

District Council of YORKE PENINSULA

FINANCIAL STATEMENTS

For the period
1st July 2006 – 30th June 2007



Agriculturally rich – naturally beautiful

Ricki K Bruhn
CHIEF EXECUTIVE OFFICER

District Council of Yorke Peninsula

General Purpose Financial Reports for the year ended 30 June 2007

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District Council of Yorke Peninsula

INCOME STATEMENT for the year ended 30 June 2007

	Notes	2007 \$	2006 \$
INCOME			
Rates	3	9,545,268	8,614,777
Statutory charges	3	357,381	325,505
User charges	3	3,339,092	3,122,607
Grants, subsidies and contributions	3	3,729,231	3,749,936
Investment income	3	299,216	201,830
Reimbursements	3	778,112	1,153,962
Other revenues	3	115,558	80,356
Total Revenues		18,163,858	17,248,973
EXPENSES			
Employee costs	4	5,082,637	5,017,608
Materials, contracts & other expenses	4	7,568,897	7,442,445
Finance costs	4	508,498	470,296
Depreciation, amortisation & impairment	4	14,527,150	7,431,303
Total Expenses		27,687,182	20,361,652
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS		(9,523,324)	(3,112,679)
Net gain (loss) on disposal or revaluation of assets	5	(166,004)	623,382
Amounts specifically for new or upgraded assets	3	40,000	377,735
NET SURPLUS (DEFICIT)		(9,649,328)	(2,111,562)

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

District Council of Yorke Peninsula

BALANCE SHEET

as at 30 June 2007

	Notes	2007 \$	2006 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	5,444,484	4,949,415
Trade & other receivables	6	951,641	2,308,179
Inventories	6	123,306	167,768
		<u>6,519,431</u>	<u>7,425,362</u>
Total Current Assets		<u>6,519,431</u>	<u>7,425,362</u>
Non-current Assets			
Financial Assets	7	409,342	172,836
Infrastructure, Property, Plant & Equipment	8	254,958,883	264,693,012
		<u>255,368,225</u>	<u>264,865,848</u>
Total Non-current Assets		<u>255,368,225</u>	<u>264,865,848</u>
Total Assets		<u>261,887,656</u>	<u>272,291,210</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	9	1,515,274	1,354,037
Short-term Borrowings	9	1,626,574	3,056,560
Short-term Provisions	9	151,754	618,841
		<u>3,293,602</u>	<u>5,029,438</u>
Total Current Liabilities		<u>3,293,602</u>	<u>5,029,438</u>
Non-current Liabilities			
Long-term Borrowings	9	5,999,226	5,361,996
Long-term Provisions	9	582,620	238,240
		<u>6,581,846</u>	<u>5,600,236</u>
Total Non-current Liabilities		<u>6,581,846</u>	<u>5,600,236</u>
Total Liabilities		<u>9,875,448</u>	<u>10,629,674</u>
NET ASSETS		<u>252,012,208</u>	<u>261,661,536</u>
EQUITY			
Accumulated Surplus		(10,003,391)	192,540
Asset Revaluation Reserve	10	257,318,907	257,318,907
Other Reserves	10	4,696,692	4,150,089
		<u>252,012,208</u>	<u>261,661,536</u>
TOTAL EQUITY		<u>252,012,208</u>	<u>261,661,536</u>

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

District Council of Yorke Peninsula

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2007

		2007 \$	2006 \$
	Notes		
ACCUMULATED SURPLUS			
Balance at end of previous reporting period		192,540	3,289,690
Net Result for Year		(9,649,328)	(2,111,562)
Transfers to Other Reserves		(2,029,468)	(2,498,962)
Transfers from Other Reserves		1,482,865	1,513,374
Balance at end of period		(10,003,391)	192,540
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	10	257,318,907	137,768,526
Gain on revaluation of infrastructure, property, plant & equipment	10	-	119,550,381
Balance at end of period		257,318,907	257,318,907
OTHER RESERVES			
Balance at end of previous reporting period	10	4,150,089	3,164,501
Transfers from Accumulated Surplus	10	2,029,468	2,498,962
Transfers to Accumulated Surplus	10	(1,482,865)	(1,513,374)
Balance at end of period		4,696,692	4,150,089
TOTAL EQUITY AT END OF REPORTING PERIOD		252,012,208	261,661,536
<i>Total of all revenues recognised directly in Equity</i>		-	119,550,381
<i>Total of all expenses recognised directly in Equity</i>		-	-
NET CHANGE IN EQUITY		-	119,550,381

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

District Council of Yorke Peninsula

CASH FLOW STATEMENT for the year ended 30 June 2007

	2007	2006
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating receipts	20,577,081	16,824,925
Investment receipts	305,948	177,082
<u>Payments</u>		
Operating payments to suppliers & employees	(14,073,944)	(13,380,751)
Finance payments	<u>(347,543)</u>	<u>(475,759)</u>
Net Cash provided by (or used in) Operating Activities	12 6,461,542	3,145,497
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Grants specifically for new or upgraded assets	40,000	377,735
Sale of replaced assets	588,309	494,453
Sale of investment property	-	1,253,714
Repayments of loans by community groups	45,308	49,990
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(1,711,029)	(1,154,099)
Expenditure on new/upgraded assets	(3,836,305)	(4,608,188)
Loans made to community groups	<u>(295,000)</u>	<u>(50,000)</u>
Net Cash provided by (or used in) Investing Activities	(5,173,717)	(3,636,395)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds from Borrowings	1,807,000	1,180,000
<u>Payments</u>		
Repayments of Borrowings	<u>(1,022,276)</u>	<u>(971,330)</u>
Net Cash provided by (or used in) Financing Activities	784,724	208,670
Net Increase (Decrease) in cash held	<u>2,072,549</u>	<u>(282,228)</u>
Cash & cash equivalents at beginning of period	2,910,902	3,193,130
Add Bank Overdraft	461,033	2,038,513
Cash & cash equivalents at end of period	<u>5,444,484</u>	<u>4,949,415</u>
This comprises the following :-		
Cash and cash equivalents from Balance Sheet	5,444,484	4949415
Less Bank Overdraft	<u>(461,033)</u>	<u>(2,038,513)</u>
	4,983,451	2,910,902

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

DISTRICT COUNCIL OF YORKE PENINSULA

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

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 adopted by the Council on 13th November 2007.

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.

2 The Local Government Reporting Entity

The District Council of Yorke Peninsula is incorporated under the SA Local Government Act 1999 and has its principal place of business at 8 Elizabeth Street, Maitland SA 5573. 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.

