



ANNUAL FINANCIAL STATEMENTS

2017-2018

OUR MISSION

“To provide a range of services which meet the environmental, social and economic needs of our community.”



DISTRICT COUNCIL OF GRANT

General Purpose Financial Reports for the year ended 30 June 2018

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DISTRICT COUNCIL OF GRANT

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



David Singe
CHIEF EXECUTIVE OFFICER



Richard Sage
MAYOR

Date: 15 October 2018

DISTRICT COUNCIL OF GRANT

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
Rates	2	9,358	9,104
Statutory charges	2	319	254
User charges	2	2,151	2,076
Grants, subsidies and contributions	2	1,906	2,162
Investment income	2	103	81
Reimbursements	2	248	204
Other income	2	331	573
Total Income		14,416	14,454
EXPENSES			
Employee costs	3	5,531	5,633
Materials, contracts & other expenses	3	4,164	4,059
Depreciation, amortisation & impairment	3	4,379	4,305
Finance costs	3	270	292
Total Expenses		14,344	14,289
OPERATING SURPLUS / (DEFICIT)		72	165
Asset disposal & fair value adjustments	4	(765)	(256)
Amounts received specifically for new or upgraded assets	2	1,398	824
Physical resources received free of charge	2	27	259
NET SURPLUS / (DEFICIT)		732	992
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	154	(5,162)
Total Other Comprehensive Income		154	(5,162)
TOTAL COMPREHENSIVE INCOME		886	(4,170)

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

DISTRICT COUNCIL OF GRANT

STATEMENT OF FINANCIAL POSITION as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	6,420	4,945
Trade & other receivables	5	755	1,305
Inventories	5	189	207
Total Current Assets		7,364	6,457
Non-current Assets			
Financial assets	6	245	248
Infrastructure, property, plant & equipment	7	114,293	115,142
Total Non-current Assets		114,538	115,390
Total Assets		121,902	121,847
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,175	1,482
Borrowings	8	524	484
Provisions	8	853	975
Total Current Liabilities		2,552	2,941
Non-current Liabilities			
Borrowings	8	4,150	4,619
Provisions	8	48	21
Total Non-current Liabilities		4,198	4,640
Total Liabilities		6,750	7,581
NET ASSETS		115,152	114,266
EQUITY			
Accumulated Surplus		36,958	35,320
Asset Revaluation Reserves	9	77,165	77,011
Other Reserves	9	1,029	1,935
TOTAL EQUITY		115,152	114,266

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

DISTRICT COUNCIL OF GRANT

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018

Here list each individual change and the component of equity

		Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
	Notes	\$'000	\$'000	\$'000	\$'000
2018					
Balance at end of previous reporting period		<u>35,320</u>	<u>77,011</u>	<u>1,935</u>	<u>114,266</u>
Restated opening balance		35,320	77,011	1,935	114,266
Net Surplus / (Deficit) for Year		732			732
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	154	-	154
Transfers between reserves	9	<u>906</u>	<u>-</u>	<u>(906)</u>	<u>-</u>
Balance at end of period		<u>36,958</u>	<u>77,165</u>	<u>1,029</u>	<u>115,152</u>
2017					
Balance at end of previous reporting period		<u>34,373</u>	<u>82,173</u>	<u>1,890</u>	<u>118,436</u>
Restated opening balance		34,373	82,173	1,890	118,436
Net Surplus / (Deficit) for Year		992			992
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	(5,162)	-	(5,162)
Transfers between reserves		<u>(45)</u>	<u>-</u>	<u>45</u>	<u>-</u>
Balance at end of period		<u>35,320</u>	<u>77,011</u>	<u>1,935</u>	<u>114,266</u>

