

The District Council of Yankalilla



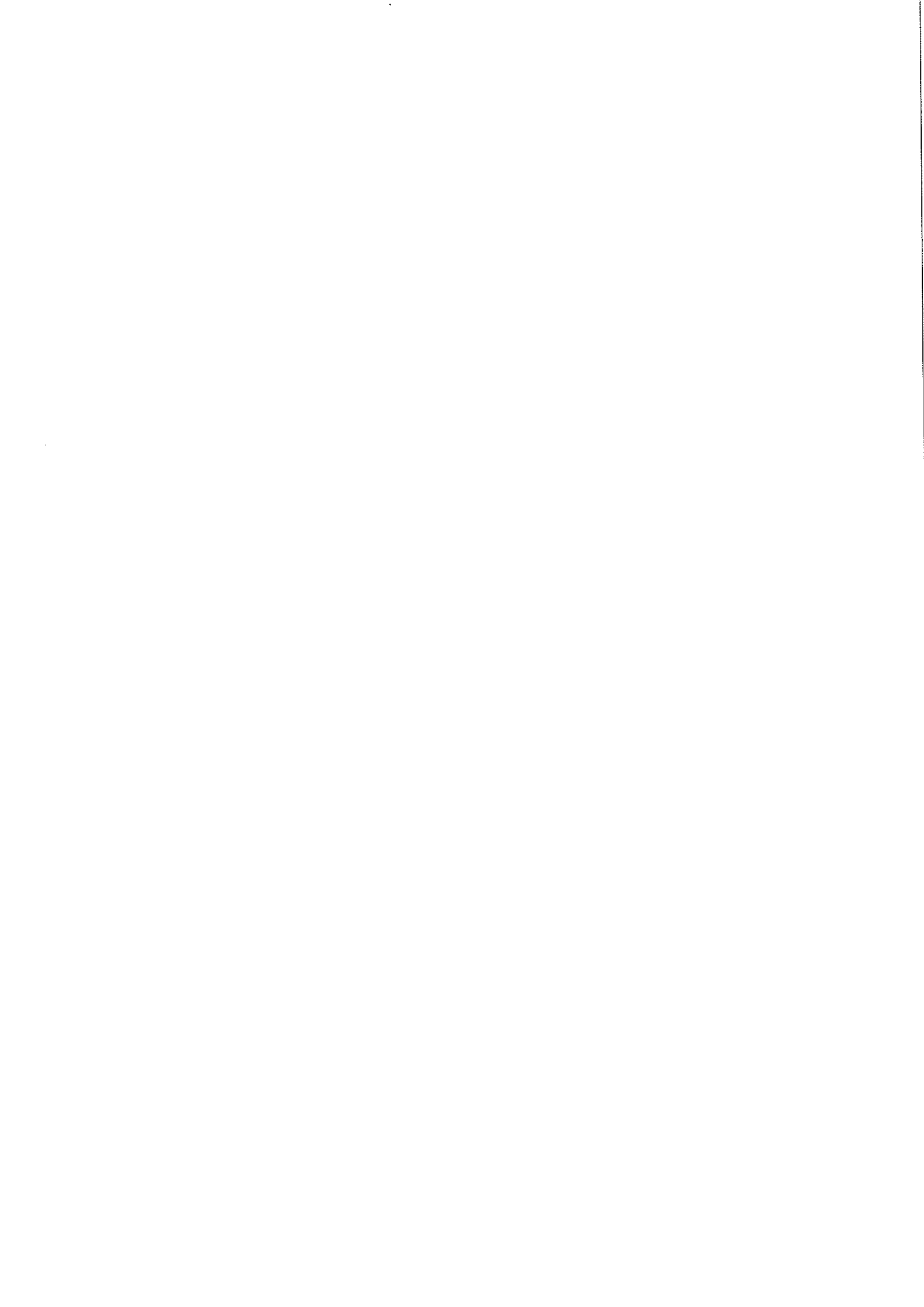
**FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 30th JUNE 2012**

DISTRICT COUNCIL OF YANKALILLA

General Purpose Financial Reports for the year ended 30 June 2012

TABLE OF CONTENTS

	<u>Page</u>
Council Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Balance Sheet	3
Statement of Changes in Equity	4
Cash Flow Statement	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N7
Note 3 - Expenses	N10
Note 4 - Gain or Loss on Disposal of Assets	N11
Note 5 - Current Assets	N12
Note 6 - Non-Current Assets	N12
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	N13
Note 8 - Liabilities	N16
Note 9 - Reserves	N17
Note 10 - Assets Subject to Restrictions	N17
Note 11 - Reconciliation of Cash Flow Statement	N18
Note 12 - Functions	N19
Note 13 - Financial Instruments	N21
Note 14 - Expenditure Commitments	N23
Note 15 - Financial Indicators	N24
Note 16 - Uniform Presentation of Finances	N25
Note 17 - Operating Leases	N26
Note 18 - Superannuation	N27
Note 19 - Joint Ventures & Associated Entities	N28
Note 20 - Discontinued Operations and Non-Current Assets held for sale	N29
Note 21 - Events Occurring After Reporting Date	N29
Audit Report	
Council Certificate of Audit Independence	
Audit Certificate of Audit Independence	



DISTRICT COUNCIL OF YANKALILLA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2012

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2012 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



.....
(Adrian Skull)

CHIEF EXECUTIVE OFFICER



.....
(Malcolm Schlein)

MAYOR/COUNCILLOR

Date: 20/11/12



DISTRICT COUNCIL OF YANKALILLA
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2012