3 Revenue recognition

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

Where grants, contributions and donations recognised as revenues 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 revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

4 Cash, Cash Equivalents and other Financial Instruments

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

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 (as amended). Other receivables are generally unsecured and do not bear interest.

DISTRCT COUNCIL OF YORKE PENINSULA

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

Note 1 - Significant Accounting Policies (cont)

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.

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.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated from the beginning of the first year after they were constructed.

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.

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	\$5,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000

DISTRCT COUNCIL OF YORKE PENINSULA

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

Note 1 - Significant Accounting Policies (cont)

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	3 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
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
Infrastructure	
Sealed Roads – Surface	15 to 30 years
Sealed Roads – Structure	25 to 80 years
Unsealed Roads	10 to 20 years
Paving & Footpaths	10 to 70 years
Drains, Kerb & Gutter	90 to 100 years
Culverts	50 to 75 years
Reticulation Pipes – PVC	50 to 60 years
Reticulation Pipes – other	25 to 65 years
Pumps & Telemetry	15 to 25 years
Other Assets	
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.

DISTRCT COUNCIL OF YORKE PENINSULA

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

Note 1 - Significant Accounting Policies (cont)

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences (including unpaid annual leave) 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, and disclosed in Trade and Other Payables.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

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.

Council makes employer contributions to the defined benefit category of the Scheme at rates determined by the Trustee on the advice of the Scheme's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities.

Accumulation Fund

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 2006/07; 9% in 2005/06). 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.

DISTRCT COUNCIL OF YORKE PENINSULA

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

Note 1 - Significant Accounting Policies (cont)

Defined Benefit

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 2005/2006) of superannuation salary. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

10 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

11 Leases

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

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.

12 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.

13 Comparative Information

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

14 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2007 reporting period.

- AASB 7 *Financial Instruments: Disclosures* and AASB 2005-10 *Amendments to AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB1, AASB4 AASB 1023 & AASB 1038*
- AASB 2006-1 *Amendments to AASB 121*
- AASB 2006-3 *Amendments to AASB 1045*

DISTRCT COUNCIL OF YORKE PENINSULA

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

Note 1 - Significant Accounting Policies (cont)

- AASB 2006-4 *Amendments to AASB 134*
- AASB 2007-1 *Amendments to AASB 2 arising from AASB Interpretation 11*
- AASB 2007-2 *Amendments to AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139 arising from AASB Interpretation 12*
- AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038 arising from AASB 8*
- AASB 2007-4 *Amendments to AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038 arising from ED 151 and Other Amendments*
- Interpretation 10 *Interim Financial Reporting and Impairment*
- Interpretation 11 *AASB 2 – Group and Treasury Share Transactions*
- Interpretation 12 *Service Concession Arrangements*
- Interpretation 129 *Disclosure – Service Concession Arrangements*

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 Yorke Peninsula

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

Note 2 - FUNCTIONS

REVENUES		EXPENSES		OPERATING RESULT		GRANTS INCLUDED IN REVENUES		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
		ACTUAL 2007	ACTUAL 2006	ACTUAL 2007	ACTUAL 2006	2007	2006	2007	2006
ACTUAL 2007	ACTUAL 2006	ACTUAL 2007	ACTUAL 2006	ACTUAL 2007	ACTUAL 2006	2007	2006	2007	2006
\$ 10,496,742	\$ 9,414,030	\$ 3,105,422	\$ 2,597,831	\$ 7,391,320	\$ 6,816,199	\$ 1,239,788	\$ 1,097,667	\$ 16,710,774	\$ 17,449,244
49,148	61,619	285,091	291,941	(235,943)	(230,322)	-	-	1,173,787	1,233,188
87,660	62,522	246,988	219,063	(159,328)	(156,541)	-	-	-	-
441,893	515,595	601,929	692,006	(160,036)	(176,411)	311,583	301,229	2,050,836	2,127,372
1,462,024	2,146,549	3,763,622	3,618,981	(2,301,598)	(1,472,432)	202,922	182,997	19,571,708	19,557,199
563,058	644,913	2,562,691	2,528,408	(1,999,633)	(1,883,495)	64,236	305,761	51,576,405	52,467,119
586	2,012	19,673	135,081	(19,087)	(133,069)	-	-	-	-
1,659,079	2,340,365	14,325,430	7,571,517	(12,666,351)	(5,231,152)	1,589,964	1,824,951	158,253,618	167,016,297
3,277,664	3,062,485	2,776,336	2,706,824	501,328	355,661	5,545	1,000	12,550,528	12,440,791
18,037,854	18,250,090	27,687,182	20,361,652	(9,649,328)	(2,111,562)	3,414,018	3,713,605	261,887,656	272,291,210

Administration / Other / Not Attributable

Public Order & Safety

Health

Social Security & Welfare

Housing & Community Amenities

Recreation & Culture

Agricultural Services

Transport

Economic Affairs

TOTALS

DISTRICT COUNCIL OF YORKE PENINSULA

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

Note 2 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Administration / Other / Not Attributable

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

Public Order and Safety

Dog and Cat Control, Fire Prevention and Other Regulatory Services.

Health

Health Act administration, Immunisation Services.

Social Security & Welfare

Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Children and Youth Services, Community Transport, Other Community Support,

Housing and Community Amenities

Town Planning, Building Act administration, Street Sweeping, Domestic and Street Refuse Collection, Operation of Rubbish Disposal Centres, Stormwater Drainage, Effluent Disposal, Water Supply Schemes, Community Amenities, Cemeteries, Public Conveniences.

Recreation and Culture

Library Services, Cultural Venues, Heritage – War Memorials, Museums, Jetties, Other Marine Facilities, Parks and Gardens, Playgrounds, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Outdoor, and Other Recreation.

Agricultural Services

Agricultural Services.

