

**DALRYMPLE SHIRE
COUNCIL**

**FINANCIAL
STATEMENTS
FOR THE PERIOD
ENDED**

14 MARCH 2008

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

Table of Contents

Note	Page
INCOME STATEMENT	2
APPROPRIATION STATEMENT	3
BALANCE SHEET	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF CHANGES IN EQUITY	6
CAPITAL FUNDING STATEMENT	7
NOTES TO THE FINANCIAL STATEMENTS	
1 Summary of Significant Accounting Policies	8
2 Analysis of Results by Functions/Activities of the Local Government	18
3 Revenue Analysis	20
4 Grants, Subsidies, Contributions and Donations	21
5 Capital Income	24
6 Employee Benefits	25
7 Materials and Services	25
8 Depreciation	25
9 Finance Costs	26
10 Cash and Cash Equivalents	26
11 Trade and other receivables	26
12 Inventories	27
13 Other Financial Assets	27
14 Capital Work in Progress	27
15 Property, Plant and Equipment	28
16 Trade and Other Payables	30
17 Borrowings	31
18 Loan Borrowings	31
19 Commitments for Expenditure	31
20 Contingent Liabilities	32
21 Reconciliation of Increase in Net Assets Resulting from Operations to Net Cash Inflow from Operating Activities	32
22 Reserves	33
23 Superannuation	34
24 Events after Balance Date	34
25 Financial Ratios	35
26 Revaluation Reserve Adjustments	35
27 Financial Instruments	36

Management Certificate
Independent Audit Report

**DALRYMPLE SHIRE COUNCIL
INCOME STATEMENT
FOR PERIOD ENDED 14 MARCH 2008**

	Note	8½ Months 14-Mar-08 Actual \$	Year 30-Jun-07 Actual \$
Income			
Revenue			
Recurrent Revenue			
Net rate and utility charges	3(a)	3,637,279.48	3,386,317.23
Fees and Charges	3(b)	576,085.34	753,343.94
Interest Received	3(c)	527,466.86	605,469.90
Sales - Contract and recoverable works	3(d)	2,603,174.65	7,889,791.12
Other recurrent income	3(e)	54,253.93	191,072.44
Grants, subsidies, contributions and donations	4	4,835,048.70	6,207,921.99
Total recurrent revenue		<u>12,233,308.96</u>	<u>19,033,916.62</u>
Capital revenue			
Grants, subsidies, contributions and donations	4	828,150.42	526,314.98
		<u>828,150.42</u>	<u>526,314.98</u>
Total revenue		13,061,459.38	19,560,231.60
Gain/(loss) on disposal of non current assets	5	(5,206.81)	(25,801.39)
Total income		<u>13,056,252.57</u>	<u>19,534,430.21</u>
Expenses			
Employee benefits	6	(4,879,789.50)	(6,592,887.55)
Materials and services	7	(4,693,696.80)	(7,650,015.40)
Finance costs	9	(46,691.71)	(74,947.46)
Depreciation and amortisation	8	(1,949,276.87)	(2,671,896.71)
Total recurrent expenses		<u>(11,569,454.88)</u>	<u>(16,989,747.12)</u>
Total expenses		<u>(11,569,454.88)</u>	<u>(16,989,747.12)</u>
Net result attributable to council		<u>1,486,797.69</u>	<u>2,544,683.09</u>

**DALRYMPLE SHIRE COUNCIL
 APPROPRIATION STATEMENT
 FOR PERIOD ENDED 14 MARCH 2008**

	Note	14-Mar-08 Actual \$	30-Jun-07 Actual \$
Increase/(Decrease) in Operating Capability		1,486,797.69	2,544,683.09
TRANSFERS TO & FROM RESERVES			
Shire Capital			
Specific Grants & Subsidies used for Capital Purposes	4	(574,602.22)	(512,127.22)
Capital Contributions used for Capital Purposes	4	(11,013.22)	(14,187.76)
(Profit)/Loss on Sale of Non Current Assets		5,206.81	25,801.39
Increase/(Decrease) in Working Capital		2,013,357.68	(1,088,710.69)
Unfunded Depreciation adjusted against Capital	1(k)(vi)	206,263.86	260,206.61
General Revenue used for Capital Purposes		(156,071.91)	-
		<hr/> 1,483,141.00	<hr/> (1,329,017.67)
Reserves			
Information Technology Reserve	22	50,000.00	-
Long Service Leave Reserve	22	(20,000.00)	(40,000.00)
Future Capital Works Reserve	22	225,000.00	(720,000.00)
		<hr/> 255,000.00	<hr/> (760,000.00)
Surplus/(Deficiency) for Current Period		<hr/> 3,224,938.69	<hr/> 455,665.42
Accumulated Surplus/(Deficiency) from Prior Year		4,522,626.49	4,066,961.07
ACCUMULATED SURPLUS/(DEFICIENCY) AT END OF YEAR		<hr/> 7,747,565.18 <hr/>	<hr/> 4,522,626.49 <hr/>

**DALRYMPLE SHIRE COUNCIL
BALANCE SHEET
FOR PERIOD ENDED 14 MARCH 2008**

	Note	14-Mar-08 Actual \$	30-Jun-07 Actual \$
CURRENT ASSETS			
Cash and cash equivalents	10	10,172,965.18	8,411,387.66
Trade and other receivables	11	359,475.34	2,231,625.47
Inventories	12	494,494.18	449,807.22
Other financial assets	13	204,469.28	274,558.96
Total current assets		11,231,403.98	11,367,379.31
NON-CURRENT ASSETS			
Receivables	11	216,103.03	240,796.73
Property, plant and equipment	15	170,058,222.25	156,289,029.37
Capital works in progress	14	1,551,548.76	741,956.84
Total Non-Current Assets		171,825,874.04	157,271,782.94
TOTAL ASSETS		183,057,278.02	168,639,162.25
CURRENT LIABILITIES			
Trade and other payables	16	1,474,577.33	1,360,971.70
Borrowings	17	276,384.65	221,107.72
Total Current Liabilities		1,750,961.98	1,582,079.42
NON-CURRENT LIABILITIES			
		798,302.17	
Trade and other payables	16	1,009,007.55	1,008,138.03
Borrowings	17	521,917.52	705,136.42
Total Non-Current Liabilities		1,530,925.07	1,713,274.45
TOTAL LIABILITIES		3,281,887.05	3,295,353.87
NET ASSETS		179,775,390.97	165,343,808.38
COMMUNITY EQUITY			
Asset Revaluation Reserve	1(x)(i)(a)	58,475,525.92	45,530,741.02
Other Reserves	22	2,425,000.00	2,680,000.00
Accumulated Surplus	1(x)(iii)	7,747,565.18	4,522,626.49
Capital	1(x)(i)(b)	111,127,299.87	112,610,440.87
TOTAL COMMUNITY EQUITY		179,775,390.97	165,343,808.38

**DALRYMPLE SHIRE COUNCIL
CASH FLOW STATEMENT
FOR PERIOD ENDED 14 MARCH 2008**

	Note	14-Mar-08 Actual \$	30-Jun-07 Actual \$
Cash flows from operating activities:			
Receipts from customers		12,522,456.80	17,842,246.93
Payments to suppliers and employees		<u>(7,538,780.19)</u>	<u>(14,208,467.31)</u>
		4,983,676.61	3,633,779.62
Interest received		508,851.26	582,378.50
Borrowing costs		(37,888.82)	(62,487.62)
Net cash inflow / (outflow) from operating activities	21	<u>5,454,639.05</u>	<u>4,153,670.50</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(3,929,123.57)	(2,906,229.45)
Net movement on loans and advances		23,364.02	29,682.13
Proceeds from sale of property, plant and equipment		340,639.99	119,940.58
Net cash inflow / (outflow) from investing activities		<u>(3,565,119.56)</u>	<u>(2,756,606.74)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(127,941.97)	(158,620.10)
Net cash inflow / (outflow) from financing activities		<u>(127,941.97)</u>	<u>(158,620.10)</u>
Net increase / (decrease) in cash held		1,761,577.52	1,238,443.66
Cash at the beginning of reporting period		8,411,387.66	7,172,944.00
Cash at the end of reporting period	10	<u><u>10,172,965.18</u></u>	<u><u>8,411,387.66</u></u>