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

DISTRICT COUNCIL OF GRANT

STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		9,343	9,075
Fees & other charges		344	274
User charges		2,429	2,165
Investment receipts		101	144
Grants utilised for operating purposes		2,049	2,324
Reimbursements		273	224
Other revenues		1,267	1,988
<u>Payments</u>			
Employee costs		(5,629)	(5,697)
Materials, contracts & other expenses		(5,285)	(5,850)
Finance payments		(265)	(311)
Net Cash provided by (or used in) Operating Activities		4,627	4,336
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		1,398	824
Sale of replaced assets		685	913
Sale of surplus assets		-	(70)
Net disposal of investment securities		-	-
Repayments of loans by community groups		53	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(2,441)	(2,870)
Expenditure on new/upgraded assets		(2,358)	(1,546)
Loans made to community groups		(60)	(153)
Net Cash provided by (or used in) Investing Activities		(2,723)	(2,902)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		60	100
<u>Payments</u>			
Repayments of borrowings		(489)	(353)
Net Cash provided by (or used in) Financing Activities		(429)	(253)
Net Increase (Decrease) in cash held		1,475	1,181
 Cash & cash equivalents at beginning of period	10	4,945	3,764
Cash & cash equivalents at end of period	10	6,420	4,945

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

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 15th October 2018.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

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

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

District Council of Grant is incorporated under the SA Local Government Act 1999 and has its principal place of business at 324 Commercial Street West, Mount Gambier. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

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

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

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

	Cash Payment Received	Annual Allocation	Difference	
2015/16	\$840,543	\$1,513,317	+ / -	\$(672,774)
2016/17	\$2,211,743	\$1,459,726	+ / -	\$752,017
2017/18	\$1,661,603	\$1,461,177	+ / -	\$200,426

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio and Net Liabilities Ratio disclosed in Note 14 have also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

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

3.1 Construction Contracts

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

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

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

6.2 Initial Recognition

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

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

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

6.3 Materiality

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

6.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

6.5 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not assessed for impairment.

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

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate	2.20% (2017, 2.34%)
Weighted average settlement period	1 year (2017, 1 year)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

10 Leases

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

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

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

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

11 GST Implications

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

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

12 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

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

Council is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in relation to the timing of revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 2 - INCOME

	Notes	2018 \$'000	2017 \$'000
RATES REVENUES			
<u>General Rates</u>		7,989	7,784
Less: Mandatory rebates		(383)	(385)
Less: Discretionary rebates, remissions & write offs		(17)	(14)
		<u>7,589</u>	<u>7,385</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		559	553
Waste collection		581	572
Community wastewater management systems		647	616
		<u>1,787</u>	<u>1,741</u>
<u>Other Charges</u>			
Penalties for late payment		38	43
		<u>38</u>	<u>43</u>
Less: Discretionary rebates, remissions & write offs		(56)	(65)
		<u>9,358</u>	<u>9,104</u>
STATUTORY CHARGES			
Development Act fees		83	96
Town planning fees		124	69
Animal registration fees & fines		108	88
Parking fines / expiation fees		4	1
		<u>319</u>	<u>254</u>
USER CHARGES			
Cemetery/crematoria fees		4	11
Airport		954	986
Saleyards		1,012	1,003
Sanitary & Garbage		33	15
Rural Transaction Centre		89	21
Sundry		59	40
		<u>2,151</u>	<u>2,076</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		94	72
Banks & other		2	4
Loans to community groups		7	5
		<u>103</u>	<u>81</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

NOTE 2 - INCOME (continued)

	Notes	2018 \$'000	2017 \$'000
REIMBURSEMENTS			
- for roadworks		125	98
- other		123	106
		<u>248</u>	<u>204</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		175	227
Sundry		156	346
		<u>331</u>	<u>573</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		1,398	824
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		1,301	1,491
Roads to Recovery		477	543
Fuel Rebate		61	63
Library & Community Centres		39	36
Sundry		28	29
		<u>1,906</u>	<u>2,162</u>
		<u>3,304</u>	<u>2,986</u>
<i>The functions to which these grants relate are shown in Note 11.</i>			
Sources of grants			
Commonwealth government		538	606
State government		2,747	2,351
Other		19	29
		<u>3,304</u>	<u>2,986</u>
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
Land & Improvements		-	118
Roads, Bridges & Footpaths		27	86
Stormwater Drainage		-	55
TOTAL PHYSICAL RESOURCES RECEIVED		<u>27</u>	<u>259</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES

	Notes	2018 \$'000	2017 \$'000
EMPLOYEE COSTS			
Salaries and Wages		4,682	4,722
Employee leave expense		558	549
Superannuation - defined contribution plan contributions	16	298	293
Superannuation - defined benefit plan contributions	16	156	167
Workers' Compensation Insurance		240	247
Less: Capitalised and distributed costs		(403)	(345)
Total Operating Employee Costs		5,531	5,633
 Total Number of Employees		 67	 68
<i>(Full time equivalent at end of reporting period)</i>			
 MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		20	19
Bad and Doubtful Debts		6	-
Elected members' expenses		156	158
Subtotal - Prescribed Expenses		<u>182</u>	<u>177</u>
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		1,114	893
Energy		227	169
Maintenance		1,667	1,939
Legal Expenses		76	90
Levies paid to government - NRM levy		557	554
Sundry		341	237
Subtotal - Other Materials, Contracts & Expenses		<u>3,982</u>	<u>3,882</u>
		<u>4,164</u>	<u>4,059</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES (cont)

	Notes	2018 \$'000	2017 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings - Level 2		55	55
Buildings - Level 3		441	441
Other Structures		254	285
Playgrounds		30	30
Roads & Kerbs		2,666	2,632
Bridges		1	1
Footways		15	14
Stormwater Drainage		11	11
CWMS		262	232
Plant & Equipment		522	521
IT & Office Fittings		43	34
Marine & River		48	49
Open Space		31	-
		<u>4,379</u>	<u>4,305</u>
FINANCE COSTS			
Interest on Loans		<u>270</u>	<u>292</u>
		<u>270</u>	<u>292</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2018 \$'000	2017 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		685	913
Less: Carrying amount of assets sold		<u>1,450</u>	<u>1,169</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>(765)</u>	<u>(256)</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 5 - CURRENT ASSETS

	2018	2017
	Notes	\$'000
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	768	327
Deposits at Call	5,652	4,618
	<u>6,420</u>	<u>4,945</u>
 TRADE & OTHER RECEIVABLES		
Rates - General & Other	399	384
Rates postponed for State Seniors	-	-
Accrued Revenues	19	17
Debtors - general	183	831
GST Recoupment	95	29
Prepayments	13	13
Loans to community organisations	46	36
Total	<u>755</u>	<u>1,310</u>
 Less: Allowance for Doubtful Debts	<u>-</u>	<u>5</u>
	<u>755</u>	<u>1,305</u>
 INVENTORIES		
Quarry Stock	145	157
Fuel & Lubricant	24	34
Other	20	16
	<u>189</u>	<u>207</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2018 \$'000	2017 \$'000
Receivables			
Loans to community organisations		<u>202</u>	<u>205</u>
		202	205
Other Financial Assets			
Caveat		<u>43</u>	<u>43</u>
TOTAL FINANCIAL ASSETS		<u>245</u>	<u>248</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2017 \$'000				2018 \$'000			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	2	-	-	-	-	-	-	-	-
Land	3	11,131	673	-	11,804	11,131	808	-	11,939
Buildings - Level 2	2	1,610	33	(780)	863	1,610	39	(833)	816
Buildings - Level 3	3	12,609	6,641	(10,542)	8,708	12,533	6,714	(10,867)	8,380
Other Structures	3	11,988	32	(6,203)	5,817	10,614	251	(5,668)	5,197
Playgrounds	3	1,051	11	(681)	381	883	11	(544)	350
Roads & Kerbs	3	92,104	7,185	(29,329)	69,960	93,174	7,647	(31,080)	69,741
Bridges	3	74	-	(20)	54	74	-	(21)	53
Footways	3	500	100	(159)	441	500	100	(175)	425
Stormwater Drainage	3	1,027	121	(391)	757	1,034	121	(406)	749
CWMS	3	12,220	156	(3,938)	8,438	12,685	-	(4,855)	7,830
Plant & Equipment		-	7,806	(2,553)	5,253	-	7,854	(2,580)	5,274
IT & Office Fittings		-	672	(524)	148	-	738	(562)	176
Marine & River	3	-	2,800	(297)	2,503	-	2,789	(339)	2,450
WIP		-	15	-	15	-	313	-	313
Open Space	3	-	-	-	-	-	1,013	(413)	600
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		144,314	26,245	(55,417)	115,142	144,238	28,398	(58,343)	114,293
Comparatives		148,109	23,711	(50,717)	121,103	144,314	26,245	(55,417)	115,142

