



Yorke Peninsula Council

NOTICE OF MEETING

Notice is hereby given that the next ordinary meeting of Council's

AUDIT COMMITTEE

will be held on Wednesday 28th October 2015
in the Minlaton Council Chamber,
57 Main Street, Minlaton commencing at 8:30am

David Harding
DIRECTOR CORPORATE AND
COMMUNITY SERVICES

A G E N D A

ITEM 1 YORKE PENINSULA COUNCIL – AUDIT COMMITTEE

- 1.1 Welcome by Chairperson
- 1.2 Present
- 1.3 Apologies/Leave of Absence
- 1.4 Minutes of previous meeting – for confirmation:
Audit Committee meeting held on 23rd September 2015.
- 1.5 Questions without Notice

1.6 Conflict of Interest

CONFLICT OF INTEREST

Members are reminded of the requirements for disclosure by Members of direct or indirect pecuniary benefit or detriment and non-pecuniary benefit or detriment in accordance with Section 73 of the Local Government Act in items listed for consideration on the Agenda. Section 74 of the Local Government Act 1999 requires that Members declare any interest and provide full and accurate details of the relevant interest to the Council prior to consideration of that item on the Agenda.

Each Member of a Committee has a duty to vote at all meetings unless excepted by legislation.

The major exception being where a Member has a conflict of interest.

ITEM 2 REPORTS

1. Audit Committee 2015 Work Plan pages 3-6
2. Review 2014-2015 Financial Statements (*External Auditor in camera*)
3. Recommendation to Council regarding 2014-2015 Financial Statements pages 7-64
4. Recommendation to Council regarding First Quarter
15/16 Budget Review pages 65-77
5. Investment Report 2014/15 Financial Year pages 78-81
6. Internal Controls Update (*verbal update*)
7. Risk Admin Update (*verbal update*)
8. Asset Management Update pages 82-84
9. EDRMS System Update pages 85-86
10. Policy Reviews pages 87-96
11. Finance Manual – 2015 pages 97-98

ITEM 3 GENERAL BUSINESS

ITEM 4 NEXT MEETING

Wednesday 9th December 2015, 3.00 pm
Minlaton Council Chamber

ITEM 5 CLOSURE

DIRECTOR CORPORATE AND COMMUNITY SERVICES

1. AUDIT COMMITTEE 2015 WORK PLAN

(File Ref: 9.14.1.6)

INTRODUCTION

To consider the proposed 2015 Audit Committee Work Plan.

RECOMMENDATION

That the Audit Committee endorse the updated 2015 Audit Committee Work Plan.

LINK TO STRATEGIC PLAN

Key Theme/s:	Corporate Governance and Leadership 2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.1 Financially sustainable organisation 2.3 Meet all legislative and compliance responsibilities 2.4 Effective Risk Management

BACKGROUND

As stated in clause 2 of the Audit Committee Terms of Reference, 23 February 2010, the objective of the Audit Committee is to assist the Council in the conduct of its responsibilities for the management of risk, related to financial reporting and audit initiatives, the internal control system and the audit functions and to act as a source of advice to Council and the Chief Executive Officer in relation to these matters.

DISCUSSION

The Committee will:

- enhance the communication between the external auditor and the Council;
- assist the management of financial and other risks to ensure the protection of Council assets;
- monitor the effectiveness of audit and reviewing functions and;
- enhance the integrity of the financial reporting of the Council.

The Terms of Reference are to be read in conjunction with Chapter 8 of the Local Government Act 1999.

The adoption, and constant review, of an Audit Committee Work Plan assists in ensuring the objectives of the Audit Committee are achieved.

Changes to be endorsed include:

- Risk Management changed to verbal update for October 2015 meeting.
- Internal Controls changed to verbal update for October 2015 meeting.
- Receive First Quarter Budget Review removed from December 2015 meeting – received at October meeting.

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Chief Executive Officer
- Director Corporate and Community Services
- Manager Financial Services
- Business Improvement Officer
- Asset Manager
- Risk Manager

In preparing this report, the following External Parties were consulted:

- Independent Members of Audit Committee

POLICY IMPLICATIONS

Audit Committee Terms of Reference

Local Government Act 1999, Chapter 8.

BUDGET AND RESOURCE IMPLICATIONS

The orderly and timely review of Council's major financial timetable and reports, internal audit activities and financial reports by the Audit Committee strengthens the credibility of the completed work and reduces risk to Council.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

A sound control environment will assist in the management of Council's financial risks.

ATTACHMENTS

Attachment 1: 2015 Work Plan

**YORKE PENINSULA COUNCIL AUDIT COMMITTEE
2015 WORK PLAN**

Meeting	Item	Comments
<p>Wednesday 11th February</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Approve new Audit Committee Work Plan • Interim External Audit Date • Internal Audit Activity Report • Internal Controls Project Update • Review Final Audit Letter • Risk Management Update • Long Term Financial Plan update • 2015/2016 Budget Timetable • Second Quarter 14/15 Budget Review • Asset Management Update • EDRMS System Update • Audit Committee Self-Assessment Draft 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>
<p>Wednesday 27th May</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Review draft Annual Business Plan • 2015/2016 Budget Update • Third Quarter 14/15 Budget Review Update • LTFP Update • 2015/2016 Capital Budget Update • Internal Audit Activity Report • Internal Controls Project Update • Asset Revaluation Requirements update • Asset Management Update • Risk Management Update • Interim External Audit Update - Verbal 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>
<p>Wednesday 24th June</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Endorse Annual Business Plan & 2015/2016 Budget • Verbal Interim External Audit Visit Update • LTFP Update • Rates Options 2015-2016 Update • Internal Audit Activity Report • Asset Management Update • Risk Management Update • Approve FY16 Internal Audit Plan 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>
<p>Wednesday 23rd September</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • External Audit Letter June 2015 • External Audit update September 2015 visit • LTFP Update • Internal Audit Activity Report • Internal Controls Project Update • Internal Controls Proposed Schedule • Proposed Implementation Review of the Asset Management System • Asset Management Update 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>

	<ul style="list-style-type: none"> • Review Required Asset Revaluations • Risk Management Update 	Completed Completed
<p>Wednesday 28th October</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Review 2014-2015 Financial Statements • Recommendation to Council regarding 2014/2015 Financial Statements • Recommendation to Council regarding First Quarter 15/16 Budget Review • Investment Report 2014/15 Financial Year • Internal Controls Verbal Update • Risk Management Verbal Update • Asset Management Update • EDRMS System Update • Policy Reviews 	
<p>Wednesday 9th December</p> <p>Minlaton Council Chamber at 3pm</p>	<ul style="list-style-type: none"> • Receive Final Financial Statements and Auditors Report to Council • Receive June 2015 Budget Review • Review 2015 Audit Committee Work Plan • Consider 2016 Audit Committee Work Plan Draft • LTFP Update • Asset Management Update • Risk Management Update • Internal Audit Activity Report • Internal Controls Project Update 	

As required:

- Policy Reviews
- Asset Management Plan Endorsements

MANAGER FINANCIAL SERVICES

3. 2014-2015 ANNUAL FINANCIAL STATEMENTS

(File Ref: 9.14.1.6)

PURPOSE

To consider acceptance of Council's 2014-2015 Annual Financial Statements.

RECOMMENDATION

That Audit Committee recommend to Council that the audited Annual Financial Statements for the year ended 30 June 2015 be adopted and that:

1. The Chief Executive Officer and Mayor be authorised to certify the accounts, and
2. The Chief Executive Officer and the Presiding Member of the Audit Committee sign the Auditor Independence Declaration, and
3. The Chief Executive Officer and the Director Corporate and Community Services be authorised to sign the Management Representation Letter to the Auditors

LINK TO STRATEGIC PLAN

Key Theme/s:	Corporate Governance and Leadership 2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.1 Financially sustainable organisation

BACKGROUND

As required under the Local Government Act 1999 and in accordance with the Local Government (Financial Management) Regulations 2011 Council staff have prepared the Annual Financial Statements based on the financial results to 30th June 2015.

DISCUSSION

The Annual Financial Statements have been prepared by Council staff and reviewed by Council's auditors. A copy of the draft statements is attached, together with the Management Representation Letter.

Dean Newbery are completing the Audit Completion Report which will be provided under separate cover or tabled at the meeting.

The Annual Financial Statements have been prepared using Model Financial Statement templates and comply with the Australian Accounting Standards and the Local Government Act and Regulations.

COMMUNITY ENGAGEMENT PLAN

N/A

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Chief Executive officer
- Director Corporate & Community Services
- Manager Financial Services

In preparing this report, the following External Parties were consulted:

- Nil

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

In accordance with the adoption and enforcement of the Budget Reporting and Amendment Policy the First Quarter Revised Budget Report presented to Council will assist in formal assessment of Council's financial position and contribute significantly to both Financial and Risk Management procedures.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act 1999 – Section 127 – Financial Statements.

Local Government (Financial Management) Regulations 2011 – Regulations 14 and 22 (3)
(a)

Council's Strategic Plan includes clear plans to ensure better and timely reporting and improved formal control of Council's Adopted Budget and the Budget Review process.

PO142 Budget Reporting and Amendment Policy.

ATTACHMENTS

Attachment 1: Yorke Peninsula Council General Purpose Financial Statements for the year ended 30 June 2015.