DALRYMPLE SHIRE COUNCIL
 STATEMENT OF CHANGES IN EQUITY
 FOR PERIOD ENDED 14 MARCH 2008

	<u>Accumulated Surplus</u>	<u>Accumulated Surplus</u>	<u>Shire Capital</u>	<u>Shire Capital</u>	<u>Asset Revaluation Reserve</u>	<u>Asset Revaluation Reserve</u>	<u>Other Reserves</u>	<u>Other Reserves</u>	<u>Total</u>	<u>Total</u>
	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07
	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$
BALANCE AT BEGINNING OF YEAR	4,522,626.49	4,066,961.07	112,610,440.87	111,281,423.20	45,530,741.02	34,828,143.26	2,680,000.00	1,920,000.00	165,343,808.38	152,096,527.53
Increase/(Decrease) In Operating Capability	1,486,797.69	2,544,683.09							1,486,797.69	2,544,683.09
Appropriation to Capital Account	1,483,141.00	(1,329,017.67)	(1,483,141.00)	1,329,017.67					-	-
Asset Revaluation Adjustments					12,944,784.90	10,702,597.76			12,944,784.90	10,702,597.76
Appropriations to/(from) Reserves	255,000.00	(760,000.00)					(255,000.00)	760,000.00	-	-
BALANCE AT END OF YEAR	7,747,565.18	4,522,626.49	111,127,299.87	112,610,440.87	58,475,525.92	45,530,741.02	2,425,000.00	2,680,000.00	179,775,390.97	165,343,808.38

**DALRYMPLE SHIRE COUNCIL
CAPITAL FUNDING STATEMENT
FOR PERIOD ENDED 14 MARCH 2008**

	14-Mar-08	30-Jun-07
	Actual	Actual
	\$	\$
SOURCES OF CAPITAL FUNDING		
Sourced from Balance Sheet		
Depreciation Charges Funded	2,951,374.18	1,350,246.86
Proceeds - Sale of Non Current Assets	340,639.99	119,940.58
Specific Loans	-	-
Loan Interest Capitalised	37,888.82	62,487.62
Sourced from Operating Statement		
Specific Grants & Subsidies	574,602.22	1,550,792.22
Capital Contributions	11,013.22	14,187.76
General Revenue Sources	156,071.91	-
Total Capital Funding Sources	<u>4,071,590.34</u>	<u>3,097,655.04</u>
APPLICATION OF CAPITAL FUNDING		
Capital Work in Progress	809,591.92	(775,139.74)
Acquisition of Non-Current Assets	3,119,531.65	3,681,369.19
Loan Advances	(23,364.02)	(29,682.13)
Loan Revaluation Adjustment	-	-
Loan Repayments	165,830.79	221,107.72
Total Capital Expenditure	<u>4,071,590.34</u>	<u>3,097,655.04</u>

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies that have been adopted in the preparation of these Financial Statements are:

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and complies with the requirements of the Local Government Act 1993 and the Local Government Finance Standard 2005.

Under the provisions of the *Local Government Reform Act 2007*, Dalrymple Shire Council was abolished at midnight on 14 March 2008. All the council's business, including all assets and liabilities were transferred to the Charters Towers Regional Council (CTRC) immediately before change over day at the values reported in these financial statements in accordance with the Local Government Reform Implementation Regulation 2008. Dalrymple Shire Council is, therefore, not a going concern.

Even though Dalrymple Shire Council is not a going concern the basis of preparation of these financial statements is consistent with the going concern basis because of the way in which the Council's assets have been transferred.

(b) Statement of Compliance

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied this Report does not comply with IFRS. The main impact is in the offsetting of revaluation and impairment gains and losses within a class of assets.

The period covered by this financial report is from 1 July 2007 to 14 March 2008 (comparative year 1 July 2006 to 30 June 2007), which is in accordance with Local Government Finance Standard 2005, Section 27.

Comparative figures for the preceding financial year have been reclassified, where necessary, on a basis consistent with current financial year disclosures.

Except where otherwise stated the financial report has been prepared in accordance with the historical cost basis.

(c) Accounting Policies

AASB7 applies for the first time this year. This standard relates to the presentation of information and does not impact on the result or position disclosed.

The following Australian Accounting Standards, issued on the dates shown, are not mandatory for the financial year 2007-2008 and have not been applied.

AASB8 Operating Segments (Feb 2007)
AASB101 Presentation of Financial Statements (September 2007)
AASB123 Borrowing Costs (June 2007)
AASB1004 Contributions (December 2007)
AASB1051 Land under Roads (December 2007)
AASB1052 Disaggregated Disclosures (December 2007)
AASB2007-3 Amendments to Australian Accounting Standards arising from AASB8 (February 2007)

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

AASB2007-6 Amendments to Australian Accounting Standards arising from AASB123 (June 2007)

AASB2007-9 Amendments to Australian Accounting Standards arising from the review of AAS27, AAS29 and AAS31 (December 2007)

AASB Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities

Otherwise accounting policies adopted are consistent with those of the previous year, unless specified in specific notes.

(d) Currency

Dalrymple Shire Council uses the Australian Dollar as its functional currency and its presentation currency.

(e) Constitution

Dalrymple Shire Council is constituted under the Queensland Local Government Act 1993 and is domiciled in Australia.

(f) Cessation of Council

Under the provisions of the *Local Government Reform Act 2007*, Dalrymple Shire Council was abolished at midnight on 14 March 2008. All the council's business, including all assets and liabilities were transferred to the Charters Towers Regional Council (CTRC) immediately before change over day at the values reported in these financial statements in accordance with the Local Government Reform Implementation Regulation 2008.

(g) Date of Authorisation

The financial report was authorised for issue on the date it was submitted to the Auditors for issue until the adoption of the report by the Local Government as part of the Annual Report. The Local Government has the power to amend the financial report after it is authorised for issue until the adoption of the report by the Local Government as part of the Annual Report.

(h) The Local Government Reporting Entity

All funds through which the local government controls resources to carry on its functions have been included in this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (example, loans and transfers between funds) have been eliminated in full.

Funds that cannot be used for council purposes are trust funds held for outside parties, and are not included in this report.

(i) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). As such, input tax credits receivable and GST payable from/to the Australian Taxation Office are recognised and accrued.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

(j) Trust Funds held for outside parties

Funds held in the Trust Account on behalf of outside parties include security deposits lodged to guarantee performance and unclaimed monies paid into the Trust Account by the Council. The Council performs only a custodian role in respect of these monies and because they cannot be used for Council purposes they are not considered revenue nor brought to account in the financial statements. Details of monies held in the Trust Account as at 14 March 2008 are as follows:

	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
Security Deposits	-	3,986.00
Cultural Heritage Incentive Program Funds	-	9,161.18
Department of Defence	-	114,364.00
	-	127,511.18

(k) Property Plant and Equipment

(i) Non Current Asset Threshold

The following asset thresholds are used in the preparation of these statements.

	Recognise all Land
Land	
Land Improvements	\$ 5,000
Building & Other Structures	\$ 1,000
Furniture & Office Equipment	\$ 500
Computer Hardware/Software	\$ 500
Plant & Equipment	\$ 500
Road Infrastructure	\$ 5,000
Sewerage Infrastructure	\$ 5,000
Water Infrastructure	\$ 5,000
Cultural & Heritage Assets	\$ 1,000

(ii) Capital and Operating Expenditure

As a general rule, material expenditure incurred for the acquisition or development of assets is capital expenditure. Expenditure necessarily incurred in either maintaining the operational capacity of the non-current asset or ensuring that the original life estimate is achieved, is considered maintenance expenditure and is treated as an expense as incurred.

(iii) Acquisitions of Assets

Acquisitions of Assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including all costs incurred in getting the assets ready for use.

Non-monetary assets, including property, plant and equipment, received in the form of grants or contributions are recognised as assets and revenues at fair value by Council valuation.

