

DISTRICT COUNCIL of PETERBOROUGH



ANNUAL REPORT *Incorporating the Audited Financial Statements 2012/2013* **2012 / 2013**

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The content of Council's 2012 - 2013 Annual Report
is as required under Section 131 of the Local Government Act, 1999.
Progress on Council activities is reported monthly
in *The Informer*, which is circulated throughout the Peterborough district.



*** VISION***

A thriving community again with a quality lifestyle
and
sustainable economic base.

KEY RESULT AREA

- KRA** Economic sustainability
- KRA** Infrastructure
- KRA** Community well being
- KRA** The environment
- KRA** Representative and accountable local government





FROM THE MAYOR : 2012/2013

I am pleased to report a busy and productive year. In spite of the Global financial woes and the upheaval that elections create, we have moved through the year fulfilling the determinations and plans of the budget. We always start with a set idea of what goes where and when – never quite turns out like that but we manage within reason to complete all the things we think are possible. Inevitably something goes amiss or a new idea comes to light and we are diverted from the main game for a while. Nevertheless, the Ratepayers and Residents can maintain a modicum of confidence in the fact that we have not blown the budget nor led the District Council of Peterborough on a wild goose chase or committed DCP for anything that it cannot possibly attain.

Whether we agree with the concept or not – tourism is playing a big part in our economy. We have a lot to offer but need to keep our offerings in the best condition with good advertising and constant change to attract the touring public.

The YMCA is now a most useful building. It houses offices, the Ceramic Group, the Meldonfield Collection and Railway Station in Miniature and now the History Group permanent display of ephemera and memorabilia of Peterborough through the ages. The display is all housed in separate rooms (once YMCA Bedrooms) upstairs. Each room depicts a time or event in our history – service clubs, churches, sport, music etc etc. It is well worth going up the stairs to see just what is up there. The thrill of actually being able to see what is at the top of the stairs is an added bonus.

Along with the YMCA we are proud of the work done on the old Print Shop in Jervois Street and small tours are already available with more to come. Steamtown continues to shine a light for tourism in the area and new arrangements now mean a much more professional service. Council has employed workers for Steamtown and the Tourist Carriage and all employees work the 2 ventures in tandem – assisting with bookings, tours and information. It has been a long haul to get it all to this stage but one that has been worthwhile and hopefully rewarding for all the community.

Horst Endrulat who has been the Manager of Tourism and Steamtown will leave us at the end of the year for a much deserved retirement. Horst has brought a new perspective on tourism to DCP and we have been blessed with the information he has brought to the job and the direction in which he has so expertly taken us.

The Works Programme has concentrated once again on the Flood Mitigation Programme but has managed to fit in all the other work that requires repeated and constant attention. We only have a small workforce but the members of that force manage to keep the towns of Peterborough, Yongala and Oodlawirra looking tidy most of the time, keep the 6 cemeteries that we have responsibility for looking clean and neat and in reasonable repair and do the jobs that are in the budget and on the green forms that are constantly being filled out. I like the green forms. They allow Ratepayers and Residents to note jobs that need doing, give the reminders that we need from time to time and allow the Manager and Supervisor room to prioritise the jobs. We see them all in Council and can keep an eye on what has been done and what is yet to be done. Thanks to Chris Thomson and Byron King for overseeing the Works Programme and to all the men working at the depot who keep us neat, tidy and repaired. Our Works Staff are multi skilled people and handle all sorts of machinery in odd places and conditions at times. They do a good job and we are lucky to have such diversification and dedication.

Our Main Street Programme will continue with additions to the Town Square. We plan to establish the whole area from Silver Street to Hurlstone Street, incorporate the Skate Park and carry on down to Steamtown. Ideas include gardens, a bike trail, seating and tables, walkway, trees, bins, lighting – anything that goes to make the Main Street area look attractive and useful. The CEO is applying for grants to assist the project and it will all be broken into smaller attainable parts. We hope to then move on to Steamtown and create an RV Friendly park for overnight stay for the RV's that visit our town on a regular basis, use our facilities and shop, stay and eat here. Council have resumed control of the Senior Citizens Hall. Council is now responsible for the bookings, cleaning and general maintenance. The numbers of Senior Citizens has diminished and the stress of all the above on one small club is too much. Council has moved to support our seniors and make better use of the lovely facilities at the Senior Citizens Hall while still providing access for our Senior Citizens Club members. Other clubs are able to use the facilities for nominal costs.



REPORT FROM THE CHIEF EXECUTIVE OFFICER : 2012/2013 :

The 2012 – 2013 year has been an interesting and challenging year.

The year started with Council taking control of the Visitor Information Centre from the Peterborough Tourism Association Inc. The operating hours for the VIC have been extended, now opening at 9am and closing at 5pm. This in turn has seen an increase in visitor numbers from 3170 in 2011-12 to 13025 in 2012-13. This upward trend is a positive move forward for tourism in Peterborough.

Significant changes to staff at Steamtown and the VIC has resulted in 3 additional employees to Council: Shirley Dearlove, Carolyn Bowden and Tamara Harris.

Council is investing significantly in tourism to enable Peterborough to be positioned as the centre of tourism in the Mid-north and Southern Flinders Ranges.

During the year Council negotiated the purchase of Meldonfield from Eldon and Mary Zimmermann. A big thank you to both Eldon and Mary for their generous donation of the replica train station. Both the train station and the miniatures are now proudly displayed in the YMCA.

Council refurbished the inside of the YMCA so that the Meldonfield and History Group displays could be made available to the community and tourists.

Steamtown continues to grow and impress the tourists with the Sound and Light show and informative tours.

Staff changes have occurred during the year with Gary Dowell, Mara Kastelyn, Chick Polomka and Alan Hyde resigning from Council and we wish them well in their new endeavours.

Alan Gray commenced as the transfer station operator, Sally Kent took over the role of Executive Assistant, Lynette Kelly and Mary Martin are job sharing in the front office, while Isabel Gray took up the position of Swimming Pool Supervisor. Congratulations to all and I hope you enjoy your time with Council.

Council has been successful in obtaining \$134,000 grant funding from Regional Development Australia for the upgrade works on Don Ferguson Drive and \$90,000 from the Department of Recreation and Sport for the skate park.

This Council continues to work with other Councils to improve our future sustainability through some shared services, such as :-

- The Flinders Ranges Development Assessment Panel
- Shared employment of the Development Officer
- Shared employment of the Environmental Health Officer
- The Northern Passenger Transport Network
- The mid north Be Active Field Officer
- Council's Waste & Recycling service
- Appointment of a shared auditor.

Thank you to the staff and Elected Members of District Council of Peterborough for their assistance over the past 12 months.