Transport

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

Economic Development

Caravan Parks, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

District Council of Yorke Peninsula

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

Note 3 - REVENUES

	Notes	2007 \$	2006 \$
RATES REVENUES			
<u>General Rates</u>		8,631,588	7,989,838
Less: Discretionary rebates, remissions & write offs		(83,798)	(28,012)
		<u>8,547,790</u>	<u>7,961,826</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		196,946	
Water supply		548,860	193,823
Community wastewater management schemes		213,781	427,293
		<u>959,587</u>	<u>621,116</u>
<u>Other Charges</u>			
Penalties for late payment		22,147	16,851
Legal & other costs recovered		16,835	15,433
		<u>38,982</u>	<u>32,284</u>
Less: Discretionary rebates, remissions & write offs		1,091	449
		<u>\$ 9,545,268</u>	<u>\$ 8,614,777</u>
STATUTORY CHARGES			
Development Act fees		144,578	112,465
Town planning fees		76,587	72,952
Animal registration fees & fines		39,668	42,241
Other registration fees		56,984	58,273
Sundry		39,564	39,574
		<u>357,381</u>	<u>325,505</u>
USER CHARGES			
Cemetery/crematoria fees		28,012	16,652
Commercial activity revenue (1)		51,347	36,963
Commercial activity revenue (2)		2,995,994	2,792,740
Hall & equipment hire		36,011	36,063
Boat Ramp fees		117,548	129,658
Refuse Disposal fees		77,520	76,201
Sales - general		1,872	1,593
Subsidies received on behalf of users		11,220	11,517
Sundry		19,568	21,220
		<u>3,339,092</u>	<u>3,122,607</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		284,749	192,373
Banks & other		14,467	9,457
		<u>299,216</u>	<u>201,830</u>

District Council of Yorke Peninsula

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

NOTE 3 - REVENUES (continued)

	Notes	2007 \$	2006 \$
REIMBURSEMENTS			
- for roadworks		46,029	2,514
- for private works		94,849	195,499
- by joint undertakings		48,382	39,593
- ATO fuel rebate		40,803	230,740
- other		548,049	685,616
		<u>778,112</u>	<u>1,153,962</u>
OTHER REVENUES			
Insurance & other recoupments - infrastructure, property, plant & equipment		74,545	8,000
Sundry		41,013	72,356
		<u>115,558</u>	<u>80,356</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts specifically for new or upgraded assets		40,000	377,735
Other grants, subsidies and contributions		3,729,231	3,749,936
		<u>3,769,231</u>	<u>4,127,671</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		609,126	1,258,315
State government		2,804,892	2,455,290
Other		355,213	414,066
		<u>3,769,231</u>	<u>4,127,671</u>

District Council of Yorke Peninsula

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

NOTE 3 - REVENUES (continued)

	2007	2006
	\$	\$
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
	\$	\$
<i>Unexpended at the close of the previous reporting period</i>	0	0
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Stansbury CWMS</i>	0	0
<i>Community Benefit SA - Goretta Administration</i>	0	0
<i>Places for People - Maitland Carpark</i>	0	0
<i>Zero Waste - Waste Management Reform</i>	0	0
<i>Subtotal</i>	0	0
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Stansbury CWMS</i>	100,000	0
<i>Community Benefit SA - Goretta Administration</i>	35,000	0
<i>Places for People - Maitland Carpark</i>	185,000	0
<i>Zero Waste - Waste Management Reform</i>	55,366	0
<i>Subtotal</i>	375,366	0
<i>Unexpended at the close of this reporting period and</i>	375,366	0
 <i>Net increase (decrease) in restricted assets in the current reporting period</i>	 375,366	 0

District Council of Yorke Peninsula

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

Note 4 - EXPENSES

	2007	2006
	\$	\$
EMPLOYEE COSTS		
Salaries and Wages	3,545,803	3,580,241
Employee leave expense	622,014	544,790
Superannuation - accumulation fund contributions	375,178	464,706
Superannuation - defined benefit plan contributions	291,017	202,366
Workers' Compensation Insurance	248,625	225,505
Total Operating Employee Costs	5,082,637	5,017,608
 Total Number of Employees	 102	 105
<i>(Full time equivalent at end of reporting period)</i>		
 MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration		
- Auditing the financial reports	8,200	8,005
Elected members' expenses	214,406	195,229
Election expenses (excluding wages)	19,416	3,062
Operating Lease Rentals - non-cancellable leases		
- minimum lease payments	78,816	33,468
Subtotal - Prescribed Expenses	320,838	239,764
 <u>Other Materials, Contracts & Expenses</u>		
Contractors	803,128	779,561
Energy	450,298	418,701
Legal Expenses	170,136	58,846
Levies paid to government - NRM levy	193,812	-
- Other Levies	49,704	50,643
Parts, accessories & consumables	2,487,240	2,485,894
Professional services	1,786,376	2,097,477
Sundry	1,307,365	1,311,559
Subtotal - Other Materials, Contracts & Expenses	7,248,059	7,202,681
	7,568,897	7,442,445

District Council of Yorke Peninsula

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

Note 4 - EXPENSES (cont)

	2007	2006
	\$	\$
FINANCE COSTS		
Interest on Loans	427,735	399,594
Bank Fees	80,763	70,702
	508,498	470,296
 DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Building Property & Improvements	1,507,579	1,491,495
Road Infrastructure	11,411,921	4,572,484
Stormwater Infrastructure	67,328	56,841
Common Effluent Infrastructure	221,124	166,439
Water Scheme Infrastructure	25,281	19,402
Plant & Equipment	568,474	427,784
Minor Plant	53,960	57,561
Furniture & Fittings	83,354	86,338
Other Assets	588,129	552,959
Less: Capitalised and distributed costs	14,527,150	7,431,303

District Council of Yorke Peninsula

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

Note 5 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2007	2006
	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Proceeds from disposal	422,303	1,748,167
Less: Carrying amount of assets sold	588,307	1,124,785
Gain (Loss) on disposal	<u>(166,004)</u>	<u>623,382</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	\$ (166,004)	\$ 623,382

District Council of Yorke Peninsula

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

Note 6 - CURRENT ASSETS

	2007	2006
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	17,335	24,484
Deposits at Call	<u>5,427,149</u>	<u>4,924,931</u>
	<u>5,444,484</u>	<u>4,949,415</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	150,032	104,594
Accrued Revenues	114,383	121,115
Debtors - general	401,121	1,853,039
GST Recoupment	70,559	39,608
Prepayments	156,283	148,746
Loans to community organisations	59,263	41,077
Total	951,641	2,308,179
Less: Allowance for Doubtful Debts	-	-
	<u>951,641</u>	<u>2,308,179</u>
INVENTORIES		
Stores & Materials	<u>123,306</u>	<u>167,768</u>
	<u>123,306</u>	<u>167,768</u>

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

District Council of Yorke Peninsula

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

Note 7 - NON-CURRENT ASSETS

	2007	2006
FINANCIAL ASSETS	\$	\$
Receivables		
Loans to community organisations	404,342	172,836
	<u>404,342</u>	<u>172,836</u>
Less: Allowance for Doubtful Debts	-	-
	<u>404,342</u>	<u>172,836</u>
Other Financial Assets		
Brentwood Hall - Investment Account (Esanda)	5,000	
TOTAL FINANCIAL ASSETS	<u>409,342</u>	<u>172,836</u>