Attachment 2: Draft 2014-15 Management Representation Letter

Yorke Peninsula Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015



General Purpose Financial Statements
for the year ended 30 June 2015

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General Purpose Financial Statements for the year ended 30 June 2015

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 2015 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.

Andrew Cameron
CHIEF EXECUTIVE OFFICER

Ray Agnew
MAYOR

Date: dd Month 2015

Statement of Comprehensive Income
for the year ended 30 June 2015

\$ '000	Notes	2015	2014
Income			
Rates Revenues	2a	19,110	17,940
Statutory Charges	2b	391	407
User Charges	2c	2,866	2,787
Grants, Subsidies and Contributions	2g	4,227	2,705
Investment Income	2d	184	166
Reimbursements	2e	610	660
Other Income	2f	351	296
Total Income		27,739	24,961
Expenses			
Employee Costs	3a	8,006	7,422
Materials, Contracts & Other Expenses	3b	12,599	12,279
Depreciation, Amortisation & Impairment	3c	8,511	8,438
Finance Costs	3d	300	240
Total Expenses		29,416	28,379
Operating Surplus / (Deficit)		(1,677)	(3,418)
Asset Disposal & Fair Value Adjustments	4	(693)	23
Amounts Received Specifically for New or Upgraded Assets	2g	1,204	946
Physical Resources Received Free of Charge	2i	-	39
Net Surplus / (Deficit) ¹		(1,166)	(2,410)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	12,390	49,401
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	(2,042)	-
Total Other Comprehensive Income		10,348	49,401
Total Comprehensive Income		9,182	46,991

¹ Transferred to Equity Statement

Statement of Financial Position

as at 30 June 2015

\$ '000	Notes	2015	2014
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	7,469	2,607
Trade & Other Receivables	5b	1,315	1,141
Inventories	5d	777	723
Total Current Assets		9,561	4,471
Non-Current Assets			
Financial Assets	6a	372	438
Infrastructure, Property, Plant & Equipment	7a	333,890	323,864
Total Non-Current Assets		334,262	324,302
TOTAL ASSETS		343,823	328,773
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	2,497	1,996
Borrowings	8b	543	682
Provisions	8c	1,622	1,434
Total Current Liabilities		4,662	4,112
Non-Current Liabilities			
Borrowings	8b	7,047	1,590
Provisions	8c	496	635
Total Non-Current Liabilities		7,543	2,225
TOTAL LIABILITIES		12,205	6,337
Net Assets		331,618	322,436
EQUITY			
Accumulated Surplus		(4,594)	(3,388)
Asset Revaluation Reserves	9a	335,455	325,107
Other Reserves	9c	757	717
Total Council Equity		331,618	322,436

Statement of Changes in Equity

for the year ended 30 June 2015

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2015					
Balance at the end of previous reporting period		(3,388)	325,107	717	322,436
a. Net Surplus / (Deficit) for Year		(1,166)	-	-	(1,166)
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	12,390	-	12,390
- IPP&E Impairment (Expense) / Recoupments Offset to ARR	7a	-	(2,042)	-	(2,042)
Other Comprehensive Income		-	10,348	-	10,348
Total Comprehensive Income		(1,166)	10,348	-	9,182
c. Transfers between Reserves		(40)	-	40	-
Balance at the end of period		(4,594)	335,455	757	331,618
2014					
Balance at the end of previous reporting period		(1,055)	275,706	794	275,445
a. Net Surplus / (Deficit) for Year		(2,410)	-	-	(2,410)
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	49,401	-	49,401
Other Comprehensive Income		-	49,401	-	49,401
Total Comprehensive Income		(2,410)	49,401	-	46,991
c. Transfers between Reserves		77	-	(77)	-
Balance at the end of period		(3,388)	325,107	717	322,436

Yorke Peninsula Council

Statement of Cash Flows

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		19,096	17,897
Statutory Charges		391	439
User Charges		2,866	3,279
Grants, Subsidies and Contributions (operating purpose)		4,227	2,908
Investment Receipts		184	155
Reimbursements		610	726
Other Receipts		110	390
<u>Payments</u>			
Payments to Employees		(7,828)	(7,006)
Payments for Materials, Contracts & Other Expenses		(12,202)	(12,182)
Finance Payments		(300)	(414)
Net Cash provided by (or used in) Operating Activities	11b	7,154	6,192
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,204	946
Sale of Replaced Assets		387	439
Repayments of Loans by Community Groups		66	59
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(4,864)	(4,709)
Expenditure on New/Upgraded Assets		(4,405)	(2,528)
Loans Made to Community Groups		-	(40)
Net Cash provided by (or used in) Investing Activities		(7,612)	(5,833)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		6,000	-
Proceeds from Bonds & Deposits		2	-
<u>Payments</u>			
Repayments of Borrowings		(682)	(713)
Net Cash provided by (or used in) Financing Activities		5,320	(713)
Net Increase (Decrease) in Cash Held		4,862	(354)
plus: Cash & Cash Equivalents at beginning of period	11	2,607	2,961
Cash & Cash Equivalents at end of period	11	7,469	2,607

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

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n/a - not applicable

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

Yorke Peninsula Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 8 Elizabeth Street, Maitland. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

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

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

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2013, two quarters of the 2013/14 allocation amounting to \$1,210,438 was paid in advance. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in a consistent manner.

These amounts in advance were adjusted in the 2013/14 financial year. The total amount of the adjustment was \$1,210,438, which adversely affected the operating result for that year.

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies (continued)

On 30 June 2015 the Federal Government again paid two quarters of the untied financial assistance grant for 2015/16 year in advance, reducing Council's operating deficit by \$1,178,525 on that day.

The actual amounts of untied grants received during the reporting periods are disclosed in Note 2.

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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

6.2 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. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$5,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies (continued)

6.4 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 listed below. 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.

<i>Plant, Furniture & Equipment</i>		<i>Residual</i>
Office Equipment	5 to 10 years	0%
Office Furniture	5 to 20 years	0%
Vehicles/Road-making Equip	3 to 8 years	20-40%
Other Plant & Equipment	5 to 15 years	15-40%

Building & Other Structures

Buildings – masonry	50 to 100 years	15-40%
Buildings – other	20 to 40 years	15-40%
Park Structures – masonry	50 to 100 years	15-40%
Park Structures – other	20 to 40 years	10%
Playground equipment	5 to 15 years	0%
Benches, seats, etc	10 to 20 years	0%

Infrastructure

Roadworks – Earthworks	indefinite	
Sealed Roads – Surface	15 to 30 years	58%
Sealed Roads – Pavement	20 to 80 years	40-49%
Unsealed Roads	10 to 20 years	23-56%
Paving & Footpaths	10 to 70 years	0%
Drains, Kerb & Gutter	70 to 100 years	0%
Culverts	50 to 75 years	0%
Flood Control Structures	80 to 100 years	0%
Reticulation Pipes – PVC	50 to 60 years	0%
Reticulation Pipes – other	25 to 65 years	0%
Pumps & Telemetry	15 to 25 years	0%

Other Assets

Reserve Furniture	5 to 15 years	0%
Artworks	indefinite	

6.5 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 inflows or value in use).

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 is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 *Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

Amounts other than grants 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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies (continued)

is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 2.24% (2014, 2.5%)

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

9.2 Superannuation

Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Provisions

10.1 Provisions for Reinstatement, Restoration and Rehabilitation

Council has a recorded Provision for Waste Management which facilitates rehabilitation of the following six closed landfill sites – Price, Port Victoria, Arthurton, Ramsey, Warooka (including leachate monitoring) and Foul Bay. Rehabilitation Management Plans will be reviewed during the 2015-16 financial year with the EPA to determine an estimated timeframe for continued monitoring activities. Council will review and update where deemed necessary the liability recorded (shown as a Provision) in Council's Statement of Financial Position to ensure the liability accurately reflects the future landfill monitoring obligations of the Council in accordance with its EPA licence requirements.

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies (continued)

11 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".

12 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.

13 GST Implications

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.

- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

14 New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Apart from the AASB disclosures below, there are no other standards that are "not yet effective" which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies (continued)

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

Not applicable to Local Government per se;

None

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 and/or the notes.

16 Notable Changes

Council ceased providing in-kind support to the Yorke Peninsula Community Transport (YPCT) service as at 30 June 2015. The transition of the service to an independent status run by the YPCT resulted in the termination of 10 employees at 12 June, 2015 who transferred their employment over to the YPCT from that date. All leave liabilities were paid over to YPCT administration, reducing Council's leave liability provisions as at 12 June. From 1 July 2015 an interim service agreement will be operational until 30 June 2016 under which Council will make financial contributions to YPCT as defined in the agreement.