	Notes	2012 \$	2011 \$
INCOME			
Rates	2	8,863,248	8,226,381
Statutory charges	2	151,998	165,954
User charges	2	870,409	313,102
Grants, subsidies and contributions	2	855,256	575,133
Investment income	2	67,601	281,380
Reimbursements	2	395,151	131,271
Other income	2	168,680	184,927
Net gain - joint ventures & associates	19	15,752	36,209
Total Income		<u>11,388,095</u>	<u>9,914,357</u>
EXPENSES			
Employee costs	3	3,503,324	3,025,430
Materials, contracts & other expenses	3	4,710,042	4,668,721
Depreciation, amortisation & impairment	3	3,167,745	3,252,613
Finance costs	3	658,954	748,476
Total Expenses		<u>12,040,065</u>	<u>11,695,240</u>
OPERATING SURPLUS / (DEFICIT)		(651,970)	(1,780,883)
Asset disposal & fair value adjustments	4	(68,924)	(342,184)
Amounts received specifically for new or upgraded assets	2	832,000	109,089
Physical resources received free of charge	2	212,661	525,728
NET SURPLUS / (DEFICIT)		<u>323,767</u>	<u>(1,488,250)</u>
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	540,928	6,549,722
Total Other Comprehensive Income		<u>540,928</u>	<u>6,549,722</u>
TOTAL COMPREHENSIVE INCOME		<u>864,695</u>	<u>5,061,472</u>

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



DISTRICT COUNCIL OF YANKALILLA

BALANCE SHEET as at 30 June 2012

ASSETS	Notes	2012 \$	2011 \$
Current Assets			
Cash and cash equivalents	5	293,983	177,827
Trade & other receivables	5	1,878,660	1,635,699
Inventories	5	62,700	104,756
Total Current Assets		<u>2,235,343</u>	<u>1,918,282</u>
Non-current Assets			
Financial Assets	6	99,330	126,050
Equity accounted investments in Council businesses	6	57,435	41,683
Infrastructure, Property, Plant & Equipment	7	99,641,213	99,926,758
Total Non-current Assets		<u>99,797,978</u>	<u>100,094,491</u>
Total Assets		<u>102,033,321</u>	<u>102,012,773</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	1,004,556	1,474,012
Borrowings	8	2,932,620	5,488,740
Provisions	8	222,652	332,539
Total Current Liabilities		<u>4,159,828</u>	<u>7,295,291</u>
Non-current Liabilities			
Borrowings	8	8,374,980	6,090,152
Provisions	8	66,200	59,712
Total Non-current Liabilities		<u>8,441,180</u>	<u>6,149,864</u>
Total Liabilities		<u>12,601,008</u>	<u>13,445,155</u>
NET ASSETS		<u>89,432,313</u>	<u>88,567,618</u>
EQUITY			
Accumulated Surplus		29,180,162	28,569,114
Asset Revaluation Reserves	9	59,972,919	59,431,991
Other Reserves	9	279,232	566,513
TOTAL EQUITY		<u>89,432,313</u>	<u>88,567,618</u>

