The Barossa Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

The Barossa Council

General Purpose Financial Statements
for the year ended 30 June 2017

Contents

The Barossa Council

General Purpose Financial Statements
for the year ended 30 June 2017

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 2017 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.

Martin McCarthy
CHIEF EXECUTIVE OFFICER

Bob Sloane
MAYOR

Date: 28 September 2017

The Barossa Council

Statement of Comprehensive Income
for the year ended 30 June 2017

$ '000	Notes	2017	2016
Income			
Rates Revenues	2a	28,365	27,246
Statutory Charges	2b	708	657
User Charges	2c	2,655	2,454
Grants, Subsidies and Contributions	2g	4,000	2,903
Investment Income	2d	293	288
Reimbursements	2e	256	482
Other Income	2f	1,624	1,183
Net Gain - Equity Accounted Council Businesses	19	2	8
Total Income		**37,903**	**35,221**
Expenses			
Employee Costs	3a	12,510	12,174
Materials, Contracts and Other Expenses	3b	14,476	13,627
Depreciation, Amortisation and Impairment	3c	6,971	7,188
Finance Costs	3d	997	1,098
Net loss - Equity Accounted Council Businesses	19	29	14
Total Expenses		**34,983**	**34,101**
Operating Surplus / (Deficit)		2,920	1,120
Asset Disposal and Fair Value Adjustments	4	(910)	(1,263)
Amounts Received Specifically for New or Upgraded Assets	2g	1,213	3,107
Physical Resources Received Free of Charge	2i	228	1,481
Net Surplus / (Deficit) [1]		3,451	4,445
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - Infrastructure, Property, Plant and Equipment	9a	(314)	3,979
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	(52)	(310)
Total Other Comprehensive Income		**(366)**	**3,669**
Total Comprehensive Income		3,085	8,114

[1] *Transferred to Equity Statement*

The Barossa Council

Statement of Financial Position

as at 30 June 2017

$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	11,497	9,299
Trade and Other Receivables	5b	3,123	2,689
Inventories	5c	117	270
Subtotal		14,737	12,258
Non-Current Assets Held for Sale	20	52	133
Total Current Assets		**14,789**	**12,391**
Non-Current Assets			
Financial Assets	6a	644	686
Equity Accounted Investments in Council Businesses	6b	1,656	1,683
Infrastructure, Property, Plant and Equipment	7a	336,738	338,492
Other Non-Current Assets	6c	1,341	486
Total Non-Current Assets		**340,379**	**341,347**
TOTAL ASSETS		355,168	353,738
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	3,573	3,201
Borrowings	8b	1,998	1,948
Provisions	8c	2,579	2,542
Total Current Liabilities		**8,150**	**7,691**
Non-Current Liabilities			
Borrowings	8b	12,338	14,336
Provisions	8c	737	853
Total Non-Current Liabilities		**13,075**	**15,189**
TOTAL LIABILITIES		21,225	22,880
Net Assets		333,943	330,858
EQUITY			
Accumulated Surplus		71,647	69,181
Asset Revaluation Reserves	9a	253,883	254,249
Other Reserves	9b	8,413	7,428
Total Council Equity		333,943	330,858

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

The Barossa Council

Statement of Changes in Equity
for the year ended 30 June 2017

$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2017					
Balance at the end of previous reporting period		69,181	254,249	7,428	**330,858**
Restated Opening Balance		**69,181**	**254,249**	**7,428**	**330,858**
a. Net Surplus / (Deficit) for Year		3,451	-	-	**3,451**
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of Infrastructure, Property, Plant and Equipment	7a	-	(314)	-	**(314)**
- Infrastructure, Property, Plant and Equipment Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	7a	-	(52)	-	**(52)**
Other Comprehensive Income		-	(366)	-	**(366)**
Total Comprehensive Income		**3,451**	**(366)**	**-**	**3,085**
c. Transfers between Reserves		(985)	-	985	**-**
Balance at the end of period		**71,647**	**253,883**	**8,413**	**333,943**
2016					
Balance at the end of previous reporting period		65,972	250,580	6,192	**322,744**
Restated Opening Balance		**65,972**	**250,580**	**6,192**	**322,744**
a. Net Surplus / (Deficit) for Year		4,445	-	-	**4,445**
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of Infrastructure, Property, Plant and Equipment	7a	-	3,979	-	**3,979**
- Infrastructure, Property, Plant and Equipment Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	7a	-	(310)	-	**(310)**
Other Comprehensive Income		-	3,669	-	**3,669**
Total Comprehensive Income		**4,445**	**3,669**	**-**	**8,114**
c. Transfers between Reserves		(1,236)	-	1,236	**-**
Balance at the end of period		**69,181**	**254,249**	**7,428**	**330,858**

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

The Barossa Council

Statement of Cash Flows
for the year ended 30 June 2017

$ '000	Notes	2017	2016
Cash Flows from Operating Activities			
Receipts			
Rates Receipts		28,140	27,245
Statutory Charges		736	709
User Charges		2,840	2,669
Grants, Subsidies and Contributions (operating purpose)		4,020	2,932
Investment Receipts		293	288
Reimbursements		281	530
Other Receipts		3,253	2,346
Payments			
Payments to Employees		(12,608)	(12,232)
Payments for Materials, Contracts and Other Expenses		(15,990)	(15,357)
Finance Payments		(997)	(1,098)
Net Cash provided by (or used in) Operating Activities	11b	**9,968**	**8,032**
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		1,213	3,107
Sale of Replaced Assets		350	286
Sale of Surplus Assets		272	348
Net Disposal of Investment Securities		-	7
Repayments of Loans by Community Groups		40	38
Payments			
Expenditure on Renewal/Replacement of Assets		(4,407)	(2,820)
Expenditure on New/Upgraded Assets		(3,254)	(5,687)
Net Cash provided by (or used in) Investing Activities		**(5,786)**	**(4,721)**
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		-	1,260
Receipt of Funds from Finance Leases		-	21
Proceeds from Bonds and Deposits		8	62
Payments			
Repayments of Borrowings		(1,932)	(1,811)
Repayment of Finance Lease Liabilities		(16)	(27)
Repayment of Bonds and Deposits		(44)	(23)
Net Cash provided by (or used in) Financing Activities		**(1,984)**	**(518)**
Net Increase (Decrease) in Cash Held		**2,198**	**2,793**
plus: **Cash and Cash Equivalents at beginning of period**	11	9,299	6,506
Cash and Cash Equivalents at end of period	11	11,497	9,299

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

Contents of the Notes accompanying the Financial Statements

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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.*

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 these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Barossa Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 43-51 Tanunda Road, Nuriootpa. 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 Subsidiary Operation

Pursuant to the Local Government Act 1999, Section 42, The Barossa Council oversees the Nuriootpa Centennial Park Authority which is a subsidiary that operates and maintains both the Barossa Valley Tourist Park and its surrounding parklands. The Authority's information as at the reporting date has been consolidated in the accounts within this report.