17 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 2015

Note 2. Income

\$ '000	Notes	2015	2014
(a). Rates Revenues			
General Rates			
General Rates		14,524	13,616
Less: Mandatory Rebates		(97)	(104)
Less: Discretionary Rebates, Remissions & Write Offs		(14)	(26)
Total General Rates		14,413	13,486
Other Rates (Including Service Charges)			
Natural Resource Management Levy		734	724
Waste Collection		2,407	2,240
Water Supply		133	184
Community Wastewater Management Systems		1,326	1,238
Total Other Rates		4,600	4,386
Other Charges			
Penalties for Late Payment		55	48
Legal & Other Costs Recovered		42	20
Total Other Charges		97	68
Total Rates Revenues		19,110	17,940
(b). Statutory Charges			
Development Act Fees		192	223
Town Planning Fees		24	-
Health & Septic Tank Inspection Fees		33	51
Animal Registration Fees & Fines		83	69
Parking Fines / Expiation Fees		10	8
Other Registration Fees		12	18
Sundry		37	38
Total Statutory Charges		391	407
(c). User Charges			
Cemetery/Crematoria Fees		23	25
Commercial Activity Revenue		62	44
Commercial Activity Revenue (Caravan Parks)		2,355	2,339
Boat Ramp Fees		131	127
Hall & Equipment Hire		29	36
Refuse Disposal		54	49
Sundry		71	68
Water		141	99
Total User Charges		2,866	2,787

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 2. Income (continued)

\$ '000	Notes	2015	2014
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		141	115
- Banks & Other		43	51
Total Investment Income		184	166
(e). Reimbursements			
Roadworks		10	9
Private Works		8	1
Other		592	650
Total Reimbursements		610	660
(f). Other Income			
Sundry		351	296
Total Other Income		351	296
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,204	946
Other Grants, Subsidies and Contributions		3,048	2,705
Individually Significant Item - Additional Grants Commission Payment (refer below)		1,179	-
Total Grants, Subsidies, Contributions		5,431	3,651
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		584	410
State Government		4,842	3,127
Other		5	114
Total		5,431	3,651
(ii) Individually Significant Items			
Grant Commission (FAG) Grant Recognised as Income		1,179	-

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 2. Income (continued)

\$ '000	Notes	2015	2014
(h). Conditions over Grants & 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:			
Unexpended at the close of the previous reporting period		166	-
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Heritage & Cultural Services		(156)	-
Subtotal		(156)	-
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Heritage & Cultural Services		48	166
Subtotal		48	166
Unexpended at the close of this reporting period		58	166
Net increase (decrease) in assets subject to conditions in the current reporting period		(108)	166
(i). Physical Resources Received Free of Charge			
Other Assets		-	39
Total Physical Resources Received Free of Charge		-	39

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 3. Expenses

\$ '000	Notes	2015	2014
(a). Employee Costs			
Salaries and Wages		7,019	6,726
Employee Leave Expense		646	618
Superannuation - Defined Contribution Plan Contributions	18	209	221
Superannuation - Defined Benefit Plan Contributions	18	492	436
Workers' Compensation Insurance		307	293
Other		189	118
Less: Capitalised and Distributed Costs		(856)	(990)
Total Operating Employee Costs		8,006	7,422
Total Number of Employees (full time equivalent at end of reporting period)		112	111
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		18	17
- Other Services		8	14
Elected Members' Expenses		328	330
Election Expenses		40	11
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		111	130
Subtotal - Prescribed Expenses		505	502
(ii) Other Materials, Contracts and Expenses			
Contractors		3,022	3,034
Energy		718	670
Legal Expenses		106	51
Levies Paid to Government - NRM levy		738	724
Levies - Other		57	49
Parts, Accessories & Consumables		1,669	1,814
Professional Services		476	512
Sundry		1,543	1,634
Water		492	435
Insurance		606	584
Professional Services - Waste Management		2,667	2,270
Subtotal - Other Material, Contracts & Expenses		12,094	11,777
Total Materials, Contracts and Other Expenses		12,599	12,279

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 3. Expenses (continued)

\$ '000	Notes	2015	2014
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		2,105	2,050
Transport Infrastructure		4,237	4,328
Stormwater Drainage		168	112
CWMS		481	378
Water Scheme Infrastructure		67	67
Plant & Equipment		861	970
Furniture & Fittings		99	105
Other Assets		493	428
Subtotal		8,511	8,438
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		8,511	8,438
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		65	57
Interest on Loans		235	183
Total Finance Costs		300	240

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		387	439
Less: Carrying Amount of Assets Sold		(1,080)	(416)
Gain (Loss) on Disposal		(693)	23
Net Gain (Loss) on Disposal or Revaluation of Assets		(693)	23

* The new Asset Management System records disposal of assets where capital work upgrade/renewal has been undertaken. Under this system disposals were recorded against Transport Infrastructure (\$639,000 - road surface disposals), Buildings (\$90,000 - Maitland office roof disposal), CWMS (\$47,000 - revaluations) and Stormwater (\$14,000 - revaluations)

Yorke Peninsula Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 5. Current Assets

\$ '000	Notes	2015	2014
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		800	26
Deposits at Call		6,669	2,581
Total Cash & Cash Equivalents		7,469	2,607
(b). Trade & Other Receivables			
Rates - General & Other		385	371
Accrued Revenues		212	91
Debtors - General		243	235
GST Recoupment		206	169
Prepayments		204	210
Loans to Community Organisations		65	65
Total Trade & Other Receivables		1,315	1,141
(c). Inventories			
Stores & Materials		777	723
Total Inventories		777	723

Note 6. Non-Current Assets

Financial Assets

Receivables

Loans to Community Organisations		372	438
Total Financial Assets		372	438

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 7a (i). Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2014				Asset Movements during the Reporting Period						as at 30/6/2015			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
						New / Upgrade	Renewals								
Capital Work in Progress		-	-	-	-	1,311	940	-	-	-	-	-	2,251	-	2,251
Land	2	73,572	-	-	73,572	283	-	-	-	-	-	73,572	283	-	73,855
Buildings & Other Structures	2	5,384	42	331	5,095	-	93	(90)	(2,105)	-	-	5,251	135	661	4,725
Buildings & Other Structures	3	86,680	280	44,336	42,624	-	-	-	-	-	-	86,704	280	46,092	40,892
Transport Infrastructure	3	285,534	2,776	118,006	170,304	575	2,106	(639)	(4,237)	(2,042)	-	284,992	2,042	120,967	166,067
Stormwater Drainage	3	6,108	1,551	3,079	4,580	47	-	(14)	(168)	-	6,279	14,006	47	3,329	10,724
CWMS	3	17,793	593	7,171	11,215	131	123	(47)	(481)	-	6,111	25,273	254	8,475	17,052
Water Scheme Infrastructure	3	3,393	-	954	2,439	26	-	-	(67)	-	-	3,393	27	1,022	2,398
Plant & Equipment		-	10,751	4,516	6,235	182	1,385	(290)	(861)	-	-	-	11,341	4,690	6,651
Furniture & Fittings		-	1,839	1,131	708	450	98	-	(99)	-	-	-	2,387	1,230	1,157
Other Assets		-	10,829	3,737	7,092	1,400	118	-	(493)	-	-	-	12,347	4,229	8,118
Total Infrastructure, Property, Plant & Equipment		478,464	28,661	183,261	323,864	4,405	4,863	(1,080)	(8,511)	(2,042)	12,390	493,191	31,394	190,695	333,890
Comparatives		409,927	24,928	158,814	276,041	2,528	4,748	(416)	(8,438)	-	49,401	478,464	28,661	183,261	323,864

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$ '000

Valuation of Assets

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

Fair Value Hierarchy Level 2 Valuations

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

Fair Value Hierarchy Level 3 Valuations of Land

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

Fair Value Hierarchy Level 3 Valuations of Buildings, Infrastructure and Other Assets

There is no known market for buildings, infrastructure and other assets. 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 or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

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

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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.

Following introduction of the Conquest Asset Management System, partial disposal of capital assets during upgrade and renewal has been recorded for the first time in 2014-15 in Council's Statement of Comprehensive Income.

Highest and best use

The following non financial assets of Council are being utilised at other than their highest and best use:

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

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

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

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

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

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

\$ '000

Valuation of Assets (continued)

Land & Land Improvements

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

Freeholdland and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land. Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

- Basis of valuation: Fair Value
- Date of valuation: 1 July 2013
- Date of next valuation: 1 July 2018
- Valuer: Andrea Carolan, Maloney Field Services

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2013 by Maloney Field Services in accordance with AASB 13: Fair Value Measurement. AASB 13 requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. The following tables provide the fair values of the entity's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Date of latest valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts \$'000	Level 2 Significant observable inputs \$'000	Level 3 Significant unobservable inputs \$'000	
2015					
Land	01/07/13	-	73,855	-	73,855
Buildings and Structures	01/07/13	-	5,386	86,984	92,370
Total Property, Plant and Equipment		-	79,241	86,984	166,225
2014					
Land	01/07/13	-	73,572	-	73,572
Buildings and Structures	01/07/13	-	5,384	86,680	92,064
Total Property, Plant and Equipment		-	78,956	86,680	165,636

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2013
- Date of next valuation: 01 July 2018
- Valuer: Andrea Carolan, Maloney Field Services

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

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

\$ '000

Valuation of Assets (continued)

Infrastructure

Transport Infrastructure

Transportation Infrastructure assets were valued by Tonking Consulting as at 1 July 2013. Complete sealed road condition assessments were undertaken by the Australian Road Research Board, who in conjunction with Council staff, also undertook a partial condition assessment on approximately 670kms of unsealed road network. The road networks assessed were segmented spatially to reflect future management practice for ongoing capital works programmes. Unit rates were reviewed and applied to all new data for input into Councils Asset Management System.