(iv) Valuation

Non-current assets recognised, other than minor plant and equipment, receivables and investments are valued at fair value.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The carrying amount of the asset is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Land, buildings, infrastructure and heritage and cultural assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment* and the *Local Government Finance Standard 2005*. All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This revaluation may involve the application of a suitable index to the cost elements of each asset, or may involve an independent assessment of the value. Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued.

Details of valuers and methods of valuation are disclosed in Note 15(b).

As part of the transition to the Australian Equivalent of International Financial Reporting Standards (AEIFRS) the *Local Government Finance Standard* was amended in 2005 to include the following provision:

Section 45 – Valuation of Non-current Assets

Subsection 5 – Major Plant or Equipment, for a local government, means Plant or Equipment that is-

- (a) Of a type that is considered to be of high value to the local government within the meaning of the policy prepared by the local government for this section; and
- (b) Prone to a high degree of price fluctuation or in danger of becoming obsolete.

In accordance with this standard, Major Plant was categorised as a separate class of asset for reporting purposes, these assets were are to recognised at fair value basis (written down current replacement cost).

Dalrymple Shire Council at the meeting of the 28 June 2007 resolved to adopt the Major Plant Policy, which included the following provision:

It is the policy of Dalrymple Shire Council that only plant and equipment that has a cost of greater than \$1,000,000 is considered to be of a high value for the purposes of defining Major Plant.

As a consequence, plant and equipment with a cost less than or equal to \$1,000,000 is valued at cost less accumulated depreciation.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

In the previous years only plant and equipment with a useful life of 10 years or less or current replacement cost of less than \$50,000 were shown in the accounts at cost less accumulated depreciation (*S36 Local Government Finance Standard 1994*).

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

(v) Depreciation of Property, Plant and Equipment

To achieve a systematic and rational allocation of the value of non-current assets over their estimated useful lives, depreciation represents the consumption of the service potential embodied in the non-current asset over its useful life. The straight line method of depreciation is used. Estimated useful life of assets is reviewed periodically and range between the following useful lives:

Land	Not Depreciated
Bridges	100 years
Drainage Structures	100 years
Concrete Floodways	80 years
Plant & Equipment	3 to 50 years
Office Equipment	5 to 20 years
Buildings & Other Structures	5 to 200 years
Water Supply Network	20 to 100 years
Sewerage Network	60 years
Road Construction:	
Bitumen Seal	15 years
Gravel under sealed roads	100 years
Gravelled Roads	200 years
Formed Roads	200 years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned.

(vi) Unfunded Depreciation

Funded Depreciation is defined as the amount of depreciation in a financial year that is paid for by revenue raised during the year.

Unfunded Depreciation is defined as the amount of depreciation in a financial year that is not paid for by revenue raised during the year.

Council has reported an amount of \$206,263.86 (\$260,206.61 for the year ended 30 June 2007) as unfunded depreciation in the financial statements for the following reasons:

Traditionally, the construction and/or acquisition of following assets have been financed by a combination of means other than accumulated depreciation funds, namely general revenue, loan borrowings, capital grants, subsidies, donations and/or reserves. With this in mind Council believes it is reasonable to assume that a similar combination of funding sources will be utilised to fund the ultimate replacement, renewal or refurbishment of these facilities.

- Shire Administration Complex
- Workshop Complex
- Dalrymple Villa Complex
- Saleyards Complex
- Road-making Plant – Scrapers

The unfunded depreciation amount reported by Council is the depreciation recorded in relation to the above assets for the current financial year as in Council's financial statements.

(vii) Impairment

All property, plant and equipment, intangible assets and investment property are examined annually to determine whether there is any need to consider impairment.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

Impairment is also considered annually for intangible assets with an intangible useful life.

(l) Non Current Assets Constructed by the Local Government, including Capital Work in Progress

The cost of non-current assets constructed by the local government includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

(m) Inventories

Stores, raw materials and water held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- Goods to be supplied at no, or nominal, charge, and
- Goods to be used for the provision of services at no, or nominal, charge.

These goods are valued at the lower of cost and replacement cost.

(n) Investments

Investments are brought to account at net fair value. Net fair value is the amount of cash expected to be received from the settlement of transactions at reporting date.

Investments are placed with approved financial institutions in accordance with the terms set within the *Statutory Bodies Financial Arrangements Act 1982*. Investments are generally term deposits, commercial bills or similar instruments of less than 180 days to maturity. Investments are placed utilising prevailing market rates of return.

(o) Land Held for Resale

Land approved for resale is recorded as part of the Council's inventory assets and are valued at lower of cost or net market value based on current market prices of undeveloped land in the vicinity, or in a similar area, having similar characteristics of the land held, at the time the land development is proposed and approved by Council.

Profit arising upon sale of land is recognised in the Income Statement on the signing of a valid unconditional contract of sale.

(p) Interest

Interest income is recognised as it accrues.

(q) Trade and other payables - Employee Benefits

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of service provided by the employee up to the reporting date. Liabilities for benefits are assessed at each reporting date. Sick leave taken in the future will be met by future benefits.

(i) Wages and Salaries

A liability for wages and salaries is recognised, and is measured as the amount unpaid at balance date at current pay rates in respect of employees' services up to that date.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

(ii) Annual Leave

A liability for annual leave is recognised. The current portion is based on current wage and salary levels and includes employee on-costs. The non-current portion is based on projected future wage and salary levels and related employee on-costs discounted to present values. This liability is treated as a payable and not as a provision.

(iii) Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The value of the liability was calculated using current pay rates and projected future increases in those rates and includes related employee on-costs.

The current portion is based on previous long service leave patterns of expenditure. The non-current portion is based on projected future wage and salary levels and related employee on-costs discounted to present values. This liability is treated as a payable and not as a provision.

(iv) Superannuation

The superannuation expense for the reporting period is the amount of the statutory contribution the local government makes to the superannuation plan that provides benefits to its employees. Details of those arrangements are set out in note 23.

(v) Sick Leave

No liability for sick leave is recognised in the accounts. Council has no accumulated sick leave liability as it is paid for when then leave is taken.

(r) Trade and Other Receivables

Trade receivables are recognised initially at fair value due at the time of sale or service delivery and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced with provision being made for impairment. The loss is recognised in other expenses.

The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated cash flows, discounted at the effective interest rate. Increases in the provision for impairment are based on loss events.

All known bad debts were written-off against the provision for impairment at 14 March 2008. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

(s) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier,

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon notification that a grant has been secured.

In respect of uncollected rates, provision is made for amounts considered not collectible.

Where contributions recognised as revenue during the reporting period are 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 nature of and amounts pertaining to those undischarged conditions are disclosed in Note 4.

(t) Trade and other payables

Creditors have been recognised as a liability for the year ended 14 March 2008 at the time the amount owed can be measured reliably and when it is probable the account will have to be paid. A liability is recognised upon receipt of goods and services and receipt and acceptance of related invoices. The amount recognised for each creditor is based on purchase or contract costs. The amounts are unsecured and are normally settled within 30 working days.

(u) Borrowings

Loans and borrowings have been recognised as a liability for the year ended 14 March 2008 at their book value.

(v) Cash and cash equivalents

Cash and Deposits are recognised upon deposit of funds with a recognised financial institution. They are measured at the value upon deposit of the funds.

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

(w) Land deemed not to have a value (Local Government Finance Standard 2005 Section 46)

The following do not have a value for the purposes of Dalrymple Shire Council's financial statements –

- a) Land that is a reserve under the *Land Act 1994* and is controlled by Dalrymple Shire Council, and
- b) Land under roads controlled (but not owned) by Dalrymple Shire Council.

The total area of reserves referred to in (a): 14 March 2008 - 16,225 hectares (30 June 2007 - 16,225 hectares).

The total length of roads controlled by Dalrymple Shire Council at 14 March 2008 – 4,256.79 km (30 June 2007 – 4,247.77 km), the total length of main roads within Dalrymple Shire Council at 14 March 2008 – 854.85km (30 June 2007 – 854.85km).

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

(x) Components of Equity

(i) Capital

Taken together these accounts represent the amount of wealth currently required and in use by the Council for its operations and to maintain its conventional assets and infrastructure at existing levels of operating capability.

