grants include:</i>		
CBD Upgrade program	500,000	-
Ceduna/Koonibba Water Authority	117,779	115,632
Bush Breakaway program	85,639	89,805
Youth Centre program	74,285	58,000
Skateboard park construction	22,070	20,984
Sports feasibility study	14,418	-
Tourism development	4,115	-
Coastal protection	3,943	4,357
Waste recycling program	1,000	-
Social Services Misuse Accord	-	30,000
Safe swimming enclosure	-	4,304
10 RECEIVABLES		
<i>Current:</i>		
Rates receivable	15,257	7,267
Sundry debtors	198,163	254,158
Loans to community groups	6,212	5,824
Accrued income	2,057	2,234
Australian Taxation Office	<u>19,250</u>	<u>820</u>
	<u>240,939</u>	<u>270,303</u>
<i>Non current:</i>		
Loans to community groups	<u>61,854</u>	<u>68,066</u>
11 INVENTORIES		
<i>Current:</i>		
Land held for resale	294,383	294,383
Fuel	<u>21,099</u>	<u>17,113</u>
	<u>315,482</u>	<u>311,496</u>
12 BANK OVERDRAFT		
BankSA (A division of St George Bank Limited)	<u>-</u>	<u>79,813</u>
<i>The Council has an overdraft facility of \$100,000 with BankSA. The overdraft facility may be withdrawn at any time and may be terminated by the bank without notice. The current interest rate on the overdraft facility is 9.65% p.a. The overdraft facility is secured over the general rates of the Council.</i>		
13 CREDITORS		
<i>Current:</i>		
Creditors	11,516	106,997
Accrued interest and expenses	348,631	260,561
Australian Taxation Office	<u>9,678</u>	<u>845</u>
	<u>369,825</u>	<u>368,403</u>

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
14 PROVISIONS		
<i>Current:</i>		
Annual leave	190,861	182,675
Long service leave	<u>86,804</u>	<u>58,254</u>
	<u>277,665</u>	<u>240,929</u>
<i>Non current:</i>		
Long service leave	<u>22,914</u>	<u>22,154</u>
15 BORROWINGS		
<i>Current:</i>		
Local Government Finance Authority	<u>122,412</u>	<u>113,878</u>
<i>Non current:</i>		
Local Government Finance Authority	<u>1,464,120</u>	<u>1,800,498</u>
<p><i>The Council has convertible cash advance debentures with the Local Government Finance Authority (LGFA) in the amount of \$350,000 which may be called upon as required. The current variable interest rate on these facilities is 6.50% (2004: 6.25%) p.a. paid quarterly in arrears. The total of the unutilised facilities at the reporting date is \$350,000 (2004: \$136,035). The Council also has fixed debentures with the LGFA at fixed interest rates having varying maturities. All borrowings are secured over the general rates of the Council.</i></p>		
16 PROPERTY, PLANT AND EQUIPMENT		
Land		
At valuation	5,243,420	1,764,400
At cost	<u>-</u>	<u>470,021</u>
	<u>5,243,420</u>	<u>2,234,421</u>
Buildings		
At valuation	4,480,832	2,966,751
At cost	<u>-</u>	<u>150,564</u>
	4,480,832	3,117,315
Less accumulated depreciation	<u>(176,109)</u>	<u>(577,734)</u>
	<u>4,304,723</u>	<u>2,539,581</u>
Infrastructure		
At valuation	18,472,415	6,994,398
At cost	<u>1,662,743</u>	<u>15,707,881</u>
	20,135,158	22,702,279
Less accumulated depreciation	<u>(1,149,707)</u>	<u>(4,781,223)</u>
	<u>18,985,451</u>	<u>17,921,056</u>

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
16 PROPERTY, PLANT AND EQUIPMENT (Continued)		
Plant and equipment		
At valuation	1,583,011	517,971
At cost	<u>298,027</u>	<u>1,818,079</u>
	1,881,038	2,336,050
Less accumulated depreciation	<u>(223,148)</u>	<u>(882,480)</u>
	<u>1,657,890</u>	<u>1,453,570</u>
Furniture and fittings		
At valuation	61,759	171,444
At cost	<u>8,107</u>	<u>327,508</u>
	69,866	498,952
Less accumulated depreciation	<u>(19,181)</u>	<u>(447,104)</u>
	<u>50,684</u>	<u>51,848</u>

Revaluations

All property, plant and equipment (except for roads, land under roads and land held for development and/or resale) were revalued on 01 July 2004. Land was revalued by the Valuer General, buildings and major structures by Maloney Field Services and all other assets by management.