- Basis of valuation: Written down current replacement cost
- Date of valuation: 1 July 2013
- Date of next valuation: 01 July 2018
- Valuer: Office of the Valuer General / Valuer Name, Qualifications, Title, Company / Council valuation

Stormwater Drainage

Stormwater drainage infrastructure assets were valued by Tonkin Consulting at 1 July 2014 at written down current replacement cost. During this revaluation Stormwater infrastructure assets not previously valued were located in various townships and locations across the district as a result of the introduction of GIS mapping. Additional assets were valued at approximately \$5.1m. All acquisitions made after the respective dates of valuation are recorded at cost.

- Basis of valuation: Written down current replacement cost
- Date of valuation: 1 July 2014
- Date of next valuation: 01 July 2019
- Valuer: Office of the Valuer General / Valuer Name, Qualifications, Title, Company / Council valuation

Community Wastewater Management Schemes

Community Wastewater Management Schemes infrastructure assets were valued by Tonkin Consulting at 1 July 2014 at written down current replacement cost. During this revaluation CWMS Infrastructure assets not previously valued were identified in five townships from land divisions undertaken by developers, amounting to approximately \$3.9m. All acquisitions made after the respective dates of valuation are recorded at cost.

- Basis of valuation: Written down current replacement cost
- Date of valuation: 1 July 2014
- Date of next valuation: 01 July 2019
- Valuer: Office of the Valuer General / Valuer Name, Qualifications, Title, Company / Council valuation

Water Supply Schemes

Water Supply Schemes infrastructure assets were valued by Maloney Field Services at 30 June 2014 at written down current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2014
- Date of next valuation: 01 July 2019
- Valuer: Andrew Carolan, Maloney Field Services

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other Assets

Pursuant to Council's election, these assets are recognised on the cost basis.
These include Other Assets and Minor Plant.

Yorke Peninsula Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 8. Liabilities

\$ '000	Notes	2015 Current	2015 Non Current	2014 Current	2014 Non Current
(a). Trade and Other Payables					
Goods & Services		1,555	-	748	-
Payments Received in Advance		92	-	167	-
Accrued Expenses - Employee Entitlements		449	-	346	-
Accrued Expenses - Other		395	-	731	-
Deposits, Retentions & Bonds		6	-	4	-
Total Trade and Other Payables		2,497	-	1,996	-
(b). Borrowings					
Loans		543	7,047	682	1,590
Total Borrowings		543	7,047	682	1,590
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements (including oncosts)		1,597	379	1,405	496
Future Reinstatement / Restoration, etc		25	117	29	139
Total Provisions		1,622	496	1,434	635

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 9. Reserves

\$ '000	1/7/2014	Increments (Decrements)	Transfers	Impairments	30/6/2015
(a). Asset Revaluation Reserve					
Land	73,286	-	-	-	73,286
Buildings & Other Structures	48,995	-	-	-	48,995
Transport Infrastructure	188,754	-	-	(2,042)	186,712
Stormwater Drainage	3,479	6,279	-	-	9,758
CWMS	9,219	6,111	-	-	15,330
Water Scheme Infrastructure	1,374	-	-	-	1,374
Total Asset Revaluation Reserve	325,107	12,390	-	(2,042)	335,455
Comparatives	275,706	49,401	-	-	325,107
(b). Other Reserves					
Balgowan Water Supply	-	44	-	-	44
Balgowan (Gills) Water Augmentation	45	-	(45)	-	-
Black Point Water Supply	57	11	-	-	68
Combined Effluent Reserve	10	303	-	-	313
Hardwicke Bay Effluent Augmentation	171	6	-	-	177
Hardwicke Bay Water Supply	55	13	-	-	68
Hardwicke Bay Water Augmentation	41	-	-	-	41
Point Souttar Effluent Augmentation	17	29	-	-	46
Port Victoria Effluent Augmentation	321	-	(321)	-	-
Total Other Reserves	717	406	(366)	-	757
Comparatives	794	49	(126)	-	717

PURPOSES OF RESERVES

Asset Revaluation Reserves

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).

Balgowan Water Supply

Investment of surplus funds from water service charges levied for Balgowan, as required by legislation.

Balgowan (Gills) Water Augmentation

Contribution from land division (as condition of approval) to assist future water supply infrastructure installation/upgrade

Black Point Water Supply

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the scheme in the future.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 9. Reserves (continued)

\$ '000

Combined Effluent Reserve

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the various schemes in the future as per motion of Council at 12th June 2007 meeting.

Hardwicke Bay Effluent Augmentation

Contribution from land division (as condition of approval) to assist future effluent infrastructure installation/upgrade.

Hardwicke Bay Water Supply

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the scheme in the future.

Hardwicke Bay Water Augmentation

Contribution from land division (as condition of approval) to assist future water infrastructure installation/upgrade.

Point Souttar Effluent Augmentation

Contribution (as condition of approval) to assist future effluent infrastructure installation/upgrade.

Port Victoria Effluent Augmentation

Contribution from land division (as condition of approval) to assist future water supply infrastructure installation/upgrade.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2015	2014
<p>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.</p>			
Cash & Financial Assets			
Unexpended amounts received from Federal Government			
Open Space Contributions		6	-
Total Cash & Financial Assets		6	-
Infrastructure, Property, Plant & Equipment			
<i>Country Fire Service Stations</i>			
Ardrossan		56	56
Balgowan		150	150
Port Clinton		77	77
Curramulka		29	29
Maitland		60	60
Minlaton		54	54
Port Victoria		109	109
<i>Caravan Parks</i>			
Ardrossan		603	755
Coobowle		2,952	3,200
Edithburgh		1,713	1,954
Minlaton		307	313
Pine Point		418	473
Port Clinton		436	436
Port Rickaby		1,356	1,462
Port Victoria		566	592
Stansbury / Oyster Point		3,339	3,585
Yorke town		820	843
<i>Fauna & Wildlife Parks</i>			
Minlaton		120	123
<i>Parklands</i>			
Ardrossan Scout Hall		94	276
Minlaton Basketball Stadium and Courts		286	286
Edithburgh Oval		210	30
Yorke town Lions Clubrooms		647	355
Warooka Museum		96	98
Total Infrastructure, Property, Plant & Equipment		14,498	15,316
Total Assets Subject to Externally Imposed Restrictions		14,504	15,316

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2015	2014
(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 Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	7,469	2,607
Balances per Statement of Cash Flows		7,469	2,607
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(1,166)	(2,410)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		8,511	8,438
Non-Cash Asset Acquisitions		-	(39)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,204)	(946)
Net (Gain) Loss on Disposals		693	(23)
		6,834	5,020
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(174)	(13)
Net (Increase)/Decrease in Inventories		(54)	164
Net Increase/(Decrease) in Trade & Other Payables		499	605
Net Increase/(Decrease) in Unpaid Employee Benefits		75	416
Net Increase/(Decrease) in Other Provisions		(26)	-
Net Cash provided by (or used in) operations		7,154	6,192
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	-	39
Amounts recognised in Income Statement		-	39
Total Non-Cash Financing & Investing Activities		-	39
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		100	100
Corporate Credit Cards		30	30
LGFA Cash Advance Debenture Facility		3,000	3,000

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

Yorke Peninsula Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

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 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
\$ '000										
Business Undertakings	2,405	2,376	2,096	1,942	309	434	-	-	27,145	27,514
Community Services	193	671	1,573	1,518	(1,380)	(847)	529	515	5,190	5,195
Culture	351	370	926	981	(575)	(611)	15	14	14,657	14,662
Community Wastewater Management	1,454	1,432	1,284	1,296	170	136	-	-	28,797	12,235
Environment	912	1,365	1,413	1,389	(501)	(24)	-	1	9,498	8,334
Recreation	710	94	1,682	1,556	(972)	(1,462)	146	558	56,500	56,559
Regulatory Services	856	305	260	296	596	9	-	-	-	-
Tourism	28	48	250	189	(222)	(141)	-	-	8	3
Transport & Communication	1,331	790	7,976	7,923	(6,645)	(7,133)	1,275	854	180,741	184,900
Waste Management	2,468	2,303	2,754	2,363	(286)	(60)	-	10	1,445	1,470
Water Supply	268	277	290	271	(22)	6	-	-	3,224	3,265
Council Administration	16,763	14,930	8,912	8,655	7,851	6,275	2,262	753	16,618	14,636
Total Functions/Activities	27,739	24,961	29,416	28,379	(1,677)	(3,418)	4,227	2,705	343,823	328,773

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Electricity Supply, Gravel Pits / Quarries, Marinas / Boat Havens, Private Works, Property Portfolio, and Other.

COMMUNITY SERVICES

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, Community Assistance, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, 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.

COMMUNITY WASTEWATER MANAGEMENT

Community Wastewater Management Schemes

ECONOMIC DEVELOPMENT

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

ENVIRONMENT

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

RECREATION

Jetties, Other Marine Facilities, 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, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

TRANSPORT

Aerodrome, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

WASTE MANAGEMENT

Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility and Other Waste Management.