4 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 occurs first.

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 included in these notes.

4 Income Recognition (continued)

In June 2017 the Federal Government paid in advance of the year of allocation an amount of $545,959 of untied financial assistance grants (2 quarterly instalments). This amount was recognised on receipt in the 2016/17 financial year in Note 2. No early payment was previously received in June 2016. Therefore, in the reporting period ended 30 June 2017, Council's operating result is effectively overstated by this amount.

The Adjusted Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grant entitlements allocated.

4.1 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".

5 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 13.

6 Inventories

Inventories held in respect of Depot stores (Fuel) have been valued by using the weighted average cost on a continual basis or at cost for the Barossa Regional Gallery, Barossa Visitor Centre and Nuriootpa Centennial Park Authority, 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.

6.1 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision. Further details are shown in Note 20.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

7 Infrastructure, Property, Plant and Equipment

7.1 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 architect 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.

7.1 Initial Recognition (continued)

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

7.2 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. Capitalisation thresholds applied during the year are as follows (no capitalisation threshold is applied to the acquisition of land or interests in land). Any new or upgrade work below these threshold amount(s) will be expensed as maintenance.

Buildings *	
- Buildings (including Toilets)	$20,000
- Sheds, Pergolas, Cabins, Carports and Other Structures	$10,000
- Buildings at Componentisation	$50,000
Sealed Roads *	
- Reconstruction and Renewal Work	$20,000
Sheeted Roads	
- Resheeting, Major Patch Repair and Road Shoulders	$15,000
Community Wastewater Management Systems (CWMS)	$5,000
Footpaths, Kerbs and Carpark Surfaces	$10,000
Stormwater and Drainage	$5,000
Bridges, Floodways and Major Culverts	$15,000
Parks and Reserves Development	$5,000
Plant and Equipment	$5,000
Furniture and Fittings	$5,000
Core Software Programs	$15,000
All Other Assets	$5,000

***** These assets are capitalised when replacing/renewing assets that are >10% of the Depreciable Replacement Value

7.3 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.

7.4 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 the table following. 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.

7.4 Depreciation of Non-Current Assets (continued)

Depreciation Periods per Class of Asset

Buildings	Complete	20 to 100 years
	Substructure	40 to 300 years
	Superstructure	20 to 300 years
	Roof Structure	40 to 60 years
	Internal Fit Out	20 to 25 years
	Services	20 to 100 years
	Town Hall Solid Flooring only	150 years
Transport	Unformed Roads (Earthworks) •	1,000 years
	Sheeted Roads *	12 to 28 years
	Sealed Roads - Pavement *	45 to 150 years
	Sealed Roads - Surface *	10 to 30 years
	Footpaths	Up to 100 years
	Kerb	70 to 100 years
	Car Park Surfaces *	30 to 50 years
Bridges	Bridges *	Up to 100 years
	Major Culverts	Up to 100 years
	Floodways *	Up to 80 years
	Footbridges *	Up to 100 years
CWMS	Pump Stations - Components	10 to 50 years
	Lagoons - Components	40 to 100 years
	Waste Water Treatment Plant - Components	5 to 50 years
	Pipes	60 to 100 years
Recreation/	Fences	40 years
Community	Monuments	100 years
Infrastructure	Other	10 to 100 years
Stormwater	Drainage Channels	25 to 150 years
and Drainage	Other	150 years
Equipment	Plant and Machines	4 to 10 years
	Vehicles (eg Sedans, Utes, Vans and Trucks)	5 to 33 years
	Computer Equipment	5 to 33 years
	Hill and Son Historic Pipe Organ	300 years
Furniture and Fittings		10 to 25 years

* These asset types are made up of two components. The useful lives listed above are for the first component. The second component being a long life asset. Current practice is not to depreciate these second components. Council's initial review and findings are that if the long life application was applied to the second component, depreciation may in fact be reduced in future years.

• Road Earthworks should not be depreciated in line with AASB1055 (interpretation). Council Policy shows a useful life of 1,000 years. Current practice is not to depreciate earthworks.

7.5 Impairment

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

7.5 Impairment (continued)

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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

8 Payables

8.1 Goods and 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.

8.2 Payments Received in Advance and 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.

9 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

10 Employee Benefits

10.1 Salaries, Wages and 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	2.62% (2016: 2.15%)
Weighted average settlement period	0.38 years (2016: 0.45 years)

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

10.2 Superannuation

Council makes employer superannuation contributions in respect of its employees to schemes selected by employees under the "choice of fund" legislation. Council uses Statewide Super (formerly Local Government Superannuation Scheme) as its default superannuation fund. This Scheme has two types of membership, each of which is funded differently. Council's subsidiary, Nuriootpa Centennial Park Authority makes contributions to other superannuation schemes. 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 18.

11 Leases

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

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

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.

12 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

13 GST Implications

In accordance with UIG Abstract 1031 'Accounting for the Goods and 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.

14 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

Effective for periods commencing 1 January 2017:

• AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 Revenue from Contracts with Customers

• AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 Revenue from Contracts with Customers

• AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 Statement of Cash Flows

• AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities - AASB 136 Impairment of Assets

• AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 Revenue from Contracts with Customers for Not-for-Profit Entities

14 Pending Accounting Standards (continued)

Effective for annual reporting periods beginning on or after 13 February 2017:

• AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-16 Cycle

Effective for annual reporting periods beginning on or after 13 December 2017:

• AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments

Effective for annual reporting periods beginning on or after 1 January 2018:

• AASB 9 Financial Instruments (December 2009)

• AASB 15 Revenue from Contracts with Customers

• AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 Financial Instruments (December 2010)

• AASB 2014-1 Amendments to Australian Accounting Standards (Part E)

• AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 Financial Instruments (December 2014) AASB 1057 Application of Australian Accounting Standards

• AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 Revenue from Contracts with Customers

Effective for annual reporting periods beginning on or after 1 January 2019:

• AASB 16 Leases

• AASB 16 Leases (Appendix D)

• AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Nor-for-Profit Entities

• AASB 1058 Income of Not-for-Profit Entities

• AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

15 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements.