Parks and gardens

The Council is situated in the far western region of South Australia. This region is susceptible to dry and harsh conditions. As a result of this climate, parks and garden establishment costs are not capitalised but rather expensed in the income statement in the year the expense is incurred.

Trees

The Council has a significant natural asset in trees. These assets add considerable value to the community; however, because they cannot be measured reliably, these assets have not been brought to account

17 SUPERANNUATION

The Council contributes in respect of its employees to a defined benefit superannuation plan established in respect of all councils in the State. In accordance with statutory requirements, the Council contributes to the Local Government Superannuation Scheme ("the scheme") amounts determined by the scheme actuary. As such, assets accumulate in the scheme to meet members' benefits as they accrue. If the assets of the scheme were insufficient to satisfy benefits payable to its beneficiaries, the Council would be required to meet its share of the deficiency. The audited general purpose financial report of the scheme as at 30 June 2004, which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits. No liability of the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees. The general purpose financial report of the scheme discloses that the most recent actuarial assessment of the plan was undertaken as at 30 June 2002 by LC Brett, BSc., FIA, FIAA and that the actuary indicated that without improvements to benefit conditions, or other unanticipated events, current Council contribution rates for contributory members, are sufficient to meet members' benefits as they accrue.

The amount of superannuation contributions debited against the operating statement by the Council during the year was \$163,357 (2004: \$138,042).

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$	2004 \$
18 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES to operating surplus/(deficit) before capital revenues		
Operating surplus/(deficit) before capital revenues	6,847	(1,099,736)
<i>Adjustment for non-cash items:</i>		
Depreciation and amortisation	1,586,278	1,542,781
Gain on disposal of non-current assets	(165,361)	(77,265)
Loss on disposal of non-current assets	<u>15,003</u>	<u>-</u>
	1,442,767	365,780
<i>Adjusted for:</i>		
Decrease in receivables	29,752	37,603
Increase in inventories	(3,986)	(13,945)
Decrease/(increase) in prepayments	37,288	(36,679)
Increase in creditors	1,422	170,879
Increase in provisions	<u>37,496</u>	<u>20,703</u>
Net cash provided by operating activities	<u>1,544,739</u>	<u>544,341</u>

19 RECONCILIATION OF CASH

For purposes of the statement of cash flows, the local government considers cash to include cash on hand and in banks and investments in money market instruments. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash	945,611	451,210
Bank overdraft	<u>-</u>	<u>(79,813)</u>
	<u>945,611</u>	<u>371,397</u>

20 REGIONAL SUBSIDIARIES – SECTION 43

Contributions paid include the following:

Eyre Regional Development Board (ERDB)	29,380	39,380
Eyre Peninsula Local Government Association (EPLGA)	10,076	8,716

Council is a member of the ERDB which is a regional economic development authority charged with the responsibility of facilitating economic growth and activity in the Eyre region.

Council is a member of the EPLGA which is a regional local government representative body charged with the responsibility of representing the interests of its member Councils.

21 COMMITMENTS FOR CAPITAL EXPENDITURE

There is no capital commitments of expenditure contracted for as at the reporting date.

DISTRICT COUNCIL OF CEDUNANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**22 COMPARISONS OF BUDGET AND ACTUAL OPERATING RESULTS**

	2005		2004	
	BUDGET	ACTUAL	BUDGET	ACTUAL
		\$		\$
REVENUES				
Business undertakings	899,659	1,003,224	563,054	632,631
Community services	59,040	161,657	144,689	225,695
Culture	8,000	9,947	7,152	11,633
Economic development	65,500	68,066	161,638	181,296
Environment	134,332	123,944	61,113	82,498
Recreation	28,318	17,496	16,427	2,024
Regulatory services	51,176	83,043	52,330	56,008
Transport	1,152,273	1,435,544	885,208	1,108,127
Plant hire & depot costs	-	3,989	480,135	99,715
Unclassified activities	4,746	4,569	-	7,344
Council administration	<u>3,361,548</u>	<u>3,404,741</u>	<u>3,241,806</u>	<u>3,197,116</u>
TOTAL REVENUE	<u>5,764,592</u>	<u>6,316,220</u>	<u>5,613,552</u>	<u>5,604,087</u>
EXPENSES				
Business undertakings	956,752	943,258	506,855	989,250
Community services	509,199	563,749	411,324	472,526
Culture	84,250	85,769	72,088	80,531
Economic development	340,849	335,002	434,931	544,700
Environment	483,561	477,310	423,227	433,491
Recreation	656,102	544,679	454,821	521,497
Regulatory services	253,724	237,389	269,505	267,376
Transport	1,457,477	1,464,491	661,243	1,853,759
Plant hire & depot costs	131,341	279,217	869,743	682,864
Unclassified activities	4,570	4,569	5,109	4,979
Council administration	<u>449,859</u>	<u>497,940</u>	<u>263,526</u>	<u>304,245</u>
TOTAL EXPENSES	<u>5,327,684</u>	<u>5,433,373</u>	<u>4,372,372</u>	<u>6,155,218</u>
SURPLUS/(DEFICIT)				
	<u>436,908</u>	<u>882,847</u>	<u>1,241,180</u>	<u>(551,131)</u>