WATER SUPPLY

Water Supply - domestic

COUNCIL ADMINISTRATION

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

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 & Conditions:

Deposits are returning fixed interest rates between 2.0% and 2.65% (2014: 2.5% and 3.05%). Short term deposits have an average maturity of 0 days and an average interest rate of 2.0% (2014: 0 days and 2.5%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest. 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).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

**Receivables
Fees & Other Charges**

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

**Receivables
Other Levels of Government**

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

**Liabilities
Creditors and Accruals**

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

**Liabilities
Interest Bearing Borrowings**

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 4.40% and 8.25% (2014: 4.40% and 8.25%)

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 2015

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2015					
Financial Assets					
Cash & Equivalents	7,469	-	-	7,469	7,469
Receivables	956	-	-	956	930
Other Financial Assets	-	248	232	480	372
Total Financial Assets	8,425	248	232	8,905	8,771

Financial Liabilities

Payables	1,653	-	-	1,653	1,653
Current Borrowings	882	-	-	882	543
Non-Current Borrowings	-	3,213	6,211	9,424	7,047
Total Financial Liabilities	2,535	3,213	6,211	11,959	9,243

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2014					
Financial Assets					
Cash & Equivalents	2,607	-	-	2,607	2,607
Receivables	800	-	-	800	770
Other Financial Assets	-	290	282	572	438
Total Financial Assets	3,407	290	282	3,979	3,815

Financial Liabilities

Payables	919	-	-	919	919
Current Borrowings	825	-	-	825	682
Non-Current Borrowings	-	1,136	936	2,072	1,590
Total Financial Liabilities	1,744	1,136	936	3,816	3,191

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

	30 June 2015		30 June 2014	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.91%	7,590	6.53%	2,272
		7,590		2,272

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 14. Commitments for Expenditure

\$ '000	Notes	2015	2014
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		55	108
		55	108
These expenditures are payable:			
Not later than one year		55	53
Later than one year and not later than 5 years		-	55
Later than 5 years		-	-
		55	108
(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		66	82
Waste Management Services		8,807	9,454
Employee Remuneration Contracts		2,151	2,162
		11,024	11,698
These expenditures are payable:			
Not later than one year		2,416	2,738
Later than one year and not later than 5 years		8,608	8,960
Later than 5 years		-	-
		11,024	11,698

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2015	2015	2014	2013

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

Operating Surplus	(1,677)	(9%)	(20%)	(21%)
Rates - General & Other Less NRM levy	18,376			

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

1a. Adjusted Operating Surplus Ratio

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

(2,855)	(16%)	(20%)	(21%)
18,376			

2. Net Financial Liabilities Ratio

Net Financial Liabilities	3,049	11%	9%	6%
Total Operating Revenue	27,739			

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

Net Asset Renewals	4,477	53%	49%	40%
Infrastructure & Asset Management Plan required expenditure	8,511			

* *

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.

Amounts shown above an asterisk () indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure and Asset Management Plans.*

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 15. Financial Indicators - Graphs (continued)

<div><div>1. Operating Surplus Ratio</div><div><div><div>Ratio %</div><div><div><div>5.0%</div><div>0.0%</div><div>-5.0%</div><div>-10.0%</div><div>-15.0%</div><div>-20.0%</div><div>-25.0%</div><div>-30.0%</div></div><div><div>2013</div><div>2014</div><div>2015</div></div><div><div>-21%</div><div>-20%</div><div>-9%</div></div></div></div></div></div>	<div><div>Purpose of Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the major controllable revenue source varies from operating expenditure</div></div></div>	<div><div>Commentary on 2014/15 Result</div><div><div>2014/15 Ratio</div><div>-9%</div></div><div><div>Operating surplus significantly impacted by FAGS received in advance \$1.178m</div></div></div>
<div><div>1a. Adjusted Operating Surplus Ratio</div><div><div><div>Ratio %</div><div><div><div>5.0%</div><div>0.0%</div><div>-5.0%</div><div>-10.0%</div><div>-15.0%</div><div>-20.0%</div><div>-25.0%</div><div>-30.0%</div></div><div><div>2013</div><div>2014</div><div>2015</div></div><div><div>-21%</div><div>-20%</div><div>-16%</div></div></div></div></div></div>	<div><div>Purpose of Adjusted Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the major controllable revenue source (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div></div>	<div><div>Commentary on 2014/15 Result</div><div><div>2014/15 Ratio</div><div>-16%</div></div><div><div>Adjusted operating surplus is as per budget and LTFP</div></div></div>
<div><div>2. Net Financial Liabilities Ratio</div><div><div><div>Ratio %</div><div><div><div>14.0%</div><div>12.0%</div><div>10.0%</div><div>8.0%</div><div>6.0%</div><div>4.0%</div><div>2.0%</div><div>0.0%</div></div><div><div>2013</div><div>2014</div><div>2015</div></div><div><div>6%</div><div>9%</div><div>11%</div></div></div></div></div></div>	<div><div>Purpose of Net Financial Liabilities Ratio</div><div><div>This indicator shows the significance of the net amount owed to others, compared to operating revenue</div></div></div>	<div><div>Commentary on 2014/15 Result</div><div><div>2014/15 Ratio</div><div>11%</div></div><div><div>Net Financial Liabilities lower than expected as a result of investing loan funds not spent during the year</div></div></div>
<div><div>3. Asset Sustainability Ratio</div><div><div><div>Ratio %</div><div><div><div>70.0%</div><div>60.0%</div><div>50.0%</div><div>40.0%</div><div>30.0%</div><div>20.0%</div><div>10.0%</div><div>0.0%</div></div><div><div>2013</div><div>2014</div><div>2015</div></div><div><div>40%</div><div>49%</div><div>53%</div></div></div></div></div></div>	<div><div>Purpose of Asset Sustainability Ratio</div><div><div>This indicator aims to determine if assets are being renewed and replaced in an optimal way</div></div></div>	<div><div>Commentary on 2014/15 Result</div><div><div>2014/15 Ratio</div><div>53%</div></div><div><div>Asset Sustainability Ratio lower than expected due to rollover of capital works road renewal program of \$1m</div></div></div>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 16. Uniform Presentation of Finances

\$ '000	2015	2014
<p>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.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	27,739	24,961
less Expenses	(29,416)	(28,379)
Operating Surplus / (Deficit)	(1,677)	(3,418)
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	4,864	4,709
less Depreciation, Amortisation and Impairment	(8,511)	(8,438)
less Proceeds from Sale of Replaced Assets	(387)	(439)
Subtotal	(4,034)	(4,168)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	4,405	2,528
less Amounts Received Specifically for New and Upgraded Assets	(1,204)	(946)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	3,201	1,582
Net Lending / (Borrowing) for Financial Year	(844)	(832)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Note 17. Operating Leases

\$ '000

2015

2014

Leases Providing Revenue to the Council

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

(i) Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

Not later than one year	282	343
Later than one year and not later than 5 years	915	285
Later than 5 years	152	23
	1,349	651

(ii) Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer 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	70	94
Later than one year and not later than 5 years	115	127
Later than 5 years	-	-
	185	221

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2014/15; 9.25% in 2013/14). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2013/14) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, 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 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.

Yorke Peninsula Council

General Purpose Financial Statements for the year ended 30 June 2015

Auditor's Report - Financial Statements

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Yorke Peninsula Council

General Purpose Financial Statements for the year ended 30 June 2015

Auditor's Report - Financial Statements

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Yorke Peninsula Council

General Purpose Financial Statements

for the year ended 30 June 2015

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Yorke Peninsula Council for the year ended 30 June 2015, the Council's Auditor, Dean Newbery & 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*.

Andrew Cameron
CHIEF EXECUTIVE OFFICER

Peter Brass
PRESIDING MEMBER, AUDIT COMMITTEE

Date: dd Month 2015

Yorke Peninsula Council

General Purpose Financial Statements

for the year ended 30 June 2015

Statement by Auditor

I confirm that, for the audit of the financial statements of Yorke Peninsula Council for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act

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

Jim Keogh
Dean Newbery & Partners

Dated this day of 2015.

MANAGER FINANCIAL SERVICES

4. FIRST QUARTER BUDGET REVIEW – 2015/16 SEPTEMBER

(File Ref: 9.14.1.6)

PURPOSE

To consider a review of Council's 2015/16 Adopted Budget.

RECOMMENDATION

That the audit committee recommend that Council adopt the September 2015 Budget Review changes as presented in the attached Summary of Changes and Financial Reports (Uniform Presentation of Finances, Statement of Comprehensive Income) and receive the updated Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Financial Ratios reports.

LINK TO STRATEGIC PLAN

Key Theme/s: Corporate Governance and Leadership
2. Organisational Efficiency and Resource Management
Strategic Goal/s: 2.1 Financially sustainable organisation

BACKGROUND

As required under Local Government (Financial Management) Regulations 2011 Council staff in all Directorates have completed a review of the adopted budget and have made adjustments incorporating approved rollovers, approved Council amendments and review changes based on the financial results to 30th September 2015.

DISCUSSION

As a result of the September 2015 review the proposed Revised Budget for the 2015/2016 financial year shows a Net Borrowing of \$3.955m (previously Net Borrowing of \$2.550m - an increase of \$1.405m) made up of the following:

- Caravan Parks Capital Works Projects of \$1.11m funded via Business Loans (Council resolution 101/2015, 13/5/15)
- Capital Projects rolled over from 2014-15 works program of \$413k (as advised at Council workshop 26/8/15)
- Clinton Road Project (accelerated) additional \$749k income
- Clinton Road Project (accelerated) additional \$1.124m expenditure
- Roads To Recovery (fuel excise) additional \$498k income

Further changes of approximately \$5k resulted from minor adjustments.

The first quarter review adjustments result in an anticipated net surplus of \$859k in 2015-16 (previously a net deficit of \$462k).