This Note continues on the following pages.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2017	CARRYING AMOUNT MOVEMENTS DURING YEAR								2018
	\$'000	\$'000								\$'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Adjustments	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Land	-	-	-	-	-	-	-	-	-	-
Land	11,804	135	-	-	-	-	-	-	-	11,939
Buildings - Level 2	863	7	-	-	(55)	1	-	-	-	816
Buildings - Level 3	8,708	29	44	(22)	(441)	62	-	-	-	8,380
Other Structures	5,817	219	-	(47)	(254)	45	-	(583)	-	5,197
Playgrounds	381	-	-	(1)	(30)	-	-	-	-	350
Roads & Kerbs	69,960	1,554	1,048	(556)	(2,666)	384	17	-	-	69,741
Bridges	54	-	-	-	(1)	-	-	-	-	53
Footways	441	-	-	-	(15)	(1)	-	-	-	425
Stormwater Drainage	757	-	-	-	(11)	3	-	-	-	749
CWMS	8,438	49	35	(80)	(262)	-	-	-	(350)	7,830
Plant & Equipment	5,253	10	1,270	(743)	(522)	9	-	(3)	-	5,274
IT & Office Fittings	148	-	71	-	(43)	-	-	-	-	176
Marine & River	2,503	13	-	-	(48)	1	-	(19)	-	2,450
WIP	15	313	-	-	-	-	-	(15)	-	313
Open Space	-	29	-	(1)	(31)	-	603	-	-	600
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	115,142	2,358	2,468	(1,450)	(4,379)	504	620	(620)	(350)	114,293
<i>Comparatives</i>	121,103	1,546	3,083	(1,123)	(4,305)	-	16	(16)	(5,162)	115,142

This Note continues on the following pages.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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

Valuation of Assets

General Valuation Principles

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Highest and best use: For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Fair value hierarchy level 2 valuations: Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land: Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land. Desktop and laptop, tablets and multi-function devices (per IT Equipment & Furniture category) have no capitalisation threshold.

Plant & Equipment	\$3,000
IT Equipment & Furniture	\$1,000
Buildings	\$10,000
Roads	\$10,000
Bridges, Footpaths	\$10,000
Stormwater Drainage	\$3,000
Other Assets	\$3,000

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 7 – Infrastructure, Property, Plant & Equipment (cont)

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

Plant, Furniture & Equipment	
Office Equipment	3 to 5 years
Office Furniture	10 years
Vehicles and Road-making Equip	2 to 20 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings (componentised)	20 to 100 years
Playground equipment	25 years
Infrastructure	
Sealed Roads – Surface	20 to 30 years
Sealed Roads – Base	80 to 320 years
Unsealed Roads	20 to 80 years
Bridges	80 years
Kerb & Gutter	80 years
Footways	15 to 50 years
Stormwater Drainage	100 years
CWMS	8 to 80 years
Marine & River	10 to 100 years

Council's data is reviewed on an ongoing basis and adjustments are made to correct any errors identified. With regard to capital renewal expenditure, the useful life is reviewed in line with the new condition rating and the carrying amount is adjusted following the writing back of accumulated depreciation for each asset.

Land & Land Improvements

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

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

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation of Non Community Land at 1 July 2014 by Andrea Carolan, BAppSC PRM FAPI, of Maloney Field Services at fair value. Community Land was adjusted to Valuer-General (VG) valuations on 1 July 2014. Additions that purchased are recognised at cost, gifted additions are recognised at VG valuation.

Buildings & Other Structures

Buildings assets were independently revalued as at 1 July 2014 by Andrea Carolan, BAppSC PRM FAPI, of Maloney Field Services. The revaluations were to comply with AASB 116 – Financial Reporting for Property, Plant and Equipment and AASB13 – Fair Value Measurement.

Infrastructure

Sealed Roads, Unsealed Roads, Kerbing, Footways, were revalued using reviewed unit rates and condition assessment data as at 1 July 2016, with the methodology verified by ACEAM Asset Management Practitioners. All acquisitions made after the respective dates of valuation are recorded at cost.

Community Waste Water and Stormwater (CWMS) assets were independently revalued as at 1 July 2017 by HDS Australia Pty Ltd. The revaluations were to comply with AASB 116 – Financial Reporting for Property, Plant and Equipment and AASB13 – Fair Value Measurement.

Bridges were added to Council's asset management database in 2012/13. Condition assessment and revaluation using was undertaken by ACEAM Asset Management Practitioners as at 1 July 2016.

Plant, Furniture & Equipment

Recognised at cost. Assessment is conducted on changeover for appropriate residual and depreciation rate. basis.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 7 – Infrastructure, Property, Plant & Equipment (cont)

Marine & River

Recognised at cost. Consists mainly of assets created/generated since this category was created. A small number of existing assets were identified, therefore transferred from Other Community Assets, materiality low, therefore treatment of whole category at cost basis.

All other assets

These assets are recognised on the cost basis in accordance with our asset accounting policy.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 8 - LIABILITIES

		2018		2017	
		\$'000		\$'000	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		813		533	
Payments received in advance		104	-	689	-
Accrued expenses - employee entitlements		99	-	102	-
Accrued expenses - other		89	-	84	-
Deposits, Retentions & Bonds		70	-	74	-
		1,175	-	1,482	-
BORROWINGS					
Loans		524	4,150	484	4,619
		524	4,150	484	4,619
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
PROVISIONS					
Employee entitlements (including oncosts)					
- Annual Leave		350	-	346	-
- Long Service Leave		503	48	629	21
		853	48	975	21

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2017	Net Increments (Decrements)	Transfers, Impairments	30/6/2018
Notes	\$'000	\$'000	\$'000	\$'000
Land	9,755	-	-	9,755
Buildings	10,728	64	-	10,792
Other Structures	8,975	44	-	9,019
Playgrounds	271	9	-	280
Roads & Kerbs	44,399	384	-	44,783
Bridges	3	-	-	3
Footways	361	(1)	-	360
Marine and River	-	1	-	1
Stormwater Drainage	225	3	-	228
CWMS	2,294	(350)	-	1,944
TOTAL	77,011	154	-	77,165
<i>Comparatives</i>	<i>82,173</i>	<i>(5,162)</i>	<i>-</i>	<i>77,011</i>

OTHER RESERVES	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
Long Service Leave	579	-	(579)	-
Saleyards	(990)	990	-	-
Disaster Relief	133	2	-	135
Airport	1,333	-	(1,333)	-
Grants Unexpended	5	(2)	-	3
Donovans CWMS Grant	67	1	-	68
Open Space Contributions	128	2	-	130
Community Development Reserve	105	1	-	106
Tarpeena Cancer Support Fundraising	15	5	-	20
Future Infrastructure Reserve	445	7	-	452
Marine Facilities Reserve	14	-	-	14
Waste Management Reserve	101	-	-	101
TOTAL OTHER RESERVES	1,935	1,006	(1,912)	1,029
<i>Comparatives</i>	<i>1,890</i>	<i>256</i>	<i>(211)</i>	<i>1,935</i>

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Long Service Leave Reserve

This was discontinued in 2018 as these liabilities are accounted for in the Statement of Financial Position.

Saleyards

Aim for self funding activity - Currently an accumulated loss to measure activity performance over long term.

Disaster Relief

Holding account for profits received from sale of properties, which were donated by the Bond group for housing assistance - Ash Wednesday Fires. Monies to be kept in trust and used for the purpose of relief from the effects, or prevention, of bushfires or other disasters as per the Confirmatory Declaration of Trust Deed.

Airport

Self funding activity - accumulated profits kept in separate account to fund future large capital expenditures.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 9 - RESERVES (continued)

Unspent Grants Contributions

Holding Account for unspent grants and contributions relating to all functions of Council, excluding Road Infrastructure.

Donovans CWMS Grant

LGA funding for future CWMS works specific for Donovans that were recognised at acquittal of this initial project.

Open Space Contributions

Monies held from creation of sub-divisions to be used for future open space projects.

Community Development Reserve

Money received from Acciona for Allendale Windfarm development. Money held for Community Development Projects.

Tarpeena Cancer Support Fundraising

Accounting for monies held for community group with funds held for projects that will benefit this community.

Future Infrastructure Reserve

Monies from sale of assets, such as Sutton Court and disused road reserves. Money held for Future Infrastructure Projects.

Marine Facilities Reserve

Residual monies (income less expenses) from Port MacDonnell and Blackfellows Caves Boat Ramps and Permits. Funds for future marine development.

Waste Management Reserve

Residual monies (income less expenses) from activities relating to MGB collection (Sanitary & Garbage). Funds for future sanitary & garbage renewals.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2018 \$'000	2017 \$'000
Total cash & equivalent assets	5	<u>6,420</u>	<u>4,945</u>
Balances per Cash Flow Statement		<u>6,420</u>	<u>4,945</u>

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

Net Surplus (Deficit)	732	992
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	4,379	4,305
Fair value adjustments	-	-
Equity movements in equity accounted investments (increase) decrease	-	-
Net increase (decrease) in unpaid employee benefits	(98)	(64)
Premiums & discounts recognised & unwound	-	-
Change in allowances for under-recovery	(5)	-
Non-cash asset acquisitions	(27)	(259)
Grants for capital acquisitions treated as Investing Activity	(1,398)	(824)
Net (Gain) Loss on Disposals	<u>765</u>	<u>256</u>
	4,348	4,406
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	565	(707)
Net (increase) decrease in inventories	18	5
Net increase (decrease) in trade & other payables	<u>(304)</u>	<u>632</u>
Net Cash provided by (or used in) operations	<u>4,627</u>	<u>4,336</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	2	<u>27</u>	<u>259</u>
		<u>27</u>	<u>259</u>

(d) Financing Arrangements

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

Corporate Credit Cards	19	19
LGFA Cash Advance Debenture facility	2,000	2,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 11 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administration	9,066	9,039	2,075	1,938	6,991	7,101	1,310	1,480	9,872	19,881
Public Order & Safety	121	119	399	343	(278)	(224)	-	-	421	98
Health	4	3	192	184	(188)	(181)	-	-	16	22
Social Security & Welfare	6	5	56	50	(50)	(45)	1	-	422	339
Housing & Community Amenities	1,996	1,112	2,898	2,729	(902)	(1,617)	-	-	10,485	9,835
Protection of the Environment	12	12	42	96	(30)	(84)	-	-	835	756
Sport & Recreation	101	152	837	820	(736)	(668)	636	97	6,768	3,475
Agricultural Services	11	11	5	5	6	6	-	-	-	-
Mining, Manufacturing & Const.	57	69	129	251	(72)	(182)	-	-	145	-
Transport & Communication	1,593	2,361	5,335	5,666	(3,742)	(3,305)	1,284	1,296	76,301	73,366
Economic Affairs	1,169	1,136	1,777	1,740	(608)	(604)	2	11	10,442	9,826
Other Purposes	280	435	599	467	(319)	(32)	43	73	6,195	4,249
TOTALS	14,416	14,454	14,344	14,289	72	165	3,276	2,957	121,902	121,847

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

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 11 (cont) - FUNCTIONS

The activities relating to Council functions are as follows:

Administration

General and office operations not attributable to another specific activity, rates and elected members expenses.

Public Order and Safety

Supervision of various by-laws, fire prevention, CFS and animal control.

Health

Food control, operation of community health programs and health centre.

Social Security and Welfare

Operation of Senior Citizen's centre, aged hostel, other voluntary services.

Housing and Community Amenities

Rubbish collection services, operation of a tip, effluent drainage, public toilets, street cleaning and lighting, town planning, stormwater drainage, land development, maintenance of cemeteries and aged housing complex.

Protection of the Environment NEC

Foreshore protection, flood prevention.

Sport and Recreation

Maintenance of halls, library operations, national estates, parks and gardens, recreation and sporting venues, museum.

Agricultural Services

Pest plant services.

Mining, Manufacturing and Construction

Building Act requirements, quarry operations.

Transport and Communications

Construction and maintenance of roads, bridges, footpaths, parking & signs and airport operations.

Economic Affairs NEC

Land development activities, Caravan Park operations, off-street parking, tourism, boat haven and saleyard operations.

Other Purposes NEC

Public debt transactions, plant and machinery operations, depot expenses, vandalism costs and private works.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 12 - FINANCIAL INSTRUMENTS

Note: The above summary of contribution plans represents the total of Council's individual contribution. All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Terms & conditions: Deposits are returning fixed interest rates between 1.95% and 2.00% (2017: 1.50% and 1.75%). Short term deposits have an average maturity of 24 hours and an average interest rates of 1.50% (2017: 90 days, 2.0%). Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. Terms & conditions: Secured over the subject land, arrears attract interest of j% (2017: 0.77%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State. Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - Fees & other charges	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries. Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - other levels of government	Accounting Policy: Carried at nominal value. Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments. Carrying amount: approximates fair value.
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.
Liabilities - Interest Bearing Borrowings	Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues. Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 3.60% and 7.12% (2017: 3.75% and 11.25%) Carrying amount: approximates fair value.
Liabilities - Finance Leases	Accounting Policy: accounted for in accordance with AASB 117.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 12 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	6,420			6,420	6,420
Receivables	356	202	-	558	558
Other Financial Assets	-	43	-	43	43
Total	6,776	245	-	7,021	7,021
Financial Liabilities					
Payables	987	-	-	987	987
Current Borrowings	773	-	-	773	524
Non-Current Borrowings	-	2,861	2,263	5,124	4,150
Total	1,760	2,861	2,263	6,884	5,661

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	4,945			4,945	4,945
Receivables	926	205	-	1,131	1,131
Other Financial Assets	-	43	-	43	43
Total	5,871	248	-	6,119	6,119
Financial Liabilities					
Payables	1,296	-	-	1,296	1,296
Current Borrowings	484	-	-	484	484
Non-Current Borrowings	-	2,702	2,365	5,067	4,619
Total	1,780	2,702	2,365	6,847	6,399

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

	30 June 2018		30 June 2017	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Fixed Interest Rates	5.943	4,674	5.943	5,103
		<u>4,674</u>		<u>5,103</u>

Net Fair Value

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

Risk Exposures

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

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

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

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

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 13 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2018 \$'000	2017 \$'000
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Land (Waterfront Project)		<u>805</u>	<u>-</u>
		<u>805</u>	<u>-</u>
These expenditures are payable:			
Not later than one year		<u>805</u>	<u>-</u>
		<u>805</u>	<u>-</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 14 - FINANCIAL INDICATORS

	2018	2017	2016
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

<u>Operating Surplus</u>	0.5%	1.1%	(7.3%)
Total Operating Income			

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(5.0%)	7%	22%
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These **Adjusted Ratios** correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.*

Adjusted Operating Surplus Ratio	0.3%	(4.3%)	(2.0%)
Adjusted Net Financial Liabilities Ratio	(10%)	2%	21%

