

**LOCAL GOVERNMENT ASSOCIATION OF SOUTH
AUSTRALIA AND CONTROLLED ENTITIES**

Financial Report

**For the Year Ended
30 June 2011**

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

For the year ended 30 June 2011

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LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Statement of Comprehensive Income
For the year ended 30 June 2011

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
Revenue from ordinary activities	2	38,188,980	34,039,967	6,473,249	5,342,246
Distribution from CPA		-	-	-	5,663,281
Project income	4	16,081,712	13,888,510	16,081,712	13,888,510
Employee expenses		(3,134,300)	(2,627,380)	(2,916,031)	(2,677,380)
Depreciation expense	3	(756,068)	(441,529)	(746,744)	(357,875)
Project expenditure	4	(18,119,859)	(14,709,128)	(18,119,859)	(14,434,183)
Loss on consolidation of LGCS	10	(236,736)	-	-	-
Subcontractors fees		(478,384)	-	-	-
Claims expense		(12,324,331)	(10,219,706)	-	-
Loss control fees		(556,400)	(556,400)	-	-
Risk management fees		(1,675,420)	(1,671,970)	-	-
Reinsurance premium expense		(4,971,438)	(4,843,967)	-	-
Other scheme expenses		(2,378,990)	(2,286,345)	-	-
Other expenses from ordinary activities		(4,949,989)	(4,016,692)	(2,096,760)	(1,949,858)
Profit/(loss) from ordinary activities		4,688,777	6,555,360	(1,324,433)	5,474,741
Income tax expense		(86,677)	-	-	-
Profit/(loss) from ordinary activities after tax		4,602,100	6,555,360	(1,324,433)	5,474,741
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		4,602,100	6,555,360	(1,324,433)	5,474,741

The accompanying notes form part of the financial statements

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Statement of Financial Position
As At 30 June 2011

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
Cash and cash equivalents	7	24,406,240	17,057,601	23,716,170	16,223,403
Trade and other receivables	8	39,393,040	33,732,330	6,171,174	1,655,754
Other current assets	9	165,976	174,966	125,754	158,291
Financial assets	11	46,551,635	56,434,432	-	-
Total Current Assets		110,516,891	107,399,329	30,013,098	18,037,448
Non-current assets					
Trade and other receivables	8	11,395,457	10,018,810	300,000	350,000
Financial assets	11	21,316,621	6,642,316	5	5
Property, plant and equipment	12	18,692,810	19,320,493	18,663,823	19,320,493
Other non-current assets	13	-	55	-	55
Total Non-Current Assets		51,404,888	35,981,674	18,963,828	19,670,553
TOTAL ASSETS		161,921,779	143,381,003	48,976,926	37,708,001
Current liabilities					
Trade and other payables	14	4,473,624	4,169,098	1,594,391	694,918
Short-term borrowings	15	12,311,922	292,028	12,311,922	292,028
Reinsurance recovery in advance		12,500	12,500	-	-
Short-term provisions	16	11,706,417	11,211,324	628,750	659,002
Other current payables	17	26,753,108	25,926,134	-	-
Tax payable		41,126	-	-	-
Total Current Liabilities		55,298,697	41,611,084	14,535,063	1,645,948
Non-current liabilities					
Long-term borrowings	15	335,170	647,093	333,170	645,093
Catastrophe margin		585,000	585,000	-	-
Reinsurance recovery in advance		-	12,500	-	-
Long-term provisions	16	25,010,371	21,934,885	68,610	52,444
Total Non-Current Liabilities		25,930,541	23,179,478	401,780	697,537
TOTAL LIABILITIES		81,229,238	64,790,562	14,936,843	2,343,485
NET ASSETS		80,692,541	78,590,441	34,040,083	35,364,516
EQUITY					
Reserves		26,247,282	27,667,733	26,247,282	27,667,733
Retained profits		54,445,259	50,922,708	7,792,801	7,696,783
TOTAL EQUITY		80,692,541	78,590,441	34,040,083	35,364,516

The accompanying notes form part of the financial statements

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Statement of Changes in Equity
For the year ended 30 June 2011

Parent 2011	Note	Retained Profits	Building Maintenance & Equipment Reserve	Employee Entitlement Reserve	Project Reserves	Total
		\$	\$	\$	\$	\$
Equity as at beginning of year		7,696,783	465,584	711,443	26,490,706	35,364,516
Change in net assets resulting from operations		(1,324,433)	-	-	-	(1,324,433)
Transfer to/(from) reserves		1,420,451	700,391	(82,695)	(2,038,147)	-
Equity as at 30 June 2011		7,792,801	1,165,975	628,748	24,452,559	34,040,083

2010		Retained Profits	Building Maintenance & Equipment Reserve	Employee Entitlement Reserve	Project Reserves	Total
		\$	\$	\$	\$	\$
Equity as at beginning of year		1,427,003	797,402	628,991	-	2,853,396
Change in interpretation of AASB 1004 contributions	26	-	-	-	27,036,379	27,036,379
Restated total equity at beginning of year		1,427,003	797,402	628,991	27,036,379	29,889,775
Change in net assets resulting from operations		5,474,741	-	-	-	5,474,741
Transfer to/(from) reserves		795,039	(331,818)	82,452	(545,673)	-
Equity as at 30 June 2010		7,696,783	465,584	711,443	26,490,706	35,364,516

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Statement of Changes in Equity
For the year ended 30 June 2011

Economic Entity
2011

	Note	Retained Profits	Building Maintenance & Equipment Reserve	Employee Entitlement Reserve	LG House Building Fund Asset Revaluation Reserve	Project Reserves	Total
		\$	\$	\$	\$	\$	\$
Equity as at beginning of year		50,922,708	465,584	711,443	-	26,490,706	78,590,441
Change in net assets resulting from operations		4,602,100	-	-	-	-	4,602,100
Transfer to/(from) reserves		1,420,451	700,391	(82,695)	-	(2,038,147)	-
Distribution of funds to members		(2,500,000)	-	-	-	-	(2,500,000)
Equity as at 30 June 2011		54,445,259	1,165,975	628,748	-	24,452,559	80,692,541

2010

		Retained Profits	Building Maintenance & Equipment Reserve	Employee Entitlement Reserve	LG House Building Fund Asset Revaluation Reserve	Project Reserves	Total
		\$	\$	\$	\$	\$	\$
Equity as at beginning of year		41,627,615	797,402	628,991	2,616,515	-	45,670,523
Change in interpretation of AASB 1004 contributions	26	-	-	-	-	27,036,379	27,036,379
Restated total equity at beginning of year		41,627,615	797,402	628,991	2,616,515	27,036,379	72,706,902
Change in net assets resulting from operations		6,555,360	-	-	-	-	6,555,360
Transfer to/(from) reserves		3,411,554	(331,818)	82,452	(2,616,515)	(545,673)	-
Distribution of funds to members		(671,821)	-	-	-	-	(671,821)
Equity as at 30 June 2010		50,922,708	465,584	711,443	-	26,490,706	78,590,441

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Statement of Cash Flows
For the year ended 30 June 2011