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

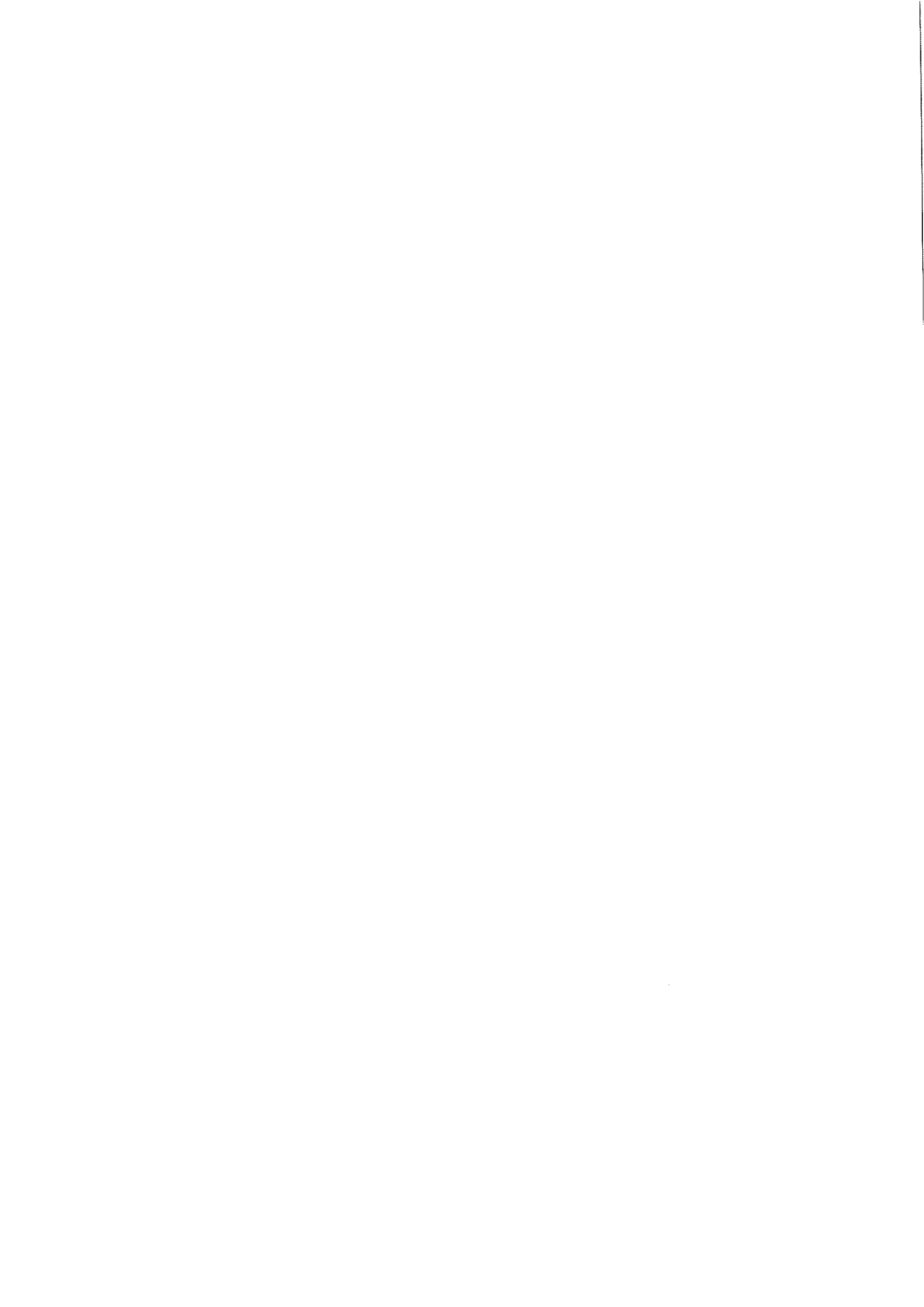


DISTRICT COUNCIL OF YANKALILLA

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2012

2012	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		28,569,114	59,431,991	566,513	88,567,618
Net Surplus / (Deficit) for Year		323,767	-	-	323,767
Other Comprehensive Income					
Change on revaluation of infrastructure, property, plant & equipment	9	-	540,928	-	540,928
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment	9	-	-	-	-
Transfers between reserves		<u>287,281</u>	-	<u>(287,281)</u>	<u>-</u>
Balance at end of period		<u>29,180,162</u>	<u>59,972,919</u>	<u>279,232</u>	<u>89,432,313</u>
2011					
Balance at end of previous reporting period		29,762,629	52,882,269	861,248	83,506,146
Net Surplus / (Deficit) for Year		(1,488,250)	-	-	(1,488,250)
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	6,549,722	-	6,549,722
Transfers between reserves		294,735	-	<u>(294,735)</u>	<u>-</u>
Balance at end of period		<u>28,569,114</u>	<u>59,431,991</u>	<u>566,513</u>	<u>88,567,618</u>

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



DISTRICT COUNCIL OF YANKALILLA

CASH FLOW STATEMENT for the year ended 30 June 2012

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2012 \$	2011 \$
<u>Receipts</u>			
Operating Receipts		11,969,074	9,899,190
Investment receipts		68,213	281,435
<u>Payments</u>			
Operating payments to suppliers & Employees		(9,416,852)	(8,193,601)
Finance payments		(710,999)	(721,196)
Net Cash provided by (or used in) Operating Activities		1,909,436	1,265,828
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		832,000	109,089
Sale of replaced assets		106,720	466,910
Sale of surplus assets		355,000	-
Repayments of loans by community groups		34,313	27,603
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,776,171)	(3,317,466)
Expenditure on new/upgraded assets		(1,095,746)	(386,804)
Loans made to community groups		(15,000)	(25,000)
Net Cash provided by (or used in) Investing Activities		(1,558,884)	(3,125,668)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		451,896	2,327,376
<u>Payments</u>			
Repayments of Borrowings		(661,177)	(728,004)
Net Cash provided by (or used in) Financing Activities		(209,281)	1,599,372
Net Increase (Decrease) in cash held		141,271	(260,468)
Cash & cash equivalents at beginning of period	11	152,712	413,180
Cash & cash equivalents at end of period	11	293,983	152,712

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



DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 15 November 2012

1.2 Historical Cost Convention

Except as 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 Australian Accounting Standards (AAS) requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

2 The Local Government Reporting Entity

District Council of Yankalilla is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1 Charles Street, Yankalilla. These financial statements include the Council's direct operations 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 Income recognition

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

Revenue received in advance for the Commonwealth Financial Assistance Grant was treated as revenue in current financial year as per LGA recommendation.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

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

6.2 Materiality

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

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

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 1 - Significant Accounting Policies (cont)

6.3 Subsequent Recognition

All material 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 7.

6.4 Depreciation of Non-Current Assets

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

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

Plant	Vehicles and Road-making Equip	5 to 10 years
	Other Plant & Equipment	5 to 15 years
Furniture & Equipment	Office Equipment	3 to 10 years
	Office Furniture	10 to 20 years
Building	Buildings – masonry	50 to 100 years
	Buildings – other construction	20 to 40 years
Recreation	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 (Inc Transport & CWMS)	Sealed Roads – Surface	17 to 25 years
	Sealed Roads – Structure	40 to 80 years
	Unsealed Roads	5 to 12 years
	Bridges – Concrete	80 years
	Paving & Footpaths	5 to 15 years
	Kerb & Gutter	70 to 100 years
	Drains	70 years
	Culverts	50 to 75 years
	Flood Control Structures	80 to 100 years
	Dams and Reservoirs	80 to 100 years
	Bores	20 to 40 years
	Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years	
Pumps & Telemetry	15 to 25 years	
Other	TV Towers & Equipment	10 to 65 years

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 1 - Significant Accounting Policies (cont)

6.5 Impairment

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

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

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 Borrowing Costs. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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.

Weighted average discount rate

2.73% (2011, 4.73%)

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 1 - Significant Accounting Policies (cont)

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. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Construction Contracts

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

11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19 Investment in Associates and Joint Ventures.

12 Leases

Lease arrangements have been accounted for in accordance with AASB 117 Leases.