(a) Asset Revaluation Reserve

The Asset Revaluation Reserve is comprised of adjustments relating to changes in value of items which arise primarily from changes in the purchasing power of money, including restatements of non-monetary assets. This reserve is not a true reserve which represents money allocated for specific purposes but represents the changes in the capital of the Council.

(b) Capital Account

This account holds the initial capital of the Council as at the implementation of accrual accounting together with any additions or reductions.

(ii) Other Reserves

These reserves represent wealth that is accumulated within the Council to meet specific future needs. In each case the amount relates to a perceived requirement which is not currently a liability.

(a) Future Capital Works Reserve

This reserve was created to provide funds for future capital works.

(b) Information Technology Reserve

This reserve was created to provide funds for future upgrading and or development of information technology systems hardware, software and/or resources.

(c) Long Service Leave Reserve

This reserve is created to provide cash funds to meet future long service leave commitments.

(iii) Accumulated Surplus

This represents the amount of Council's net wealth that is not required to meet the immediate requirements or to meet specific future needs. The balance of this account at the end of each financial year shows the amount available to be offset against expenditure in the following financial year or, if a deficit, the additional amount of revenue needed to be raised in the following year.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

(y) Net Fair Value

Financial Asset and Financial Liability	Related Note	Aggregate Net Fair Value	Method and Assumptions
Receivables	Note 1(r)	Refer Note 11	Nominal value less Provision for doubtful debts
Creditors	Note 1(t)	Refer Note 16	Nominal Value
Borrowings	Note 1(u)	Refer Note 17 and Note 18	Book Value as advised by lender

(z) National Competition Policy (NCP) Disclosures

The Dalrymple Shire Council has reviewed its activities and has not identified any activities that are Type 1 or Type 2 business activities.

Council has identified and applied the Code of Competitive Conduct to its open tenders in respect of a Roads Business Activity; for work involving the construction or maintenance of State-controlled roads for which Council submits an offer to carry out works in response to a tender invitation other than through sole supplier arrangements. To date this has only had application to tenders submitted, as Council has not been successful in winning an open tender contract.

(aa) Financial Risk Management

Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia and are for a period of less than one year.

Council does not invest in derivatives or other risk investments.

When Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk.

(ab) Judgements and Assumptions

Council has made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

DALRYMPLE SHIRE COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
PREPARED FOR THE PERIOD 1 JULY 2007 TO 14 MARCH 2008

Note 2(a): FUNCTIONS/ACTIVITIES OF THE LOCAL GOVERNMENT

<u>14-03-08 Actual</u>	<u>CORPORATE SERVICES</u>	<u>INFRASTRUCTURE MANAGEMENT</u>	<u>COMMUNITY SERVICES</u>	<u>ENVIRONMENTAL SERVICES</u>	<u>TOTAL</u>
Revenues					
Grants & Subsidies	\$ 4,276,130.18	1,135,252.20	20,000.00	-	5,431,382.38
Other Revenue	\$ 3,587,100.50	3,116,374.72	749,238.55	172,156.42	7,624,870.19
	\$ 7,863,230.68	4,251,626.92	769,238.55	172,156.42	13,056,252.57
	% 60.23%	32.56%	5.89%	1.32%	100.00%
Expenses					
Operating Expenses	\$ 2,254,261.51	7,104,149.79	1,851,304.33	359,739.25	11,569,454.88
Total Expenses (including Abnormal Items)	\$ 2,254,261.51	7,104,149.79	1,851,304.33	359,739.25	11,569,454.88
	% 19.48%	61.40%	16.00%	3.11%	100.00%
Increase/(Decrease) in Net Assets resulting from Operations					
	\$ 5,608,969.17	(2,852,522.87)	(1,082,065.78)	(187,582.83)	1,486,797.69
Total Assets Refer Note 2(b)	\$ 26,092,519.09	128,107,836.90	28,388,079.73	468,842.30	183,057,278.02

<u>30-06-07 Actual</u>	<u>CORPORATE SERVICES</u>	<u>INFRASTRUCTURE MANAGEMENT</u>	<u>COMMUNITY SERVICES</u>	<u>ENVIRONMENTAL SERVICES</u>	<u>TOTAL</u>
Revenues					
Grants & Subsidies	\$ 5,197,704.73	1,365,086.22	60,987.00	21,360.00	6,645,137.95
Other Revenue	\$ 3,574,050.35	8,165,695.21	962,255.96	187,290.74	12,889,292.26
	\$ 8,771,755.08	9,530,781.43	1,023,242.96	208,650.74	19,534,430.21
	% 44.90%	48.79%	5.24%	1.07%	100.00%
Expenses					
Operating Expenses	\$ 3,766,104.97	10,502,831.21	2,407,501.29	313,309.65	16,989,747.12
Total Expenses (including Abnormal Items)	\$ 3,766,104.97	10,502,831.21	2,407,501.29	313,309.65	16,989,747.12
	% 22.17%	61.82%	14.17%	1.84%	100.00%
Increase/(Decrease) in Net Assets resulting from Operations					
	\$ 5,005,650.11	(972,049.78)	(1,384,258.33)	(104,658.91)	2,544,683.09
Total Assets Refer Note 2(b)	\$ 25,338,653.80	116,047,433.12	26,795,055.30	458,020.03	168,639,162.25

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

2(b). Total assets shown in note 2(a) are reconciled with the amounts shown for assets in the statement of financial position as follows:

	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
Current Assets	11,231,403.98	11,608,176.04
Non Current Assets	171,825,874.04	157,030,986.21
	183,057,278.02	168,639,162.25

2(c). The activities of the municipality are categorised into the following broad functions:

Corporate Services Includes general administration, finance, stores and corporate asset management.

Program Objective To manage the affairs of Council utilising corporate resources in an efficient and effective manner.

Infrastructure Management Includes roads, bridges, drainage, aerodromes and water supply.

Program Objective To provide and maintain a high level of general and essential services in addition to a safe, efficient road system by planning and constructing the necessary infrastructure to meet the needs of the community.

Community Services Includes community, cultural, recreational, rural and economic services and facilities.

Program Objective To promote and support equality of opportunity to access essential community services, including individuals and groups with social, economic or physical disabilities, so that the whole community may participate and enjoy.

Environmental Services Includes health, building, environmental planning and waste disposal.

Program Objectives To provide and preserve a safe and attractive natural and built environment by the protection, maintenance and development of the area's natural amenity and open spaces in accordance with community needs.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

3. REVENUE ANALYSIS

	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
(a) Rates and charges		
General Rates	3,530,531.97	3,302,686.93
Water Charges	477,031.78	442,073.83
Sewerage Charges	53,532.94	51,113.56
Garbage Charges	109,267.30	103,734.79
Water consumption, rental and sundries	61,296.58	45,796.40
	4,231,660.57	3,945,405.51
Less:		
Discounts Given	(573,676.04)	(539,245.87)
Pensioner Remissions	(20,705.05)	(19,842.41)
Net Rates and Utility Charges	3,637,279.48	3,386,317.23
(b) Fees and Charges		
Saleyards fees and charges	450,160.74	621,104.16
Animal control	247.27	310.80
Building fees	8,764.75	9,459.41
Health Licence fees	2,135.00	2,768.47
Town Planning fees	19,542.73	25,276.45
World Theatre fees and charges	45,201.64	37,238.31
Water connection fees	2,338.18	7,316.08
Reserve rental	13,805.44	744.55
Other rental	16,494.96	21,197.37
Implementation of Env. Prot. Act	73.00	2,990.20
Miscellaneous fees and charges	17,321.63	24,938.14
Total Fees and Charges	576,085.34	753,343.94
(c) Interest received		
Interest from investments	492,675.76	555,578.79
Interest from bank accounts	9,048.77	11,297.33
Other interest and GST rounding	(0.48)	(1.06)
Loan interest received	7,127.21	15,503.44
Interest from overdue rates and charges	18,615.60	23,091.40
Total Interest received	527,466.86	605,469.90
(d) Sales – Contract and recoverable works		
Private works income	44,648.08	143,560.06
Main Roads income	2,487,879.66	7,670,883.86
Other income	70,646.91	75,347.20
Total Sales – contract and recoverable works income	2,603,174.65	7,889,791.12
(e) Other recurrent income		
Other income	54,253.93	191,072.44
Total Other recurrent income	54,253.93	191,072.44