	Note	Economic Entity		Parent Entity	
		2011 \$	2010 \$	2011 \$	2010 \$
Cash from operating activities:					
Receipts from customers		17,569,170	19,412,945	5,084,390	5,840,901
Payments to suppliers and employees		(14,233,214)	(12,873,180)	(4,831,040)	217,930
Project funding received		13,582,453	14,201,452	13,582,453	14,201,452
Project funding expensed		(18,573,738)	(14,709,128)	(18,573,738)	(14,709,128)
Interest received		4,706,855	3,368,058	603,285	241,329
Interest paid		-	(381,700)	-	(4,741)
Total cash from operating activities	24	3,051,526	9,018,447	(4,134,650)	5,787,743
Cash from investing activities:					
Payment for financial assets		(14,674,305)	(8,200,003)	-	-
Proceeds from financial assets		9,882,797	2,166,925	-	-
Payment for property, plant & equipment		(146,306)	(19,371,461)	(107,510)	(19,371,461)
Proceeds on sale of fixed assets		26,956	5,184,188	26,956	93,325
Total cash from investing activities		(4,910,858)	(20,220,351)	(80,554)	(19,278,136)
Cash from financing activities:					
Proceeds from borrowings		12,019,894	66,659	12,019,894	985,155
Repayment of borrowings		(311,923)	(292,028)	(311,923)	-
Distribution to fund members		(2,500,000)	(671,821)	-	-
Total cash from investing activities		9,207,971	(897,190)	11,707,971	985,155
Net cash increase (decrease) in cash and cash equivalents		7,348,639	(12,099,094)	7,492,767	(12,505,238)
Cash and cash equivalents at beginning of the year		17,057,601	29,156,695	16,223,403	28,728,641
Cash and cash equivalents at end of the year	7	24,406,240	17,057,601	23,716,170	16,223,403

The accompanying notes form part of the financial statements

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 1 Statement of Significant Accounting Policies

General Information

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Local Government Act 1999.

The financial statements cover the economic entity of Local Government Association of South Australia Inc and controlled entities, and Local Government Association of South Australia Inc as an individual entity. Local Government Association of South Australia Inc is a public authority established under the Local Government Act 1999.

The financial statements of Local Government Association of South Australia Inc and controlled entities and Local Government Association of South Australia Inc as an individual entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

(a) Income Tax

The Local Government Association of SA Inc is exempt from income tax under the Income Tax Assessment Act.

However, LGCS Pty Ltd is a public trading entity and therefore tax-effect accounting principles apply. Income tax expense is calculated on pre-tax accounting profits after adjustments for permanent differences. The tax-effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in provision for deferred income tax and future income tax benefits, as applicable.

(b) Principles of Consolidation

A controlled entity is any entity Local Government Association of SA Inc has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 21 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 1 Statement of Significant Accounting Policies (cont.)

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated using a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	7.5 - 33%
Motor vehicles	25%
Building refurbishments	10%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 1 Statement of Significant Accounting Policies (cont.)

Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the economic entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the economic entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(e) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the economic entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 1 Statement of Significant Accounting Policies (cont.)

(f) Employee Benefits

Wages & salaries, annual leave and sick leave

Provision is made for the economic entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year arising from wages and salaries and annual leave have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. No liability for sick leave is recognised.

Long service leave

A liability for employee gratuity schemes is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employees and period of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Superannuation

A liability is not recognised in respect to unfunded liabilities arising from superannuation schemes to which the economic entity contributes. Unfunded liabilities are defined as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuation scheme's asset at that date.

(g) Contributions

Contributions comprise amounts charged to members for policy cover, net of amounts returned to members as bonuses. The earned portion of contributions received is recognised as revenue. Contributions are treated as earned from the date of attachment of risk. The pattern of recognition over the policy is based on time, which is considered to closely approximate the pattern of risks undertaken.

(h) Unearned Contributions

A liability of \$26,753,108 (2010: \$25,926,134) for contributions billed in advance has been recognised. These amounts offset equivalent amounts in contributions owing.

(i) Workers Compensation Claims

Claims incurred expense and liability for outstanding claims are recognised in respect of direct business. The liability covers claims incurred but not yet paid, incurred but not yet reported claims, and the anticipated costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating unnotified claims and settlement costs using statistical and actuarial techniques. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all the claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and 'superimposed inflation'.

Superimposed inflation refers to factors such as trends in court awards, for example increases in the level and period of compensation for injury. The expected future payments are then discounted to a present value at the reporting date using discount rates based on investment opportunities available to the organisation on the amounts of funds sufficient to meet claims as they became payable.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 1 Statement of Significant Accounting Policies (cont.)

The following average inflation (normal and superimposed) rates and discount rates were used in measuring the liability for outstanding claims:

Actuarial advice indicates that:

	2011	2010
Inflation rate	4.50%	4.50%
Discount rate	4.75%	5.25%

(j) Outstanding Insurance Claims

A provision of \$35,954,372 (2010: \$32,434,763) has been made for the estimated cost of claims notified but not settled at year end for the cost of claims incurred by year end but not reported until after that date. This amount has been based on a methodology by consulting actuaries which incorporates the claims history of the scheme's prior year of operation.

(l) Excesses and Recoveries

Excesses and other recoveries are brought to account only where a definite set of circumstances exist which will support the credibility of the justification of obtaining either a recovery of excess from a member or a recovery of claim cost from a third party.

(m) Investments

All short-term deposits are invested with the Local Government Finance Authority of S.A. (LGFA) at market rates.

(n) Premium Revenue

Direct premium comprises amounts charged to the policy holder or other insurers, but excluding stamp duties and other amounts collected on behalf of third parties.

The earned portion of premiums received and receivable, is recognised as revenue. Premium is treated as earned from the date of the attachment of risk.

The pattern of recognition over the policy is based on time, which is considered to closely approximate the pattern of risks undertaken.

(o) Revaluation of Non-Current Assets

Land and buildings are revalued to reflect their fair values on a regular basis.

To the extent that the revaluation decrement reversed a revaluation increment previously credited to and still included in the balance of the asset revaluation reserve, the decrement was debited directly to that reserve. Otherwise the decrement is recognised as an expense in the profit and loss account.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 1 Statement of Significant Accounting Policies (cont.)

(p) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(q) Trade and Other Debtors

Trade debtors are recognised for the major business activities as follows:

- Subscriptions
- Premiums
- Rent
- Administration charges
- Consulting fees

(r) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(s) Revenue

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

Grants, contributions and project funding that were received on the condition that they be expended in a particular manner have been recognised as income as it is the intention of the LGA to spend these funds in the manner intended.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

**Notes to the financial statements
For the year ended 30 June 2011**

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 2 Revenue				
Operating activities				
Subscriptions	1,823,219	1,778,893	1,823,219	1,778,893
Premium income	24,880,311	24,364,609	-	-
Contract income	1,174,514	-	-	-
	<u>27,878,044</u>	<u>26,143,502</u>	<u>1,823,219</u>	<u>1,778,893</u>
Non-operating activities				
Interest received	4,706,855	3,368,058	603,285	241,329
Administration charges	961,343	944,104	1,735,282	1,700,034
Project cost recoupments	-	176,557	-	176,557
Rent and outgoings	1,383,260	475,638	1,724,147	472,004
Excess and recoveries	2,672,162	1,014,136	-	-
Gain on sale of property	-	658,844	-	-
Other revenue	587,316	1,259,128	587,316	973,429
	<u>10,310,936</u>	<u>7,896,465</u>	<u>4,650,030</u>	<u>3,563,353</u>
	<u><u>38,188,980</u></u>	<u><u>34,039,967</u></u>	<u><u>6,473,249</u></u>	<u><u>5,342,246</u></u>

NOTE 3 Profit from Ordinary Activities

Profit/(loss) from ordinary activities has been determined after:

(a) Expenses

Depreciation of non-current assets	756,068	441,529	746,744	357,875
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NOTE 4 Project income and expenditure

The Local Government Association of South Australia Incorporated received project funding from external sources, including State and Federal Governments. These funds are then distributed to and spent by Council's and other Local Government Authorities in accordance with the funding agreements in place.