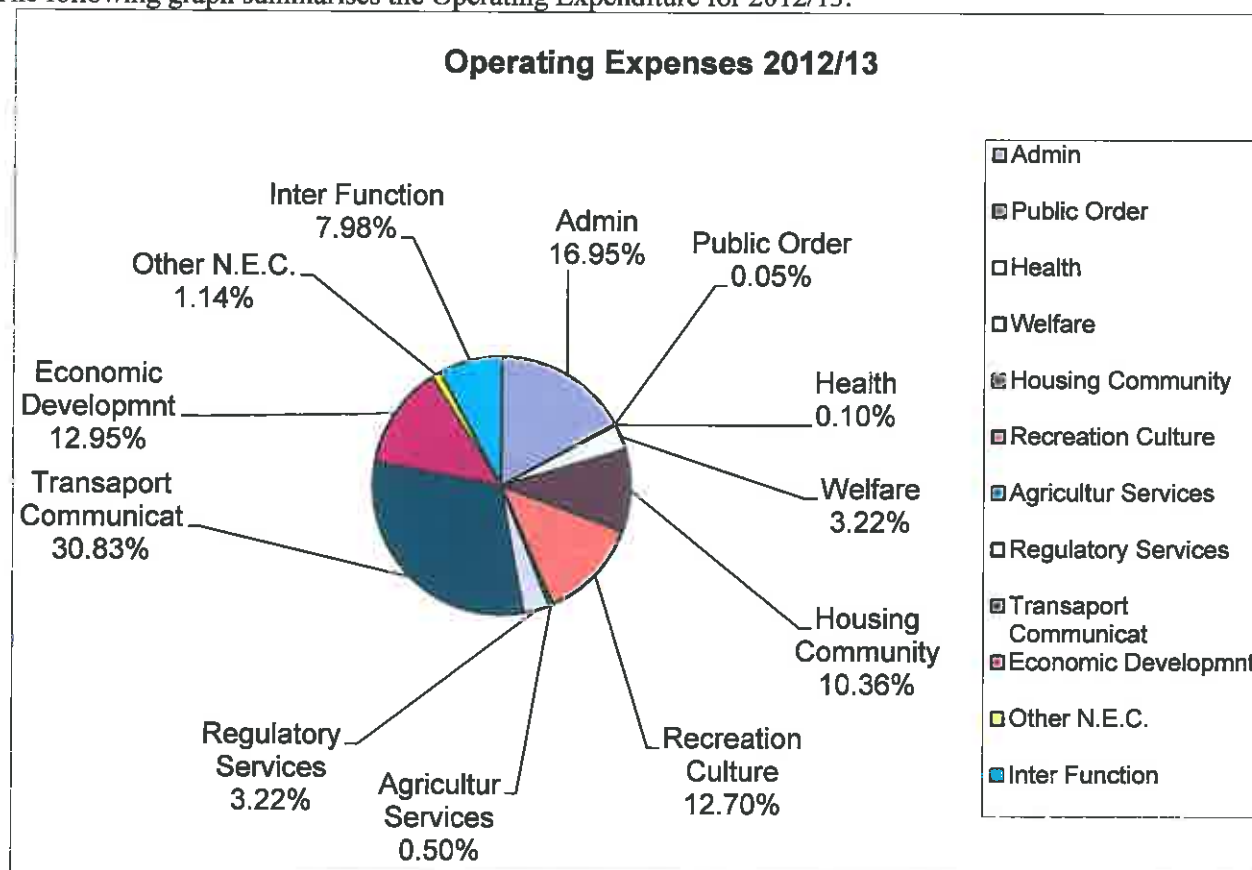


Peter McGuinness
Chief Executive Officer





The following graph summarises the Operating Expenditure for 2012/13.



The above graph shows the services on which Council spends the revenue it receives. Council rates equate to only 26.43% of the total expenditure.



Peter McGuinness
Chief Executive Officer

Finance



Railway Tce , Old Railway Crossing to Silver St

This section of Railway Terrace suffered from poor drainage due to very flat gradients which in turn led to the area being a quagmire on either side of the central seal.

The installation of kerbing and widening the seal will facilitate improved drainage and sealing of the road verge prevents the area from becoming a quagmire in the wet and a dustbowl in the dry, which has also added to the amenity of the area. These works were completed in this financial year.

Memorial Garden (Main Street)

Significant Works on the Memorial Garden area have been carried out which involved raised garden beds with various plants, new lawned area complete with borders and irrigation. Paving works have been extended up to the Bofors Gun which is also lit by underground lighting.

Pedestrian Facility (Main St Peterborough)

The issue of a Pedestrian Facility for Main St Peterborough had been raised which led to an investigation into the community need/support for such a facility.

A comprehensive pedestrian survey was conducted to determine the need and most practical location. This data was submitted to DPTI as per their request.

After community consultation it was decided where such a facility would be located and the facility was subsequently project managed by Council and funded in full by DPTI and was completed in the 12-13 financial year.

GREENING PROJECTS

SteamTown Agapanthus Garden

Works depot staff have installed a drip line to the newly planted Agapanthus in front of the car park. Works involved having to trench across the entrance road - and reinstate the road.

Don Fergusson Rd Rail Greening

The irrigation line, electrical cabling, solenoids etc have been installed together with earth filling in preparation for the future development/greening of that area.

WASTE MANAGEMENT

Zero Waste Kerbside Recycling Incentive Grant

In 2010 we received a Kerbside Recycling Incentive Grant to assist Council in implementing the Kerbside Recycling Scheme. We received the first half of the funding upon implementation and when Council was able to satisfactorily demonstrate that minimum target levels of recycling were achieved we would receive the second and final instalment.

We were able to demonstrate that recycling target levels were met this year which meant we received the final payment towards the Recycling Scheme from Zero Waste.

Zero Waste E Waste Infrastructure Grant

In November last year we applied for an eWaste Infrastructure Grant to purchase and erect a 20ft x 20ft shed with a heavy duty concrete floor at the Peterborough Transfer Station.

We were successful in our application and received the funding to provide an undercover eWaste facility that is secure in accordance with eWaste Storage Regulations.