16 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income

$ '000	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		23,896	23,019
Less: Mandatory Rebates		(451)	(417)
Less: Discretionary Rebates, Remissions, Write Offs and Valuation/Land Use Objections		(144)	(167)
Total General Rates		23,301	22,435
Other Rates (Including Service Charges)			
Natural Resource Management Levy		498	431
Waste and Recycling Collection		1,837	1,764
Community Wastewater Management Systems		2,530	2,441
Total Other Rates		4,865	4,636
Other Charges			
Penalties for Late Payment		151	143
Legal and Other Costs Recovered		48	32
Total Other Charges		199	175
Total Rates Revenues		28,365	27,246
(b). Statutory Charges			
Development Act Fees		126	147
Town Planning Fees		275	192
Septic Tank Inspection Fees		72	75
Animal Registration Fees and Fines		213	223
Parking Fines / Expiation Fees		1	-
Other Licences, Fees and Fines		21	20
Total Statutory Charges		708	657

Note 2. Income (continued)

$ '000	Notes	2017	2016
(c). User Charges			
Bushgarden Seed/Seedling Sales		36	27
Caravan Park Fees		1,750	1,574
Cemetery Fees		99	85
CWMS Reuse Water Sales		170	168
Hall and Equipment Hire		45	50
Immunisation Fees		13	14
Lease Fees		78	55
Photocopying Fees		26	24
Property Search Fees		46	48
Recreation Park Fees		43	57
Sundry		85	99
Swimming Pool Fees		11	18
Tourism - Souvenir and Other Sales		101	96
Transport Scheme Fees		127	114
Waste Collection Bins		15	16
Waste Disposal/Transfer Station Fees		10	9
Total User Charges		2,655	2,454
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		180	183
- Banks and Other		70	60
- Loans to Community Groups		43	45
Total Investment Income		293	288
(e). Reimbursements			
Employee Costs		130	306
Green Waste		32	32
Other		94	144
Total Reimbursements		256	482
(f). Other Income			
Insurance and Other Recoupments - Infrastructure, Property, Plant and Equipment		284	159
Rebates Received		53	43
Workers Compensation Rebate		174	183
Donations Received		36	74
Contributions		441	179
Sundry		636	545
Total Other Income		1,624	1,183

Note 2. Income (continued)

$ '000	Notes	2017	2016
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,213	3,107
Total Amounts Received Specifically for New or Upgraded Assets		1,213	3,107
Other Grants, Subsidies and Contributions		3,454	2,903
Additional Grants Commission Payment	1	546	-
Total Grants, Subsidies, Contributions		5,213	6,010

The functions to which these grants relate are shown in Note 12.

(i) Sources of grants			
Commonwealth Government		1,714	1,446
State Government		2,998	3,446
Other		501	1,118
Total		5,213	6,010

(h). Conditions over Grants and Contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

	Notes	2017	2016
Unexpended at the close of the previous reporting period		472	249
Less:			
Amounts expended during the current period from revenues recognised as 'Payments Received in Advance' in previous reporting periods	8a		
Roads Infrastructure		(122)	-
Recreation		(132)	(47)
Cultural		(1)	(8)
Community Services		(3)	(4)
Environment		(7)	(8)
Shared Services		-	(32)
Stormwater		(5)	(43)
Subtotal		**(270)**	**(142)**
Plus:			
Amounts received in this reporting period but not yet recognised or expended in accordance with the conditions and are included in 'Payments Received in Advance'	8a		
Roads Infrastructure		185	281
Recreation		71	72
Cultural		-	1
Community Services		8	4
Environment		42	7
Tourism		100	-
Subtotal		**406**	**365**
Unexpended at the close of this reporting period		608	472
Net increase (decrease) in assets subject to conditions in the current reporting period		**136**	**223**

Note 2. Income (continued)

$ '000	Notes	2017	2016
(i). Physical Resources Received Free of Charge			
Land and Improvements		10	5
Roads, Bridges and Footpaths		119	-
Stormwater and Drainage		57	246
Community Wastewater Management System		-	283
Transport		-	947
Plant and Equipment		42	-
Total Physical Resources Received Free of Charge		**228**	**1,481**

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 3. Expenses

$ '000	Notes	2017	2016
(a). Employee Costs			
Salaries and Wages		11,371	10,775
Employee Leave Expense Movement		(38)	260
Superannuation - Defined Contribution Plan Contributions	18	764	701
Superannuation - Defined Benefit Plan Contributions	18	262	267
Workers Compensation Insurance		521	524
Less: Capitalised and Distributed Costs		(370)	(353)
Total Operating Employee Costs		12,510	12,174
Total Number of Employees (full time equivalent at end of reporting period)		131.48	131.53
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor Remuneration			
- Auditing the Financial Reports		23	19
Bad and Doubtful Debts		1	2
Elected Members Expenses		253	252
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		119	180
Subtotal - Prescribed Expenses		**396**	**453**
(ii) Other Materials, Contracts and Expenses			
Contractors		5,481	4,941
Bank Charges		96	92
Energy		1,533	1,363
Maintenance		1,710	1,728
Legal Expenses		312	235
Levies Paid to Government - NRM levy		498	431
Levies - Other		81	72
Parts, Accessories and Consumables		804	798
Professional Services		432	391
Communications and Information Technology		759	683
Contributions and Donations		430	354
Water		467	529
Advertising and Printing		148	178
Insurance		635	673
Sundry		832	848
Less: Capitalised and Distributed Costs		(138)	(142)
Subtotal - Other Material, Contracts and Expenses		**14,080**	**13,174**
Total Materials, Contracts and Other Expenses		14,476	13,627

Note 3. Expenses (continued)

(c). Depreciation, Amortisation and Impairment

$ '000	Notes	2017	2016
(i) Depreciation and Amortisation			
Buildings and Other Structures		1,411	1,356
Infrastructure			
- Transport		2,469	2,687
- Bridges, Floodways and Major Culverts		396	398
- Community Wastewater Management System		976	955
- Stormwater and Drainage		280	279
- Recreation		229	219
- Community Infrastructure		24	23
Plant and Equipment		1,139	1,221
Furniture and Fittings		47	50
Subtotal		**6,971**	**7,188**
(ii) Impairment			
Buildings and Other Structures		52	310
Subtotal		52	310
Less: Impairment Expense Offset to Asset Revaluation Reserve	9a	(52)	(310)
Total Depreciation, Amortisation and Impairment		6,971	7,188

(d). Finance Costs

$ '000	Notes	2017	2016
Interest on Loans		995	1,095
Charges on Finance Leases		2	3
Total Finance Costs		997	1,098

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 4. Asset Disposal and Fair Value Adjustments

$ '000	Notes	2017	2016
Infrastructure, Property, Plant and Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		350	286
Less: Carrying Amount of Assets Sold		(1,284)	(554)
Gain (Loss) on Disposal		**(934)**	**(268)**
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		272	348
Less: Carrying Amount of Assets Sold		(248)	(1,343)
Gain (Loss) on Disposal		**24**	**(995)**
Net Gain (Loss) on Disposal or Revaluation of Assets		(910)	(1,263)

Note 5. Current Assets

$ '000	Notes	2017	2016
(a). Cash and Cash Equivalents			
Cash on Hand at Bank		1,964	1,506
Deposits at Call		9,512	7,758
Short Term Deposits		21	35
Total Cash and Cash Equivalents		**11,497**	**9,299**
(b). Trade and Other Receivables			
Rates - General and Other		1,582	1,371
Rates - Postponement Scheme		58	44
Accrued Revenues		465	356
Debtors - General		625	456
GST Recoupment		265	409
Prepayments		86	13
Loans to Community Organisations		42	40
Total Trade and Other Receivables		**3,123**	**2,689**