District Council of Yorke Peninsula

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

	2006				2007			
	AT FAIR VALUE	AT COST	ACCUM DEP'n	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'n	CARRYING AMOUNT
								\$
Note 8 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	37,121,200	-	-	37,121,200	37,121,200	-	-	37,121,200
Building Property & Improvements	81,141,080	354,141	(45,716,541)	35,778,680	79,633,501	903,989	(45,716,541)	34,820,949
Road Infrastructure	284,552,579	2,294,962	(119,690,359)	167,157,182	273,140,657	4,951,660	(119,690,358)	158,401,959
Stormwater Infrastructure	4,096,078	35,468	(2,128,832)	2,002,714	4,028,751	35,468	(2,128,833)	1,935,386
Common Effluent Infrastructure	12,508,790	1,381,315	(5,320,919)	8,569,186	12,287,666	1,381,315	(5,320,919)	8,348,062
Water Scheme Infrastructure	1,151,630	40,125	(347,171)	844,584	1,121,297	508,649	(342,119)	1,287,827
Plant & Equipment	-	8,193,830	(2,861,565)	5,332,265	-	7,938,385	(2,508,195)	5,430,190
Minor Plant	-	1,011,841	(476,838)	535,003	-	891,457	(409,797)	481,660
Furniture & Fittings	-	1,268,273	(807,492)	460,781	-	1,224,536	(807,492)	417,044
Other Assets	12,490,306	-	(5,598,889)	6,891,417	11,902,177	411,318	(5,598,889)	6,714,606
TOTAL PROPERTY, PLANT & EQUIPMENT	433,061,663	14,579,955	(182,948,606)	264,693,012	419,235,249	18,246,777	(182,523,143)	254,958,883
2006 Totals					433,061,663	14,579,955	(182,948,606)	264,693,012

District Council of Yorke Peninsula

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

2006		CARRYING AMOUNT MOVEMENTS DURING YEAR						2007
\$		\$						\$
CARRYING AMOUNT	Additions	Disposals	Depreciation	Impairment	Blank	Net Revaluation	CARRYING AMOUNT	
Note 8 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	37,121,200	-	-	-	-	-	37,121,200	
Building Property & Improvements	35,778,680	549,848	(1,507,579)	-	-	-	34,820,949	
Road Infrastructure	167,157,182	2,656,698	(11,411,921)	-	-	-	158,401,959	
Stormwater Infrastructure	2,002,714	-	(67,328)	-	-	-	1,935,386	
Common Effluent Infrastructure	8,569,186	-	(221,124)	-	-	-	8,348,062	
Water Scheme Infrastructure	844,584	468,524	(25,281)	-	-	-	1,287,827	
Plant & Equipment	5,332,265	1,226,966	(568,474)	(560,567)	-	-	5,430,190	
Minor Plant	535,003	28,359	(27,742)	-	-	-	481,660	
Furniture & Fittings	460,781	39,617	-	-	-	-	417,044	
Other Assets	6,891,417	411,318	-	-	-	-	6,714,606	
TOTAL PROPERTY, PLANT & EQUIPMENT	264,693,012	5,381,330	(14,527,150)	(588,309)	-	-	254,958,883	
<i>2006 Totals</i>								

DISTRICT COUNCIL OF YORKE PENINSULA

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

Note 8 (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 2006 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 2006 at written down current replacement cost 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 scheme infrastructure was valued by Council officers at written down current replacement cost during the reporting period ended 30 June 2006 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

All other assets

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

INVESTMENT PROPERTY

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

Most investment properties are leased to tenants under long term operating leases with rentals payable monthly (Note 16).

District Council of Yorke Peninsula

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

Note 9 - LIABILITIES

	2007		2006	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	401,712		466,036	
Accrued expenses - employee entitlements	845,149		643,767	
Accrued expenses - other	259,746		98,791	
Deposits, Retentions & Bonds	840		720	
GST Payable			143,900	
Other	7,827		823	
	1,515,274	-	1,354,037	-
BORROWINGS				
Bank Overdraft	461,033		2,038,513	
Short term draw down facility				
Loans	1,165,541	5,999,226	1,018,047	5,361,996
	1,626,574	5,999,226	3,056,560	5,361,996
PROVISIONS				
Employee entitlements (Long Service Leave)	151,754	582,620	618,841	238,240
	151,754	582,620	618,841	238,240

During 2006/07 Council changed its Accounting Policy in accordance with AASB 119 for Long Service Leave (LSL) Provisions. Previously Council accounted for LSL up to 10 years of service as Current, from 2006/07 the expected LSL payments are accounted for as Current with the discounted balance of LSL entitlements shown in Non-Current.

The impact of this change of policy reduced the Current Provision from \$600,822 to \$151,754.

District Council of Yorke Peninsula

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

Note 10 - RESERVES

ASSET REVALUATION RESERVE	01/07/2006	Net Increments (Decrements)	Transfers on Sale	30/06/2007
	\$	\$	\$	\$
Combined Assets	257,318,907			257,318,907
Total Infrastructure, Property, Plant & Equipment	257,318,907			257,318,907
Available for Sale Investments				
TOTAL	257,318,907			257,318,907
2006 Totals	137,768,526	119,550,381		257,318,907

OTHER RESERVES	01/07/2006	Transfers to Reserve	Transfers from Reserve	30/06/2007
Warooka RSL Trust Fund	4,544	274	(230)	4,588
Erichsen Heritage Trust Fund	13,769	829		14,598
Minlaton RSL Trust Fund	1,342	80	(16)	1,406
Curramulka RSL Trust Fund	1,278	77		1,355
Plant Replacement	57,009	3,215	(5,965)	54,259
Office Equipment	78,000			78,000
Future Directions	679,240	53,424		732,664
Infrastructure	52,316	12,418		64,734
Minlaton Library Board	16,019	10,796	(2,170)	24,645
Port Rickaby Water Line Capital	9,393		(6,138)	3,255
Black Pont Water Supply	54,545	6,216	(30,000)	30,761
Yorke town Library	8,366	16,671	(1,612)	23,425
Dental Equipment	6,340	242		6,582
Oval Watering	24,437	7,835		32,272
Curramulka Cemetery	7,322		(2,831)	4,491
Art Exhibition	3,448	1,030		4,478
CYP School / Community Library	10,558	4,540		15,098
Asset Disposal	5,232			5,232
Tourism Initiatives	27,240	5,978		33,218
Roads to Recovery	527,966	29,992	(265,000)	292,958
Balgowan Water Supply	1,790		(1,202)	588
Port Vincent Marina Infrastructure	8,570	1,661		10,231
Yorke town Effluent	3,429		(3,429)	
Sultana Point Effluent	10,805		(10,805)	
Balgowan (Gills) Water Augmentation	42,406	4,204	(17,400)	29,210
Port Vincent Off Street Parking	15,000			15,000
Marion Bay TV Maintenance	2,482	969		3,451
Maitland Effluent	83,664		(83,664)	
Ardrossan Library	14,374	1,072	(2,430)	13,016
Ardrossan / Tiddy Widdy Effluent	107,294		(107,294)	
Port Vincent Effluent	37,766		(37,766)	
Port Victoria Effluent	146,112	6,511	(152,623)	
Point Turton Shack Freeholding	10,721	4,146		14,867
Hardwicke Bay Water	6,518		(1,510)	5,008
Chinaman Wells Effluent	4,094		(4,094)	
Open Space & Recreation	48,782		(25,055)	23,727
Grants	210,401	598,691	(210,401)	598,691
Boat Ramps	67,363		(25,350)	42,013
Port Victoria Footpath / Trees	26,725	1,609		28,334