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

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

13 GST Implications

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

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

14 Comparative Information

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

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 1 - Significant Accounting Policies (cont)

15 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period and have not been used in preparing these reports.

- AASB 9 *Financial Instruments*
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 2010-6 *Amendments to Australian Accounting Standards [AASBs 1 & 7]*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]*
- AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]*
- AASB 2011-5 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]*
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]*
- AASB 2011-12 *Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]*

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

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

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 2 - INCOME

	Notes	2012 \$	2011 \$
RATES REVENUES			
<u>General Rates</u>		7,618,014	7,078,141
Less: Mandatory rebates		(53,759)	(51,087)
Less: Discretionary rebates, remissions & write offs		(22,744)	(15,768)
		7,541,511	7,011,286
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		143,916	121,187
Community wastewater management systems		1,031,092	984,618
		1,175,008	1,105,805
<u>Other Charges</u>			
Penalties for late payment		146,729	109,290
		146,729	109,290
		8,863,248	8,226,381
 STATUTORY CHARGES			
Development Act fees		26,132	34,239
Town planning fees		65,757	65,229
Health & Septic Tank Inspection fees		27,014	36,598
Animal registration fees & fines		31,584	29,138
Other licences, fees, & fines		1,511	750
		151,998	165,954
 USER CHARGES			
* Caravan Park Hire Fees		750,464	203,940
Cemetery		4,500	4,050
Block Clearing Fees		3,422	7,379
Rubbish Dump Fees		-	16,574
Hall & equipment hire		6,034	5,581
Mobile Garbage Bin Sales		-	1,170
Road Rental & Reserve leases		17,988	15,424
Search Fees		11,944	15,401
Community Bus		2,611	1,146
HACC Contributions		17,791	19,456
Sundry		55,655	22,981
		870,409	313,102
 * NB			
Caravan Park Fees increase due to the management of park returned to Council on 1 March 2011			
 INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		6,115	11,584
Banks & other		12,902	7,264
Loans to community groups		8,048	7,170
Investment property rental income		40,536	40,956
Caravan Park Property Lease		-	214,406
		67,601	281,380

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

NOTE 2 - INCOME (continued)

	Notes	2012 \$	2011 \$
REIMBURSEMENTS			
- for private works		10,246	131,271
* - other		<u>384,905</u>	<u>-</u>
		<u>395,151</u>	<u>131,271</u>
* NB Reimbursements have increase due to funding received in relation to the Second Valley Jetty repairs undertaken 2011 & 2012			
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		-	7,447
Rebates received		90,874	90,237
Sundry		77,806	87,243
		<u>168,680</u>	<u>184,927</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		832,000	109,089
Other grants, subsidies and contributions		714,958	506,301
Individually significant item - additional Grants Commission payment	see below	<u>140,298</u>	<u>68,832</u>
		<u>1,687,256</u>	<u>684,222</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		941,089	139,089
State government		674,391	429,965
Other		71,776	115,168
		<u>1,687,256</u>	<u>684,222</u>

Individually Significant Item

On 28 June 2011, Council received payment of the first instalment of the 2011/12 Grant Commission (FAG) grant. Similarly, on 28 June 2012 Council received payment of the first two instalments of the 2012/13 grant.

	140,298	68,832
--	---------	--------

This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt.

Similarly material adverse effects will be experienced when the timing of these grant payments is restored to normal schedule. It is not known when this will occur.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

NOTE 2 - INCOME (continued)

	2012	2011
Notes	\$	\$
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	201,459	111,617
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>HACC Grant for Minor Capital</i>	(2,452)	(3,000)
<i>Regional & Local Community Infrastructure Program</i>	-	(30,000)
<i>VIC Tourism Grant</i>	-	(6,000)
<i>Cape Jervis Ferry Terminal Landscaping</i>	(6,432)	(44,810)
<i>Natural Resources Grant</i>		(22,375)
<i>Adelaide NRM - Stormwater Master Plan</i>	(50,523)	-
<i>Department of Justice - Crime Prevention</i>	(18,700)	-
<i>Department Plan/ Local Govt</i>	(79,000)	-
<i>Dept Further Education, Employment & Training</i>	(22,875)	-
<i>Community Neighbourhood</i>	(2,000)	-
<i>Subtotal</i>	(181,982)	(106,185)
 <i>Plus: Amounts recognised in revenue in this reporting period but not yet expended in accordance with the conditions</i>		
<i>HACC Grant for Minor Capital</i>	-	2,452
<i>Adelaide NRM - Stormwater Master Plan</i>	-	60,000
<i>Department of Justice - Crime Prevention</i>	9,477	18,700
<i>Department Plan/ Local Govt</i>	-	88,000
<i>Dept Further Education, Employment & Training</i>	-	23,875
<i>Community Neighbourhood</i>	-	3,000
<i>Department Planning, Transport & Infrastructure (planning Division)</i>	30,000	-
<i>Subtotal</i>	39,477	196,027
 <i>Unexpended at the close of this reporting period</i>	58,954	201,459
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	(142,505)	89,842
 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Land & Improvements	60,000	-
Roads, Bridges & Footpaths	152,661	463,672
Stormwater Drainage	-	62,056
 TOTAL PHYSICAL RESOURCES RECEIVED	212,661	525,728