Amounts included in receivables that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

$ '000	Notes	2017	2016
(c). Inventories			
Stores and Materials		48	192
Trading Stock		69	78
Total Inventories		**117**	**270**

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 6. Non-Current Assets

$ '000	Notes	2017	2016
(a). Financial Assets			
Receivables			
Loans to Community Organisations		644	686
Total Receivables		**644**	**686**
Total Financial Assets		644	686
(b). Equity Accounted Investments in Council Businesses			
Gawler River Flood Management Authority	19	1,608	1,630
Central Local Government Association	19	48	46
Southern and Hills Local Government Association	19	-	7
Total Equity Accounted Investments in Council Businesses		1,656	1,683
(c). Other Non-Current Assets			
Other			
Capital Works-in-Progress		1,341	486
Total Other		1,341	486
Total Other Non-Current Assets		1,341	486

Note 7a. Infrastructure, Property, Plant and Equipment

		as at 30/6/2016				Asset Movements during the Reporting Period: Asset Additions									as at 30/6/2017			
$ '000	Fair Value Level	At Fair Value	At Cost	Less: Accum Depreciation	Carrying Value	New / Upgrade	Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	Impairment Reversal (via Equity) (Note 9)	Adjustments & Transfers	Revaluation Decrements to Equity (Asset Revaluation Reserve) (Note 9)	Revaluation Increments to Equity (Asset Revaluation Reserve) (Note 9)	At Fair Value	At Cost	Less: Accum Depreciation	Carrying Value
Land - Community	3	53,819	155	-	53,974	11	-	(109)	-	-	-	91	-	-	53,801	166	-	53,967
Land - Other	2	2,560	1,683	-	4,243	-	-	-	-	-	-	-	-	-	2,560	1,683	-	4,243
Buildings and Other Structures	3	72,073	1,482	36,766	36,789	745	86	(36)	(1,325)	-	7	-	-	-	72,023	2,297	38,054	36,266
Buildings and Other Structures	2	3,495	164	158	3,501	-	-	-	(86)	(59)	-	-	-	-	3,495	164	303	3,356
Infrastructure																		
- Transport	3	191,105	9,169	56,812	143,462	1,294	2,561	(756)	(2,469)	-	-	-	-	62	189,657	13,058	58,561	144,154
- Bridges, Floodways and Major Culverts	3	40,016	211	20,093	20,134	102	-	(46)	(396)	-	-	-	-	-	39,852	313	20,371	19,794
- Community Wastewater Management System	3	46,093	7,876	21,561	32,408	449	74	(38)	(976)	-	-	-	(376)	-	45,811	8,110	22,380	31,541
- Stormwater and Drainage	3	40,896	2,751	12,180	31,467	57	31	(3)	(280)	-	-	-	-	-	40,890	2,838	12,456	31,272
- Recreation	3	9,690	959	4,515	6,134	41	66	(4)	(229)	-	-	-	-	-	9,679	1,067	4,738	6,008
- Community Infrastructure	3	1,043	464	464	1,043	7	-	-	(24)	-	-	-	-	-	1,043	471	488	1,026
Plant and Equipment	-	-	12,523	7,330	5,193	330	1,115	(540)	(1,139)	-	-	-	-	-	-	12,360	7,401	4,959
Furniture and Fittings	-	-	972	828	144	47	8	-	(47)	-	-	-	-	-	-	1,026	874	152
Total Infrastructure, Property, Plant and Equipment		**460,790**	**38,409**	**160,707**	**338,492**	**3,083**	**3,941**	**(1,532)**	**(6,971)**	**(59)**	**7**	**91**	**(376)**	**62**	**458,811**	**43,553**	**165,626**	**336,738**
Comparatives		460,221	26,977	153,779	**333,419**	7,340	3,008	(1,897)	(7,188)	(310)	-	141	(713)	4,692	460,790	38,409	160,707	**338,492**

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment

Valuation of Assets

General Valuation Principles

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on 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.

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.

There is normally no known market for Council buildings, infrastructure and other assets (with the exception of seven properties at level 2 valued using Market Fair Value inputs). These assets 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 Council, or on industry construction guides where these are more appropriate.

Other Information

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, current replacement cost is taken to be the fair value.

During the reporting period, an unused building at the Angaston Railway Precinct was impaired by $58,727 to a carrying value of $0.

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment (continued)

Valuation of Assets (continued)

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to *AASB 13 - Fair Value Measurement*

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land and Land Improvements

- Basis of valuation: Fair Value Level 3, Market Value Level 2, Additions recognised at cost
- Date of valuation: 1 July 2013
- Valuer: Opteon (valuer engaged by Opus International Consultants (Australia) Pty Ltd)

Land improvements - bulk earthworks with an assessed unlimited useful life, are not recognised.

Buildings and Other Structures

- Basis of valuation: Fair Value Level 3, Market Value Level 2, Additions recognised at cost
- Date of valuation: 1 July 2015
- Valuer: Council Officers using Rawlinsons Australian Construction Handbook Edition 34, 2016
- Condition Assessment: Opus International Consultants (Australia) Pty Ltd in 2013/14

Transport

- Basis of valuation: Written down current replacement cost, Additions recognised at cost
- Date of valuation: 1 July 2014
- Valuer: Tonkin Consulting
- Condition Assessment: Council Officers assessed Sheeted Roads and Car Parks in 2015/16

6 additional road assets were newly identified and have been valued at written down current replacement cost ($61,410) and offset against the revaluation reserve.

Bridges, Floodways and Major Culverts

- Basis of valuation: Written down current replacement cost, Additions recognised at cost
- Date of valuation: 1 July 2015
- Valuer: Council Officers applied LGPI (Local Government Price Index) 6.1% on the previous valuation of 1 July 2012

Community Wastewater Management System

- Basis of valuation: Written down current replacement cost, Additions recognised at cost
- Date of valuation: 1 July 2014
- Valuer: Council Officers and Tonkin Consulting (pipework network only)
- Condition Assessment: Council Officers assessed Waste Water Treatment Plant and Lagoons in 2013/14

An extensive assessment and data validation of the network was undertaken during the financial year - this identified additional assets (84 gravity main and property connections). These have been valued at written down current replacement cost ($199,806) and offset against the revaluation reserve. Duplicated assets with a written down current replacement cost of $576,165 were also identified and have been removed and adjusted against the revaluation reserve.