Project funds received and paid during the year and the effect this has had on the operating result is set out below:

	2011	2010
Income	16,081,712	13,888,510
Expenses	(18,119,859)	(14,434,183)
	<u>(2,038,147)</u>	<u>(545,673)</u>

Total project reserves at 30 June 2011 is \$24,452,559 (2010: \$26,490,706).

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 5 Key Management Personnel Compensation				
		Short-term Benefit	Post Employment Benefit	Total
		\$	\$	\$
2011				
Total compensation		215,106	-	215,106
2010				
Total compensation		211,964	-	211,964
NOTE 6 Auditors' Remuneration				
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report	17,500	17,000	17,500	17,000
- Accounting services	11,830	4,500	11,830	4,500
Remuneration of other auditors of subsidiaries for:				
- auditing or reviewing the financial report of subsidiaries	72,900	68,869		
- Accounting services	6,590	-		
	108,820	90,369	29,330	21,500
NOTE 7 Cash and Cash Equivalents				
Cash and cash equivalents	24,406,240	17,057,601	23,716,170	16,223,403
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	24,406,240	17,057,601	23,716,170	16,223,403
	24,406,240	17,057,601	23,716,170	16,223,403
NOTE 8 Trade and Other Receivables				
CURRENT				
Trade receivables	34,578,243	32,076,034	2,340,319	835,172
R & D Scheme	1,776,690	430,825	1,776,690	430,825
Accrued income	3,038,107	1,225,471	2,054,165	389,757
Other receivables	-	-	-	-
	39,393,040	33,732,330	6,171,174	1,655,754

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 8 Trade and Other Receivables (cont.).				
NON-CURRENT				
Trade receivables	11,395,457	9,668,810	-	-
Loan LGCS Pty Ltd	-	350,000	300,000	350,000
	<u>11,395,457</u>	<u>10,018,810</u>	<u>300,000</u>	<u>350,000</u>
NOTE 9 Other Current Assets				
CURRENT				
Prepayments	165,976	174,966	125,754	158,291
	<u>165,976</u>	<u>174,966</u>	<u>125,754</u>	<u>158,291</u>
NOTE 10 Investments Accounted For Using The Equity Method				
Interest in joint venture	-	-	-	50,000
Provision for diminution of investment	-	-	-	(50,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The LGA had a 50% joint venture interest in LGCS Pty Ltd (as trustee for LGCS Trust No. 1).

On 1 July 2010 the remaining 50% was acquired and the entity is now consolidated as a controlled entity. As the liabilities exceeded the assets at the time of being controlled, a loss of \$236,736 upon consolidation has been recognised in the Statement of Comprehensive Income.

Summarised presentation of aggregate assets,
liabilities and performance of joint ventures:

Current Assets	-	329,592	-	329,592
Non-current Assets	-	80,679	-	80,679
Total Assets	<u>-</u>	<u>410,271</u>	<u>-</u>	<u>410,271</u>
Current Liabilities	-	287,171	-	287,171
Non-current liabilities	-	509,836	-	509,836
Total Liabilities	<u>-</u>	<u>797,007</u>	<u>-</u>	<u>797,007</u>
Net Assets	<u>-</u>	<u>(386,736)</u>	<u>-</u>	<u>(386,736)</u>
Current Year Profits (losses)	<u>-</u>	<u>16,468</u>	<u>-</u>	<u>16,468</u>

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 11 Financial Assets				
Available-for-sale financial assets	(a) -	-	5	5
Deposits - LGFA	67,868,256	63,076,748	-	-
	<u>67,868,256</u>	<u>63,076,748</u>	<u>5</u>	<u>5</u>
Less: non-current portion	21,316,621	6,642,316	5	5
Current portion	<u>46,551,635</u>	<u>56,434,432</u>	<u>-</u>	<u>-</u>

a. Available-for-sale Financial Assets comprise:

Shares in Council Purchasing Authority Pty Ltd - at cost	-	-	2	2
Shares in Council Purchasing Cooperative	-	-	1	1
Shares in Local Super Pty Ltd - at cost	-	-	2	2
	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>

NOTE 12 Property, Plant and Equipment

LAND AND BUILDINGS

Freehold land				
- at cost	2,454,500	2,454,500	2,454,500	2,454,500
- at valuation	-	-	-	-
Buildings				
- at cost	13,767,104	13,767,104	13,767,104	13,767,104
- at valuation	-	-	-	-
Less: accumulated depreciation	(484,678)	(140,500)	(484,678)	(140,500)
	<u>13,282,426</u>	<u>13,626,604</u>	<u>13,282,426</u>	<u>13,626,604</u>
Total land and buildings	<u>15,736,926</u>	<u>16,081,104</u>	<u>15,736,926</u>	<u>16,081,104</u>

PLANT AND EQUIPMENT

Building improvements				
At cost	290,996	280,681	290,996	280,681
Less: accumulated depreciation	(33,019)	(4,767)	(33,019)	(4,767)
	<u>257,977</u>	<u>275,914</u>	<u>257,977</u>	<u>275,914</u>
Office furniture & equipment				
At cost	3,075,638	3,049,059	3,074,501	3,049,059
Less: accumulated depreciation	(529,892)	(215,984)	(529,375)	(215,984)
	<u>2,545,746</u>	<u>2,833,075</u>	<u>2,545,126</u>	<u>2,833,075</u>

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

**Notes to the financial statements
For the year ended 30 June 2011**

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$

NOTE 12 Property, Plant and Equipment (cont.)

Motor vehicles				
At cost	299,759	234,732	242,696	234,732
Less: accumulated depreciation	(147,598)	(104,332)	(118,902)	(104,332)
	<u>152,161</u>	<u>130,400</u>	<u>123,794</u>	<u>130,400</u>
Total plant and equipment	<u>2,955,884</u>	<u>3,239,389</u>	<u>2,926,897</u>	<u>3,239,389</u>
Total property, plant and equipment	<u>18,692,810</u>	<u>19,320,493</u>	<u>18,663,823</u>	<u>19,320,493</u>

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

(a) Movements in Carrying Amounts

Consolidated	Freehold land & Buildings	Building Improvements	Office Furniture & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	16,081,104	275,914	2,833,075	130,400	19,320,493
Additions	-	10,315	29,866	106,125	146,306
Disposals	-	-	(4,391)	(60,785)	(65,176)
Depreciation expense	(344,178)	(28,252)	(315,695)	(67,943)	(756,068)
Accumulated depreciation written back	-	-	2,891	44,364	47,255
Carrying amount at the end of year	15,736,926	257,977	2,545,746	152,161	18,692,810

Parent	Freehold land & Buildings	Building Improvements	Office Furniture & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	16,081,104	275,914	2,833,075	130,400	19,320,493
Additions	-	10,315	28,445	68,750	107,510
Disposals	-	-	(3,004)	(60,785)	(63,789)
Depreciation expense	(344,178)	(28,252)	(315,379)	(58,935)	(746,744)
Accumulated depreciation written back	-	-	1,989	44,364	46,353
Carrying amount at the end of year	15,736,926	257,977	2,545,126	123,794	18,663,823

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 13 Other Non-Current Assets				
NON-CURRENT				
Prepayments	-	55	-	55
	-	55	-	55
NOTE 14 Trade and Other Payables				
CURRENT				
Unsecured liabilities				
Trade payables	2,171,252	1,736,431	945,512	519,025
Sundry creditors and accruals	242,457	113,504	185,665	111,404
ATO Payable	1,973,791	2,207,734	297,490	(46,940)
The Jim Crawford Award Trust	86,124	94,180	86,124	94,180
Revenue in advance	-	17,249	79,600	17,249
	4,473,624	4,169,098	1,594,391	694,918
NOTE 15 Borrowings				
CURRENT				
Loan from LGFA	12,311,922	292,028	12,311,922	292,028
	12,311,922	292,028	12,311,922	292,028
NON-CURRENT				
Loan from LGFA	333,170	645,093	333,170	645,093
Loan from councils	2,000	2,000	-	-
	335,170	647,093	333,170	645,093

The loan from LGFA is secured by the assets of the LGA, being land and buildings at 148 Frome Street Adelaide and carries a yearly interest rate of 6.7%.

	NOTE 16 Provisions			
	Outstanding claims	Annual leave	Long service leave	Total
Parent				
Opening balance at 1 July 2010	-	258,161	453,285	711,446
Additional provisions		153,458	39,395	192,853
Utilised during the year		(189,202)	(17,737)	(206,939)
At 30 June 2011	-	222,417	474,943	697,360
Consolidated				
Opening balance at 1 July 2010	32,434,763	258,161	453,285	33,146,209
LGCS opening balances recognised on consolidation	-	37,196	36,557	73,753
Additional provisions	11,033,587	173,381	43,172	11,250,140
Utilised during the year	(7,513,978)	(221,599)	(17,737)	(7,753,314)
At 30 June 2011	35,954,372	247,139	515,277	36,716,788

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

**Notes to the financial statements
For the year ended 30 June 2011**

NOTE 16 Provisions (cont.)

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Analysis of Total Provisions				
Current	11,706,417	11,211,324	628,750	659,002
Non-current	25,010,371	21,934,885	68,610	52,444
	<u>36,716,788</u>	<u>33,146,209</u>	<u>697,360</u>	<u>711,446</u>

NOTE 17 Other Current Payables

CURRENT

Contributions in advance	26,753,108	25,926,134	-	-
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NOTE 18 Reserves

(a) Building maintenance and equipment reserve

The building maintenance and equipment reserve records the association's accumulated depreciation of the property, plant and equipment.

(b) Employee entitlement reserve

The employee entitlement reserve records the association's annual and long service leave entitlement liability.

(c) Project reserves

The project reserves records funds received by the Local Government Association of South Australia Inc from external providers. These funds are then distributed as per the relevant funding agreement. Details of projects are provided below:

Project Reserves	24,452,559	26,490,706	24,452,559	26,490,706
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During the financial year, the association and its controlled entities were involved in the following State and Federal Government and LG Research and Development Scheme (TER) Fund initiatives, some of which were still continuing at the end of the financial year.

- MLGF - Compliance Pilot Project
- MLGF - Strategic Management Plan
- Supporting Rural Councils
- LG Roads Conference Committee
- Equalisation Wasp Fund
- CWMS
- ALGA National Roads Campaign
- Tsfr from CPA Research Fund
- Coast & Clean Seas Project
- LG Information Systems
- LG Traineeships 2000-2001
- LG Traineeships 00-01
- SIP - Benchmarking
- Metro CEO's Regional Cap
- Step-by-step - Asset Management
- Climate Sustainability Officer
- Collecting LG Data Feasibility
- Coordinated Climate Change
- Future Directions Waste Management
- Model Council Communication
- Out of Ordinary Council Kit
- School Traffic Management
- Women in LG Action Plans
- Regulatory Services Sub Program
- Geographical Info System Publi
- LG Mining & Resources
- SA Councils to Fed Stimulus
- Nation Bldg Economic Stimulus
- Emergency Volunteer Passport
- Proposed Independent Govern

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 18 Reserves (cont.)

- Native Title
- R & D Administration
- LGA IT & Telecommunications
- LGA Education & Training Services
- Tourism Strategy for LG
- LG Roles & Resp in Health and Food
- Regional Capacity Building
- EP Policy (Waste to Resources)
- Country Statutory Planning
- LG Treasury Audit
- Future Dev Comp Performance Measures
- Damage & Access to Roads Agreement
- Dev Regional Governance Model
- Revenue Raising Constraints
- Strength in NRM Partnerships
- Out of the Ordinary - Stage 2
- Fin. Sustain. Implementation
- LG Employees Classif Structure
- 2006 LG Elections Review
- Eco. Sic, Environ Sustain Mapping
- Neg Agrmnt Regional Waste Reform
- Resource Implications AdminEPA
- Shared Services Implementation
- Sustainable Pubic Lighting
- Electronic Development Assessment
- Constitutional Recognition
- EDA Implementation SA
- LG Volunteer Coordinator Forum
- Water Sensitive Urban Design
- Advertising Levy
- Climate Change Sector Agreement
- NRM Operations
- Roads Campaign
- Volunteer Passport System
- River Torrens Linear Park Signage - Stg
- Improving Councils Assets
- DPLG Ageing Atlas
- Council Amalgamations
- LG Reform Fund - SA Application
- Out of the Ordinary - Stage 7
- Region Climate Changes Adaption
- GIS Port Stg 2 SA Council Maps
- Social Media
- Remuneration Tribunal Process
- Developing Regional Strategy
- LG Disaster Assessment
- Graduate Register
- Local Excellence Program
- Updating Aust. Constitution
- Election Review
- Review MPP in Development Act
- Model By-Laws Development
- State Gov. Relations Strategies
- Data Policy & Collection
- Region Develop Implementation
- Good Governance Assess Project
- Water Security Plan
- Alternative Funding NRM
- Cities as Water Catchments
- LG Data Collection Phase 2
- LG Election 2010
- Online Learning Management
- Review MOA Classification
- Zone Emergency Management
- Renewable Energy Pilot Program
- Easy Data Upgrade Data
- Future Libray Funding
- STEDS Reform
- LG Transport Advisory Panel
- RRIF NeDA
- Citizen Engagement Project
- DWLBC Partnership Project
- Pandemic Awareness Project
- LG Emerg Manage Role Statement
- Kaurna Native Title ILUA
- Municipal Services/Encap. Comm
- Skills for the Future 2006/09
- Emergency Management State Support
- Planning Reforms 2008
- LG Health Risk Resource
- ZWSA Training Program
- Statewide Wastewater Recycling
- LG R&D Scheme
- Doe Appeal
- Council Promotion Project
- LGCS Shared Services
- Mitcham Court Appeal
- Review & Renewal of Organisation
- Model Policy Section 270
- Reps Reviews Info Paper
- Regulatory Service Comm Strategy
- History of SA Council
- Web 2.0 Tech & Know Sharing
- Online Induction LG Volunteers
- Mobile Customer Service
- Regional Airports
- Review of State Rating Concesi
- NCCARF
- Cities & Towns Water Project
- Regional TV Collection
- ZWSA Planning Consultancy
- Public Health Act Implementation

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 18 Reserves (cont.)

- Planning Services to Councils
- Model Policy, FOI Dev
- Resources Reduce Red Tape
- Council Meeting Procedure Text
- Review Database SLRP Funds
- Access SA Car Licence Revenue
- Coastal Adaption Decision Path
- Development Tour
- Migrant Support Project
- Productivity Places Program
- Clare & Gilbert Flood Damage

The abbreviated title rather than the full title of the projects have been disclosed.

NOTE 19 Contingent Liabilities and Contingent Assets

There are no contingent assets or liabilities as at 30 June 2011.

NOTE 20 Events Subsequent to Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association.

NOTE 21 Investment and Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		2011	2010
Local Government House Building Fund	Australia	100	100
Local Government Mutual Liability Scheme	Australia	100	100
Local Government Workers Compensation Scheme	Australia	100	100
Council Purchasing Authority Pty Ltd	Australia	100	100
Municipal & District Purchasing Fund	Australia	100	100
LGCS Pty Ltd	Australia	100	50
LGCS Trust No. 1	Australia	100	50

The Local Government Association of South Australia Inc has the capacity to control these entities and they have been consolidated on that basis.

NOTE 22 Related Parties

State Executive

The names of persons who were members or proxy members of the Local Government Association of South Australia State Executive at any time during the financial year are as follows:

Mayor Ray Agnew OAM	Mayor James Maitland
Mayor Gillian Aldridge	Mayor Evan Flint
Mayor Allan Arbon OAM	Mayor Kym McHugh
Mayor Allan Aughey	Mayor David O'Loughlin
Mayor Brian Sambell	Mayor Ann Ferguson
Mayor Ian Mann	Mayor David Burgess
Mayor Lorraine Rosenberg	Mayor Jayne Bates
Mayor Joy Baluch	Mayor Jim Pollock
Cr Davina Quirke	Cr Raelene Telfer
Lord Mayor Michael Harbison	Cr John Pinto
Mayor Mark Braes	Mayor Mary-Lou Corcoran

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

**Notes to the financial statements
For the year ended 30 June 2011**

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 22 Related Parties (cont.)				
State Executive (cont.)				
Cr Carolyn Wigg			Mayor Ivan Brooks	
Mayor Michael Picton			Cr Jill Whittaker	
Mayor Julie Low			Mayor Richard Vickery	
Mayor Peter Davis			Mayor Felicity-ann Lewis	
Cr Peter Jamieson			Mayor Bruce Green	
Mayor Miriam Smith			Cr Leon Stasinowsky	
Mayor Lachlan Clyne			Mayor Eddie Elleway	
Cr Michael Llewellyn-Smith			Mayor John Trainer	
Transactions with Local Government Authorities having State Executive representation are on normal commercial terms and conditions.				
Transactions with related parties				
Aggregate amounts included in the determination of the parent entity's operating surplus that resulted from transactions with controlled entities are as follows:				
Administration charges received:				
- Local Government Association Workers' Compensation Scheme	394,408	381,140	394,408	381,140
- Local Government Mutual Liability Scheme	375,692	369,434	375,692	369,434
- Local Government House Building Fund	750	5,356	750	5,356
- Local Government Corporate Services	16,357	-	16,357	-
	<u>787,207</u>	<u>755,930</u>	<u>787,207</u>	<u>755,930</u>
Rental and other occupancy expenses paid:	<u>906,894</u>	<u>716,710</u>	<u>566,007</u>	<u>516,069</u>
Insurance paid:				
- Local Government Mutual Liability Scheme	<u>64,159</u>	<u>50,197</u>	<u>50,490</u>	<u>34,922</u>
Investment income received:				
- Local Government Financing Authority of South Australia	<u>4,043,794</u>	<u>3,083,062</u>	<u>-</u>	<u>-</u>
Management fees paid:				
- Jardine Lloyd Thompson Pty Ltd as Scheme Manager	<u>2,760,130</u>	<u>2,667,485</u>	<u>-</u>	<u>-</u>

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

**Notes to the financial statements
For the year ended 30 June 2011**

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
NOTE 22 Related Parties (cont.)				
Transactions with related parties (cont.)				
Outward reinsurance premium paid:				
- Jardine Lloyd Thompson Pty Ltd as Insurance Broker	5,603,351	5,444,794	-	-
- South Australian Government Financing Authority	358,720	336,300	-	-
	<u>5,962,071</u>	<u>5,781,094</u>	-	-
Risk management fees paid:				
- Jardine Lloyd Thompson Pty Ltd as Scheme Manager	<u>2,231,820</u>	<u>2,228,370</u>	-	-
Injury Management Services				
- Jardine Lloyd Thompson Pty Ltd as Scheme Manager	<u>26,590</u>	<u>101,350</u>	-	-
OHS Core Systems Development				
- Local Government Association of South Australia	<u>637,500</u>	<u>37,500</u>	-	-
Risk audit fee - Airports:				
- Jardine Lloyd Thompson Pty Ltd as Scheme Manager	<u>190,000</u>	<u>180,000</u>	-	-
Tree Enquiry - Public Land				
- Local Government Association of South Australia	<u>-</u>	<u>120,000</u>	-	-
National Climate Adoption Project				
- Local Government Association of South Australia	<u>200,000</u>	<u>-</u>	-	-
Accrued interest receivable:				
- Local Government Financing Authority of South Australia	<u>916,286</u>	<u>835,714</u>	-	-
Investments at face value:				
- Local Government Financing Authority of South Australia	<u>67,099,889</u>	<u>61,569,791</u>	-	-
Prepayments:				
- South Australian Government Financing Authority	<u>16,675</u>	<u>16,675</u>	-	-

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

**Notes to the financial statements
For the year ended 30 June 2011**

NOTE 23 Segment Reporting

The association operates predominantly as a service provider to local government in South Australia.

The Local Government Associations Workers Compensation Scheme provides workers compensation liability cover and the management of associated claims for Local Government solely within South Australia.

The Local Government Association Mutual Liability Scheme provides civil liability cover and the management of associated claims for Local Government within South Australia.

	Local Government Association Workers Compensation Scheme		Local Government Association Mutual Liability Scheme	
	2011 \$	2010 \$	2011 \$	2010 \$
Revenue	18,464,063	17,193,460	14,200,956	12,222,140
Profit	3,361,231	2,285,794	2,598,988	3,596,309
Net Assets	21,803,562	18,442,331	24,496,824	24,397,836
	Economic Entity		Parent Entity	
	2011 \$	2010 \$	2011 \$	2010 \$

NOTE 24 Cash Flow Information

(a) Reconciliation of Net Cash provided by/(used in) operating activities to operating surplus/(deficit)

Net income/loss for the period	4,602,100	6,555,360	(1,324,433)	5,474,741
Non-cash flows in profit from ordinary activities				
- Depreciation of non-current assets	756,068	441,529	746,744	357,875
- Loss on disposal of non-current assets	(9,035)	620,231	(9,520)	(38,615)
Changes in assets and liabilities				
(Increase)/decrease in trade and term receivables	(7,037,357)	(425,572)	(4,465,420)	223,710
(Increase)/decrease in prepayments	8,990	7,309	32,537	(55,746)
(Increase)/decrease in other current assets	55	586	55	586
Increase/(decrease) in trade payables	304,526	228,123	899,473	(257,262)
Increase/(decrease) in other sundry creditors and accruals	826,974	811,421	-	-
Increase/(decrease) in tax payable	41,126			
Increase/(decrease) in provisions	3,570,579	791,960	(14,086)	82,454
Increase/(decrease) in insurance recoveries in advance	(12,500)	(12,500)	-	-
Cashflow from operations	<u>3,051,526</u>	<u>9,018,447</u>	<u>(4,134,650)</u>	<u>5,787,743</u>

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

**Notes to the financial statements
For the year ended 30 June 2011**

NOTE 24 Cash Flow Information (cont.)

(b) Financing Agreements

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

Total Facilities

Bank loan facilities (LGFA)	12,645,092	12,000,000	12,645,092	12,000,000
Council loan facilities	2,000	2,000	-	-
	<u>12,647,092</u>	<u>12,002,000</u>	<u>12,645,092</u>	<u>12,000,000</u>

Used at balance date

Bank loan facilities (LGFA)	12,645,092	937,121	12,645,092	937,121
Council loan facilities	2,000	2,000	-	-
	<u>12,647,092</u>	<u>939,121</u>	<u>12,645,092</u>	<u>937,121</u>

(c) Non-cash financing and investing activities

There were no non-cash financing or investing activities during the year.

NOTE 25 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

Financial Assets

Cash and cash equivalents	24,406,240	17,057,601	23,716,170	16,223,403
Trade and other receivables	50,788,497	43,885,134	6,471,174	2,005,754
Available for sale financial assets:				
Deposits with LGFA	67,868,256	63,076,743	-	-
Shares in related entities	5	5	5	5
Total financial assets	<u>143,062,998</u>	<u>124,019,483</u>	<u>30,187,349</u>	<u>18,229,162</u>

Financial Liabilities

Trade and other payables	4,473,624	4,169,098	1,594,391	694,918
Borrowings	12,647,092	939,121	12,645,092	937,121
Total financial liabilities	<u>17,120,716</u>	<u>5,108,219</u>	<u>14,239,483</u>	<u>1,632,039</u>

The main purpose for non-derivative financial instruments is to raise finance for group operations.

The economic entity does not have any derivative financial instruments at 30 June 2011.

Specific Financial Risk Exposure and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements

For the year ended 30 June 2011

NOTE 25 Financial Risk Management (cont.)

(a) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

The average credit rating of the Scheme's reinsurance companies is 'A'. However, the Scheme's do recognise that there may be the likelihood of a reinsurance company failing to meet its obligations. A reinsurer default provision has been raised to cover this.

(b) Liquidity risk

The economic entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

NOTE 25 Financial Risk Management (cont.)

(b) Liquidity risk (cont.)

Economic Entity

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and cash equivalents	24,406,240	17,057,601	-	-	-	-	24,406,240	17,057,601
Trade and other receivables	50,788,497	43,751,140	-	-	-	-	50,788,497	43,751,140
Deposits with LGFA	67,868,256	63,076,748	-	-	-	-	67,868,256	63,076,748
Total Financial Assets	143,062,993	123,885,489	-	-	-	-	143,062,993	123,885,489
Financial Liabilities								
Trade and other payables	4,473,624	4,169,098	-	-	-	-	4,473,624	4,169,098
Borrowings	12,311,922	292,028	-	-	335,170	647,093	12,647,092	939,121
Total Financial Liabilities	16,785,546	4,461,126	-	-	335,170	647,093	17,120,716	5,108,219

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

NOTE 25 Financial Risk Management (cont.)

Parent Entity	Within 1 year		1 to 5 years		Over 5 years		Total
	2011	2010	2011	2010	2011	2010	
	\$	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	23,716,170	16,223,403	-	-	-	-	16,223,403
Trade and other receivables	6,471,174	1,655,754	-	-	-	-	1,655,754
Shares in related entities	5	5	-	-	-	-	5
Total Financial Assets	30,187,349	17,879,162	-	-	-	-	17,879,162
Financial Liabilities:							
Trade and other payables	1,594,391	694,918	-	-	-	-	1,594,391
Borrowings	12,311,922	292,028	-	-	333,170	645,093	12,645,092
Total Financial Liabilities	13,906,313	986,946	-	-	333,170	645,093	14,239,483
							1,632,039

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements For the year ended 30 June 2011

NOTE 25 Financial Risk Management (cont.)

(c) Market risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Sensitivity analysis

The following table illustrates sensitivities to the association's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Economic Entity		Parent Entity	
	Profit	Equity	Profit	Equity
	\$	\$	\$	\$
Year ended 30 June 2011				
+/- 1% in interest rates	+/- 678,683	+/- 630,767	+/- 237,161	+/- 162,234
Year ended 30 June 2010				
+/- 1% in interest rates	+/- 678,683	+/- 630,767	+/- 237,161	+/- 162,234

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

Economic Entity

	Footnote	2011		2010	
		Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	(i)	24,406,240	24,406,240	17,057,601	17,057,601
Trade and other receivables	(i)	50,788,497	50,788,497	43,885,134	43,885,134
Available for sale financial assets:					
Deposits with LGFA	(ii)	67,868,256	67,868,256	63,076,743	63,076,743
Shares in related entities	(ii)	5	5	5	5
Total financial assets		143,062,998	143,062,998	124,019,483	124,019,483

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

NOTE 25 Financial Risk Management (cont.)

(c) Market risk

Financial Liabilities

Trade and other payables	(i)	4,473,624	4,473,624	4,169,098	4,169,098
Borrowings	(iii)	12,647,092	12,647,092	939,121	939,121
Total financial liabilities		<u>17,120,716</u>	<u>17,120,716</u>	<u>5,108,219</u>	<u>5,108,219</u>

Parent Entity

	Footnote	2011		2010	
		Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial Assets					
Cash and cash equivalents	(i)	23,716,170	23,716,170	16,223,403	16,223,403
receivables	(i)	6,471,174	6,471,174	2,005,754	2,005,754
assets:					
Shares in related entities	(ii)	5	5	5	5
Total financial assets		<u>30,187,349</u>	<u>30,187,349</u>	<u>18,229,162</u>	<u>18,229,162</u>
Financial Liabilities					
Trade and other payables	(i)	1,594,391	1,594,391	600,738	600,738
Borrowings	(iii)	12,645,092	12,645,092	937,121	937,121
Total financial liabilities		<u>14,239,483</u>	<u>14,239,483</u>	<u>1,537,859</u>	<u>1,537,859</u>

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for assets or liability that are not based on observable market data (unobservable inputs) (Level 3).