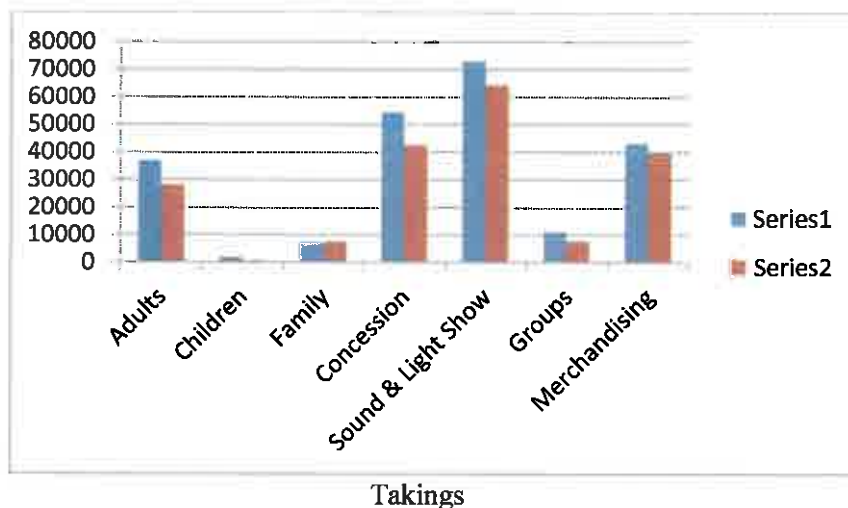
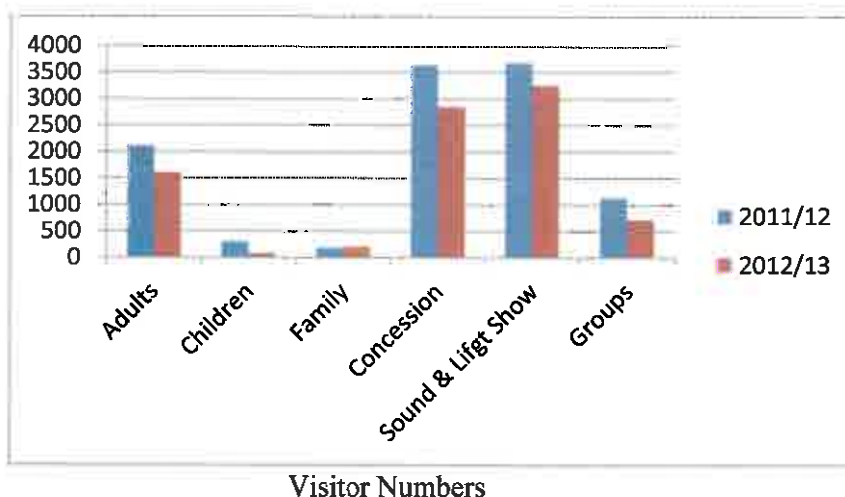
Council was not required to contribute any funding towards the purchase and erection of the shed and floor.



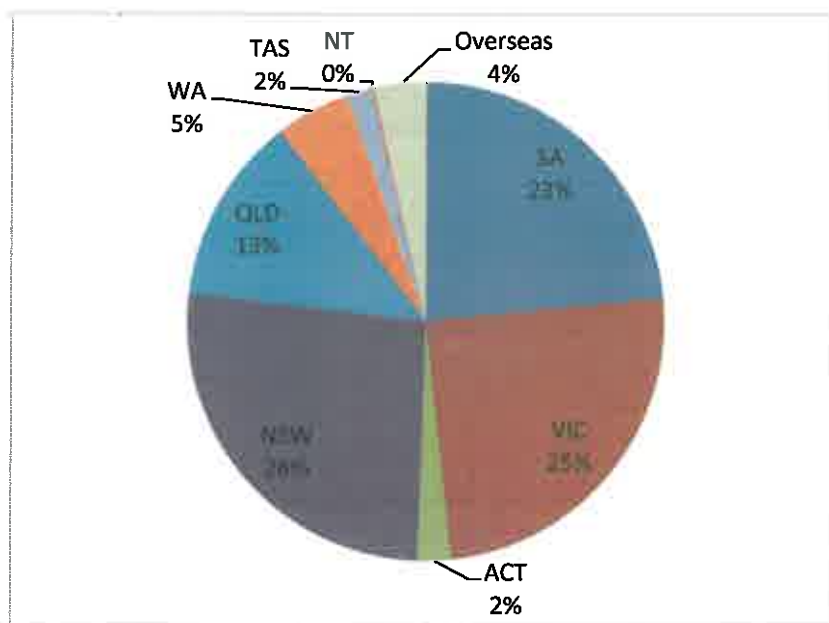


REPORT FROM THE STEAMTOWN HERITAGE RAIL CENTRE & VISITOR INFORMATION CENTRE : 2012 / 2013 :

2012/13 was a very difficult year for the Tourism industry in South Australia and especially for operators in the Flinders Ranges. Lake Eyre which has been a big drawcard for 3 consecutive years because it was full of water, dried up again and a large flow of interstate and intrastate visitors stopped coming to this area. Group travel was reduced dramatically which had a huge effect also on SHRC. Industry insiders suggest that the Lake Eyre effect contributed up to 23% of loss business. The high Australian Dollar encouraged many Australians to take an overseas holiday because it was much cheaper than ever; it also stopped international travellers going to Australia, because it was more expensive for them too and last but not least petrol prices increased too. All this contributed to a decline in Steamtown visitation and takings too. If it is a consolidation, SHRC travelled much better than many other Flinders Ranges operators who had much sharper decline. The Sound & Light Show was and is still our largest single-drawcard and contributor.



Within SHRC major improvements occurred. In November W907 was placed in the car park of SHRC drawing much more attention to the passing trade. 2 large Steamtown signs were erected on a flat-top carrier on the road to/from Orroroo; the sign was donated by Jason Schell. The 4 doors in the Diesel shed facing east were painted with the letters SHRC and a large sign above saying Steamtown Heritage Rail Centre were installed, which are illuminated after dark.



VIC Visitor Statistic 2012/13

Due to the professionalism by the Council employed staff, group business secured for Peterborough through the VIC increased dramatically, which also included guided tours through the town which were organised by the staff.

The 2013 NSW Variety Bash is only one example when Shirley Dearlove was approached in the VIC by the event organisers and then closed the deal immediately by offering and showing them the various venues. That group alone spent \$90,000.00 during their one night stay in Peterborough which included a dinner for 300 people in the town Hall. Three more Rallies were secured, by the VIC, as well as several other groups including 2 historic train groups from the Southern Aurora. Without the professionalism of the staff these groups would have bypassed Peterborough and would have spent no money in the town.

SHRC Management Committee :

The SHRC Management Committee is a Section 41 Committee of Council and meets monthly on the 2nd Monday of each month at Steamtown Heritage Rail Centre.

Voting members

Ruth Whittle	(Mayor District Council of Peterborough)
Peter McGuinness	(CEO District Council of Peterborough)
Shane Mills	(Councillor DC of Peterborough)
Jason Schell	(BHP Billiton Roxby Downs)
Frank Hardbottle	

Chair
Council Representative
Council Representative
Community Representative
Community Representative

Non voting member:

Kelly Anne Saffin	Mid-North/York RDA
Horst Endrulat	(Manager - SHRC)

Horst Endrulat
SHRC Manager/Tourism Officer





REPORT FROM THE ENVIRONMENTAL HEALTH OFFICER: 2012/2013:

ENVIRONMENTAL HEALTH ISSUES AND FOOD PREMISE ASSESSMENTS

Routine Assessments of the following premises were undertaken during the year:

1. Food Business Notification	Five (5)
2. B&B, Hostels, Hotels residential/commercial	Eleven (11)
3. Food processing and retail	Twelve (12)
4. Public and Environmental Health Assessments Inc waste controls & communicable diseases	Thirty three (33)
5. <i>Legionella</i> Auditing and DECD Assessments	Five (5)
6. Sporting/Community facilities	Six (6)
7. Food home/mobile producers and retailers	Ten (10)
8. Food enquiries/ actions	On-going

There have been a number of regulatory changes effecting environmental health operations over previous 12 months including:

- Public Health Act
- SA Food Act - Food Rating Scheme 1-14 Project changes
- Housing Improvement Act
- Legislation introduced on the sale of chook eggs and regulated through PIRSA
- The Safe Drinking Water Act
- Waste Water Code (blue book) commenced June 2013
- Revised *Legionella* Guidelines
- The Water Industry Regulations 2012 commenced on 1 January

I have recently completed my training and qualifications to practice as a Lead Food Safety Auditor through AFS and certified with RABQSA.