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment (continued)

Valuation of Assets (continued)

Stormwater

- Basis of valuation: Written down current replacement cost, Additions recognised at cost
- Date of valuation: 1 July 2014
- Valuer: Tonkin Consulting

Recreation Infrastructure

- Basis of valuation: Written down current replacement cost, Additions recognised at cost
- Date of valuation: 1 July 2014
- Valuer: Council Officers using Rawlinsons Australian Construction Handbook Edition 33, 2015
- Condition Assessment: Calibre Consulting in 2015/16

Community Infrastructure

- Basis of valuation: Written down current replacement cost, Additions recognised at cost
- Date of valuation: 1 July 2010
- Valuer: Asset and Valuation Consulting Pty Ltd

This asset class is immaterial to the total asset value representing only 0.35% of the total value so revaluations are not necessary and should not occur. Only periodic audits will be conducted to ensure the assets are required for Council business and in the condition needed.

Plant, Equipment, Furniture and Fittings

- Basis of valuation: Cost basis

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

Note 8. Liabilities

$ '000	Notes	2017 Current	2017 Non Current	2016 Current	2016 Non Current
(a). Trade and Other Payables					
Goods and Services		2,223	-	2,015	-
Payments Received in Advance		685	-	549	-
Accrued Expenses - Employee Entitlements		283	-	243	-
Accrued Expenses - Other		348	-	324	-
Deposits, Retentions and Bonds		34	-	70	-
Total Trade and Other Payables		**3,573**	**-**	**3,201**	**-**

Amounts included in trade and other payables that are not expected to be settled within 12 months of reporting date are disclosed in Note 13.

$ '000	Notes	2017 Current	2017 Non Current	2016 Current	2016 Non Current
(b). Borrowings					
Loans		1,981	12,338	1,932	14,319
Finance Leases	14c	17	-	16	17
Total Borrowings		**1,998**	**12,338**	**1,948**	**14,336**

All interest bearing liabilities are secured over the future revenues of the Council.

$ '000	Notes	2017 Current	2017 Non Current	2016 Current	2016 Non Current
(c). Provisions					
Employee Entitlements (including oncosts)		2,179	737	2,134	853
Future Reinstatement - Landfill		400	-	408	-
Total Provisions		**2,579**	**737**	**2,542**	**853**

Movements in Provisions

$ '000	Future Reinstatement - Landfill
2017 (current & non-current)	
Opening Balance	408
Additional Amounts Recognised	6
(Less) Payments	(14)
Closing Balance	**400**

The future reinstatement provision for the Angaston landfill is for capping and remediation works of the site. Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change in the future.

Note 9. Reserves

$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
Land - Community	44,240	-	-	-	44,240
Buildings and Other Structures	17,378	-	-	(52)	17,326
Infrastructure					
- Transport	132,194	62	-	-	132,256
- Bridges, Floodways and Major Culverts	9,020	-	-	-	9,020
- Community Wastewater Management System	19,338	(376)	-	-	18,962
- Stormwater and Drainage	25,498	-	-	-	25,498
- Recreation	5,824	-	-	-	5,824
- Community Infrastructure	493	-	-	-	493
Joint Ventures - Other Comprehensive Income	264	-	-	-	264
Total Asset Revaluation Reserve	254,249	(314)	-	(52)	253,883
Comparatives	250,580	3,979	-	(310)	254,249

$ '000	1/7/2016	Transfers to Reserve	Transfers from Reserve	Other Movements	30/6/2017
(b). Other Reserves					
Community Wastewater Management	5,122	1,724	(767)	-	6,079
Refuse and Recycling	343	43	(59)	-	327
Recreation Facilities	289	9	(39)	-	259
Cultural Services	367	32	(14)	-	385
Caravan Parks	299	-	(3)	-	296
Economic Development	217	-	-	-	217
Environmental Projects	28	7	(11)	-	24
Plant and Equipment Replacement	157	41	(20)	-	178
Building Maintenance	15	-	-	-	15
Other Reserves	591	49	(7)	-	633
Total Other Reserves	7,428	1,905	(920)	-	8,413
Comparatives	6,192	2,443	(1,207)	-	7,428

Note 9. Reserves (continued)

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).

Community Wastewater Management

Wastewater Management Scheme services charges raised under Section 155.

Refuse and Recycling

Collection of Refuse and Recycling service charges raised under Section 155.

Recreation Facilities

Recreation Facilities reserves are used to fund Capital Improvements at Council owned Recreation Parks.

Cultural Services

Cultural Facilities reserves are used to fund Capital Improvements at Council owned Community Halls.

Caravan Parks

Caravan Park Reserves accumulate operating surpluses from Council Caravan Parks in Williamstown, Mount Pleasant and Eden Valley. These funds are subsequently used towards the upgrade of Caravan Park and surrounding Recreation Park Facilities.

Economic Development

Economic Development Reserves are used to fund specific initiatives including Council Main Streets.

Environmental Projects

Environmental Project Reserves are used towards funding specific environmental projects and programs.

Plant and Equipment Replacement

Plant and Equipment Replacement Reserves are used to fund the replacement of Council's Community Transport and Leisure Options cars and buses, funded by grants.

Building Maintenance

Building Maintenance Reserves are used towards funding specific disability access to Council owned Buildings.

Other Reserves

Other Reserves are used to account for developer contributions received towards future Capital Works, Funds held in Trust and other minor reserves not elsewhere allocated.

Note 10. Assets Subject to Restrictions

$ '000	Notes	2017	2016

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Grant funding or contributions which were received during the year ended 30 June 2017 but were unspent are also subject to restrictions - the funds would need to be repaid if the required expenditure does not go ahead in the future.

Cash and Financial Assets

		2017	2016
Unexpended amounts received			
Open Space Contributions		181	138
Developer Contributions		397	399
Grant Funding - Commonwealth		1	464
Grant Funding - State		599	4
Grant Funding - Other		8	2
Total Cash and Financial Assets		**1,186**	**1,007**
Total Assets Subject to Externally Imposed Restrictions		**1,186**	**1,007**

Note 11. Reconciliation to Statement of Cash Flows

$ '000	Notes	2017	2016

(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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total Cash and Equivalent Assets	5	11,497	9,299
Balances per Statement of Cash Flows		**11,497**	**9,299**

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

Net Surplus/(Deficit)		**3,451**	**4,445**
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		6,971	7,188
Equity Movements in Equity Accounted Investments (Increase)/Decrease		27	6
Non-Cash Asset Acquisitions		(228)	(1,481)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,213)	(3,107)
Net (Gain) Loss on Disposals		910	1,263
		9,918	**8,314**
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(432)	(281)
Net (Increase)/Decrease in Inventories		153	(212)
Net (Increase)/Decrease in Other Current Assets		-	-
Net Increase/(Decrease) in Trade and Other Payables		408	(12)
Net Increase/(Decrease) in Unpaid Employee Benefits		(71)	307
Net Increase/(Decrease) in Other Provisions		(8)	(84)
Net Increase/(Decrease) in Other Liabilities		-	-
Net Cash provided by (or used in) operations		**9,968**	**8,032**