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 3 - EXPENSES

	Notes	2012 \$	2011 \$
EMPLOYEE COSTS			
Salaries and Wages		3,297,838	2,961,644
Employee leave expense		(74,626)	(29,716)
Superannuation - defined contribution plan contributions	18	173,071	172,576
Superannuation - defined benefit plan contributions	18	81,377	88,337
Workers' Compensation Insurance		147,135	137,527
Other		39,705	35,076
Less: Capitalised and distributed costs		(161,176)	(340,013)
Total Operating Employee Costs		3,503,324	3,025,430
Total Number of Employees		41.3	42.7
<i>(Full time equivalent at end of reporting period)</i>			

Note: A Redundancy of \$240,802 payment in 11/12 and is included with Salaries & Wages

MATERIALS, CONTRACTS & OTHER EXPENSES

Prescribed Expenses

Auditor's Remuneration			
- Auditing the financial reports		10,980	10,420
- Other Auditors		9,591	2,600
Bad and Doubtful Debts		8,291	16,111
Elected members' expenses		129,893	153,673
Election expenses		-	21,209
Insurance		221,362	204,175
Operating Lease Rentals - cancellable leases		6,888	20,302
Subtotal - Prescribed Expenses		387,005	428,490

Other Materials, Contracts & Expenses

Contractors		3,451,029	3,455,660
Legal Expenses		128,145	99,058
Levies paid to government - NRM levy		143,856	112,230
- Other Levies		11,848	8,432
Parts, accessories & consumables		549,943	513,099
Remediation - Quarry		-	27,375
Sundry		38,216	24,377
Subtotal - Other Materials, Contracts & Expenses		4,323,037	4,240,231
		4,710,042	4,668,721

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 3 - EXPENSES (cont)

	Notes	2012 \$	2011 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings		325,113	360,150
Recreation		77,710	76,750
Infrastructure			
- Transport		1,709,212	1,879,606
- CWMS		305,667	191,516
- Stormwater		153,246	156,950
Major Plant & Equipment		342,977	322,859
Fleet Plant		105,079	120,962
Furniture & Fittings		131,583	126,604
Other		17,158	17,216
		3,167,745	3,252,613
FINANCE COSTS			
Interest on overdraft and short-term drawdown		229,537	-
Interest on Loans		429,417	748,476
		658,954	748,476

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes		
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		106,721	466,910
Less: Carrying amount of assets sold		185,397	809,094
Gain (Loss) on disposal		(78,676)	(342,184)
<i>Assets surplus to requirements</i>			
Proceeds from disposal		355,000	-
Less: Carrying amount of assets sold		345,248	-
Gain (Loss) on disposal		9,752	-
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		(68,924)	(342,184)

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS	Notes	2012 \$	2011 \$
Cash on Hand and at Bank		44,052	1,030
BankSA 4 - At Call		8,117	101,627
LGFA CWMS - 24 Hour Call		241,177	74,561
LGFA - 24 Hour Call		637	609
		293,983	177,827
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		1,694,784	1,233,655
Council Rates Postponement Scheme		2,587	
Accrued Revenues		1,663	2,275
Debtors - general		72,512	155,876
GST Recoupment		23,480	53,334
Prepayments		52,055	174,678
Loans to community organisations		39,400	31,993
Total		1,886,481	1,651,811
Less: Allowance for Doubtful Debts		7,821	16,112
		1,878,660	1,635,699
 INVENTORIES			
Stores & Materials		62,700	104,756
		62,700	104,756

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes		
Receivables			
Loans to community organisations		99,330	126,050
		99,330	126,050
 EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
<i>Southern & Hills Local Government Association</i>	19	6,234	5,833
<i>Fleurieu Regional Waste Authority</i>	19	51,201	35,850
		57,435	41,683

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

	2011				2012			
	AT FAIR VALUE	AT COST	ACCUM DEP'n	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'n	CARRYING AMOUNT
								\$
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	11,776,240	-	-	11,776,240	11,633,620	-	-	11,633,620
Buildings	11,477,679	97,239	(2,919,407)	8,655,511	11,067,804	215,831	(3,085,589)	8,198,046
Recreation	2,675,995	102,528	(841,071)	1,937,452	2,709,600	189,913	(918,781)	1,980,732
Infrastructure	-	-	-	-	-	-	-	-
- Transport	78,829,919	3,441,236	(33,214,262)	49,056,893	77,963,334	4,703,248	(33,911,693)	48,754,889
- CWMS	17,351,810	-	(3,954,421)	13,397,389	17,992,099	16,000	(4,337,395)	13,670,704
- Stormwater	14,223,352	62,056	(2,678,806)	11,606,602	14,223,352	97,056	(2,832,052)	11,488,356
Major Plant & Equipment	-	3,423,029	(1,363,093)	2,059,936	-	3,503,801	(1,586,489)	1,917,312
Fleet Plant	-	653,582	(98,960)	554,622	-	633,488	(198,518)	434,970
Furniture & Fittings	-	1,197,577	(609,353)	588,224	-	947,176	(529,795)	417,381
Other	526,290	4,927	(237,328)	293,889	526,290	9,643	(254,486)	281,447
WIP CWMS	-	-	-	-	-	863,756	-	863,756
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	136,861,285	8,982,174	(45,916,701)	99,926,758	136,116,099	11,179,912	(47,654,798)	99,641,213
Comparatives					136,861,285	8,982,174	(45,916,701)	99,926,758

This Note continues on the following pages.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