Balgowan Shack Freeholding	5,213	314		5,527
Jetties	1,169,608	73,341		1,242,949
Caravan Parks	24,263	250,181		274,444
Foul Bay Effluent	9,926	443	(10,369)	
Point Turton Effluent	15,747	580	(16,327)	
Port Vincent Rise Footpath	43,636	2,623	(8,468)	37,791
Stansbury Progress Committee	259,868	173,107	(238,801)	194,174
Yorke town Caravan Park	11,652	13,689	(14,820)	10,521
Coobowie Progress Committee	142,239	41,283	(143,877)	39,645
Edithburgh Playground	31,277	7,478	(24,194)	14,561
Leisure Options Program		49,630	(29,024)	20,606
Port Vincent Effluent Augmentation		12,424		12,424
Point Souttar Effluent Augmentation		3,677		3,677
Combined Effluent Reserve		487,598		487,598
Stansbury CWMS		100,773		100,773
Stansbury Footpath		35,011		35,011
Friends of Yorke town Library		4,836		4,836
TOTAL OTHER RESERVES	4,150,089	2,029,468	(1,482,865)	4,696,692
2006 Totals	3,164,501	2,498,962	(1,513,374)	4,150,089

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.

Warooka RSL Trust Fund

Balance of RSL Funds transferred to Council. Funds cemetery plaques, funeral notices, Anzac functions for local functions.

Erichsen Heritage Trust Fund

Transferred from DC of Yorke town. Founder of Trust, Ms Eleanor Witcombe continues to make donations which are used for the "Writer's Award" and "Erichsen Heritage Award", an annual award for environmental and local issues.

Minlaton RSL Trust

Balance of RSL Funds transferred to Council. Funds cemetery plaques, funeral notices, Anzac functions for local functions.

Curramulka RSL Trust Reserve

Balance of RSL Funds transferred to Council. Funds cemetery plaques, funeral notices, Anzac functions for local functions.

Plant Replacement Reserve

Funds carried forward from unexpended budget items of plant to be used in forthcoming budget, insurance reimbursements etc.

Office Equipment Reserve

Unspent budget monies carried forward to fund projects in Administration, IT & Records Management.

Future Directions Reserve

Monies to be used for entrepreneurial activities that make a contribution to the development of the area with the account generally being repaid from the financial return generated from these activities.

Infrastructure Reserve

Unspent budget monies carried forward to fund specific projects in Works Construction that are carried forward into the next financial year.

Minlaton Library Board Reserve

Unspent budget monies carried forward (of Council's contribution) to Minlaton Library as per agreement concerning unspent monies.

Port Rickaby Water Line Capital

Assists with the maintenance and capital replacement of water supply at Port Rickaby.

Black Point Water Supply

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the scheme in the future.

Yorke town Library

Unspent budget monies carried forward (of Council's contribution) to Yorke town Library as per agreement concerning unspent monies.

Dental Equipment Reserve

Amount of \$2,500 is transferred each year from yearly rental payments to assist with replacement of dental equipment in the future.

Oval Watering Reserve

Unspent portion of water allocation for ovals is transferred and used to offset costs in drier years. Reviewed annually by Council.

Curramulka Cemetery

Proceeds from sale of building in Curramulka and donation received to be used to fund future development at Curramulka Cemetery.

Art Exhibition Reserve

Surplus funds from Council's Art Exhibitions held bi-annually. Funds utilised in future exhibitions.

CYP School / Community Library

Unspent budget monies carried forward (of Council's contribution) to Maitland Library as per agreement concerning unspent monies.

Asset Disposal Reserve

Proceeds from sale of Council buildings with funds to be used for future development as decided by Council.

Tourism Initiatives

25% of the Caravan Park Levy is appropriated each year, which assists funding the Economic Development Officer and other tourism initiatives approved by Council.

Roads to Recovery

Carrying forward amounts received in advance of Roads to Recovery money as per agreement.

Balgowan Water Supply

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the scheme in the future.

Port Vincent Marina Infrastructure

Surplus funds from underlease fees are appropriated to assist with the maintenance of the scheme in the future.

Balgowan (Gills) Water Augmentation

Contribution from land division (as condition of approval) to assist future water supply infrastructure installation / upgrade.

Port Vincent Off Street Parking

Contribution (as per development approval) for Retail Building alterations at Port Vincent to assist with the creation of additional carparking.

Marion Bay TV Maintenance

Amount of \$1,000 is transferred each year to assist with future maintenance on communications shed which assists improved TV reception for Marion Bay.

Ardrossan Library Reserve

Unspent budget monies carried forward (of Council's contribution) to Ardrossan Library as per agreement concerning unspent monies.

Point Turton Shack Freeholding Reserve

Condition of approval for freeholding was to provide Council with bank guarantees. Two developers provided bank cheques which are to be invested for the five year period until redevelopment occurs.

Hardwicke Bay Water

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the scheme in the future.

Open Space & Recreation

Contribution of open space monies from land division (as condition of approval). Allocation is budgeted for expenditure in the following year.

Grants

Grants that have not been fully expended during the financial year are carried forward via Reserve Funds rather than treated as Grant Received in Advance.

Boat Ramp

Surplus funds from user charges levied are appropriated to assist with the maintenance and capital replacement of boat ramps in the future.

Port Victoria Footpath/Trees Contribution

Contribution from land division (as condition of approval). Council will undertake the necessary footpath construction and tree planting once development on the subdivision occurs.

Balgowan Shack Freeholding Reserve

Contribution as part of Freeholding process to assist future effluent infrastructure installation / upgrade..