Approvals have now been processed for my commencement as a registered and qualified Lead Food Safety Auditor and registration completed with SA Health (who administer the authorisation of food auditors in South Australia).

Generally I will be working throughout the Mid North as and when required to undertake audits on aged care facilities and other food operations relating to Standard 3.3.1 of the food safety auditing program. A list of registered food auditors within South Australia can be found on the SA Health website.

Food Safety Sessions – I continue to run Food Safety Sessions for all sectors of the food industry that services the communities that I work across. These sessions are well received throughout the food service sector and continues to make a positive impact on increasing food operators understanding and knowledge of their food safety responsibilities and legislative requirements.

Mark Smith
Environmental Health Officer



REPORT FROM THE WHS RISK COORDINATOR : 2012/2013 :

Another year has rolled by without any serious incidents and everyone going home safely at night. This is the whole logic and main purpose of the Work Health and Safety Act.

This new Federal Act, Regulations, and Codes of Practice became affective from the 01/01/2013 and will run in parallel with the now replaced South Australian Act for this calendar year when the replaced Act will be no more. The two Acts are very similar and an information package is available on the Safe Work S.A. website. One could only say that the new Act is perhaps more explicit and the Codes are something new and give a guidance on how things should be done in the work place. There are approximately 20 Codes available now and more to come as they are prepared. It's important to remember that this new Act will cover the whole country.

For the last financial year we had 24 reported incidents across Council and this includes all incidents and near misses. Kangaroos are proving to be a problem this winter with over five impacts being reported.

The LGA has again through the Mutual Liability Scheme (our insurers) audited our processes and another satisfactory result was forthcoming. Later in the year we will again be audited under Workcover to ensure that we are on track, heading on the right track and showing continuous improvement.



David Baldry
WHS Risk Coordinator



REPORT FROM PETERBOROUGH SCHOOL AND COMMUNITY LIBRARY : 2012 - 2013

Peterborough has an unique facility where the Local Council Community Library and Peterborough High School Library share a building and resources but run autonomous units ie: staff, budget and equipment :

Council Staff:	Christine Malycha	Senior Library Assistant – level 3
	Michelle Travaille	Library Assistant – level 2
Relief Staff:	Danielle Clapp	Library Assistant – level 1

Statistics as per the Statistical bulletin: Public Libraries of SA

Population served: 1969
Registered borrowers: 795 = 40%

Loans for 2012 – 2013: 21,839 items {*mean average of 27 items per patron for the year*}

Services:	Books for all ages	Free internet usage + Wireless Network
	Children's zone area	Computer facilities
	Large print books	Magazines – Newspapers
	Hear-a-book services	Local history & reference collections
	Compact discs - DVD's	Interlibrary loans

Ongoing programmes: Children's book week promotions: Involving all surrounding schools
Premier's reading challenge literacy support
School holiday activities for 4-12 year olds
Family history research
Short term house bound services

*Christine Malycha/Michelle Travaille
School and Community Library*



*Michelle Travaille
Library Assistant*



COUNCIL MEMBERS:

<u>Mayor:</u>	(Mrs) I.R. (Ruth) Whittle	1983 - 1991 → as Mayor
<u>Deputy Mayor:</u>	Cr J Sandland	1993 - 2006 → as Deputy Mayor
<u>Councillors:</u>	(No Wards)	Eight (8) elected members

CONTACT DETAILS

Her Worship the Mayor Ruth WHITTLE OAM

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Peterborough and Community Library

Christine Malycha	Library Assistant
Michelle Travaille	Library Assistant

Human Services Department

Dianne Harris	Rural Transaction Centre Manager
Sue Pickering	Relief R.T.C.

Peterborough Swimming Pool

Isabel Gray	Supervisor
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Peterborough Town Hall

Greg Duggan	Caretaker
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PETERBOROUGH VISITOR INFORMATION CENTRE





Services for the Community 2012 - 2013

Full Council makes decisions on policy issues relating to services that are provided for members of the public. These currently include :-

Dog Control	Street Tree Planting	War Memorials
Traffic Control Devices	Tourism	Street Lighting
Fire Prevention/Protection	School Crossings	Car Parks
Environmental Health Inspection	Storm Water Drainage	Public Seating
Immunisation Program	Library	Parking Controls
Heritage Advisory	Community Halls	Museums
Planning Controls	Recreational/Sporting Facilities	Parking Bays
Street Closures	Garbage Collection/Disposal	Parks & Reserves
Street Sweeping	Playground Equipment	Litter Bins
Cemeteries	Swimming Pool	Clean Air Controls
Public Toilets	Building Controls	Litter Control
Roads/Footpaths/Kerbing		

Council's Service Directory (Welcome Kit) - a listing of all services and contact details, is regularly updated at the Rural Transaction Centre and distributed to new residents.

"The Informer" - a free, monthly publication sponsored by Council - edited and printed by the Rural Transaction Centre and compiled at the Community/School Library by a dedicated group of volunteers – distributed throughout the township and district via post boxes.

The Mayor and Chief Executive Officer keep the community informed of Council activities/projects and events through this newsletter.

MELDONFIELD MINIATURES COLLECTION





Public Participation:

Council Meetings

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These are :-

Deputations

With the permission of the Mayor, a member of the public can address the Council personally, either as an individual or on behalf of a group of residents, on any issue relevant to Council.

Petitions

Written petitions can be addressed to Council on any issue within the Council's jurisdiction.

Written Requests

A member of the public can write to the Council on any Council policy, activity or service.

Elected Members

Members of the public can contact any elected member of Council to discuss any issue relevant to Council.

Confidential Minutes Council excluded the public from the meetings on six (6) occasions in 2012/2013. The matters considered under confidentiality can be summarised as negotiations and issues relating to staff employment, legal advice, and/or purchase of property.

Council Consultation

The Council consults with local residents on particular issues that affect their neighbourhood. A Public Consultation policy was adopted in December 2000 (reviewed annually) and is available for inspection at the Council office and on the Council web-site.

Access to Council Documents

The following documents are available for public inspection at the Council office and copies are available for a small charge.