23 FINANCIAL INSTRUMENTS

(a) Interest rate risk

The Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is set out below.

	Weighted avg interest rate	Floating interest rate	1 Year or less	Fixed interest 1 to 5 Years	More than 5 Years	Non- interest bearing	Total
2005							
Financial assets							
Cash	0.0%	-	-	-	-	800	800
Deposits	5.3%	944,811	-	-	-	-	944,811
Receivables	6.6%	-	<u>6,212</u>	<u>29,266</u>	<u>32,588</u>	<u>234,727</u>	<u>3,02,793</u>
		<u>944,811</u>	<u>6,212</u>	<u>29,266</u>	<u>32,588</u>	<u>235,527</u>	<u>1,248,404</u>
Financial liabilities							
Borrowings	7.2%	-	122,412	550,785	913,335	-	1,586,532
Creditors and accruals	0.0%	-	-	-	-	<u>369,825</u>	<u>369,825</u>
		-	<u>122,412</u>	<u>550,785</u>	<u>913,335</u>	<u>369,825</u>	<u>1,956,357</u>
2004							
Financial assets							
Cash	0.0%	-	-	-	-	800	800
Deposits	5.0%	450,410	-	-	-	-	450,410
Receivables	6.6%	-	<u>5,824</u>	<u>27,440</u>	<u>40,596</u>	<u>264,479</u>	<u>338,339</u>
		<u>450,410</u>	<u>5,824</u>	<u>27,440</u>	<u>40,596</u>	<u>265,279</u>	<u>789,549</u>
Financial liabilities							
Overdraft	9.4%	79,813	-	-	-	-	79,813
Borrowings	7.1%	213,965	113,878	535,473	1,051,060	-	1,914,376
Creditors and accruals	0.0%	-	-	-	-	<u>368,403</u>	<u>368,403</u>
		<u>293,778</u>	<u>113,878</u>	<u>535,473</u>	<u>1,051,060</u>	<u>368,403</u>	<u>2,362,592</u>

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if other parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Council, which have been recognised in the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The Council does not have significant exposure to any concentration of credit risk.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

Cash flows are discounted using standard valuation techniques and the applicable market yield having regard to the timing of cash flows. The carrying amount of bank terms deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

(c) Net fair value of financial assets and liabilities

The agreeable net fair values and carrying amounts of financial assets and financial liabilities are not materially different from those disclosed in the statement of financial position and in the notes to and forming part of the accounts.

CHIEF EXECUTIVE OFFICER'S STATEMENT

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 for the 2004/2005 financial year 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.

(Signed)

(Dated)

ADOPTION STATEMENT

Laid before the Elected Members of the District Council of Ceduna and adopted on

(Dated)

Ken McCarthy, Mayor

**INDEPENDENT AUDIT REPORT
TO THE MAYOR AND COUNCILLORS OF THE DISTRICT COUNCIL OF CEDUNA**

Scope

I have audited the financial statements of the District Council of Ceduna for the financial year ended **30 June 2005** as set out on pages **1 – 17**.

The Chief Executive Officer is responsible for the preparation and presentation of the financial statements and the information contained therein. I have conducted an independent audit of the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosure in the financial statements, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards and the *Local Government Act 1999*, so as to present a view of the entity which is consistent with my understanding of its financial position and the results of its operations.

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

Audit Opinion

In my opinion, the financial statements of the District Council of Ceduna are properly drawn up:

a. So as to give a true and fair view of:

- (i) The Council's state of affairs as at **30 June 2005** and its operating result for the year ended on that date; and
- (ii) The other matters required by Chapter 8 of the *Local Government Act 1999* to be dealt with in the accounts;

b. In accordance with the provisions of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999*; and

c. In accordance with Statements of Accounting Concepts and applicable Accounting Standards.

JOHN D EWEN
Chartered Accountant
Auditor

Date: