

**TO THE MEMBERS OF SALGFMG INC.**  
**INDEPENDENT AUDITOR'S REPORT**

We have audited the attached financial statements, being a special purpose financial report, of, SALGFMG for the year ended 30 June 2012.

**Board of Management's Responsibility for the Financial Report**

The Board of Management is responsible for the preparation of the financial report in accordance with Associations Incorporation Act (SA) 1985 and regulations and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

**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. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule 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 in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

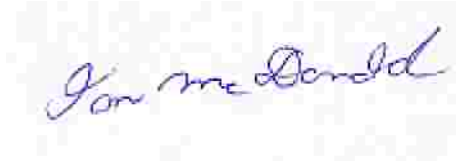
**Opinion**

In our opinion, the financial statements of the SALGFMG are properly drawn up:

- (a) to present fairly the financial position of the Association as at the 30 June 2012 and the results of its operations for the period then ended, and;
- (b) according to applicable Australian Accounting Standards.

**Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the association to meet the requirements of Associations Incorporation Act (SA) 1985 and regulations. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of the SALGFMG.



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**IAN G McDONALD FCA  
REGISTERED COMPANY AUDITOR**

**DATED** at **CLEVE** this        29                    day of        August                    2012

**South Australian Local Government Financial Management Group Inc.**

**Annual Financial Statements**

**Statement of Income and Expenditure**

**For the Year Ended 30 June 2012**

	Notes	<b>2012</b>	<b>2011</b>
		\$	\$
<b><u>Income</u></b>			
Membership subscriptions		16,811	14,720
Seminars and events	2	56,190	47,903
Sponsorship		68,000	66,000
Projects and new initiatives	2	20,134	52,500
Investment income		5,768	4,794
Other income		100	431
<b>Total Income</b>		<b>167,003</b>	<b>186,348</b>
<b><u>Expenditure</u></b>			
Seminars and events	3	83,537	90,952
Projects and new initiatives	3	17,435	46,440
Newsletter and website		4,323	7,013
Accounting, secretarial and office expenses		16,995	17,977
Other expenditure		5,525	9,147
<b>Total Expenditure</b>		<b>127,814</b>	<b>171,529</b>
<b>Net Surplus/(deficit)</b>		<b>39,189</b>	<b>14,819</b>

**Balance Sheet**

**As at 30 June 2012**

	<b>2012</b>	<b>2011</b>
	\$	\$
<b><u>Assets</u></b>		
Cash at bank	39,248	28,608
Investments - LGFA	146,716	91,303
Accounts receivable	2,970	14,850
Accrued interest	1,409	1,081
Prepayments	13,731	7,356
<b>Total Assets</b>	<b>204,074</b>	<b>143,198</b>
<b><u>Liabilities</u></b>		
Accounts payable	5,877	1,277
Income in advance	13,992	-
Tax payable	5,574	2,479
<b>Total Liabilities</b>	<b>25,443</b>	<b>3,756</b>
<b>Net Assets</b>	<b>178,631</b>	<b>139,442</b>
<b><u>Accumulated Surplus</u></b>		
At beginning of period	139,442	124,623
Net Surplus/(deficit) for year	39,189	14,819
Accumulated surplus at end of period	<b>178,631</b>	<b>139,442</b>

**South Australian Local Government Financial Management Group Inc.**

**Notes to the Annual Financial Statements**

**For the Year Ended 30 June 2012**

**Note 1 - Statement of significant accounting policies**

This financial report is a special purpose financial report prepared for use only by the Association.

The Association has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards.

AASB 1031: Materiality

AASB 110: Events occurring after reporting date

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

**Note 2 - Income**

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>Seminars and events</b>		
AGM	60	1,080
Seminars (March and November)	56,130	46,823
	<u>56,190</u>	<u>47,903</u>
<b>Projects and new initiatives</b>		
LTFP - LGA contributions and sales	2,700	52,500
Internal control project	17,434	-
	<u>20,134</u>	<u>52,500</u>

**Note 3 - Expenditure**

<b>Seminars and events</b>		
AGM	3,969	14,186
Seminars (March and November)	79,568	75,499
Workshops	-	1,267
	<u>83,537</u>	<u>90,952</u>
<b>Projects and new initiatives</b>		
LTFP upgrade	-	32,000
Internal control project	17,435	14,440
	<u>17,435</u>	<u>46,440</u>