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	59%	60%	58%
Infrastructure & Asset Management Plan required expenditure			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 15 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2018 \$'000	2017 \$'000
Income	14,416	14,454
Expenses	<u>(14,344)</u>	<u>(14,289)</u>
Operating Surplus / (Deficit)	72	165
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(2,441)	(2,870)
Add back Depreciation, Amortisation and Impairment	4,379	4,305
Proceeds from Sale of Replaced Assets	<u>685</u>	<u>913</u>
	2,623	2,348
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(2,358)	(1,546)
Amounts received specifically for New and Upgraded Assets	1,398	824
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>(70)</u>
	(960)	(792)
Net Lending / (Borrowing) for Financial Year	<u>1,735</u>	<u>1,721</u>

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 16 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017/18; 9.50% in 2016/17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2016/17) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 17 - ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

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

LAND UNDER ROADS

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

At reporting date, Council controlled 1,524 km of road reserves of average width 10 metres.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 18 – EVENTS OCCURRING AFTER REPORTING DATE

Airport Upgrade Funding

To meet the requirements of section 48 of the Local Government Act 1999 a prudential review was commissioned by Council on 5th December 2017 to assess the viability of this project. The report was prepared by an independent consultant, John Comrie of JAC Comrie Pty Ltd and was completed on 31st January 2018.

The report concluded that “Council has had appropriate regard to all prudential requirements specified in the LG Act in determining whether to proceed with this project. No issues have been identified in the review that would suggest that Council should not proceed with the project.”

Council was advised on 10th July 2018 that the application for Federal Government Funding of \$3.5 million has been successful. This will assist with the 120-metre runway extension, construction of a heavy aircraft parking area, luggage area and a covered passenger drop-off zone.

Council will soon commence a tender process for the upgrades and then will announce a start date when the plans and specifications are finalised.

The upgrade of the airport is expected to bring greater numbers of tourists and business opportunities. This will have an impact on Council's long term financial sustainability and has been reflected in Council's Long Term Financial Plan.

DISTRICT COUNCIL OF GRANT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 19 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 20 persons were paid the following total compensation:

	2018 \$	2017 \$
Salaries, allowances & other short term benefits	1,199,800	1,228,573
Post-employment benefits	-	-
Long term benefits	-	-
Termination benefits	-	60,000
TOTAL	1,199,800	1,288,573

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

	2018 \$	2017 \$
Contributions for fringe benefits tax purposes	-	-
Planning and building applications fees	-	-
Rentals for Council property	-	-
TOTAL	-	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from none of these individual businesses exceeded \$5,000 during the year.

Two close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the *Local Government Act 1999*.

Key management personnel or close family members (including related parties) lodged a total of two planning and building applications during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications. Total fees for these applications (all of which are payable on lodgement) amounted to \$1,220.

Four elected members are members of various organisations that received Council support in the year. In accordance with the Local Government Act 1999, the elected members declare a conflict of interest and leave the meeting environs when any matter affecting their organisation is discussed or voted on. During the year Council contributed \$10,150 towards these organisations via community grant applications.

INDEPENDENT AUDITOR'S REPORT

To the members of the District Council of Grant

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the District Council of Grant (the Council), which comprises the Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance, the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended 30 June 2018 and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of the Council is in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011*, including;

- (i) giving a true and fair view of the Council's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended; and
- (ii) that the financial records kept by the Council are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Chief Executive Officer's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern

basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Chief Executive Officer of the Council is responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**JIM KEOGH
PARTNER**

Signed on the 23rd day of October 2018,
at 214 Melbourne Street, North Adelaide

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE DISTRICT COUNCIL OF GRANT

We have audited the Internal Controls of the District Council of Grant (Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Auditor's Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assessed risks.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Council has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2017 to 30 June 2018.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to be 'J. Keogh' with a stylized flourish at the end.

**JIM KEOGH
PARTNER**

Signed on the 23rd day of October 2018
at 214 Melbourne Street, North Adelaide, South Australia, 5006

DISTRICT COUNCIL OF GRANT

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Grant for the year ended 30 June 2018, the Council's Auditor, Dean Newbery and Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



David Singe
CHIEF EXECUTIVE OFFICER



Richard Sage
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 15 October 2018

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the District Council of Grant for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



JIM KEOGH

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 23rd day of October 2018