(c). Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	228	1,481
Amounts recognised in Income Statement		**228**	**1,481**
- Finance Leases		-	21
- Estimated Future Reinstatement - Landfill		(8)	(84)
Total Non-Cash Financing and Investing Activities		**220**	**1,418**

(d). Financing Arrangements

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

Bank Overdrafts		300	300
Corporate Credit Cards		79	44
LGFA Cash Advance Debenture Facility		2,160	2,160

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

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions/Activities. Details of these Functions/Activities are provided in Note 12b.									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
$ '000	**Actual 2017**	Actual 2016	**Actual 2017**	Actual 2016	**Actual 2017**	Actual 2016	**Actual 2017**	Actual 2016	**Actual 2017**	Actual 2016
Business Undertakings	**4,695**	4,387	**4,286**	4,165	**409**	222	**-**	-	**39,994**	40,725
Community Services	**1,465**	1,385	**2,922**	2,653	**(1,457)**	(1,268)	**1,042**	1,026	**9,351**	9,530
Culture	**288**	301	**2,239**	2,358	**(1,951)**	(2,057)	**164**	168	**14,307**	14,476
Economic Development	**200**	232	**922**	1,007	**(722)**	(775)	**5**	17	**1,147**	1,253
Environment	**3,105**	2,940	**5,490**	4,921	**(2,385)**	(1,981)	**163**	215	**46,635**	46,816
Recreation	**504**	419	**4,740**	4,619	**(4,236)**	(4,200)	**-**	-	**56,047**	56,679
Regulatory Services	**639**	593	**2,410**	2,391	**(1,771)**	(1,798)	**-**	-	**205**	253
Transport	**1,811**	1,127	**5,030**	5,029	**(3,219)**	(3,902)	**1,766**	1,124	**163,243**	162,028
Plant Hire and Depot/Indirect	**165**	177	**443**	560	**(278)**	(383)	**-**	-	**3,995**	4,215
Council Administration	**25,029**	23,652	**6,472**	6,384	**18,557**	17,268	**860**	353	**18,588**	16,080
Joint Ventures	**2**	8	**29**	14	**(27)**	(6)	**-**	-	**1,656**	1,683
Total Functions/Activities	**37,903**	**35,221**	**34,983**	**34,101**	**2,920**	**1,120**	**4,000**	**2,903**	**355,168**	**353,738**

Revenues and expenses exclude amounts received specifically for new or upgraded assets and physical resources received free of charge. 'Council Administration' includes all rates income.

Note 12b. Components of Functions

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Gravel Pits/Quarries, Development of Land for Resale, Private Works and Sewerage/CWMS.

COMMUNITY SERVICES

Public Order and Safety, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, Other Community Support, Community Amenities, Bus Shelters, Cemeteries, Public Conveniences, Car Parking – non-fee-paying and Other Community Amenities.

CULTURE

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries and Other Cultural Services.

ECONOMIC DEVELOPMENT

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

ENVIRONMENT

Agricultural Services, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy and Other Environment.

RECREATION

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor and Other Recreation.

REGULATORY SERVICES

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

TRANSPORT

Bridges, Footpaths and Kerbing, Roads – Sealed, Roads – Formed, Roads – Natural Formed, Roads – Unformed, Traffic Management, LGGC – roads (formula funded) and Other Transport.

PLANT HIRE & DEPOT

Plant, Machinery and Depot.

COUNCIL ADMINISTRATION

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, Separate and Special Rates.

JOINT VENTURES

Gawler River Floodplain Management Authority, Central Local Government Association and Southern and Hills Local Government Association.

Note 13. Financial Instruments

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 and Conditions:

Deposits returned fixed interest rates between 1.65% and 2.15% (2016: 1.75% and 2.50%). Short term deposits returned interest rates between 1.50% and 2.25% (2016: 2.60% and 2.90%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates and Associated Charges

(including legals and 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 and Conditions:

Secured over the subject land, arrears attract interest of 7.00% (2016: 7.25%). 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 and 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 and Conditions:

Unsecured, and do not bear interest. 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).

Note 13. Financial Instruments (continued)

Recognised Financial Instruments

Receivables
Other Levels of Government

Accounting Policy:
Carried at nominal value.

Terms and 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 and 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 and Conditions:
Secured over future revenues, fixed borrowings are repayable by equal 6 monthly instalments of principal and interest; interest is charged at fixed rates between 4.75% and 7.02% (2016: 4.75% and 7.02%). Variable borrowings were payable on a quarterly basis for interest only at the current Local Government Finance Authority cash advance debenture rates between 3.75% and 4.00% (2016: 4.00% and 4.25%).

Carrying Amount:
Approximates fair value.

Liabilities
Finance Leases

Accounting Policy:
Accounted for in accordance with AASB 117.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
Financial Assets					
Cash and Equivalents	11,497	-	-	11,497	11,497
Receivables	1,193	325	635	2,153	1,776
Total Financial Assets	**12,690**	**325**	**635**	**13,650**	**13,273**
Financial Liabilities					
Payables	2,917	-	-	2,917	2,916
Current Borrowings	2,895	-	-	2,895	1,998
Non-Current Borrowings	-	8,927	6,789	15,716	12,338
Total Financial Liabilities	**5,812**	**8,927**	**6,789**	**21,528**	**17,252**

$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2016					
Financial Assets					
Cash & Equivalents	9,299	-	-	9,299	9,299
Receivables	895	330	712	1,937	1,538
Total Financial Assets	**10,194**	**330**	**712**	**11,236**	**10,837**
Financial Liabilities					
Payables	2,569	-	-	2,569	2,569
Current Borrowings	2,975	-	-	2,975	1,948
Non-Current Borrowings	-	10,053	8,538	18,591	14,336
Total Financial Liabilities	**5,544**	**10,053**	**8,538**	**24,135**	**18,853**

The following interest rates were applicable to Council Borrowings at balance date:	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	**Carrying Value**	**Weighted Avg Interest Rate**	**Carrying Value**
Other Variable Rates	5.47%	1,260	4.17%	1,260
Fixed Interest Rates	6.57%	13,076	6.57%	15,024
		14,336		**16,284**

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.

Note 13. Financial Instruments (continued)

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 and 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.