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Chief Executive officer
- Director Corporate & Community Services
- Director Development Services
- Director Assets & Infrastructure Services
- Manager Financial Services

In preparing this report, the following External Parties were consulted:

- Nil

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

In accordance with the adoption and enforcement of the Budget Reporting and Amendment Policy the First Quarter Revised Budget Report presented to Council will assist in formal assessment of Council's financial position and contribute significantly to both Financial and Risk Management procedures.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government (Financial Management) Regulations 2011.

Council's Strategic Plan includes clear plans to ensure better and timely reporting and improved formal control of Council's Adopted Budget and the Budget Review process.

PO142 Budget Reporting and Amendment Policy.

ATTACHMENTS

Attachment 1: Summary of Changes – September 2015 Budget Review

Attachment 2: Uniform Presentation of Finances First Quarter Revised Budget 2015-16

Attachment 3: Statement of Comprehensive Income First Quarter Revised Budget 2015-16

Attachment 4: Balance Sheet First Quarter Revised Budget 2015-16

Attachment 5: Cash Flow Statement First Quarter Revised Budget 2015-16

Attachment 6: Statement of Changes In Equity First Quarter Revised Budget 2015-16

Attachment 7: Financial Ratios First Quarter Revised Budget 2015-16

Yorke Peninsula Council September 2015 Budget Review - Summary of Changes

		Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Executive Services					
Income					
Youth Leap Funding			(14,756)		Grant funding received 2014/15 carried forward
	Exec Services Net Change - Income	0	(14,756)	(14,756)	
Operating Expenses					
Youth Leap Funding		14,756			Grant funding for Youth Programmes
HR Employee Expenses		243			Increase in Star Club Officer funding
	Exec Services Net Change - Operating Expenses	14,999	0	14,999	
Capital Expenditure					
Office Expansion Project		60000			Project rolled over from 2014/15
Office Expansion Project		118,789			Project rolled over from 2014/16
	Exec Services Net Change - Capital Expenditure	178,789	0	178,789	
Total increase/(decrease) - Executive Services				179,032	

Yorke Peninsula Council

September 2015 Budget Review - Summary of Changes

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Assets and Infrastructure Services				
<u>Operating Expense</u>				
DEWNR Fishing Grant	13,600			Grant funded project (refer CCS) - Pt Souttar Stairs
Recreational Fishing Grant	18,500			Grant funded project (refer CCS) - Pt Souttar Stairs
Whale Memorial	15,000			Grant Funded Project (refer CCS) 2014/15 carried forward
Boat Ramp Ticket Machines	15,000			Allocation for commission payments
Traffic Control Materials		(10,000)		Transfer budget to accommodate replacmenet of rural road signs
Boat Ramp Maintenance Contractual		(10,000)		Transfer budget to accommodate replacmenet of rural road signs
Footpath Maintenance Contractual		(6,000)		Transfer budget to accommodate replacmenet of rural road signs
Rural Property Addressing	26,000			Replacement of rural road signs
Cemeteries Maintenance Other		(10,000)		Transfer budget to accommodate cemeteries data project
Cemeteries Maintenance Contractual	10,000			Cemeteries Data Project
Assets & Infrastructure Net Change - Operating Expenses	98,100	(36,000)	62,100	
<u>Capital Expenditure</u>				
Yorke town Stormwater Project	118,060			Project rolled over from 2014/15
Rogues Point Seawall	87,063			Project rolled over from 2014/15
Port Vincent Open Space Works	15,737			Project rolled over from 2014/15
Clincton Road - Sealing Project	1,124,000			Additional Special Local Roads Funding
Beach Access Stairs Stimulus Grant	10,403			Grant Funded Project (refer CCS) 2014/15 carried forward
Walk The Yorke	32,708			Grant Funded Project (refer CCS) 2014/15 carried forward
Assets & Infrastructure Net Change - Capital Expenditure	1,387,971	0	1,387,971	
Total increase/(decrease) - Assets & Infrastructure			1,450,071	

Yorke Peninsula Council September 2015 Budget Review - Summary of Changes

	<div> <div>Increase Deficit/ Capital Exp \$</div> <div>Decrease Deficit/ Capital Exp \$</div> </div>	<div> <div>Net Change Increase/ (Decrease) \$</div> </div>	<div>Reason for Change</div>
Development Services			
Income			
Development Services Net Change - Income	<div> <div>0</div> <div>0</div> </div>	0	
Operating Expenses			
Tenure Fees Contractual	500		Property Tenure Budget (from CCS) - restructure
Tenure Fees Materials	500		Property Tenure Budget (from CCS) - restructure
Tenure Fees Other	500		Property Tenure Budget (from CCS) - restructure
Tenure Fees Legal Fees	12,500		Property Tenure Budget (from CCS) - restructure
Tenure Fees Consultants	500		Property Tenure Budget (from CCS) - restructure
Tenure Fees Contractual	500		Property Tenure Budget (from CCS) - restructure
Development Services Net Change - Operating Expenses	<div> <div>15,000</div> <div>0</div> </div>	15,000	
Capital Expenditure			
Maitland Town Hall Concrete Cancer	12,990		Project rolled over from 2014/15
Development Services Net Change - Capital Expenditure	<div> <div>12,990</div> <div>0</div> </div>	12,990	
Total increase/(decrease) - Development Services		27,990	

Yorke Peninsula Council

September 2015 Budget Review - Summary of Changes

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Corporate and Community Services				
Income				
Beach Access Stimulus Grants		(10,403)		Grant funding received 2014-15 carried forward (refer AIS)
Whale Memorial Funding		(15,000)		Grant funding received 2014-15 carried forward (refer AIS)
Walk The Yorke		(32,708)		Grant funding received 2014-15 carried forward (refer AIS)
DEWNR Fishing Grant		(13,600)		Grant funding - Pt Souttar Stairs (refer AIS)
Recreational Fishing Grant		(18,500)		Grant funding - Pt Vincent Groyne (refer AIS)
Special Local Roads Funding - Clinton Road		(749,130)		Additional Special Local Roads Funding
Grants Commission - Fuel Excise additional funding		(498,285)		Additional Grants Commission Funding
Insurance Reimbursement - Marion Bay Caravan Park		(7,320)		Water damage claim - Marion Bay Caravan Park
LG Workers Compensation Scheme Rebate		(29,324)		Bonus rebate to be applied to Risk related work
HR Reimbursements		(3,878)		Reimbursement of overpaid wages
Grants Commission - Roads Funding	10,079			Grants Commission funding advice - reallocation
Grants Commission - General Purpose Funding		(12,188)		Grants Commission funding advice - reallocation
Corp & Comm Services Net Change - Income	10,079	(1,390,336)	(1,380,257)	
Operating Expenses				
Insurance repairs at Marion Bay Caravan Park	7,320			Water damage claim - Marion Bay Caravan Park
Casual wages	29,324			Allocation of workers compensation rebate
Consultants projects - CCS		(10,000)		Transfer allocation for CCS Project work to casual wages
Casual Wages	10,000			Transfer allocation for CCS Project work (from Finance)
Various insurances		(8,200)		Balance insurances budget
Casual Wages	3,878			Reimbursement of wages reallocated
Risk Admin PP&E		(4,978)		Transfer budget to accommodate Risk Materials purchases
Risk Admin Materials	4,978			Risk Materials purchases
Corporate Services Various		(15,000)		Transfer Property Tenure budget to Development Services
Corp & Comm Services Net Change - Operating Expenses	55,500	(38,178)	17,322	
Capital Expenditure				
Marion Bay Caravan Park New Cabins via Business Loan	350000			New cabins funded via business loans
Port Vincent Caravan Park New Cabins via Business Loan	360000			New cabins funded via business loans
Point Turton Caravan Park New Cabins via Business Loan	200000			New cabins funded via business loans
Point Turton Caravan Park New Cabins via Business Loan	200000			New cabins funded via business loans
Corp & Comm Services Net Change - Capital Expenditure	1,110,000	0	1,110,000	
Total increase/(decrease) - Corporate & Community Services			(252,935)	
Overall increase/(decrease) for September Budget Review			1,404,158	

Yorke Peninsula Council

September 2015 Budget Review - Summary of Changes

	Increase Deficit/ Capital Exp \$	Decrease Deficit/ Capital Exp \$	Net Change Increase/ (Decrease) \$	Reason for Change
Summary				
Decrease /(Increase) in Operating Income		(114,890)		
Increase/(Decrease) in Operating Expenses		109,421		
Net Increase/(Decrease) in Operating Deficit			(5,469)	
Net Decrease/(Increase) in Capital Amounts Received		(1,280,123)		
Net Increase/(Decrease) in Deficit after Capital Receipts			(1,285,592)	
Increase/(Decrease) in Spending on New Capital Items		2,066,760		
Increase/(Decrease) in Spending on Renew of Capital Items		622,990		
Net Increase/(Decrease) in Capital Expenditure			2,689,750	
Overall increase/(decrease) for September Budget Review			1,404,158	
Adjust reduction in Depreciation (Non-Cash)			0	
Net Increase/(Decrease) in Borrowings			\$1,404,158	
Projects Rolled Over From 2014/15		412,639		
Caravan Park Expenditure funded via Business Loans		1,110,000		
Clinton Road/Grants Commission RTR Fuel Excise Payment		(123,415)		
General First Quarter Review		4,934	\$1,404,158	

Yorke Peninsula Council

Budgeted Uniform Presentation of Finances 2015/2016 Revised Budget - September 2015