	CARRYING AMOUNT MOVEMENTS DURING YEAR							2012 \$
	2011 \$						CARRYING AMOUNT	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Net Revaluation		
	New/Upgrade	Renewals						
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	11,776,240	60,000	-	(189,000)	-	(13,620)	11,633,620	
Buildings	8,655,511	-	-	(132,352)	(325,113)	-	8,198,046	
Recreation	1,937,452	120,990	-	-	(77,710)	-	1,980,732	
Infrastructure								
- Transport	49,056,893	-	1,455,473	(37,971)	(1,709,212)	(10,294)	48,754,889	
- CWMS	13,397,389	16,000	-	(1,860)	(305,667)	564,842	13,670,704	
- Stormwater	11,606,602	35,000	-	-	(153,246)	-	11,488,356	
Major Plant & Equipment	2,059,936	-	271,592	(71,239)	(342,977)	-	1,917,312	
Fleet Plant	554,622	-	41,656	(56,229)	(105,079)	-	434,970	
Furniture & Fittings	588,224	-	2,734	(41,994)	(131,583)	-	417,381	
Other	293,889	-	4,716	-	(17,158)	-	281,447	
WIP CWMS	-	863,756	-	-	-	-	863,756	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	99,926,758	1,095,746	1,776,171	(530,645)	(3,167,745)	540,928	99,641,213	
Comparatives	93,208,746	912,532	3,317,466	(809,095)	(3,252,613)	6,549,722	99,926,758	

This Note continues on the following pages.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

Land

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

Freehold land and land over which Council has control, but does not have title, is recognised on the fair basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land assets have all been revalued as at the 30th June 2012 internally by Council Staff using the South Australia Valuer General valuations. All additions after this date will be 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 & Recreation

Buildings and Recreation was valued by Maloney Fields Services, Property Consultants and Valuer's at written down current replacement cost during the reporting period ended 30 June 2010.

Building Assets will again be revalued on 1 July 2012 and be split into key components.

All acquisitions made after the respective dates of valuation will be recorded at cost.

Infrastructure

Transportation assets were valued by Tonkin Consulting at written down current replacement cost during the reporting period ending 30 June 2011 and pursuant to Council's election are disclosed at fair value. All acquisitions made after the respective dates of valuation will be recorded at cost.

Stormwater drainage infrastructure was valued by Tonkin Consulting at written down current replacement cost during the reporting period ending 30 June 2011 and pursuant to Council's election are disclosed at fair value.

Community Wastewater Management Scheme infrastructure was valued by Tonkin Consulting at written down current replacement cost as at 1 July 2011. All acquisitions made after the respective dates of valuation will be recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 8 - LIABILITIES

	Notes	2012		2011	
		Current	Non-current	Current	Non-current
		\$		\$	
TRADE & OTHER PAYABLES					
Goods & Services		391,538	-	647,502	-
Payments received in advance		58,736	-	240,085	-
Accrued expenses - employee entitlements		268,228	-	282,496	-
Accrued expenses - other		275,671	-	291,390	-
Other		10,383	-	12,539	-
		1,004,556	-	1,474,012	-
 BORROWINGS					
Bank Overdraft		-	-	25,115	-
Short term draw down facility		2,204,769	-	4,834,769	-
Loans		727,851	8,374,980	628,856	6,090,152
		2,932,620	8,374,980	5,488,740	6,090,152
 PROVISIONS					
Employee entitlements (including oncosts)		222,652	66,200	305,164	59,712
Future reinstatement / restoration, etc		-	-	27,375	-
		222,652	66,200	332,539	59,712

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

*** NB Reinstatement /restoration of Landfills have been completed and closed.**

*Movements in Provisions - 2011 year only
(current & non-current)*

Opening Balance
(Less) Payments

Closing Balance

*Future
Reinstatement*

27,375
(27,375)

-

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2011	Net Increments (Decrements)	Transfers, Impairments	30/6/2012
Notes	\$	\$	\$	\$
Land	7,962,877	(13,620)	-	7,949,257
Buildings	3,089,406		-	3,089,406
Recreation	1,501,313	-	-	1,501,313
Infrastructure				
- Transport	31,975,768	(10,294)	-	31,965,474
- CWMS	6,787,985	564,842	-	7,352,827
- Stormwater	8,063,037	-	-	8,063,037
Other	51,605	-	-	51,605
TOTAL	59,431,991	540,928		59,972,919
<i>Comparatives</i>	<i>52,882,269</i>	<i>6,549,722</i>		<i>59,431,991</i>

OTHER RESERVES	1/7/2011	Transfers to Reserve	Transfers from Reserve	30/6/2012
TV Translator Reserve	20,000	-	-	20,000
Open Space Development	2,433	-	-	2,433
Community Waste Management Scheme	535,389	-	(287,281)	248,108
Caravan Park Reserve	8,691	-	-	8,691
TOTAL OTHER RESERVES	566,513		(287,281)	279,232
<i>Comparatives</i>	<i>861,248</i>		<i>(294,735)</i>	<i>566,513</i>

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

CASH & FINANCIAL ASSETS	Notes	2012 \$	2011 \$
Cape Jervis Ferry Terminal Landscaping		0	6,432
Department Planning, Transport & Infrastructure (planning Division)		30,000	
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		30,000	6,432

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2012 \$	2011 \$
Total cash & equivalent assets	5	293,983	177,827
Less: Short-term borrowings	8	-	(25,115)
Balances per Cash Flow Statement		293,983	152,712

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

Net Surplus (Deficit)	323,767	(1,488,250)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	3,167,745	3,252,613
Equity movements in equity accounted investments (increase) decrease	(15,752)	(36,209)
Net increase (decrease) in unpaid employee benefits	90,292	(23,239)
Premiums & discounts recognised & unwound	(8,291)	12,319
Change in allowances for under-recovery	(212,661)	(525,728)
Non-cash asset acquisitions	(832,000)	(109,089)
Grants for capital acquisitions treated as Investing Activity	68,924	342,184
Net (Gain) Loss on Disposals	-	-
	2,582,024	1,424,601
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(224,676)	(445,389)
Net (increase) decrease in inventories	42,056	(85,961)
Net (increase) decrease in other current assets	(7,407)	-
Net increase (decrease) in trade & other payables	(255,963)	292,978
Net increase (decrease) in other provisions	(27,375)	(137,625)
Net increase (decrease) in other liabilities	(199,223)	217,224
Net Cash provided by (or used in) operations	1,909,436	1,265,828