Note 14. Commitments for Expenditure

$ '000	Notes	2017	2016

(a). Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings		-	163
Community Wastewater Management System		133	296
Culture		99	15
Environment		7	7
Footpaths		568	484
Plant		374	150
Recreation		542	1,304
Roads		4,644	6,301
Software		16	165
Stormwater and Drainage		735	579
		7,118	**9,464**

These expenditures are payable:

Not later than one year		5,424	6,157
Later than one year and not later than 5 years		1,694	3,307
		7,118	**9,464**

(b). Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services		138	44
Buildings		5	8
Caretaking Services		215	430
Community Services		49	4
Consulting Services		150	18
Culture		36	1
Economic Development		100	-
Employee Remuneration Contracts		10,463	8,243
Environmental Projects		63	33
Maintenance Projects		2,748	771
Photocopier Rental		99	36
Printing Services		11	22
Recreation Projects		246	153
Roads		77	63
Septic Tank Desludging		385	528
Shared Services Projects		31	32
Software		-	37
Stormwater and Drainage		37	12
Waste Management Services		1	1,178
		14,854	**11,613**

These expenditures are payable:

Not later than one year		6,156	6,093
Later than one year and not later than 5 years		8,674	5,497
Later than 5 years		24	23
		14,854	**11,613**

Note 14. Commitments for Expenditure (continued)

$ '000	Notes	2017	2016

(c). Finance Lease Commitments

Council leases various plant and equipment with a carrying amount of $17,000 (2016 - $33,369) under finance leases expiring within 1 year. At expiry, Council may re-lease, return or acquire the leased assets.

Commitments under finance leases at the reporting date are as follows:

		2017	2016
Not later than one year		17	19
Later that one year and not later that 5 years		-	17
Minimum Lease Payments		**17**	**36**
Less: Future Finance Charges		-	(3)
Net Lease Liability		**17**	**33**

Representing lease liabilities:	Notes	2017	2016
Current	8b	17	16
Non-Current	8b	-	17
		17	**33**

Future Commitments for additional finance leases after the reporting date:

In addition to the above finance lease, a new lease for a motor vehicle was entered into as at 31 July 2017. The future commitments for this lease are as follows:

		2017
Not later than one year		6
Later that one year and not later that 5 years		26
Minimum Lease Payments		**32**
Less: Future Finance Charges		(4)
Net Lease Commitment		**28**

Note 15. Financial Indicators

$ '000	Amounts 2017	Indicator 2017	Prior Periods 2016	Prior Periods 2015

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.

1. Operating Surplus Ratio

	Amounts 2017	Indicator 2017	2016	2015
Operating Surplus	**2,920**	**7.70%**	3.18%	0.80%
Total Operating Revenue	**37,903**			

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

1a. Adjusted Operating Surplus Ratio

	Amounts 2017	Indicator 2017	2016	2015
	2,374	**6.26%**	4.69%	(0.74%)
	37,903			

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

2. Net Financial Liabilities Ratio

	Amounts 2017	Indicator 2017	2016	2015
Net Financial Liabilities	**5,961**	**16%**	29%	39%
Total Operating Revenue	**37,903**			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

3. Asset Sustainability Ratio

	Amounts 2017	Indicator 2017	2016	2015
Net Asset Renewals	**4,057**	**58%**	36%	103%
Infrastructure and Asset Management Plan required expenditure	**6,971**			

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.

Infrastructure and Asset Management Plan (IAMP) required expenditure was sourced from Council's adopted plan, where applicable, and actual depreciation.

Note 16. Uniform Presentation of Finances

$ '000	2017	2016

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.

Income	37,903	35,221
less Expenses	(34,983)	(34,101)
Operating Surplus / (Deficit)	**2,920**	**1,120**
less **Net Outlays on Existing Assets**		
Capital Expenditure on Renewal and Replacement of Existing Assets	4,407	2,820
less Depreciation, Amortisation and Impairment	(6,971)	(7,188)
less Proceeds from Sale of Replaced Assets	(350)	(286)
Subtotal	**(2,914)**	**(4,654)**
less **Net Outlays on New and Upgraded Assets**		
Capital Expenditure on New and Upgraded Assets	3,254	5,687
less Amounts Received Specifically for New and Upgraded Assets	(1,213)	(3,107)
less Proceeds from Sale of Surplus Assets	(272)	(348)
Subtotal	**1,769**	**2,232**
Net Lending / (Borrowing) for Financial Year	**4,065**	**3,542**

Note 17. Operating Leases

$ '000	2017	2016

Leases Providing Revenue to Council

Council owns various buildings and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with individual agreements. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Not later than one year	48	40
Later than one year and not later than 5 years	140	79
Later than 5 years	282	198
	470	**317**

Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	85	80
Later than one year and not later than 5 years	101	35
	186	**115**

Note 18. Superannuation

Council makes employer superannuation contributions in respect of its employees to schemes selected by employees under "choice of fund" legislation. Council uses Statewide Super (formerly Local Government Superannuation Scheme - Local Super) as its default superannuation fund. With Statewide Super, 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 who are Statewide Super members (including casuals) have all contributions allocated to the Accumulation section (Marketlink).

Accumulation only Members (including Statewide Marketlink)

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 2016/17; 9.50% in 2015/16). 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.

Statewide Super 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, 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 2015/16) 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 members' benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink sections 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, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. 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 (including its subsidiary, Nuriootpa Centennial Park Authority) 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.

Note 19. Interests in Other Entities

$ '000

All Joint Ventures and Associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Assets 2017	2016
Joint Ventures	1,656	1,683
Total	1,656	1,683

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Gawler River Floodplain Management Authority	Flood Mitigation	1,608	1,630
Central Local Government Association	Local Government Regional Collaboration	48	46
Southern and Hills Local Government Association	Local Government Regional Collaboration	-	7
Total Carrying Amounts - Joint Ventures and Associates		**1,656**	**1,683**

Gawler River Floodplain Management Authority

Established in 2002, this organisation is responsible for the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area.

Central Local Government Association (Trading as Legatus Group)

Established in 1998, this organisation is formed under Section 43 of the Local Government Act to allow membership Councils to approach regional issues in a collaborative manner.

Southern and Hills Local Government Association

Established in 1998, this organisation is formed under Section 43 of the Local Government Act to allow membership Councils to approach regional issues in a collaborative manner.

Council ceased membership of this Association as of 30 June 2016.

(b) Relevant Interests

Name of Entity	Interest in Operating Result 2017	2016	Ownership Share of Equity 2017	2016	Proportion of Voting Power 2017	2016
Gawler River Floodplain Management Authority	9.49%	9.49%	9.49%	9.49%	15.38%	15.38%
Central Local Government Association	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Southern and Hills Local Government Association	0.00%	14.29%	0.00%	14.29%	0.00%	14.29%

Note 19. Interests in Other Entities (continued)

$ '000

(c) Movement in Investment in Joint Venture or Associate

	Gawler River Floodplain Management Authority		Central Local Government Association	
	2017	2016	2017	2016
Opening Balance	1,630	1,639	46	38
Share in Operating Result	(36)	(23)	2	8
Adjustments to Equity	14	14	-	-
Council's Equity Share in the Joint Venture or Associate	**1,608**	**1,630**	**48**	**46**

	Southern and Hills Local Government Association	
	2017	2016
Opening Balance	7	12
Share in Operating Result	-	(5)
Adjustments to Equity	(7)	-
Council's Equity Share in the Joint Venture or Associate	**-**	**7**