Income

Less Expenses

Operating Deficit before Capital Amounts

Less Net Outlays on Existing Assets

Capital Expenditure on renewal and replacement of Existing Assets

Less Depreciation, Amortisation and Impairment

Less Proceeds on Sale of Assets

Less Net Outlays on New and Upgraded Assets

Capital Expenditure on New and Upgraded Assets

Less Amounts received specifically for New and Upgraded Assets

Less Proceeds for Sale of Surplus Assets

NET(LENDING) / BORROWING FOR FINANCIAL YEAR

2015/2016 Adopted Budget	Full Year to Date Adjustments	2015/2016 Revised Budget
-\$26,699	-\$114	-\$26,813
\$29,450	\$109	\$29,559
\$2,751	-\$5	\$2,746
\$7,707	\$623	\$8,330
-\$8,700	\$0	-\$8,700
-\$377	\$0	-\$377
-\$1,370	\$623	-\$747
\$3,479	\$2,067	\$5,546
-\$2,310	-\$1,280	-\$3,590
\$0	\$0	
\$1,169	\$787	\$1,956
\$2,550	\$1,405	\$3,955

Yorke Peninsula Council

Budgeted Statement of Comprehensive Income 2015/2016 Revised Budget - September 2015

Rates
Statutory Charges
User Charges
Grants Subsidies Contributions
Investment Income
Reimbursements
Other Income

TOTAL REVENUES

Employee Costs
Materials Contracts & Other Expenses
Depreciation
Finance Costs

TOTAL EXPENSES

OPERATING DEFICIT BEFORE CAPITAL AMOUNTS

(Gain)/Loss on Asset Disposals
Amounts Specifically for New Assets

NET DEFICIT

2015/2016 Adopted Budget	Full Year To Date Adjustments	2015/2016 Revised Budget
-\$20,084	\$0	-\$20,084
-\$387	\$0	-\$387
-\$2,969	\$0	-\$2,969
-\$2,635	-\$74	-\$2,709
-\$205	\$0	-\$205
-\$353	-\$40	-\$393
-\$66	\$0	-\$66
		\$0
-\$26,699	-\$114	-\$26,813
\$7,924	\$61	\$7,985
\$12,399	\$48	\$12,447
\$8,700	\$0	\$8,700
\$427	\$0	\$427
\$29,450	\$109	\$29,559
\$2,751	-\$5	\$2,746
-\$15	\$0	-\$15
-\$2,310	-\$1,280	-\$3,590
		\$0
\$426	-\$1,285	-\$859

Yorke Peninsula Council



Budgeted Balance Sheet 2015/2016 Revised Budget - September 2015

Current Assets

Cash and Cash Equivalents
Trade and Other Receivables
Inventories

TOTAL CURRENT ASSETS

Non-Current Assets

Financial Assets
Infrastructure, Property, Plant and Equipment

TOTAL NON-CURRENT ASSETS

TOTAL ASSETS

Current Liabilities

Trade and Other Payables
Borrowings
Provisions

TOTAL CURRENT LIABILITIES

Non-Current Liabilities

Borrowings
Provisions

TOTAL NON-CURRENT LIABILITIES

TOTAL LIABILITIES

NET ASSETS

Equity

Accumulated Surplus
Asset Revaluation Reserve
Other Reserves

TOTAL EQUITY

2015/2016 Revised Budget
\$'000
\$3,736
\$1,340
\$777
\$5,853
\$504
\$338,703
\$339,207
\$345,060
\$2,275
\$625
\$1,582
\$4,482
\$7,456
\$607
\$8,063
\$12,545
\$332,515
-\$3,697
\$335,455
\$757
\$332,515

Yorke Peninsula Council

Budgeted Cash Flow Statement

2015/2016 Adopted Budget

Cash Flows from Operating Activities

Receipts

Operating Receipts

Investment Receipts

Payments

Operating Payments to Suppliers and Employees

Finance Payments

NET CASH USED PROVIDED BY OPERATING ACTIVITIES

Cash Flows from Investing Activities

Receipts

Amounts Specifically for New or Upgraded Assets

Sale of Replaced Assets

Repayments of Loans by Community Groups

Payments

Expenditure on Renewal/Replacement of Assets

Expenditure on New/Upgraded Assets

Loans to Community Groups

NET CASH USED IN INVESTING ACTIVITIES

Cash Flows from Financing Activities

Receipts

Proceeds from Borrowings

Payments

Repayment of Borrowings

NET CASH USED IN FINANCING ACTIVITIES

NET INCREASE/(DECREASE) IN CASH HELD

CASH AT BEGINNING OF REPORTING PERIOD

CASH AT END OF REPORTING PERIOD

2015/2016 Revised Budget
\$'000
\$26,599
\$180
-\$20,600
-\$427
\$5,752
\$3,599
\$377
\$0
-\$8,330
-\$5,546
\$0
\$0
-\$9,900
\$0
\$1,110
-\$620
\$490
-\$3,658
\$7,394
\$3,736

Yorke Peninsula Council

Budgeted Statement of Changes in Equity

2015/2016 Revised Budget - September 2015

Accumulated Surplus brought forward

Net Surplus/(Deficit) for Year

Gain on Revaluation of Infrastructure, Property, Plant and Equipment

Transfers between Reserves

Total Equity at end of 2015/2016 Budget Year

Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
(\$4,556)	\$335,455	\$757	\$331,656
\$859			\$859
	\$0		\$0
\$0	\$0	\$0	\$0
(\$3,697)	\$335,455	\$757	\$332,515



Yorke Peninsula Council

Budgeted Financial Indicators **2015/2016 Revised Budget - September 2015**

Operating Surplus/(Deficit) \$'000

Operating Surplus Ratio

Net Financial Liabilities \$'000

Net Financial Liabilities Ratio

Interest Cover Ratio

Asset Sustainability Ratio

Asset Consumption Ratio

2015/2016 Adopted Budget	2015/2016 Revised Budget
-\$2,760	-\$2,754
-13.7%	-14.0%
\$7,637	\$7,482
28.6%	27.9%
0.8%	0.8%
84.3%	91.0%
61.9%	63.0%

MANAGER FINANCIAL SERVICES

5. INVESTMENT REPORT 2014/15 FINANCIAL YEAR

(File Ref: 7.1.4.5)

PURPOSE

To provide the Audit Committee with information in relation to Council's investment of surplus monies.

RECOMMENDATION

That the Investment Report for 2014/15 financial year be received.

LINK TO STRATEGIC PLAN

Key Theme/s: Corporate Governance and Leadership
2. Organisational Efficiency and Resource Management
Strategic Goal/s: 2.1 Financially sustainable organisation

BACKGROUND

Each year Financial Services staff provide an annual review of Investments to the Audit Committee as required under section 140 of the Local Government Act.

DISCUSSION

- 1.1 Sections 139 and 140 of the Act that relate to investments are provided on Attachment 1.
- 1.2 Council currently invests surplus funds on both a 24 hour at call and fixed term deposit basis with the Local Government Finance Authority (LGFA) at the interest rate declared by the LGFA. The balance of money held with ANZ (being Council's 'transaction account') is kept to the minimum required for day to day activity at all times.
- 1.3 This report provides a summary of investments for the 2014/15 financial year to enable Council to review the performance of its investments in accordance with S.140 of the Act and S.4 of the Treasury Management Policy.
- 1.4 The following table shows the level of investment and cash holdings held with the LGFA and ANZ Bank at the end of each quarter during the 2014/15 financial year:

Balance of Funds:	Sep 14	Dec 14	Mar 15	Jun 15
LGFA 24 At Call (\$)	3,819,613	2,579,472	4,068,791	1,664,122
LGFA Fixed Deposits (\$)	-	2,000,000	6,000,000	5,000,000
ANZ District Fund (\$)	\$591,956	\$101,629	\$597,812	\$676,092
ANZ Rates Account (\$)	\$147,311	\$55,279	\$167,255	\$128,283
	\$4,558,880	\$4,736,380	\$10,833,858	\$7,468,497

- 1.5 Total interest income from cash deposits (ANZ) and investments (with LGFA) for the period 1 July 2014 to 30th June 2015 is \$183,540.07 (previous year \$165,991). The majority of the interest earned was derived from the LGFA. The amount of interest earned includes an LGFA bonus of \$15,678.94 and a Mutual Liability Scheme bonus of \$26,018.18. The bonus from the LGFA is considered to be a return on investment as the amount received is linked to the level of investments and borrowing held by Council with the LGFA.

- 1.6 The following table presents a snapshot of interest earned from the deposits with the LGFA:

Interest earned	Sep 14	Dec 14	Mar 15	Jun 15	Totals
24 At Call (\$)	9,106	21,905	19,742	9,425	60,178
Fixed Deposits (\$)		2,986	18,808	36,611	58,405
	\$9,106	\$24,891	\$38,550	\$46,036	\$118,583

- 1.7 The following table presents a snapshot of interest rates (at the end of each quarter) associated with the different categories of deposits with the LGFA:

Interest Rates	Sep 14	Dec 14	Mar 15	Jun 15
	%	%	%	%
24 At Call	2.5	2.5	2.34	2.1
Fixed Deposits (average of various terms)	0	2.73	2.69	2.55

- 1.8 LGFA's interest rate on 24 hour at call investment is the same as the prevailing rate set by the Reserve Bank of Australia. The cash rate set by the RBA is a rediscount rate. This rate is determined in the money market as a result of the interaction of demand for and supply of overnight funds.
- 1.9 A regular check of other rates on the market is kept to ensure that these rates remain competitive. The interest rate offered by the LGFA on 24 hour at call investments and fixed term deposits is currently the competitive market return rate and therefore is comparable to the rates offered by other financial institutions for the same type of investment.
- 1.10 In addition to investing monies on a 24 hour at call basis, Council has been investing monies surplus to immediate working capital requirements for fixed periods via term deposits.
- 1.11 Term deposits are typically for periods of 30, 60 and 90 days, or may be extended for periods (e.g. 12 months) if required. The interest rates offered by the LGFA on term deposits at any point in time are determined by the financial market and driven by prevailing economic conditions. That is, the interest rate can change on a daily basis as the financial market responds to current, and speculates on future, economic conditions. As a result, the differential between the 24 hour at call rate and the term deposit rate can fluctuate on an ad hoc basis.