- ❖ Agenda and Minutes
- ❖ Budget Statement
- ❖ Policy Manual
- ❖ Annual Report
- ❖ Annual Financial Statement
- ❖ Development Plan
- ❖ Development Application Register
- ❖ Assessment Book
- ❖ Register of Members Allowances and Benefits
- ❖ Register of Employee Salaries, Wages and Benefits
- ❖ Strategic Plan
- ❖ Council's By-Laws



**LOCAL GOVERNMENT ACT, 1999 – Section 131 & Schedule 4****1 (a) Audited Financial Statements**

A copy of the audited Financial Statement is attached - see Attachment I

(b) Registers

The following is a list of Council registers:-

Cemetery Register
Dog Registration Register
Mobile Garbage Bin Register
Deeds Register
Lease and Contracts Register
Campaign Donations (Elections Act)
Primary and Ordinary Returns (Elections Act).
Volunteer Register
Assessment Book

(c) Code of Conduct

Council adopted its Code of Conduct as required under Sections 63 and 110 of the Local Government Act, 1999 on 22nd April 2003.(Reviewed annually)

(d) Policy Documents

The following additional policies have been adopted in the reporting year:-

<u>Policy Name</u>	<u>Adoption Date</u>	<u>Motion No.</u>
Code of Conduct – Employees	18/3/13	45/03
Fair Treatment	1/5/13	63/04sp
Purchasing	17/6/13	83/06

(e) Allowances

Information on allowances paid to members of Council :-

Mayor :	(Mrs) I (Ruth) Whittle	OAM	\$20,000
Deputy Mayor	Cr J Sandland		\$ 6,250
Councillors:	Cr Leon Clapp		\$ 5,000
	Cr Shane Mills		\$ 5,000
	Cr Cassandra Chambers		\$ 5,000
	Cr Frank Hardbottle		\$ 5,000
	Cr Kim Miller		\$ 5,000
	Cr S Mesecke		\$ 5,000
	Cr Belinda Haley		\$ 5,000





2 (a) **Strategic Management Plan – 2011 /2015 – A Thriving Community Again**

Council adopted the Strategic Plan 2011-2015 with Resolution 03/01/11.

(b) **Competitive Tendering**

Council is mindful of its obligations in this regard and has prepared a Contract and Tenders Policy in accordance with section 49 of the Local Government Act, 1999.

Council formally adopted this policy on 22nd April 2003. (Reviewed annually)

(c) **Equal Opportunity Programme and Human Resource Management**

Council is supportive of, and adheres to, equal opportunity processes.

Training is provided to staff to ensure a more efficient workforce.

Examples of training provided to Administration and Depot staff members include: =

Senior First Aid
Tree Awareness
Evacuation Drills
ChemTraining

Environmental Health (Food Safety Awareness)
Risk Assessments
WorkZone Traffic Management

(d) **Management Plan for Community Land**

Council's Management Plan for Community Land, prepared by Maloney Field Services, was adopted at the meeting held 5th October 2004.

3. **Government Business Enterprises Act (Competition) Act 1996:**

In accordance with Section 7 of the above Act, Council is required to review its business activities in order to determine whether Council is involved in any "significant business activities" that should be subject to that Act.

The following activities were identified :

- * Steamtown Heritage Rail Centre
- * Private works

Having identified these activities, it has been established that they are not significant, and therefore cannot be classed as category 1 or 2 under the Government Business Enterprises (Competition) Act, 1996.

Council adopted this Annual Report at the Ordinary meeting held on 18th November 2013.

Resolution : 158/11/13

(Mrs) I R (Ruth) Whittle O.A.M.
Mayor
District Council of Peterborough





Amalgamated 1997



Amalgamated 1997

DISTRICT COUNCIL of PETERBOROUGH

Financial Report

For The Period Ending

30 June 2013

**Resolution No.: 158/11/13
Dated: 18th November 2013**

DISTRICT COUNCIL OF PETERBOROUGH

General Purpose Financial Reports for the year ended 30 June 2013

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DISTRICT COUNCIL OF PETERBOROUGH

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

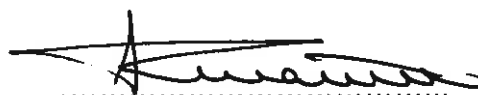
CERTIFICATION OF FINANCIAL STATEMENTS

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 2013 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.



Peter McGuinness
CHIEF EXECUTIVE OFFICER



Irene Ruth Whittle
MAYOR/COUNCILLOR

Date: 21st October 2013

DISTRICT COUNCIL OF PETERBOROUGH
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
INCOME			
Rates	2	1,348,187	1,309,037
Statutory charges	2	27,983	22,980
User charges	2	283,156	303,136
Grants, subsidies and contributions	2	2,609,313	3,087,716
Investment income	2	114,570	127,656
Reimbursements	2	19,766	49,107
Other income	2	20,110	20,135
Total Income		4,423,085	4,919,767
EXPENSES			
Employee costs	3	1,527,622	1,550,263
Materials, contracts & other expenses	3	1,693,232	1,733,371
Depreciation, amortisation & impairment	3	1,782,105	1,757,785
Finance costs	3	21,016	23,797
Total Expenses		5,023,975	5,065,216
OPERATING SURPLUS / (DEFICIT)		(600,890)	(145,449)
Asset disposal & fair value adjustments	4	(17,018)	(28,312)
NET SURPLUS / (DEFICIT)		(617,908)	(173,761)
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		(617,908)	(173,761)

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

DISTRICT COUNCIL OF PETERBOROUGH

BALANCE SHEET as at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,071,460	4,334,457
Trade & other receivables	5	219,194	199,818
Other financial assets	5	21,000	21,000
Inventories	5	5,290	4,157
Total Current Assets		5,316,944	4,559,432
Non-current Assets			
Infrastructure, property, plant & equipment	7	19,329,940	19,870,498
Other non-current assets	6	-	193,386
Total Non-current Assets		19,329,940	20,063,884
Total Assets		24,646,884	24,623,316
LIABILITIES			
Current Liabilities			
Trade & other payables	8	4,126,369	3,475,943
Borrowings	8	42,995	40,070
Provisions	8	119,941	113,110
Total Current Liabilities		4,289,305	3,629,123
Non-current Liabilities			
Borrowings	8	237,830	280,825
Provisions	8	97,882	73,593
Total Non-current Liabilities		335,712	354,418
Total Liabilities		4,625,017	3,983,541
NET ASSETS		20,021,867	20,639,775
EQUITY			
Accumulated Surplus		(4,920,814)	(4,302,906)
Asset Revaluation Reserves	9	24,942,681	24,942,681
TOTAL EQUITY		20,021,867	20,639,775