Economic Entity	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2011				
Financial Assets				
Deposits with LGFA	67,868,261	-	-	67,868,261
	<u>67,868,261</u>	<u>-</u>	<u>-</u>	<u>67,868,261</u>

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

NOTE 25 Financial Risk Management (cont.)

(c) Market risk

2010

Financial Assets

Deposits with LGFA	63,076,748	-	-	63,076,748
	<u>63,076,748</u>	<u>-</u>	<u>-</u>	<u>63,076,748</u>

Parent Entity

2011

Financial Assets

Available for sale financial assets	5	-	-	5
	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>

2010

Financial Assets

Available for sale financial assets	5	-	-	5
	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>

NOTE 26 Change in Interpretation of AASB 1004 Contributions

Recognition of Grants, Project Income and Expenditure

Following inquiries from State Government funding bodies, a review was conducted on the accounting treatment of grants and contributions received, and in particular the point at which the LGA gains "control" of the funds when there are funding conditions and repayment clauses.

The review incorporated a renewed look at the requirements of Accounting Standard AASB 1004 - *Contributions*, clarification with the larger government funding bodies, and a review of a sample of funding agreements.

The outcome of this review was the decision that contributions (grants and project funding) should be recognised as revenue when the LGA receives the funds or becomes entitled to receive the funds. This interpretation is based on the intent of the LGA at the time of receiving the funds, to spend the funds in accordance with the funding agreement, and therefore the likelihood of having to pay back the funds to the funding provider is very low.

In the past the LGA has treated these funds as a liability until the funds have been spent in accordance with the conditions of the funding agreement

The financial effect of this change in interpretation of when the LGA gains control of grants and project funds is to remove the liability for unexpended project funds and instead record the contribution through the income statement and then record the unexpended amount as a reserve.

In accordance with Accounting Standard AASB 108 - *Accounting Policies, Changes in Accounting Estimates and Errors*, it has been necessary to restate the 2010 comparative balances so that they are presented on the same basis of the new accounting treatment.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements
For the year ended 30 June 2011

NOTE 26 Change in Interpretation of AASB 1004 Contributions (cont.)

The effect of the change on the 2010 balances is represented in the table below:

Parent Entity

	Previously Stated	2010 Adjustment	Restated
Statement of Comprehensive Income			
Project Funding	-	13,888,510	13,888,510
Project expenditure	-	(14,434,183)	(14,434,183)
Comprehensive income	5,982,417	37,997	6,020,414
Total comprehensive income	5,982,417	(507,676)	5,474,741
Statement of Financial Position			
Unexpended project funds	26,528,703	(26,528,703)	-
Consolidation adjustment	(37,997)	37,997	-
Net Unexpended Project funds	26,490,706	(26,490,706)	-
Total Liabilities	29,006,182	(26,490,706)	2,515,476
Net Assets	8,835,813	26,490,706	35,326,519
Reserves	1,177,027	26,490,706	27,667,733
Total Equity	8,835,813	26,490,706	35,326,519

Economic Entity

	Previously Stated	2010 Adjustment	Restated
Statement of Comprehensive Income			
Project Funding	-	13,888,510	13,888,510
Project expenditure	-	(14,434,183)	(14,434,183)
Comprehensive income	7,063,036	37,997	7,101,033
Total comprehensive income	7,063,036	(507,676)	6,555,360
Statement of Financial Position			
Unexpended project funds	26,528,703	(26,528,703)	-
Consolidation adjustment	(37,997)	37,997	-
Net Unexpended Project funds	26,490,706	(26,490,706)	-
Total Liabilities	91,453,259	(26,490,706)	64,962,553
Consolidation adjustment		(171,991)	(171,991)
	91,453,259	(26,662,697)	64,790,562
Net Assets	52,099,735	26,490,706	78,590,441
Reserves	1,177,027	26,490,706	27,667,733
Total Equity	52,099,735	26,490,706	78,590,441

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Notes to the financial statements

For the year ended 30 June 2011

NOTE 27 Association Details

Registered office and principal place of business

The registered office and principal place of business of the association is:

Local Government Association of South Australia Inc
Local Government House
148 Frome Street
ADELAIDE SA 5000

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Statement by State Executive

In the opinion of the State Executive, the financial report as set out on pages 1 to 33:

1 Presents a true and fair view of the financial position of Local Government Association of South Australia Inc as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

At the date of this statement, there are reasonable grounds to believe that Local Government Association of South Australia Inc will be able to pay its debts as and when they fall due.

During the financial year no member of the State Executive or officer of the association, nor:

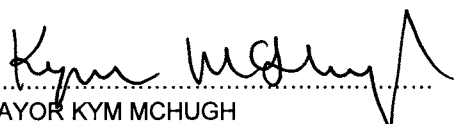
- a firm of which the member of State Executive or officer is a member; nor
- a body corporate in which the member of State Executive or officer has a substantial interest

has received or become entitled to receive a benefit as a result of a contract between the officer firm or corporate and the association. The following members received the following amounts to conduct the affairs of the association:

Mayor Feilicity-ann Lewis	(President)	\$ 29,424.00
Mayor Nancy Joy Baluch	(immediate Past President)	\$ 3,333.00
Mayor Feilicity-ann Lewis	(Vice President)	\$ 667.00
Mayor James Maitland	(Vice President)	\$ 4,000.00
Mayor David Andrew O'Loughlin	(Vice President)	\$ 4,000.00
Mayor Ivan Murray Brooks	(Vice President)	\$ 1,543.00
Mayor James Nelson Pollock	(Vice President)	\$ 3,333.00
Mayor John Patrick Trainer	(Vice President)	\$ 2,678.00
Mayor Barry Kym McHugh	(Member)	\$ 500.00
Mayor Allan Ernest Arbon	(Proxy)	\$ 250.00
Cr Peter Andrew Jamieson	(Member)	\$ 300.00
Mayor Julie Katherine Low	(Member)	\$ 100.00
Cr Carolyn Wigg	(Proxy)	\$ 500.00
Cr John Pinto	(Member)	\$ 200.00
Cr Jillian Yvonne Whittaker	(Member)	\$ 500.00
Cr Leon Stasinowsky	(Member)	\$ 350.00
Mayor Ian Robertson Mann	(Member)	\$ 200.00
Mayor Peter Woodley Davis	(Member)	\$ 200.00
Mayor Gillian Mary Aldridge	(Member)	\$ 150.00
Mayor Raymond George Agnew	(Member)	\$ 500.00
Mayor Lorraine Florence Rosenberq	(Member)	\$ 500.00
Cr Davina Quirke	(Proxy)	\$ 400.00
Mayor Bruce Leslie Green	(Member)	\$ 300.00
Mayor David James Burgess	(Member)	\$ 200.00

Officers of the association receive salary packages which have been determined in accordance with general market conditions. Except for the forgoing, no officer of the association has received directly or indirectly any payment or other benefit of a pecuniary value.