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

4(a). GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS

	14 March 2008 Actual \$	30 June 2007 Actual \$
(a) Recurrent – government grants and subsidies, other contributions and donations are analysed as follows.		
General purpose grants	3,990,933.78	5,059,791.03
State Government subsidies and grants	619,311.40	1,073,219.70
Donations	4,000.00	-
Contributions	220,803.52	74,911.26
Total recurrent revenue	4,835,048.70	6,207,921.99
(b) Capital – government grants and subsidies, and other contributions are analysed as follows.		
State Government subsidies and grants	817,137.20	512,127.22
Contributions	11,013.22	14,187.76
Total capital revenue	828,150.42	526,314.98

4(b). GRANTS & SUBSIDIES - DETAIL

	14 March 2008 Actual \$	30 June 2007 Actual \$
Corporate Services		
Local Transition Committee	200,000.00	-
Staff Training & Development	14,378.58	8,250.00
State Fuel Subsidy	25,901.82	35,854.48
Energy Grants Scheme	44,916.00	61,809.22
	285,196.40	105,913.70
Infrastructure Management		
Roads – Transport Infrastructure Development Scheme (TIDS)	244,684.20	483,140.22
Roads – Flood Damage	318,115.00	351,034.00
Roads – Roads to Recovery	572,453.00	530,912.00
	1,135,252.20	1,365,086.22
Community Services		
Cultural/Heritage	16,000.00	16,000.00
Community Development	-	16,000.00
NLIS Rebate Scheme – Saleyards	-	28,987.00
Employment Initiatives	-	32,000.00
	16,000.00	92,987.00
Environmental Services		
Emergency Services (SES Operations)	-	3,300.00
Noxious Weed Control	-	18,060.00
	-	21,360.00
Grants to Council as a Whole	3,990,933.78	5,059,791.03
Total Grant & Subsidy Revenue	5,427,382.38	6,645,137.95

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

4(b). GRANTS & SUBSIDIES – DETAIL (cont'd)

	14 March 2008 Actual \$	30 June 2007 Actual \$
LESS GRANT & SUBSIDY DEBTORS		
Energy Grants Scheme	2,658.00	4,100.00
Department of Main Roads – TIDS Claim for Period Ending 30 June 2006	-	99,175.80
Total Grant & Subsidy Debtors	2,658.00	103,275.80
Grant Funding Received	5,424,724.38	6,541,862.15

Grants and donations which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended on defined activities but had yet to be applied in that manner as at the reporting date were:

Nil.

Grants received and recognised as liabilities in the previous reporting period but which were recognised as revenues during the current reporting period upon fulfilment of the conditions for which they were obtained are:

Nil.

Analysis of Capital Grants and Subsidies included in Above Note

	14 March 2008 Actual \$	30 June 2007 Actual \$
Shire TIDS Program	244,684.20	483,140.22
Commonwealth Roads to Recovery	329,918.02	-
NLIS Rebate Scheme – Saleyards	-	28,987.00
Total Capital Grants and Subsidies	574,602.22	512,127.22

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

4(c). CONTRIBUTIONS – DETAIL

Contributions were received in respect of the following:	14 March 2008 Actual \$	30 June 2007 Actual \$
Corporate Services		
Long Service Leave Contributions	-	(2,298.74)
Employment Initiatives	-	4,000.00
	-	1,701.26
Infrastructure Management		
Road Infrastructure Contributions	103,967.27	-
Capital Contributions – Water Infrastructure	11,013.22	14,187.76
	114,980.49	14,187.76
Community Services		
Cultural Development	65,000.00	-
Pentland Progress Association	-	3,000.00
Homestead Progress Association	1,000.00	1,000.00
World Theatre Contribution – CTCC	50,836.25	69,210.00
	116,836.25	73,210.00
Total Contributions	231,816.74	89,099.02
Less Contributions Debtors		
Charters Towers City Council – World Theatre Contribution	-	69,210.00
Total Contributions Debtors	-	69,210.00
Total Contributions Received	231,816.74	19,889.02
Analysis of Capital Contributions included in Above Note		
	14 March 2008 Actual \$	30 June 2007 Actual \$
CT Environs Water Infrastructure	11,013.22	14,187.76
Total Capital Contributions	11,013.22	14,187.76

Contributions which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended on defined activities but had yet to be applied in that manner as at the reporting date were: Nil.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

5. CAPITAL INCOME

GAIN / (LOSS) ON SALE OR DISPOSAL OF NON-CURRENT ASSETS

(i)	14 March 2008	30 June
	Actual	2007 Actual
	\$	\$
Proceeds from the sale of plant and equipment	282,639.99	91,049.96
Less: Book value of plant and equipment sold	(296,416.81)	(96,118.55)
	<u>(13,776.82)</u>	<u>(5,068.59)</u>
(ii)	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
Proceeds from the sale of land	58,000.00	20,324.85
Less: Book value of land sold	(39,000.00)	(22,158.74)
	<u>19,000.00</u>	<u>(1,833.89)</u>
(iii)	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
Proceeds from the sale of water assets	-	-
Less: Book value of water assets sold	(10,429.99)	(18,898.91)
	<u>(10,429.99)</u>	<u>(18,898.91)</u>
(iv)	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
Proceeds from the disposal of road assets	-	-
Less: Book value of road assets disposed	(453,792.79)	(419,714.83)
Plus: Asset Revaluation Reserve Adjustment	453,792.79	419,714.83
	<u>-</u>	<u>-</u>
	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
Total gain (loss) on the disposal of non-current assets	<u>(5,206.81)</u>	<u>(25,801.39)</u>

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

6. EMPLOYEE BENEFITS

	14 March 2008 Actual \$	30 June 2007 Actual \$
Total Staff Wages and Salaries	4,864,422.82	6,030,988.33
Councillors' Remuneration	59,665.32	86,813.20
Superannuation Contributions	434,427.13	534,801.15
Leave Entitlements	78,524.29	315,982.91
Total Direct Employee Costs	5,437,039.56	6,968,585.59
Other Employee Costs	(422,149.40)	(581,973.76)
	5,014,890.16	6,386,611.83
Less: Capitalised employee expenses	(135,100.66)	203,781.55
Total Employee Costs	4,879,789.50	6,590,393.38
Total Council employees at 14 March 2008:		
Elected members	9	9
Administrative staff	28	23
Depot and outdoors staff	108	112

7. MATERIALS AND SERVICES

	14 March 2008 Actual \$	30 June 2007 Actual \$
Advertising and marketing	22,694.77	42,040.80
Administration supplies and consumables	55,745.51	64,144.33
Audit services	34,158.80	32,762.74
Communications and IT	80,714.52	190,054.04
Consultants	17,321.39	32,675.00
Contractors	102,255.58	89,357.60
Donations paid	84,930.35	42,294.57
Power	128,337.62	170,310.23
Repairs and maintenance	2,604,948.37	2,876,990.58
Town Plan	104.43	366.00
Other materials and services	1,562,485.46	4,111,513.68
Total Materials and services	4,693,696.80	7,652,509.57

8. DEPRECIATION

	14 March 2008 Actual \$	30 June 2007 Actual \$
Buildings	364,644.96	470,795.74
Land	-	-
Plant & Equipment	886,343.07	1,262,069.29
Roads	587,571.64	776,039.99
Water Supply	100,230.88	148,590.99
Sewerage	10,486.31	14,400.70
Total Depreciation	1,949,276.86	2,671,896.71

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

9. FINANCE COSTS

	14 March 2008 Actual \$	30 June 2007 Actual \$
Finance costs charged by Queensland Treasury Corporation	37,888.82	62,487.62
Bank charges	8,802.89	12,459.84
Total finance costs	46,691.71	74,947.46

10. CASH AND CASH EQUIVALENTS

	14 March 2008 Actual \$	30 June 2007 Actual \$
Cash at bank and on hand	1,570,120.91	45,626.79
Deposits at call	8,602,844.27	488,633.59
Term deposits	-	7,877,127.28
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flow as follows:		
Balances per statement of Cash Flows	10,172,965.18	8,411,387.66

All investments are in domestic currency denomination. Cash at Bank is held in ANZ Bank (\$1,557,763.23) and Commonwealth Bank (\$11,957.68) in normal business accounts with a credit rating of AA.