Maintenance of Jetties

75% of the Caravan Park Levy is appropriated each year, which assists funding maintenance and capital works associated with the jetties under Council's care and control.

Caravan Parks Reserve

Surplus monies from Port Vincent, Marion Bay and Point Turton are appropriated to assist funding capital works in the Caravan Parks in future budgets.

Port Vincent Rise Footpath Reserve

Contribution from land division (as condition of approval). Council will undertake the necessary footpath construction once development on the subdivision occurs.

Stansbury Progress Committee

Surplus monies from Stansbury Caravan Park & Progress Committee activities are appropriated to assist funding capital works in the Caravan Parks in future budgets.

Yorke town Caravan Park

Surplus monies from Yorke town Caravan Park are appropriated to assist funding capital works in the Caravan Park in future budgets.

Coobowie Progress Committee

Surplus monies from Coobowie Caravan Park & Progress Committee activities are appropriated to assist funding capital works in the Caravan Park in future budgets.

Edithburgh Progress Committee

Surplus monies from Edithburgh Progress Committee fundraising activities are appropriated to assist funding a playground upgrade in the future.

Leisure Options Program

Investment of monies generated through the programs run by Leisure Options.

Port Vincent Effluent Scheme Augmentation

Contribution from land division (as condition of approval) to assist future effluent infrastructure installation / upgrade.

Point Souttar Effluent Scheme Augmentation

Contribution (as condition of approval) to assist future effluent infrastructure installation / upgrade.

Combined Effluent Reserve

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the various schemes in the future as per motion of Council at 12th June 2007 meeting.

Stansbury CWMS Reserve

Grants funds received to investigate possibility of CWMS at Stansbury.

Stansbury Footpath Reserve

Contribution from land division (as condition of approval). Council will undertake the necessary footpath construction once development on the subdivision occurs.

Friends of Yorke town Library

Funds held for Friends of Yorke town Library to be spent on activities for the Yorke town Community Library.

District Council of Yorke Peninsula

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

Note 11 - ASSETS SUBJECT TO RESTRICTIONS

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

	2007	2006
	\$	\$
CASH & FINANCIAL ASSETS		
Unexpended Loans	77,215	0
Developer Contributions	181,841	143,701
Other unexpended amounts from other levels of Government	358,801	699,975
STED / Water schemes	523,955	481,690
	<u>1,141,812</u>	<u>1,325,366</u>
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Refer to list below	22,755,506	23,509,405
	<u>22,755,506</u>	<u>23,509,405</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	<u>23,897,318</u>	<u>24,834,771</u>

Due to the nature of Local Government there are restrictions over many of the assets controlled by Council. These restrictions are either by community use of the asset or externally imposed legislation.

The following major assets have been identified as restricted:-

Country Fire Service Stations

Port Clinton	59,828	63,811
Ardrossan	147,865	153,730
Balgowan	64,343	64,777
Maitland	156,402	166,243
Port Victoria	161,500	165,750
Minlaton	168,425	173,150
Curramulka	14,600	15,400
Brentwood	57,264	58,145
Port Vincent	27,300	29,400
Stansbury	145,486	149,543
Edithburgh	60,500	63,250
Yorke town	132,000	138,000
Corny Point	9,555	10,511
Warooka	50,400	53,200
Marion Bay	21,999	23,571

Caravan Parks

Port Clinton	287,925	298,190
Port Victoria	315,050	320,080
Ardrossan	683,976	712,643
Pine Point	225,480	231,415
Minlaton	94,763	99,088
Stansbury	1,255,014	1,267,229
Edithburgh	1,300,913	1,342,199
Coobowie	1,223,922	1,237,443
Port Rickaby	373,325	384,400
Yorke town	116,275	118,450

Fauna & Wildlife Parks

Minlaton	39,250	40,000
Port Vincent		20,000

<u>Minlaton Hostel and Aged Cottage Homes</u>	1,753,370	1,792,027
<u>Parklands</u>		
Ardrossan Bowling Club	346,250	357,500
Ardrossan Golf Club	362,620	372,840
Ardrossan Tennis Club	48,750	52,500
Ardrossan Football Club	591,950	614,100
Ardrossan Scout Hall	175,250	187,000
Ardrossan RSL Hall	193,200	196,800
Ardrossan Kindergarten	92,000	96,000
Price Community Club	274,050	285,750
Price Tennis Club	36,725	39,550
Balgowan Kiosk	56,670	59,205
Maitland Oval	476,077	489,635
Maitland Apex Club / Tennis Clubrooms	34,000	38,250
Maitland Bowling Club	304,255	323,070
Maitland Golf Club	997,200	1,012,000
Arthurton Football Oval	110,832	122,648
Arthurton Bowling Club	133,800	139,800
Port Victoria Bowling Club	169,500	177,390
Port Victoria Oval	240,050	246,700
Minlaton Senior Citizens	215,800	232,400
Minlaton Oval	564,441	595,993
Port Vincent Senior Citizens	374,440	383,100
Currumulka Bowling Club	93,072	101,008
Currumulka Tennis Courts	43,472	53,604
Currumulka Oval	230,427	243,653
Currumulka Golf Club	231,337	234,700
Minlaton Polo Cross Club	36,856	40,889
Minlaton Golf Club	347,408	355,950
Minlaton Basketball Stadium and Courts	545,250	565,922
Minlaton Bowling Club	138,960	146,680
Port Vincent Tennis Club	221,410	231,500
Port Vincent Bowling Club	510,660	517,036
Port Vincent Sailing Club	197,200	205,300
Port Vincent Kiosk	73,100	77,400
Port Rickaby Tennis Courts	19,100	21,300
SYP Pony Club - Minlaton	183,889	184,830
Minlaton Kindergarten	122,800	127,400
Stansbury Bowling Club	149,776	158,584
Stansbury Oval	533,019	546,936
Stansbury Golf Club	95,991	100,502
Stansbury Tennis Club	5,546	6,933
Edithburgh Oval	518,590	536,660
Edithburgh Golf Club	444,567	452,200
Edithburgh Bowling Club	231,380	241,440
Edithburgh Museum	153,600	159,360
Edithburgh Tennis Club	45,725	47,200
Coobowie Croquet Club	282,702	285,026
Yorke town Lions Clubrooms	33,301	37,463
Yorke town Senior Citizens	178,350	184,500
Yorke town Golf Club	265,684	273,280
Yorke town Pony Club	15,348	16,592
Yorke town Oval	633,833	654,179
Yorke town Tennis Club	24,231	26,908
Yorke town Bowling Club	201,228	210,240
Coobowie Tennis Club	10,600	11,925
Wool Bay Golf Club	139,082	142,384
Warooka Golf Club	228,355	235,771
Warooka Museum	71,460	73,480
Warooka Oval	517,722	537,137
Warooka Bowling Club	204,000	216,000
Warooka Tennis Club	31,885	33,657
	<u>22,755,506</u>	<u>23,509,405</u>