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

DISTRICT COUNCIL OF PETERBOROUGH

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2013

		Accumulated Surplus	Asset Revaluation Reserve	Available for sale Financial Assets	Other Reserves	TOTAL EQUITY
	Notes	\$	\$	\$	\$	\$
2013						
Balance at end of previous reporting period		<u>(4,302,906)</u>	<u>24,942,681</u>	-	-	<u>20,639,775</u>
Restated opening balance		(4,302,906)	24,942,681	-	-	20,639,775
Net Surplus / (Deficit) for Year		<u>(617,908)</u>	-	-	-	<u>(617,908)</u>
Balance at end of period		<u>(4,920,814)</u>	<u>24,942,681</u>	-	-	<u>20,021,867</u>
2012						
Balance at end of previous reporting period		<u>(4,129,145)</u>	<u>24,942,681</u>	-	-	<u>20,813,536</u>
Restated opening balance		(4,129,145)	24,942,681	-	-	20,813,536
Net Surplus / (Deficit) for Year		<u>(173,761)</u>	-	-	-	<u>(173,761)</u>
Balance at end of period		<u>(4,302,906)</u>	<u>24,942,681</u>	-	-	<u>20,639,775</u>

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

DISTRICT COUNCIL OF PETERBOROUGH

CASH FLOW STATEMENT for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		1,322,732	1,297,737
Fees & other charges		29,992	24,806
User charges		974,002	1,661,088
Investment receipts		120,363	119,922
Grants utilised for operating purposes		2,805,011	3,319,295
Reimbursements		21,743	54,018
Other revenues		274,553	250,374
<u>Payments</u>			
Employee costs		(1,470,197)	(1,505,652)
Materials, contracts & other expenses		(2,020,818)	(2,364,043)
Finance payments		(21,743)	(24,466)
Net Cash provided by (or used in) Operating Activities		2,035,638	2,833,079
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		44,382	39,227
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(643,651)	(1,437,023)
Expenditure on new/upgraded assets		(659,296)	(332,034)
Net purchase of investment securities		-	(4,000)
Net Cash provided by (or used in) Investing Activities		(1,258,565)	(1,733,830)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Repayments of borrowings		(40,070)	(37,347)
Net Cash provided by (or used in) Financing Activities		(40,070)	(37,347)
Net Increase (Decrease) in cash held		737,003	1,061,902
 Cash & cash equivalents at beginning of period	10	4,334,457	3,272,555
Cash & cash equivalents at end of period	10	5,071,460	4,334,457

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

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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 21st October 2013.

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The District Council of Peterborough is incorporated under the SA Local Government Act 1999 and has its principal place of business at 108 Main St. Peterborough, SA 5422. 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.

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

3 Income recognition

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

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

District Council of Peterborough

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised as income in advance. In June 2011, one quarter of the 2011/12 allocation amounting to \$378,111 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$810,522; and in June 2013, again two quarters of the 2013/14 allocation: \$821,385.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

3.1 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".

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 12.

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 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

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

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.

District Council of Peterborough

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

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

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 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.

6.5 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.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 7. 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.

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.

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.

6.7 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.

District Council of Peterborough

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured 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	2.914% (2012, 2.802%)
Weighted average settlement period	12 years (2012, 12 years)

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 15.

10 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed 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.

District Council of Peterborough

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

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.

11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

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 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 7	Financial Instruments – Disclosures
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 132	Financial Instruments: Presentation

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6 and AASB 2012-10.

(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 PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 2 - INCOME

	Notes	2013 \$	2012 \$
RATES REVENUES			
<u>General Rates</u>		1,107,705	1,071,647
Less: Discretionary rebates, remissions & write offs		(23,380)	(22,852)
		<u>1,084,325</u>	<u>1,048,795</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		24,049	23,810
Waste collection		220,341	219,632
		<u>244,390</u>	<u>243,442</u>
<u>Other Charges</u>			
Penalties for late payment		19,472	16,800
		<u>19,472</u>	<u>16,800</u>
		<u>1,348,187</u>	<u>1,309,037</u>
STATUTORY CHARGES			
Development Act fees		6,367	5,702
Town planning fees		3,672	3,081
Health & Septic Tank Inspection fees		197	
Animal registration fees & fines		12,031	11,453
Sundry		5,716	2,744
		<u>27,983</u>	<u>22,980</u>
USER CHARGES			
Cemetery/crematoria fees		13,160	14,963
Rural Transaction Centre		8,423	7,644
Informer		6,254	6,965
Council House Rent		110	4,500
Sport and Recreation Reserves		7,315	7,962
Dump		16,649	14,716
Swimming Pool Charges		13,532	10,256
Other User Charges		8,201	11,798
Steamtown		174,900	211,185
Other Commercial Activities		27,067	5,887
Hall & Equipment Hire		7,545	7,260
		<u>283,156</u>	<u>303,136</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		112,862	125,281
Banks & other		1,708	2,375
		<u>114,570</u>	<u>127,656</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 2 - INCOME (continued)

	2013	2012
Notes	\$	\$
REIMBURSEMENTS		
- Community Services Coordinator	2,600	2,600
- for private works	5,322	21,398
- Immunisations	1,508	1,598
- other	10,336	23,511
	<u>19,766</u>	<u>49,107</u>
OTHER INCOME		
Fines & Costs Recovered	3,169	518
Sundry	16,941	19,617
	<u>20,110</u>	<u>20,135</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	2,609,313	3,087,716
	<u>2,609,313</u>	<u>3,087,716</u>
<i>The functions to which these grants relate are shown in Note 2.</i>		
Sources of grants		
Commonwealth government	1,944,872	1,935,633
State government	664,441	1,152,083
	<u>2,609,313</u>	<u>3,087,716</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES

	Notes	2013 \$	2012 \$
EMPLOYEE COSTS			
Salaries and Wages		1,225,866	1,252,790
Employee leave expense		141,122	154,764
Superannuation - defined contribution plan contributions	15	79,483	81,740
Superannuation - defined benefit plan contributions	15	40,484	32,064
Workers' Compensation Insurance		40,667	28,905
Total Operating Employee Costs		1,527,622	1,550,263
 Total Number of Employees		 28	 24
<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		8,500	8,500
Bad and Doubtful Debts		-	5,248
Elected members' expenses		64,697	64,722
Election expenses		485	481
Subtotal - Prescribed Expenses		73,682	78,951
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		401,707	449,304
Energy		105,313	69,630
Other Materials		421,541	431,063
Fuel/Lubricants		108,846	88,586
Insurance		189,694	228,116
Subscriptions		18,854	22,389
Waste Collection & Disposal		220,318	170,932
Water		51,870	34,295
Maintenance		89,131	144,269
Legal Expenses		12,276	15,836
Subtotal - Other Materials, Contracts & Expenses		1,619,550	1,654,420
		1,693,232	1,733,371

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES (cont)