On Call Deposits are held with Queensland Treasury Corporation Cash Fund and are bearing a floating interest rate of 9.7%.

11. TRADE AND OTHER RECEIVABLES

	14 March 2008 Actual \$	30 June 2007 Actual \$
(a) Current		
Rateable revenue and utility charges	95,742.41	64,300.61
Loans and advances to community organisations	32,700.19	31,370.51
Other debtors	231,032.74	2,135,954.35
Total current receivables	359,475.34	2,231,625.47
(b) Non-current		
Loans and advances to community organisations	216,103.03	240,796.73
Total non-current receivables	216,103.03	240,796.73

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges and other debtor receivables. Loans and advances to community organisations relate to the loan made to Blackheath and Thornburgh College.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

12. INVENTORIES

	14 March 2008 Actual \$	30 June 2007 Actual \$
Current		
Inventories held for distribution		
Plant and equipment stores	494,494.18	449,807.22
Total inventories held for distribution	494,494.18	449,807.22
Valued at the lower of cost and replacement value.		

13. OTHER FINANCIAL ASSETS

	14 March 2008 Actual \$	30 June 2007 Actual \$
Prepayments	204,469.28	274,558.96

14. CAPITAL WORK IN PROGRESS

Includes all capital works in progress at balance date, including road, water and sewerage infrastructure, building, plant, and materials construction and/or manufacture. Includes all direct and indirect costs associated with the construction and/or manufacturing process.

	14 March 2008 Actual \$	30 June 2007 Actual \$
Capital Work in Progress		
Roads	575,440.80	403,749.49
Water	80,332.94	135,006.09
Buildings	205,312.50	26,112.02
Other	690,462.52	177,089.24
Total Work in Progress	1,551,548.76	741,956.84

**DALRYMPLE SHIRE COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
PREPARED FOR THE PERIOD 1 JULY 2007 TO 14
MARCH 2008**

Note 15a : NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	<u>Buildings</u>	<u>Land</u>	<u>Plant & Equipment</u>	<u>Roads</u>	<u>Water Supply</u>	<u>Sewerage</u>	<u>Total</u>
Asset Values							
Opening Balance @ Cost	23,299,690.42	1,636,409.10	19,791,352.72	96,082,635.48	5,570,378.31	678,612.60	147,059,078.63
Accumulated Net Revaluation Adjustments	14,714,133.81	1,041,459.45	0.00	39,791,047.87	2,312,652.05	203,709.31	58,063,002.49
Opening Gross Asset Values	38,013,824.23	2,677,868.55	19,791,352.72	135,873,683.35	7,883,030.36	882,321.91	205,122,081.12
Additions @ Cost	30,414.33	0.00	1,203,414.74	1,815,078.32	70,624.26	0.00	3,119,531.65
Disposals - Sales	0.00	-39,000.00	-627,818.65	-552,311.26	-21,902.33	0.00	-1,241,032.24
Disposals - Write-offs	0.00	0.00	-56,398.41	0.00	0.00	0.00	-56,398.41
Reclassification Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation Adjustments in period	2,348,927.58	496,100.00	0.00	12,827,325.97	591,686.38	70,588.51	16,334,628.44
Closing Gross Asset Values	40,393,166.14	3,134,968.55	20,310,550.40	149,963,776.38	8,523,438.67	952,910.42	223,278,810.56

Represented by :

Closing Balance @ Cost	23,330,104.75	1,593,774.14	20,310,550.40	97,515,588.67	5,629,449.52	678,612.60	149,058,080.08
Closing Accumulated Revaluation Adjustments	17,063,061.39	1,541,194.41	0.00	52,448,187.71	2,893,989.15	274,297.82	74,220,730.48
Closing Gross Asset Values	40,393,166.14	3,134,968.55	20,310,550.40	149,963,776.38	8,523,438.67	952,910.42	223,278,810.56

Accumulated Depreciation

Opening Balance	-8,560,891.80	0.00	-11,014,539.96	-25,836,496.10	-2,969,566.94	-451,556.95	-48,833,051.75
Depreciation provided in period	-364,644.96	0.00	-886,343.07	-587,571.64	-100,230.88	-10,486.31	-1,949,276.86
Disposal Adjustments - Sales	0.00	0.00	343,841.19	199,526.10	11,472.34	0.00	554,839.63
Disposal Adjustments - Write-offs	0.00	0.00	43,959.06	0.00	0.00	0.00	43,959.06
Reclassification Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Revaluation Adjustments	-546,287.28	0.00	0.00	-2,222,490.81	-231,315.56	-36,964.74	-3,037,058.39
Closing Accumulated Depreciation	-9,471,824.04	0.00	-11,513,082.78	-28,447,032.45	-3,289,641.04	-499,008.00	-53,220,588.31

Total Written Down Value @ 14 March 2008	30,921,342.10	3,134,968.55	8,797,467.62	121,516,743.93	5,233,797.63	453,902.42	170,058,222.25
--	---------------	--------------	--------------	----------------	--------------	------------	----------------

Asset Sales / Write-offs

Adjustments to Book Value @ Cost	0.00	-42,634.96	-684,217.06	-483,132.73	-11,553.05	0.00	-1,221,537.80
Adjustments to Accumulated Net Revaluations	0.00	3,634.96	0.00	-170,186.13	-10,349.28	0.00	-176,900.45
Adjust Current Replacement Cost	0.00	-39,000.00	-684,217.06	-653,318.86	-21,902.33	0.00	-1,398,438.25
Adjustments to Accumulated Depreciation	0.00	0.00	387,800.25	199,526.10	11,472.34	0.00	598,798.69
Adjustments to Written Down Values	0.00	-39,000.00	-296,416.81	-453,792.76	-10,429.99	0.00	-799,639.56
Profit/Loss on Sale or Disposal of Assets	0.00	-19,000.00	13,776.82	0.00	10,429.99	0.00	5,206.81
Adjustments to Revaluation Reserve	0.00	0.00	0.00	453,792.76	-0.00	0.00	453,792.76
Asset Sale Proceeds	0.00	-58,000.00	-282,639.99	0.00	-0.00	0.00	-340,639.99

Total Asset Revaluation Reserve Adjustments	1,802,640.30	496,100.00	0.00	10,252,050.00	360,370.82	33,623.77	12,944,784.89
---	--------------	------------	------	---------------	------------	-----------	---------------

NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT - PRIOR YEAR

	<u>Buildings</u> 2007	<u>Land</u> 2007	<u>Plant & Equipment</u> 2007	<u>Roads</u> 2007	<u>Water Supply</u> 2007	<u>Sewerage</u> 2007	<u>Total</u> 2007
Asset Values							
Opening Balance @ Cost	22,891,047.06	1,642,101.46	19,439,983.89	94,365,609.26	5,555,499.64	678,612.60	144,572,853.91
Accumulated Net Revaluation Adjustments	10,216,759.73	831,847.79	0.00	31,305,778.54	1,799,161.04	175,274.88	44,328,821.98
Opening Gross Asset Values	33,107,806.79	2,473,949.25	19,439,983.89	125,671,387.80	7,354,660.68	853,887.48	188,901,675.89
Additions @ Cost	560,189.36	12,245.00	895,075.11	2,165,255.08	40,038.87	0.00	3,672,803.42
Disposals - Sales	0.00	-22,158.74	-376,641.07	-576,283.15	-32,112.78	0.00	-1,007,195.74
Disposals - Write-offs	0.00	0.00	-167,065.21	0.00	0.00	0.00	-167,065.21
Reclassification Adjustments	0.00	0.00	0.00	0.00	-0.00	-0.00	-0.00
Revaluation Adjustments in period	4,345,828.08	213,833.04	0.00	8,613,323.62	520,443.59	28,434.43	13,721,862.76
Closing Gross Asset Values	38,013,824.23	2,677,868.55	19,791,352.72	135,873,683.35	7,883,030.36	882,321.91	205,122,081.12

Represented by :