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	212,661	525,728
<i>Amounts recognised in Income Statement</i>		212,661	525,728

(d) Financing Arrangements

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

Corporate Credit Cards	10,000	10,000
LGFA Cash Advance Debenture facility	6,500,000	6,500,000

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES												
INCOME	EXPENSES						OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2011	2012	2011	2012	2011	2012
	2012	2011	2012	2011	2012	2011	\$	\$	\$	\$	\$	\$
1,876,868	1,567,607	2,365,744	1,412,089	(488,876)	155,518	-	46,000	19,057,721	18,346,557			
174,116	123,944	1,106,254	1,090,823	(932,138)	(966,879)	129,494	85,080	3,465,882	3,544,335			
8,101	8,550	66,092	66,594	(57,991)	(58,044)	6,616	6,575	484,802	486,776			
53,920	35,853	324,490	356,736	(270,570)	(320,883)	-	-	750,316	756,111			
282,598	226,930	1,667,070	1,566,847	(1,384,472)	(1,339,917)	137,620	94,534	13,448,103	13,569,086			
421,421	30,000	778,191	746,974	(356,770)	(716,974)	88,000	30,000	5,974,066	5,904,414			
186,029	192,790	1,327,079	1,268,063	(1,141,050)	(1,075,273)	-	-	150,059	164,759			
374,122	213,632	3,956,000	4,771,220	(3,581,878)	(4,557,588)	374,131	202,080	48,928,838	49,333,561			
27,699	29,552	-	-	27,699	29,552	-	-	2,478,531	2,646,278			
8,738	6,534	449,145	415,894	(440,407)	(409,360)	-	-	824,150	854,312			
7,958,731	7,442,756	-	-	7,958,731	7,442,756	119,404	110,864	6,413,415	6,364,901			
11,372,343	9,878,148	12,040,065	11,695,240	(667,722)	(1,817,092)	855,265	575,133	101,975,883	101,971,090			

Excludes net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Caravan Parks, Gravel Pits/Quarries, Private Works, Property Portfolio, Sewerage/CWMS, Water Supply – Domestic.

Community Services

Public Order and Safety, Crime Prevention, Emergency Services, Other Public Order and Safety, Pest Control – Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Home Assistance Scheme, Children and Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks and Other Community Amenities.

Culture

Static Libraries Service, Museums and Art Galleries and Other Cultural Services.

Economic Development

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

Environment

Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Street scaping, Natural Resource Management Levy and Other Environment.

Recreation

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

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Other Fire Protection, Parking Control, and Other Regulatory Services.

Transport

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

Plant Hire & Depot/Indirect

Plant Hire and Depot Costs.

Unclassified Activities

Infrastructural Management, Technical Service and Building Management.

Council Administration

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 Rates.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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 0.25% and 5.50% (2011: 0.55% and 4.55%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including legals & penalties for late payment)</p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest monthly of .7 and quarterly interest 2.0% (2011: monthly interest .75% and quarterly interest 2.0%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.50% and 9.40% (2011: 5.20% and 9.40%)</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 YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 13 (cont) - FINANCIAL INSTRUMENTS Liquidity Analysis

2012	Floating Interest Rate	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Non-Interest Bearing	Total Contractual Cash Flows	Carrying Values
		\$	\$	\$		\$	\$
Financial Assets							
Cash & Equivalents	292,883	-	-	-	1,100	293,983	293,983
Receivables	-	35,228	84,830	-	177,797	297,855	291,027
Other Financial Assets	-	-	-	-	99,330	99,330	99,330
Total	292,883	35,228	84,830	-	-	691,168	684,340
Financial Liabilities							
Payables	-	-	-	-	460,657	460,657	460,657
Current Borrowings	2,204,769	1,290,634	-	-	-	3,495,403	2,932,620
Non-Current Borrowings	-	-	3,067,635	5,307,345	-	8,374,980	8,374,980
Total	2,204,769	1,290,634	3,067,635	5,307,345	-	12,331,040	11,768,257
2011							
	Floating Interest Rate	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Non-Interest Bearing	Total Contractual Cash Flows	Carrying Values
		\$	\$	\$		\$	\$
Financial Assets							
Cash & Equivalents	176,797	-	-	-	1,030	177,827	177,827
Receivables	-	-	-	-	190,144	190,144	190,144
Other Financial Assets	-	-	126,050	-	-	126,050	126,050
Total	176,797	-	126,050	-	-	494,021	494,021
Financial Liabilities							
Payables	-	-	-	-	900,126	900,126	900,126
Current Borrowings	4,859,884	628,856	-	-	-	5,488,740	5,488,740
Non-Current Borrowings	-	-	2,534,649	3,555,503	-	6,090,152	6,090,152
Total	4,859,884	628,856	2,534,649	3,555,503	-	12,479,018	12,479,018

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

	30 June 2012		30 June 2011	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Other Variable Rates	5.50	2,204,769	6.25	5,760,010
Fixed Interest Rates	6.44	9,102,831	6.41	6,719,008
		<u>11,307,600</u>		<u>12,479,018</u>

Net Fair Value

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

Risk Exposures

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

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

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 14 - COMMITMENTS FOR EXPENDITURE