District Council of Yorke Peninsula

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

Note 12 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2007	2006
	\$	\$
Total cash & equivalent assets	5,444,484	4,949,415
Less: Short-term borrowings	<u>(461,033)</u>	<u>(2,038,513)</u>
Balances per Cash Flow Statement	<u>4,983,451</u>	<u>2,910,902</u>

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

Net Surplus (Deficit)	(9,649,328)	(2,111,562)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	14,527,150	7,431,303
Net increase (decrease) in unpaid employee benefits	78,675	48,262
Grants for capital acquisitions treated as Investing Activity	(40,000)	(377,735)
Net (Gain) Loss on Disposals	<u>166,004</u>	<u>(623,382)</u>
	5,082,501	4,366,886
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	1,374,724	(1,318,329)
Net (increase) decrease in inventories	44,462	(22,408)
Net (increase) decrease in other current assets	-	(42,233)
Net increase (decrease) in trade & other payables	<u>(40,145)</u>	<u>161,581</u>
Net Cash provided by (or used in) operations	<u>6,461,542</u>	<u>3,145,497</u>

(d) Financing Arrangements

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

Bank Overdrafts	200,000	200,000
Corporate Credit Cards	12,000	10,500

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

District Council of Yorke Peninsula

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

Note 13 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 5.5% and 6.0% (2006: 5.25% and 5.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment)	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.8542% (2006: 0.8125%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Loans	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, loans are repayable by equal 6 monthly instalments of principal & interest; interest is charged at fixed rates between 6.65% and 7.05% (2006: 6.15% and 6.75%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

District Council of Yorke Peninsula

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

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2007	Floating Interest Rate	≤ 1 year	Fixed interest maturing in		Non- interest bearing	Total
	\$	\$	> 1 year ≥ 5 years	> 5 years	\$	\$
Financial Assets						
Fair Value through P&L						
Cash Assets	5,449,484				(5,000)	5,444,484
Other Financial Assets					5,000	5,000
Loans & Receivables						
Receivables					1,085,317	1,085,317
Other Financial Assets						-
Held to Maturity Investments						
Other Financial Assets						-
Available for Sale						
Cash Assets						-
Other Financial Assets						-
Total	5,449,484	-	-	-	1,085,317	6,534,801
<i>Weighted Average Interest Rate</i>						
Financial Liabilities						
Payables					410,379	410,379
Short-term Borrowings	461,033					461,033
Borrowings		1,165,541	4,420,431	1,578,795	-	7,164,767
Total	461,033	1,165,541	4,420,431	1,578,795	410,379	8,036,179
<i>Weighted Average Interest Rate</i>						
	6.83%					
NET FINANCIAL ASSETS (LIABILITIES)						
	4,988,451	(1,165,541)	(4,420,431)	(1,578,795)	674,938	(1,501,378)

2006	Floating Interest Rate	≤ 1 year	Fixed interest maturing in		Non- interest bearing	Total
	\$	\$	> 1 year ≥ 5 years	> 5 years	\$	\$
Financial Assets						
Fair Value through P&L						
Cash Assets	4,949,415				-	4,949,415
Other Financial Assets					-	-
Loans & Receivables						
Receivables					2,211,154	2,211,154
Other Financial Assets						-
Held to Maturity Investments						
Other Financial Assets						-
Available for Sale						
Cash Assets						-
Other Financial Assets						-
Total	4,949,415	-	-	-	2,211,154	7,160,569
<i>Weighted Average Interest Rate</i>						
Financial Liabilities						
Payables					611,479	611,479
Short-term Borrowings	2,038,513					2,038,513
Borrowings		1,018,047	3,969,096	1,392,900	-	6,380,043
Total	2,038,513	1,018,047	3,969,096	1,392,900	611,479	9,030,035
<i>Weighted Average Interest Rate</i>						
	6.76%					
NET FINANCIAL ASSETS (LIABILITIES)						
	2,910,902	(1,018,047)	(3,969,096)	(1,392,900)	1,599,675	(1,869,466)

District Council of Yorke Peninsula

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

Note 13 (cont) - FINANCIAL INSTRUMENTS

Credit Risk Exposures

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

Reconciliation of Financial Assets & Liabilities

	2007	2006
	\$	\$
Net financial assets from above		
Financial Assets	6,534,801	7,160,569
Financial Liabilities	<u>8,036,179</u>	<u>9,030,035</u>
	<u>(1,501,378)</u>	<u>(1,869,466)</u>
Non-financial assets and liabilities		
Accrued Revenues	114,383	121,115
Prepayments	156,283	148,746
Inventories	123,306	167,768
Investments in Associates	0	0
Investment Property	0	0
Property, Plant & Equipment	254,958,883	264,693,012
Other Assets	0	0
Accrued Expenses	(1,104,895)	(742,558)
Provisions	(734,374)	(857,081)
Other liabilities	0	0
	<u>253,513,586</u>	<u>263,531,002</u>
Net Assets per Balance Sheet	<u>252,012,208</u>	<u>261,661,536</u>

Net Fair Value

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

District Council of Yorke Peninsula

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

Note 14 - FINANCIAL INDICATORS

	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>		
Operating Surplus	(9,523,324)	(3,112,679)
<i>Being the operating surplus (deficit) before capital amounts .</i>		
Operating Surplus Ratio		
<u>Operating Surplus</u>	(102%)	(36%)
Rates - general & other less NRM levy		
<i>This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of NRM levy.</i>		
Net Financial Liabilities	3,069,981	3,199,244
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i>		
Net Financial Liabilities Ratio		
<u>Net Financial Liabilities</u>	17%	19%
Total Operating Revenue less NRM levy		
Interest Cover Ratio		
<u>Net Interest Expense</u>	0.7%	1.2%
Total Operating Revenue less NRM levy less Investment Income		
Asset Sustainability Ratio		
<u>Net Asset Renewals</u>	8%	9%
Depreciation Expense		
<i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.</i>		
Asset Consumption Ratio		
<u>Carrying value of depreciable assets</u>	54%	55%
Gross value of depreciable assets		
<i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.</i>		