Closing Balance @ Cost	23,299,690.42	1,636,409.10	19,791,352.72	96,082,635.48	5,570,378.31	678,612.60	147,059,078.63
Closing Accumulated Revaluation Adjustments	14,714,133.81	1,041,459.45	0.00	39,791,047.87	2,312,652.05	203,709.31	58,063,002.49
Closing Gross Asset Values	38,013,824.23	2,677,868.55	19,791,352.72	135,873,683.35	7,883,030.36	882,321.91	205,122,081.12

Accumulated Depreciation

Opening Balance	-7,548,030.04	0.00	-10,200,058.40	-23,371,646.93	-2,636,638.87	-422,600.55	-44,178,974.79
Depreciation provided in period	-470,795.74	0.00	-1,262,069.29	-776,039.99	-148,590.99	-14,400.70	-2,671,896.71
Disposal Adjustments - Sales	0.00	0.00	282,220.16	238,769.22	13,213.87	0.00	534,203.25
Disposal Adjustments - Write-offs	0.00	0.00	165,367.57	0.00	0.00	0.00	165,367.57
Reclassification Adjustments	0.00	0.00	0.00	-0.00	0.00	0.00	-0.00
Asset Revaluation Adjustments	-542,066.02	0.00	0.00	-1,927,578.40	-197,550.95	-14,555.70	-2,681,751.07
Closing Accumulated Depreciation	-8,560,891.80	0.00	-11,014,539.96	-25,836,496.10	-2,969,566.94	-451,556.95	-48,833,051.75

Total Written Down Value @ 30th June 2007	29,452,932.43	2,677,868.55	8,776,812.76	110,037,187.25	4,913,463.42	430,764.96	156,289,029.37
---	---------------	--------------	--------------	----------------	--------------	------------	----------------

Asset Sales / Write-offs

Adjustments to Book Value @ Cost	0.00	-17,937.36	-545,527.28	-484,628.29	-21,612.50	0.00	-1,069,705.43
Adjustments to Accumulated Net Revaluations	0.00	-4,221.38	1,821.00	-173,855.76	-10,500.28	0.00	-186,756.42
Adjust Current Replacement Cost	0.00	-22,158.74	-543,706.28	-658,484.05	-32,112.78	0.00	-1,256,461.85
Adjustments to Accumulated Depreciation	0.00	0.00	447,587.73	238,769.22	13,213.87	0.00	699,570.82
Adjustments to Written Down Values	0.00	-22,158.74	-96,118.55	-419,714.83	-18,898.91	0.00	-556,891.03
Profit/Loss on Sale or Disposal of Assets	0.00	1,833.89	5,068.59	0.00	18,898.91	0.00	25,801.39
Adjustments to Revaluation Reserve	0.00	0.00	0.00	419,714.83	-0.00	0.00	419,714.83
Asset Sale Proceeds	0.00	-20,324.85	-91,049.96	0.00	-0.00	0.00	-111,374.81

Total Asset Revaluation Reserve Adjustments	3,803,762.06	213,833.04	0.00	6,348,231.29	322,892.64	13,878.73	10,702,597.76
---	--------------	------------	------	--------------	------------	-----------	---------------

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

15(b). METHODS OF VALUATION OF NON-CURRENT ASSETS

Land

Council valuation, being market value, established by Australia Pacific Valuers as at 14 March 2008.

Buildings

Council valuation, being current replacement cost established by Australia Pacific Valuers as at 14 March 2008 or Council's internal valuation where existing assets would be replaced by modern equivalent assets or alternative types of structures.

Major Plant and Equipment

Council valuation has been established by using reference to recent actual replacement costs and replacement costs provided by suppliers for major plant and equipment greater than \$1,000,000 in value. Council does not currently hold any major plant and equipment.

Plant and Equipment

Council valuation, being measured at cost.

Network Assets

Council valuation has been established by using reference to actual replacement works completed by Council, with estimates from professional engineers, and replacement costs provided from suppliers. Valuation of network assets is reviewed annually as at 14 March 2008.

Other Assets

Council valuation, being current replacement cost established by Australia Pacific Valuers as at 14 March 2008.

16. TRADE AND OTHER PAYABLES

	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
(a) Current		
Creditors and accruals	714,211.52	641,199.75
Annual leave	655,637.45	603,411.85
Long service leave	100,000.00	100,000.00
Other entitlements	4,728.36	16,360.10
Total current payables	1,474,577.33	1,360,971.70
(b) Non-current		
Annual leave	157,862.09	160,051.82
Long service leave	851,145.46	848,086.21
Total non-current payables	1,009,007.55	1,008,138.03

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

17. BORROWINGS

	14 March 2008 Actual \$	30 June 2007 Actual \$
(a) Current		
Loans – QTC	276,384.65	221,107.72
Total current borrowings	276,384.65	221,107.72
(b) Non-current		
Loans – QTC	521,917.52	705,136.42
Total non-current borrowings	521,917.52	705,136.42

18. LOAN BORROWINGS

	14 March 2008 Actual \$	30 June 2007 Actual \$
Book Value at beginning of year	926,244.14	1,084,864.24
Loans Raised		
Principal repayments	(165,830.79)	(221,107.72)
Finance Costs Capitalised	37,888.82	62,487.62
Book Value at end of year	798,302.17	926,244.14
Represented by:		
Queensland Treasury Corporation	798,302.17	926,244.14
Total Debt	798,302.17	926,244.14
Based on the current level of repayment of the debt, the expected term of total debt repayment is	6.24 years	5.84 years

The loan market value at 14 March 2008 is \$768,956.61. This represents the value of the debt if the Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. Council's loan borrowings are entirely represented by loans from Queensland Treasury Corporation (QTC). The interest rates on QTC borrowings range from 5.30% to 7.63%. Borrowings are all in Australian dollar denominated amounts.

19. COMMITMENTS FOR EXPENDITURE

There were no Goods and Services contracted for at the reporting date that were not recognised in the financial report as liabilities.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

20. CONTINGENT LIABILITIES

Dalrymple Shire Council is a member of the local government self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self-insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities. Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure is: \$163,729.50.

Dalrymple Shire Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2007 the financial statements reported an accumulated surplus of \$8,309,114.

At 14 March 2008, the financial statement reported an accumulated surplus and it is not anticipated any liability will arise.

21. RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

	14 March 2008	30 June 2007
	Actual	Actual
	\$	\$
Result from ordinary activities	1,486,797.69	2,544,683.09
Non-cash operating items:		
Depreciation and amortisation expense	1,949,276.87	2,671,896.71
	1,949,276.87	2,671,896.71
Investing and development activities:		
Net (profit)/loss on disposal of non current assets	5,206.81	25,801.39
	5,206.81	25,801.39
Changes in operating assets and liabilities		
(Increase) / Decrease in receivables	1,879,430.81	(1,044,962.25)
(Increase) / Decrease in other operating assets	19,451.72	(68,202.49)
Increase / (Decrease) in payables	73,011.77	(290,885.61)
Increase / (Decrease) in other provisions	41,463.38	315,339.66
	2,013,357.68	(1,088,710.69)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	5,454,639.05	4,153,670.50

DALRYMPLE SHIRE COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 PREPARED FOR THE PERIOD 1 JULY 2007 TO 14 MARCH 2008

Note 22: Other Reserves

	<u>Future Capital</u> <u>Works Reserve</u>	<u>Future Capital</u> <u>Works Reserve</u>	<u>Information</u> <u>Technology</u> <u>Reserve</u>	<u>Information</u> <u>Technology</u> <u>Reserve</u>	<u>Long Service</u> <u>Leave Reserve</u>	<u>Long Service</u> <u>Leave Reserve</u>	<u>Total Other</u> <u>Reserves</u>	<u>Total Other</u> <u>Reserves</u>
	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE AT BEGINNING OF YEAR	2,070,000.00	1,350,000.00	50,000.00	50,000.00	560,000.00	520,000.00	2,680,000.00	1,920,000.00
Appropriations to Reserves	(225,000.00)	720,000.00	(50,000.00)	-	20,000.00	40,000.00	255,000.00	760,000.00
BALANCE AT END OF YEAR	1,845,000.00	2,070,000.00	-	50,000.00	580,000.00	560,000.00	2,425,000.00	2,680,000.00

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

23. SUPERANNUATION

The Dalrymple Shire Council contributes to the local government superannuation scheme (the scheme). The scheme has two elements referred to as the defined benefits scheme and the accumulation scheme.