	Notes	2013 \$	2012 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		360,013	363,267
Infrastructure		892,181	957,662
Plant & Equipment		203,137	182,376
Furniture & Fittings		133,568	61,274
Steamtown		193,206	193,206
		<u>1,782,105</u>	<u>1,757,785</u>
FINANCE COSTS			
Interest on Loans		21,016	23,797
		<u>21,016</u>	<u>23,797</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2013	2012
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	44,382	39,227
Less: Carrying amount of assets sold	61,400	67,539
Gain (Loss) on disposal	<u>(17,018)</u>	<u>(28,312)</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 <u>(17,018)</u>	 <u>(28,312)</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 5 - CURRENT ASSETS

	2013	2012
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	79,972	130,157
Deposits at Call	4,991,488	4,191,427
Short Term Deposits & Bills, etc	-	12,873
	<u>5,071,460</u>	<u>4,334,457</u>
 TRADE & OTHER RECEIVABLES		
Rates - General & Other	154,811	129,356
Accrued Revenues	29,623	35,416
Debtors - general	33,971	34,471
Sundry	789	575
Total	<u>219,194</u>	<u>199,818</u>
 OTHER FINANCIAL ASSETS		
Term Deposit (Sporting Complex)	21,000	21,000
	<u>21,000</u>	<u>21,000</u>
 <i>Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.</i>		
 INVENTORIES		
Stores & Materials	5,290	4,157
	<u>5,290</u>	<u>4,157</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 6 - NON-CURRENT ASSETS

		2013	2012
	Notes	\$	\$
FINANCIAL ASSETS			
OTHER NON-CURRENT ASSETS			
Inventories			
Capital Works in Progress		-	193,386
		-	193,386

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012				2013			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	459,620	20,643	-	480,263	459,620	20,643	-	480,263
Buildings & Other Structures	19,340,869	-	(14,799,408)	4,541,461	19,340,869	-	(15,159,421)	4,181,448
Infrastructure	26,820,682	763,440	(16,799,986)	10,784,136	26,820,682	1,583,615	(17,692,167)	10,712,130
Plant & Equipment	-	3,680,966	(1,629,286)	2,051,680	3,680,966	313,483	(1,818,616)	2,175,833
Furniture & Fittings	-	1,212,578	(239,537)	973,041	1,212,578	94,082	(373,105)	933,555
Steamtown	-	1,932,060	(892,143)	1,039,917	1,932,060	-	(1,085,349)	846,711
TOTAL PROPERTY, PLANT & EQUIPMENT	46,621,171	7,609,687	(34,360,360)	19,870,498	53,446,775	2,011,823	(36,128,658)	19,329,940
Comparatives	46,621,171	6,306,811	(32,893,332)	20,034,650	46,621,171	7,609,687	(34,360,360)	19,870,498

This Note continues on the following pages.

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012	CARRYING AMOUNT MOVEMENTS DURING YEAR				2013
	\$	\$				\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	CARRYING AMOUNT
		New/Upgrade	Renewals			
Land	480,263	-	-	-	-	480,263
Buildings & Other Structures	4,541,461	-	-	-	(360,013)	4,181,448
Infrastructure	10,784,136	442,770	377,405	-	(892,181)	10,712,130
Plant & Equipment	2,051,680	191,526	197,164	(61,400)	(203,137)	2,175,833
Furniture & Fittings	973,041	25,000	69,082	-	(133,568)	933,555
Steamtown	1,039,917	-	-	-	(193,206)	846,711
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	19,870,498	659,296	643,651	(61,400)	(1,782,105)	19,329,940
Comparatives	20,034,650	332,034	1,329,137	(67,538)	(1,757,785)	19,870,498

This Note continues on the following pages.

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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

Valuation of Assets

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

Land & Land Improvements

Valuations of Land as at 30 June 2008 were at replacement cost as determined by Maloney Field Services and certified by Peta L Mantzarapis, Certified Practicing Valuer of the Australian Institute of Valuers and Land Economists.

Additions are recognised at cost.

Buildings

Valuations of Buildings as at 30 June 2008 were at written down replacement cost as determined by Maloney Field Services and certified by Peta L Mantzarapis, Certified Practicing Valuer of the Australian Institute of Valuers and Land Economists.

Additions are recognised at cost.

Plant & Equipment

Valuations of Plant & Equipment as at 30 June 2003 were at written down replacement cost as determined by Maloney Field Services and certified by Andrea J Carolan, Certified Practicing Valuer of the Australian Institute of Valuers and Land Economists.

Additions are recognised at cost.

Furniture & Equipment

Valuations of Furniture & Equipment as at 30 June 2003 were at written down replacement cost as determined by Maloney Field Services and certified by Andrea J Carolan, Certified Practicing Valuer of the Australian Institute of Valuers and Land Economists.

Additions are recognised at cost.

Infrastructure

Valuations of Infrastructure as at 30 June 2008 were at written down replacement cost as determined by Maloney Field Services and certified by Peta L Mantzarapis, Certified Practicing Valuer of the Australian Institute of Valuers and Land Economists.

Additions are recognised at cost.

Steamtown

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

Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below.

Infrastructure	\$5,000
Land	\$2,000
Buildings	\$5,000
Furniture & Equipment	\$2,000
Plant & Equipment	\$2,000
Other	\$2,000

District Council of Peterborough

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 7 – Property, Plant & Equipment (cont)

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	5 to 10 years
Building & Other Structures	25 to 100 years
Infrastructure	
Sealed Roads – Surface	30 years
Sealed Roads – Structure	100 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 years
Paving & Footpaths	10 to 60 years
Kerb & Gutter	80 years
Drains	20 to 100 years
Culverts	80 years
Furniture	10 to 50 years
Other	10 to 100 years

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 8 - LIABILITIES

		2013		2012	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		317,683		360,577	
Payments received in advance		3,500,246	-	2,834,676	
Accrued expenses - employee entitlements		226,213	-	199,908	
Accrued expenses - other		4,420	-	5,147	
Deposits, Retentions & Bonds		77,807	-	75,635	
		<u>4,126,369</u>	-	<u>3,475,943</u>	-
BORROWINGS					
Loans		42,995	237,830	40,070	280,825
		<u>42,995</u>	<u>237,830</u>	<u>40,070</u>	<u>280,825</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
PROVISIONS					
Employee entitlements (including oncosts)		119,941	97,882	113,110	73,593
		<u>119,941</u>	<u>97,882</u>	<u>113,110</u>	<u>73,593</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 9 - RESERVES

ASSET REVALUATION RESERVE		1/7/2012	Net Increments (Decrements)	Transfers, Impairments	30/6/2013
	Notes	\$	\$	\$	\$
Land		303,232	-	-	303,232
Buildings & Other Structures		6,301,884	-	-	6,301,884
Infrastructure		17,520,082	-	-	17,520,082
Plant & Equipment		731,046	-	-	731,046
Furniture & Fittings		86,437	-	-	86,437
TOTAL		24,942,681			24,942,681
	<i>Comparatives</i>	<u>24,942,681</u>	-	-	<u>24,942,681</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 10 - 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	2013 \$	2012 \$
Total cash & equivalent assets	5	<u>5,071,460</u>	<u>4,334,457</u>
Balances per Cash Flow Statement		<u>5,071,460</u>	<u>4,334,457</u>