Signed in accordance with a resolution of the State Executive.



 MAYOR KYM MCHUGH
 President



 WENDY CAMPANA
 Chief Executive Officer

Dated 26/6/11.....

Bentleys (SA) Partnership

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bentleys.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA INC
AND CONTROLLED ENTITIES**

Report on the financial report

We have audited the accompanying financial report of Local Government Association of South Australia Inc (the association) and Local Government Association of South Australia Inc and controlled entities (the economic entity), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the State Executive

Officers' Responsibility for the Financial Report

The officers of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1985. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the officers also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 economic 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 economic entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the officers, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we followed the applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion:

The financial report of Local Government Association of South Australia Inc and controlled entities is in accordance with the Local Government Act 1999 including:

- i. giving a true and fair view of the association's and the economic entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999.



Bentleys (SA) Partnership



D J FRANCIS
PARTNER

Dated at Adelaide this 26th day of October, 2011.

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

Disclaimer to the members of Local Government Association of South Australia and Controlled Entities

The additional financial data presented on pages 38-39 is in accordance with the books and records of the economic entity which have been subjected to the auditing procedures applied in our statutory audit of the economic entity for the financial year ended 30 June 2011. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm understakes responsibility in any way whatsoever to any person (other than Local Government Association of South Australia and controlled entities) in respect of such data, including any errors of omissions therein however caused.

Bentleys (SA) Partnership

64 Greenhill Road
WAYVILLE SA 5034

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

INCOME AND EXPENDITURE STATEMENT

For the year ended 30 June 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
INCOME				
Subscriptions	1,823,219	1,778,893	1,823,219	1,778,893
Premium income	24,880,311	24,364,609	-	-
Contract income	1,174,514	-		
	<u>27,878,044</u>	<u>26,143,502</u>	<u>1,823,219</u>	<u>1,778,893</u>
Other revenue				
Distribution from CPA	-	-	-	5,663,281
Interest	4,706,855	3,368,058	603,285	241,329
Project income	16,081,712	13,888,510	16,081,712	13,888,510
Rent and outgoings received	1,383,260	475,638	1,724,147	472,004
Excesses and recoveries	2,672,162	1,014,136	38,155	38,046
Other revenue	273,933	1,175,964	235,778	852,219
Administration charges	961,343	944,104	1,735,282	1,700,034
Local government conference	313,383	259,721	313,383	259,721
Gain on sale of property	-	658,844	-	-
	<u>54,270,692</u>	<u>47,928,477</u>	<u>22,554,961</u>	<u>24,894,037</u>
EXPENDITURE				
Actuary expenses	88,940	59,776	-	-
Audit accountancy & other services	98,850	101,919	18,310	31,150
ALGA subscriptions	193,865	189,576	193,865	189,576
Allowances	55,975	50,000	55,975	55,684
Annual Report	13,240	14,700	13,240	14,700
Assets written off	-	20,366	-	20,366
Bank charges	32,347	27,753	1,508	1,406
Board fees	13,773	-	-	-
Business development	1,753	-	-	-
Claims expense	12,324,331	10,219,706	-	-
Cleaning	110,384	77,244	110,384	77,244
Computer license and maintenance	18,003	20,926	17,699	20,926
Conference	-	-	163,697	137,582
Consultants fees	371,219	300,081	313,976	200,332
Deficit projects written off	49,281	336,276	49,281	1,276
Depreciation	756,068	441,529	716,212	357,875
Doubtful debts	(34,433)	34,433	(34,433)	34,433
Electricity light and power	90,419	134,701	90,419	65,497
Equipment rental and maintenance	36,502	14,252	35,322	26,432
Fringe benefits tax and stamp duty	94,200	41,345	82,614	43,232
General meeting cost	244,002	211,658	80,305	74,076
General projects	40,000	60,000	40,000	60,000
Health & wellbeing	515,523	391,657	-	-
Income tax	86,677	-	-	-
Insurance	13,669	-	50,490	34,922
Industrial legal and associated expenses	394,408	381,140	-	-
Injury management audits	28,285	131,390	-	-
Legal expenses (including parliamentary bills)	143,758	253,425	102,421	199,011
LGA project expenditure	18,119,859	14,434,183	18,119,859	14,434,183
Library expenses	297	261	297	261
Long service leave and annual leave provisions	34,419	109,608	11,885	109,608
Loss control fees	556,400	556,400	-	-
Loss on consolidation of LGCS	236,736	-	-	-

LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

INCOME AND EXPENDITURE STATEMENT

For the year ended 30 June 2011

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Maintenance	132,855	123,411	132,650	30,554
Motor vehicle expenses	46,634	38,740	39,329	38,740
Office expenses	35,752	34,651	35,534	25,085
Other scheme expenses	2,378,990	2,286,345	-	-
Other expenses	241,656	186,254	76,983	120
Payroll tax	127,044	94,232	110,667	94,232
Postage/Messenger	24,599	21,705	24,578	21,705
Presidents forum	12,658	14,624	12,658	14,625
Printing and stationery	50,845	47,349	36,015	34,167
Project expenditure	280,000	-	-	-
Promotion and public relations	101,213	92,398	99,213	92,397
Rates and taxes	212,192	255,414	191,947	147,684
Recruitment costs	36,005	16,708	35,810	16,708
Reinsurance premium expense	4,971,438	4,843,967	-	-
Rent	-	-	-	172,333
Relocation costs	385	10,643	385	10,643
Risk audit (Airports)	79,370	66,080	-	-
Risk management	1,675,420	1,671,970	-	-
Salaries	2,616,286	2,183,557	2,431,033	2,177,873
Security costs	11,914	6,597	11,914	6,597
Sponsorship	39,315	50,902	9,318	8,386
Staff development	813,506	235,898	39,052	20,300
Subscriptions (seminars & conferences)	27,256	17,356	26,543	12,643
Subcontractors fees	478,384	-	-	-
Superannuation	275,191	198,849	226,011	198,849
Telephone	40,186	50,899	38,892	50,899
Travelling and accommodation	71,813	50,857	61,938	50,858
Tree enquiry - public land	-	120,000	-	-
20th Anniversary events	152,632	35,280	-	-
Workers compensation	6,303	4,126	5,598	4,126
	<u>49,668,592</u>	<u>41,373,117</u>	<u>23,879,394</u>	<u>19,419,296</u>
Profit from ordinary activities before transfers (to)/from reserves	4,602,100	6,555,360	(1,324,433)	5,474,741
Transfers (to)/from reserves	1,420,451	3,411,554	1,420,451	795,039
Distribution to fund members	(2,500,000)	(671,821)	-	-
Profit from ordinary activities after transfers (to)/from reserves	3,522,551	9,295,093	96,018	6,269,780
RETAINED PROFITS AT THE BEGINNING OF THE YEAR	<u>50,922,708</u>	<u>41,627,615</u>	<u>7,696,783</u>	<u>1,427,003</u>
RETAINED PROFITS AT THE END OF THE YEAR	<u>54,445,259</u>	<u>50,922,708</u>	<u>7,792,801</u>	<u>7,696,783</u>