Both of the schemes are defined contribution schemes as defined in the Australian Accounting Standard AASB119 *Employee benefits*. Council has no liability to or interest in the scheme other than the payment of the statutory contributions.

Any amount by which either scheme is over or under funded would only affect future benefits and is not an asset or liability of the Council.

Accordingly there is no recognition in the financial statements or any over or under-funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2007 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 30 June 2007. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members' benefits as they accrue.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The amount of superannuation contributions paid by the local government during the reporting period for the benefit of employees was \$434,427.13.

24. EVENTS AFTER BALANCE DATE

There were no material adjusting events after the balance date.

Dalrymple Shire Council ceased to exist immediately after 14 March 2008 and its assets, liabilities and business were transferred to Charters Towers Regional Council. This is not considered to be an adjusting event as it does not impact on Dalrymple Shire Council immediately before the transfer.

The transfer to Charters Towers Regional Council does not give rise to any impairment as any change in the use of the assets would be the result of a decision made after the cessation by Charters Towers Regional Council.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

25. FINANCIAL RATIOS

	14 March 2008 Actual	30 June 2007 Actual
Surplus/(Deficit) to Rate Revenue ratio:		
<u>Change in accumulated surplus</u> Rate Revenue	0.89	0.13
Debt Interest ratio:		
<u>Debt interest (finance) cost</u> Total Revenue	0.003	0.003
Debt Payment Ratio:		
<u>Debt servicing costs</u> Total Revenue	0.01	0.01
Revenue Ratio:		
<u>Rate revenue</u> Total Revenue	0.28	0.17
Working Capital Ratio:		
<u>Current Assets</u> Current Liabilities	6.41	7.19

26. REVALUATION RESERVE ADJUSTMENTS

	14 March 2008 Actual \$	30 June 2007 Actual \$
Recognition of Asset Revaluation Adjustments made during the year		
Road Infrastructure	10,252,050.00	6,348,231.29
Plant & Equipment		-
Land & Buildings	2,298,740.30	4,017,595.10
Sewerage	33,623.77	13,878.73
Water	360,370.82	322,892.64
NET CHANGE IN ASSET REVALUATION RESERVE	12,944,784.89	10,702,597.76

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

27. FINANCIAL INSTRUMENTS

(a) Bank Overdraft

Dalrymple Shire Council has no overdraft facility.

(b) Unsecured Borrowings

The unsecured borrowings are provided by Queensland Treasury Corporation.

All borrowing are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Repayment dates vary from 31 December 2009 to 30 June 2015.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

(c) Secured Borrowings

Dalrymple Shire Council has no secured borrowings.

(d) Assets Pledged As Security

No assets of the Council are pledged as security.

(e) Categorisation of Financial Instruments

Dalrymple Shire Council has categorised the financial assets and financial liabilities held as:

<u>Financial Assets</u>	<u>Category</u>
Cash	
Receivables	Loans and receivables (at nominal value)
Other financial assets	Receivables (at nominal value)
<u>Financial Liabilities</u>	
Payables	Financial liability not at fair value through the Profit and Loss (at nominal value)
Borrowings	Financial liability not at fair value through the Profit and Loss (at amortised cost)

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

Financial assets and financial liabilities are presented separately from each other, offsetting has not been applied.

Financial Instruments	Refer to Note	Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing		Total	
		14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07	14-Mar-08	30-Jun-07
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash on Hand	10					400	400	400	400
Cash at Bank	10	1,569,721	45,227					1,569,721	45,227
Investment	10			-	7,877,127			-	7,877,127
Deposits at Call	10	8,602,844	488,633	-	-			8,602,844	488,633
Receivables	11			344,546	336,468	231,033	2,135,954	575,579	2,472,422
		10,172,565	533,860	344,546	8,213,595	231,433	2,136,354	10,748,544	10,883,809
Weighted average interest rate		7.03%	6.28%	7.01%	6.43%				
Financial Liabilities									
Creditors	16					2,483,585	2,369,110	2,483,585	2,369,110
Borrowings – Fixed Rate	17			798,302	926,244			798,302	926,244
Borrowings – Floating Rate	17							-	-
		-	-	798,302	926,244	2,483,585	2,369,110	3,281,887	3,295,354
Weighted average Interest Rate				6.64%	6.03%				
Net Financial Assets		10,172,565	533,860	-453,756	7,287,351	-2,252,152	-232,756	7,466,657	7,588,455

(f) Financial Risk Management

Dalrymple Shire Council's activities expose it to a variety of financial risks – currency risk, interest rate risk, commodity risk, credit risk and liquidity risk.

Financial risk management is implemented in accordance with Council's policy on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

(g) Cash Flow and Fair Value Interest Rate Risk

Dalrymple Shire Council measures risk exposure using a variety of methods as follows –

Risk Exposure	Measurement Method
Interest Rate Risk	Sensitivity Analysis
Foreign Exchange Risk	No exposure
Liquidity Risk	Maturity Analysis
Credit Risk	Ageing Analysis, Earnings at Risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions. The risk in borrowing is effectively managed by borrowing from Queensland Treasury Corporation and having access to a mix of fixed and floating funding sources such that the desired interest rate risk exposure can be constructed.

The fair value interest rate risk in other areas is minimal.

The following sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

	Net Carrying Amount		Profit		Equity	
	14-Mar-08	30-Jun-08	14-Mar-08	30-Jun-08	14-Mar-08	30-Jun-08
Financial Assets	-	-	104,213.68	86,831.55	104,213.68	86,831.55
Financial Liabilities	7,983.02	9,262.44	-7,983.02	-9,262.44	-7,983.02	-9,262.44
Net	<u>-7,983.02</u>	<u>-9,262.44</u>	<u>96,230.66</u>	<u>77,569.11</u>	<u>96,230.66</u>	<u>77,569.11</u>

(h) Credit Risk

Credit risk exposure refers to the situation where Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of these debts.

In other cases Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk. Council is exposed to credit risk through investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

By the nature of Council operations, there is geographical concentration of risk in Council's area. Because the area is largely agricultural, there is also a concentration in the grazing sector.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security relating to the financial assets held by Council.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

The following table represents Council's maximum exposure to credit risk.

	14-Mar-08	30-Jun-08
	\$	\$
Financial Assets		
Cash and cash equivalents	10,172,965.18	8,411,387.66
Receivables – Rates	95,742.41	64,300.61
Loans to Community Organisations	248,803.22	272,167.24
Other Debtors	231,032.74	2,135,954.35
Total	10,748,543.55	10,883,809.86

Past due of impaired

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired and are stated at the carrying amounts as indicated.

The following table represents an analysis of the age of Council's financial assets that are either fully performing, past due or impaired.

	Fully Performing	Past Due				Impaired	Total
		Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days		
Financial Assets							
Cash and Cash Equivalents	10,172,965.18						10,172,965.18
Receivables	525,157.66		38,773.91	99.00	11,547.80		575,578.37
Other Financial Assets	204,469.28						204,469.28
	10,902,592.12	-	38,773.91	99.00	11,547.80	-	10,953,012.83

(i) Liquidity Risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities. Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from Queensland Treasury Corporation for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk of financial liabilities held by Council. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date.

DALRYMPLE SHIRE COUNCIL
Notes to and forming part of the Financial Statements

For the period ended 14 March 2008

Contractual Maturity of financial Liabilities

Financial Liabilities	< 1 year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 years	> 5 Years	Total Financial Liabilities
	\$	\$	\$	\$	\$	\$	\$
2008	337,416.11	160,170.54	90,510.35	75,175.24	79,351.31	168,380.25	911,543.80
2007	288,123.16	180,785.03	160,710.54	90,510.35	75,175.24	247,731.56	1,043,035.88

(j) Foreign Exchange Risk

Foreign exchange risk arises when future transactions are denominated in non-Australian currency.

Dalrymple Shire Council operates locally and is not exposed to foreign exchange risk.