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

Net Surplus (Deficit)	(617,908)	(173,761)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,782,105	1,757,785
Net increase (decrease) in unpaid employee benefits	57,425	44,611
Net (Gain) Loss on Disposals	<u>17,018</u>	<u>28,312</u>
	1,238,640	1,656,947
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(19,376)	(12,525)
Net (increase) decrease in inventories	192,253	(2,323)
Net increase (decrease) in trade & other payables	<u>624,121</u>	<u>1,190,980</u>
Net Cash provided by (or used in) operations	<u>2,035,638</u>	<u>2,833,079</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 11 - 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	2012	2013	2012	2013
2013	2012	\$	2013	2012	\$	\$	\$	\$	\$	\$
2,485,020	2,377,863		850,664	923,629		1,634,356	1,454,234	1,372,223	1,309,225	-
1,508	1,598		2,746	5,236		(2,746)	(5,236)	-	-	-
96,933	77,963		5,147	3,903		(3,639)	(2,305)	-	-	-
277,184	255,303		161,459	120,343		(64,526)	(42,380)	82,395	50,833	-
44,561	102,814		519,681	492,276		(242,497)	(236,973)	25,788	-	-
24,049	23,810		637,092	530,522		(592,531)	(427,708)	9,859	59,793	-
22,572	22,113		25,183	24,404		(1,134)	(594)	-	-	-
800,665	705,930		161,622	174,023		(139,050)	(151,910)	-	-	-
216,757	233,973		1,546,962	1,919,475		(746,297)	(1,213,545)	800,666	705,863	-
453,836	1,118,400		655,772	568,237		(439,015)	(334,264)	-	1,501	-
			56,993	47,949		396,843	1,070,451	318,382	960,501	24,646,884
			400,654	255,219		(400,654)	(255,219)	-	-	24,623,316
4,423,085	4,919,767		5,023,975	5,065,216		(600,890)	(145,449)	2,609,313	3,087,716	24,646,884
TOTALS										

Administration
Public Order
Health
Welfare
Community Support
Recreation Culture
Agricultural Services
Regulatory Services
Transport & Communications
Economic Development
Other NEC
Inter Function

Revenues and expenses exclude 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 PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 11 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Administration

Governance, Administration, Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information technology, Communication, Rates Administration, Records, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

Community Services

Public Order and Safety, Emergency Services, Other Fire Protection, Other Public Order and Safety, Immunisation, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Cemeteries, public Conveniences, Car Parking – non-fee-paying.

Recreation Culture

Library Services, Cultural Services, Cultural Venues, Museums and Art Galleries, and Other Cultural Services, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Outdoor, and Other Recreation.

Economic Development

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

Agricultural

Agricultural Services, Animal/Plant Boards, Landcare, Other Agricultural Services, 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, Streetscaping, Natural Resource Management Levy, and Other Environment.

Regulatory Services

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

Transport & Communication

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

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 12 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - 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 3.50% and 2.75% (2012: 4.75% and 3.50%).</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 of 0.7708% (2012: 0.7708%). 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 State and Federal Governments.</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 6.25% and 8.05% (2012: 6.25% and 8.05%).</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 PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 12 (cont) - FINANCIAL INSTRUMENTS Liquidity Analysis

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	5,071,460			5,071,460	5,071,460
Receivables	64,383			64,383	64,383
Other Financial Assets	21,000			21,000	21,000
Total	5,156,843	-	-	5,156,843	5,156,843
Financial Liabilities					
Payables	3,895,736			3,895,736	3,895,736
Current Borrowings	42,995			42,995	42,995
Non-Current Borrowings		214,479	23,351	237,830	237,830
Total	3,938,731	214,479	23,351	4,176,561	4,176,561

2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	4,334,457			4,334,457	4,334,457
Receivables	65,462			65,462	70,462
Other Financial Assets	21,000			21,000	21,000
Total	4,420,919	-	-	4,420,919	4,425,919
Financial Liabilities					
Payables	3,270,888			3,270,888	3,270,888
Current Borrowings	40,070			40,070	40,070
Non-Current Borrowings		231,131	49,694	280,825	280,825
Total	3,310,958	231,131	49,694	3,591,783	3,591,783

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

	30 June 2013		30 June 2012	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates		280,825		320,895
		<u>280,825</u>		<u>320,895</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 PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 - FINANCIAL INDICATORS

	2013	2012	2011
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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>	(45%)	(11%)	(95%)
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

	(45%)	(11%)	(95%)
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In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(16%)	(12%)	(17%)
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>	34%	80%	21%
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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 PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 14 - 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

	2013 \$	2012 \$
Income	4,423,085	4,919,767
<i>less</i> Expenses	<u>5,023,975</u>	<u>5,065,216</u>
Operating Surplus / (Deficit)	(600,890)	(145,449)
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	643,651	1,437,023
<i>less</i> Depreciation, Amortisation and Impairment	1,782,105	1,757,785
<i>less</i> Proceeds from Sale of Replaced Assets	<u>44,382</u>	<u>39,227</u>
	(1,182,836)	(359,989)
<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>	659,296	332,034
	<u>659,296</u>	<u>332,034</u>
Net Lending / (Borrowing) for Financial Year	<u>(77,350)</u>	<u>(117,494)</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 15 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 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 2012/13; 9% in 2011/12). 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 Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2011/12) 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 section 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.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 16 - 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.

At reporting date, Council controlled 2,265 km of road reserves of average width 7 metres.

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. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$0.00 (2012: \$0.00) at reporting date.

4. 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 zero 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.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE DISTRICT COUNCIL OF PETERBOROUGH**

I have audited the accompanying financial report of the District Council of Peterborough which comprises the balance sheet as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2013.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer 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 together with the Local Government (Financial Management) Regulations 2011. This responsibility includes establishing and maintaining internal controls 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

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 or 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 Board of Management, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit I followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the District Council of Peterborough as of 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

A handwritten signature in black ink, appearing to read 'Ian McDonald'.

**IAN G MC DONALD FCA
CHARTERED ACCOUNTANT
REGISTERED COMPANY AUDITOR**

Signed this 13 day of November 2013, at Eastwood, South Australia

Liability limited by a scheme approved under Professional Standards Legislation

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DISTRICT COUNCIL OF PETERBOROUGH

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Peterborough for the year ended 30 June 2013, the Council's Auditor, Ian G McDonald FCA, 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*.



.....
Peter McGuinness
CHIEF EXECUTIVE OFFICER



.....
Irene Ruth Whittle
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 21st OCTOBER 2013

DISTRICT COUNCIL OF PETERBOROUGH

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of the District Council of Peterborough for the year ended 30 June 2013, 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*.



Ian G McDonald FCA

Dated this 16 day of October 2013