District Council of Yorke Peninsula

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

Note 15 - UNIFORM PRESENTATION OF FINANCES

	2007	2006
	\$	\$
Operating Revenues	18,163,858	17,248,973
<i>less</i> Operating Expenses	<u>(27,687,182)</u>	<u>(20,361,652)</u>
Operating Surplus / (Deficit) before Capital Amounts	<u>(9,523,324)</u>	<u>(3,112,679)</u>
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,711,029	1,154,099
<i>less</i> Depreciation, Amortisation and Impairment	<u>(14,527,150)</u>	<u>(7,431,303)</u>
<i>less</i> Proceeds from Sale of Replaced Assets	<u>(588,309)</u>	<u>(494,453)</u>
	<u>(13,404,430)</u>	<u>(6,771,657)</u>
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	3,836,305	4,608,188
<i>less</i> Amounts received specifically for New and Upgraded Assets	<u>(40,000)</u>	<u>(377,735)</u>
<i>less</i> Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	<u>(1,253,714)</u>
	<u>3,796,305</u>	<u>2,976,739</u>
Net Lending / (Borrowing) for Financial Year	<u>84,801</u>	<u>682,239</u>

District Council of Yorke Peninsula

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

Note 16 - OPERATING LEASES

Leases providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 3.

	2007	2006
	\$	\$
Not later than one year	18,912	18,912
Later than one year and not later than 5 years	42,612	57,024
Later than 5 years	9,000	13,500
	<u>70,524</u>	<u>89,436</u>

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:

	2007	2006
	\$	\$
Not later than one year	61,752	69,714
Later than one year and not later than 5 years	78,570	140,324
	<u>140,322</u>	<u>210,038</u>

DISTRICT COUNCIL OF YORKE PENINSULA

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

Note 18 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. POTENTIAL INSURANCE LOSSES

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

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

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

2. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of seven (7) appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Council is defending itself against a legal claim for costs and damages from a business which undertook certain construction activities for Council. The action is currently being arbitrated. The amounts being claimed against the Council are in the vicinity of \$300,000. All legal costs expended in defending the claim are expensed as they are incurred. Council is vigorously defending the claim.

DISTRICT COUNCIL OF YORKE PENINSULA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Ricki Kevin Bruhn, the person for the time being occupying the position of Chief Executive Officer of District Council of Yorke Peninsula, do hereby state that the Financial Statements of the Council for the year ended 30 June 2007 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.



Ricki K. Bruhn
CHIEF EXECUTIVE OFFICER

Dated this 23rd day of October 2007

ADOPTION STATEMENT

Laid before the District Council of Yorke Peninsula and adopted on Tuesday, the 13th day of November 2007.



Raymond G. Agnew OAM
MAYOR

DISTRICT COUNCIL OF YORKE PENINSULA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

STATEMENT BY CHIEF EXECUTIVE OFFICER AUDITOR INDEPENDENCE

I, Ricki Kevin Bruhn, the person for the time being occupying the position of Chief Executive Officer of the District Council of Yorke Peninsula do hereby certify (for the purposes of Regulation 16A(2) of the Local Government (Financial Management) Regulations 1999) that the Council's Auditor, Dean Newbery and Partners, Chartered Accountants, have not been engaged by the Council to provide services to the Council outside of the scope of the audit functions prescribed by the Local Government Act 1999 – noting that for the 2006/07 financial year only that the prescribed auditor independence requirements have been in operation and effect only from 25 January 2007.



Ricki K. Bruhn
CHIEF EXECUTIVE OFFICER

Dated this 23rd day of October 2007

DISTRICT COUNCIL OF YORKE PENINSULA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

STATEMENT BY THE PRESIDING MEMBER OF AUDIT COMMITTEE AUDITOR INDEPENDENCE

I, Robert Nicholls, the person for the time being occupying the position of Presiding Member of the District Council of Yorke Peninsula Audit Committee do hereby certify (for the purposes of Regulation 16A(2) of the Local Government (Financial Management) Regulations 1999) that the Council's Auditor, Dean Newbery and Partners, Chartered Accountants, have not been engaged by the Council to provide services to the Council outside of the scope of the audit functions prescribed by the Local Government Act 1999 – noting that for the 2006/07 financial year only that the prescribed auditor independence requirements have been in operation and effect only from 25 January 2007.



Robert Nicholls

PRESIDING MEMBER OF AUDIT COMMITTEE

Dated this 30th day of October 2007

DISTRICT COUNCIL OF YORKE PENINSULA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

STATEMENT BY CHIEF EXECUTIVE OFFICER AUDITOR INDEPENDENCE FOR SUBSIDIARY – CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

I, Ricki Kevin Bruhn, the person for the time being occupying the position of Chief Executive Officer of the District Council of Yorke Peninsula being a constituent council of the Central Local Government Region of SA Inc subsidiary do hereby certify (for the purposes of Regulation 16A(2) of the Local Government (Financial Management) Regulations 1999) that the Auditor, Gerald P Coviac, of the subsidiary has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions prescribed by the Local Government Act 1999 – noting that for the 2006/07 financial year only that the prescribed auditor independence requirements have been in operation and effect only from 25 January 2007.



Ricki K. Bruhn
CHIEF EXECUTIVE OFFICER

Dated this 23rd day of October 2007

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**

ABN 49 976 436 356

**Auditor's Independence Declaration Under Section 16A of the
Local Government (Financial Management) Regulations 1999
to the District Council of Yorke Peninsula**

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. In accordance with Regulation 16A of the Local Government (Financial Management) Regulations 1999, we state as follows:

We confirm that for the audit of the financial statements of the District Council of Yorke Peninsula for the year ended 30 June 2007, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, and in accordance with requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.



DON VENN

Partner

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS
214 MELBOURNE STREET
NORTH ADELAIDE SA 5006**

NORTH ADELAIDE, this 3rd day of September 2007

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS

ABN 49 976 436 856

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DISTRICT COUNCIL OF YORKE PENINSULA

Report on the Financial Report

We have audited the accompanying financial report of the District Council of Yorke Peninsula which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity, cash flow statement, a summary of the significant accounting policies, other explanatory notes and the Chief Executive Officer's Statement for the year ended on that date.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. We confirm that the independence declaration required by the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999, provided to the Chief Executive Officer on 3 September 2007, would be in the same terms if provided to the Chief Executive Officer as at the date of this auditor's report.


Auditor's Opinion

In our opinion:

The financial report of the District Council of Yorke Peninsula is in accordance with the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999 including:

- (a) giving a true and fair view of the District Council of Yorke Peninsula's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (c) complying with Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999; and
- (d) where applicable, in accordance with the provisions relating to subsidiaries (and regional subsidiaries) of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



DON VENN
PARTNER

Signed on the 12th day of November 2007
at 214 Melbourne Street, North Adelaide, South Australia 5006.