	2012	2011
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	24,000	58,575
Plant & Equipment	-	58,034
Parks & Gardens Infrastructure	36,010	
	60,010	116,609
These expenditures are payable:		
Not later than one year	60,010	116,609
	60,010	116,609
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	-	10,000
Waste Management Services	728,081	564,885
Employee Remuneration Contracts	-	500,635
	728,081	1,075,520
These expenditures are payable:		
Not later than one year	728,081	737,912
Later than one year and not later than 5 years	-	337,608
	728,081	1,075,520

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 15 - FINANCIAL INDICATORS

	2012	2011	2010
--	------	------	------

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	(7%)	(22%)	(10%)
--------------------------	------	-------	-------

Rates - general & other less NRM levy

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

Adjusted Operating Surplus Ratio

	(8%)	(22%)	(10%)
--	------	-------	-------

*In each of June 2009, 2010 and 2011 the Commonwealth Government made an advance of one quarterly payment of the Financial Assistance Grant. In June 2012 an advance of two quarterly payments was made (see Note 2). Accordingly there were four "quarterly" payments in 2010 and 2011, and five payments in 2012. The **Adjusted Operating Surplus Ratio** adjusts for this distortion.*

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	92%	117%	107%
----------------------------------	-----	------	------

Total Operating Revenue less NRM levy

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy).

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	53%	88%	67%
---------------------------	-----	-----	-----

Infrastructure & Asset Management Plan
required expenditure

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.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

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

	2012 \$	2011 \$
Income	11,388,095	9,914,357
<i>less</i> Expenses	12,040,065	11,695,240
Operating Surplus / (Deficit)	(651,970)	(1,780,883)
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,776,171	3,317,466
<i>less</i> Depreciation, Amortisation and Impairment	3,167,745	3,252,613
<i>less</i> Proceeds from Sale of Replaced Assets	106,720	466,910
	(1,498,294)	(402,057)
<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>	1,095,746	386,804
<i>less</i> Amounts received specifically for New and Upgraded Assets	832,000	109,089
<i>less</i> Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	355,000	-
	(91,254)	277,715
Net Lending / (Borrowing) for Financial Year	937,578	(1,656,541)

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis 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 2.

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

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

	2012	2011
	\$	\$
Not later than one year	31,546	30,264
Later than one year and not later than 5 years	120,000	-
	151,546	30,264

Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	354	4,244
	354	4,244

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 18 – 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. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12; 9% in 2010/11). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.0% in 2010/11) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

The most recent actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

All joint ventures and associated entities are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Southern & Hills Local Government Association:

In conjunction with District Council of Yankalilla, other Constituents Councils are Adelaide Hills, Alexandrina Council, Barossa Council, Kangaroo Island council, District Council of Mt Barker and District Council of Victor Harbor.

	2012	2011
Southern & Hills Local Government Association	\$	\$
Council's respective interests are:		
- interest in outputs of the joint operation	12.5%	12.5%
- ownership interest in the joint operation	12.5%	12.5%
- the proportion of voting power in the joint operation	12.5%	12.5%
<u>Movements in Investment in Joint Operation</u>	\$	\$
Opening Balance	5,833	5,474
Share in Operating Result	401	359
Share in Equity of Joint Operation	6,234	5,833

Fleurieu Regional Waste Authority:

In conjunction with District Council of Yankalilla, other Constituents Councils are Alexandrina Council, Kangaroo Island Council and District Council of Victor Harbor.

Fleurieu Regional Waste Authority

Council's respective interests are:

- interest in outputs of the joint operation	15.0%	15.0%
- ownership interest in the joint operation	15.0%	15.0%
- the proportion of voting power in the joint operation	15.0%	15.0%

<u>Movements in Investment in Joint Operation</u>	\$	\$
Opening Balance	35,850	-
Share in Operating Result	15,351	35,850
Share in Equity of Joint Operation	51,201	35,850

Expenditure Commitments

<u>Operating Expenditures payable</u>		
Not later than one year	193,977	
Later than one year and not later than 5 years	441,965	
Later than 5 years	35,000	
	670,942	-

Contingent Liabilities

Each member of the operation is jointly and severally liable for the debts of the operation

- arising from Council's share of the joint operation	100,641
---	---------

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

Note 20 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

1. LAND UNDER ROADS

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. 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 one 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.

4. "CARBON" TAX

From 1 July 2012, a new tax on emissions of certain "greenhouse" gases commences operation. Council has a number of garbage landfill facilities, which emit, and will continue for many years to emit, gases of this type. Information currently available provides assurances that "legacy emissions" from garbage placed in landfills prior to commencement of the tax will not subsequently become liable to the tax. However, details of the mechanisms for measuring such emissions or of providing the exemption are not currently available.

Note 21 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30th June 2012 that need to be disclosed in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DISTRICT COUNCIL OF YANKALILLA

We have audited the accompanying financial report of the District Council of Yankalilla, which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the District Council of Yankalilla is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011. 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 financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud 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 2011 and the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the District Council of Yankalilla as of 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS


JIM KEOGH
PARTNER

Signed on the 21st day of November 2012,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

DISTRICT COUNCIL OF YANKALILLA

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Yankalilla for the year ended 30 June 2012, the Council's Auditor, Dean Newbury & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



.....
(Trevor Starr)

ACTING CHIEF EXECUTIVE OFFICER



.....
(Mark Coleman)

**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 14/8 2012

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the District Council of Yankalilla for the year ended 30 June 2012, I have maintained my 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, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



JIM KEOGH

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 6th day of July 2012