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Gawler River Floodplain Management Authority		Central Local Government Association	
	2017	2016	2017	2016
Cash and Cash Equivalents	-	2	720	557
Investments	163	195	-	-
Other Current Assets	52	4	25	124
Non-Current Assets	16,743	16,974	24	30
Total Assets	**16,958**	**17,175**	**769**	**711**
Current Trade and Other Payables	-	-	48	19
Current Financial Liabilities	16	-		-
Current Provisions	-	-	5	6
Total Liabilities	**16**	**-**	**53**	**25**
Net Assets	**16,942**	**17,175**	**716**	**686**

Statement of Financial Position	Southern and Hills Local Government Association	
	2017	2016
Cash and Cash Equivalents	-	70
Total Assets	**-**	**70**
Current Trade and Other Payables	-	20
Total Liabilities	**-**	**20**
Net Assets	**-**	**50**

Note 19. Interests in Other Entities (continued)

$ '000

Statement of Comprehensive Income	Gawler River Floodplain Management Authority		Central Local Government Association	
	2017	2016	2017	2016
Other Income	136	-	195	154
Subscriptions, Grants, Subsidies and Other Contributions	80	75	349	316
Reimbursements	-	-	25	-
Investment Income	-	4	12	14
Total Income	**216**	**79**	**581**	**484**
Employee Costs	-	-	262	93
Materials, Contracts and Other Expenses	197	70	280	265
Depreciation, Amortisation and Impairment	231	231	9	3
Other Expenditure	21	19	-	-
Total Expenses	**449**	**320**	**551**	**361**
Operating Result	**(233)**	**(241)**	**30**	**123**

Statement of Comprehensive Income	Southern and Hills Local Government Association	
	2017	2016
Other Income	-	84
Grants, Subsidies and Other Contributions	-	39
Investment Income	-	2
Total Income	**-**	**125**
Other Expenditure	-	15
Materials, Contracts and Other Expenses	-	146
Finance Costs	-	3
Total Expenses	**-**	**164**
Operating Result	**-**	**(39)**

(e). Share of Joint Operations Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Operating Expenditures Payable		
Not later than one year	14	2
	14	**2**

Note 20. Non-Current Assets Held for Sale

$ '000	2017	2016
Non-Current Assets Held for Sale		
Vacant Land, Nuriootpa	52	133
Total Non-Current Assets Held for Sale	**52**	**133**

Details of Assets

Council has resolved to sell a number of Land Assets to reduce the burden on rate payers in relation to the construction of the Barossa Aquatic and Fitness Centre (the Rex).

Assets are currently either held under contract for sale or are available for sale on the open market.

Carrying Amounts of Assets and Liabilities		
Infrastructure, Property, Plant and Equipment	52	133
Total Assets	**52**	**133**

As the consideration expected to be received exceeds the carrying amount, these assets have been recognised at the carrying amount.

Note 21. Contingencies and 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 the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

Council has elected not to recognise land under roads as an asset in accordance with AASB 1051 Land Under Roads. 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 984km of road reserves of average width of 20 metres.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductable "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to $70,000 (2016: $70,000) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. A number of appeals were conducted during the year by persons aggrieved as a result of decisions by Council, or by Council on behalf of residents in relation to enforcement of use conditions, or by Council acting on behalf of the community in relation to proposed development that would adversely affect the region. Not all appeals were finalised as at 30 June 2017.

Note 22. Related Party Transactions

$ '000	2017

Key Management Personnel

The Key Management Personnel of the Council includes the Mayor, 11 Councillors, CEO and 11 Employees of the Executive Management Team.

Transactions with Key Management Personnel

All close family members of Key Management Personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The Council employs 131 (FTE) staff of which only 2 are close family members of Key Management Personnel.

Key Management Personnel Employee Expenses for Close Family Members	89
Total	89

Compensation paid to Key Management Personnel

24 Key Management Personnel were paid the following total compensation (including those employees temporarily acting as CEO or Executive Management during periods of leave).

Short-Term Councillor/Employee Benefits	1,333
Long-Term Employee Benefits	38
Total	1,371

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Other Related Party Transactions

Council provides work and support in-kind for accounting, governance, asset management and executive services, along with being the conduit for electricity, insurance, loans, CWMS services, etc for its subsidiary Nuriootpa Centennial Park Authority. The Authority maintains a Council Recreation Park at Nuriootpa for community benefit purposes including various sporting activities. In 2016/17 Council contributed $150,000 towards Nuriootpa Oval maintenance. The Authority's information as at the reporting date has been included in the accounts within this report and any inter-company transactions have been consolidated.

Note 23. Council Information and Contact Details

Principal Place of Business:
43-51 Tanunda Road
Nuriootpa SA 5355

Opening Hours:
9.00am to 5.00pm
Monday to Friday

Contact Details

Mailing Address:
PO Box 867
Nuriootpa SA 5355

Telephone: 08 8563 8444
Facsimile: 08 8563 8461

Internet: www.barossa.sa.gov.au
Email: barossa@barossa.sa.gov.au

Officers

CHIEF EXECUTIVE OFFICER
Martin McCarthy

EXECUTIVE MANAGEMENT TEAM
Matt Elding - Director Works and Engineering
Mark Lague - Group Manager Corporate Services
Vincent Marsland - Group Manager Community Services
Gary Mavrinac - Director Development and Environmental Services
Jo Thomas - Community Project Director

AUDITORS
Dean Newbery and Partners
214 Melbourne Street
North Adelaide SA 5006

Elected Members

MAYOR
Bob Sloane

COUNCILLORS
Cr John Angas
Cr Leonie Boothby
Cr David de Vries
Cr Mark Grossman
Cr Christopher Harms
Cr Margaret Harris
Cr Tony Hurn
Cr Michael (Bim) Lange
Cr Richard Miller
Cr Scotty Milne
Cr Michael Seager

Other Information

ABN: 47 749 871 215

INDEPENDENT AUDITOR'S REPORT

To the members of The Barossa Council

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report, of The Barossa Council (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 2017 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 2017 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

SAMANTHA ALLARD
PARTNER

Signed on the 6th day of October 2017,
at 214 Melbourne Street, North Adelaide

Dean Newbery & Partners
CHARTERED ACCOUNTANTS ABN 30 164 612 890

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE BAROSSA COUNCIL

We have audited the Internal Controls of The Barossa Council (the 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 2016 to 30 June 2017 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 2016 to 30 June 2017. 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 2016 to 30 June 2017.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

SAMANTHA ALLARD
PARTNER

Signed on the 6th day of October 2017
at 214 Melbourne Street, North Adelaide, South Australia, 5006

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Barossa Council for the year ended 30 June 2017, 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* .

Martin McCarthy
CHIEF EXECUTIVE OFFICER

Peter Brass
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 5 October 2017

Dean Newbery & Partners
CHARTERED ACCOUNTANTS

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of The Barossa Council for the year ended 30 June 2017, 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.*

SAMANTHA ALLARD

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 22nd day of August 2017