- 1.12 The use of fixed term deposits is a risk management strategy to maximise interest rate returns. Given fixed term deposits have a higher interest rate than the 24 hour at call, Council staff constantly monitor surplus cash requirements in order to maximise investment returns via this method.
- 1.13 The \$6,000,000 fixed term deposit in March 2015 is a direct result of the \$6,000,000 Office Accommodation and Road Renewal Acceleration Program loan drawn down (per Council resolution 13 August 2014) in February 2015, when interest rates were deemed to be at exceptional levels. \$3,000,000 of this loan (Road Renewal Acceleration Program) was not utilised during 14/15 and remained in fixed term investment at 30 June 15 following Council resolution to roll the program over to 2015/16.
- 1.14 The end of financial year cash balance was further inflated by the early receipt of \$1,178,525 in FAGS for the 2015/2016 year at 30 June 2015, which was transferred to fixed term deposit.

COMMUNITY ENGAGEMENT PLAN

Not Applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Manager Financial Services
- Director Corporate and Community Services
- Financial Accountant

In preparing this report, the following External Parties were consulted:

- Nil

POLICY IMPLICATIONS

Treasury Management Policy PO139

BUDGET AND RESOURCE IMPLICATIONS

Efficient cash flow reporting and treasury management practices ensure financial resources are available in support of and as per Adopted Budget.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act 1999 – Sections 139 and 140

Local Government (Financial Management) Regulations 2011

Council's Strategic Plan includes clear plans to ensure better and timely reporting and improved formal control of Council's Adopted Budget and the Budget Review process.

ATTACHMENTS

Attachment 1: Local Government Act 1999, sections 139 and 140

Local Government Act 1999

An Act to provide for local government; and for other purposes.

Part 4—Investment

139—Investment powers

- (1) A council may invest money under its control.
- (2) A council must, in exercising its power of investment—
 - (a) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
 - (b) avoid investments that are speculative or hazardous in nature.
- (3) Without limiting the matters that a council may take into account when exercising its power of investment, a council must, so far as may be appropriate in the circumstances, have regard to—
 - (a) the purposes of the investment;
 - (b) the desirability of diversifying council investments;
 - (c) the nature of and risk associated with existing council investments;
 - (d) the desirability of maintaining the real value of the capital and income of the investment;
 - (e) the risk of capital or income loss or depreciation;
 - (f) the potential for capital appreciation;
 - (g) the likely income return and the timing of income return;
 - (h) the length of the term of a proposed investment;
 - (i) the period for which the investment is likely to be required;
 - (j) the liquidity and marketability of a proposed investment during, and on the determination of, the term of the investment;
 - (k) the aggregate value of the assets of the council;
 - (l) the likelihood of inflation affecting the value of a proposed investment;
 - (m) the costs of making a proposed investment;
 - (n) the results of any review of existing council investments.

Local Government Act 1999—8.4.2010

Chapter 9—Finances

Part 4—Investment

4 This version is not published under the *Legislation Revision and Publication Act 2002* [21.6.2012]

- (4) Without limiting the matters that a council may take into account when exercising its power of investment, but subject to the operation of subsection (3), a council may, so far as may be appropriate in the circumstances, have regard to—
 - (a) the anticipated community benefit from an investment;
 - (b) the desirability of attracting additional resources into its local community.
- (5) A council may obtain and consider independent and impartial advice about the investment of funds or the management of its investments from a person whom the council reasonably believes to be competent to give the advice.

140—Review of investments

A council must, at least once in each year, review the performance (individually and as a whole) of its investments.

ASSET MANAGER

8. ASSET MANAGEMENT UPDATE

(File Ref: 9.24.1.1)

PURPOSE

The purpose of this report is to update Audit Committee members on Asset Management activities.

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN

Key Theme/s: Sustainable Communities
1. Sustainable Infrastructure
Strategic Goal/s: Provide infrastructure assets that are sustainable and safe.

BACKGROUND

The report provides the Audit Committee with a summary of work undertaken in Asset Management activities.

DISCUSSION

Transport Infrastructure

The draft Transport Asset Management Plan was presented to the October meeting of Council where it was endorsed and adopted.

The plan had undergone public consultation and at the end of that process on Friday 11 September 2015, one written submission had been received, there were 152 hits on the Council website articles and 413 people were reached through Council's Facebook page of whom 94 clicked on the article.

The submission was received from Mr Dennis Smith, on behalf of North Coast Road ratepayers, on Friday 11 September 2015. The submission requested Council consider the following in relation to the North Coast Road:

- that it should be a priority to improve the surface road base with a binder to address the corrugation issue and combine this with improving dangerous bends;
- when the Draft Plan is finalised that Council consider the five years of documented history of the road;
- that the safety aspect of some sections of road should raise their current condition weighting;
- that the North Coast Road should be at the top of the hierarchy set out in the plan; and
- that as the Draft Plan is finalised that the group of ratepayers is kept informed by email of any changes.

The submission also commended Council for assembling the Plan and the detailed information in it.

The Transport Asset Management Plan provides Council with a way forward in managing transport assets. It includes the following:

- road categorisation for all roads within the Council area;
- levels of Service (construction, renewal and maintenance standards) for all road categories;
- proposed funding for upgrade, renewal and maintenance of transport infrastructure;
- the Plan highlights that there is currently a backlog of capital renewal expenditure of approximately \$7.5 million in 2014-15 and another spike of renewal expenditure of approximately \$10 million in 2021-22 on the Unsealed Road Network. The timing of expenditure will be largely dependent on road condition data as it reflects the Levels of Service adopted in the Plan; and
- a proposed 10 year Capital Works program developed using a Condition Profile and Renewal Standard. This program will be a useful tool to assist and guide in the development of future budgets.

The document is an evolving plan that will act as a guiding document for the future. The document will be updated as Council invests in its Transport assets and reviewed annually as part of that process.

Implementation of Conquest

Council staff are currently reviewing and validating Water infrastructure data prior to it being populated into Conquest, as part of this process the water schemes are being digitally mapped.

COMMUNITY ENGAGEMENT PLAN

Not Applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Director Assets & Infrastructure

In preparing this report, the following External Parties were consulted:

- Nil

POLICY IMPLICATIONS

PO128 Asset Management Policy

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISK/LEGAL/LEGISLATIVE IMPLICATIONS
--

Local Government Act 1999

ATTACHMENTS

Not Applicable

DIRECTOR CORPORATE AND COMMUNITY SERVICES

- . ELECTRONIC DOCUMENT AND RECORDS MANAGEMENT SYSTEM

(File Ref: 7.1.4.5)

PURPOSE

To provide the Audit Committee with an update regarding Council's implementation of an Electronic Document and Records Management System (EDRMS).

RECOMMENDATION

That the report be received and noted.

LINK TO STRATEGIC PLAN

Key Theme/s:	Corporate Governance and Leadership 2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.2 Efficient, effective and professional organisation

BACKGROUND

Previously an Accountability and Disclosure Audit identified that Council should give consideration to a central records management system that will also be used for capturing emails to and from Elected Members.

Expenditure for the project was requested in the FY15 budget, however due to competing priorities the project did not gain approval at that time. Funding of \$175,000 for this project has now been included in the FY16 Adopted Budget endorsed by Council at its July 2015 meeting.

DISCUSSION

Council sought external expertise to develop an Electronic Document and Records Management System Requirements document that identified all system requirements in relation to document, record and content management functionality for use within the Yorke Peninsula Council.

This document identified not only Council's requirements but also identified all compliance requirements according to the State Records Act.

Using this information, Council has now issued a Request for Tender for a fully compliant system.

The key dates are as follows:

- 15 Oct 2015 – tender advertised
- 06 Nov 2015 – tender closes
- 15 Jan 2016 – conclusion of tender evaluation and notification to successful tender
- 29 Jan 2016 – execution of contract for services
- 01 Feb 2016 – commencement of provision of services
- 15 May 2016 – EDRMS completed and fully functional

Council will be utilising the services of a technical expert in evaluating compliance with the specifications.

COMMUNITY ENGAGEMENT PLAN

Not Applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Director Corporate and Community Services
- Leader Systems & Technology
- Senior Records Officer

In preparing this report, the following External Parties were consulted:

- Wendy Fewsdale – Info-Osmosisl

POLICY IMPLICATIONS

Records Management Policy PO63

BUDGET AND RESOURCE IMPLICATIONS

Funding for this project has been included in the adopted 2015/16 Annual Budget.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act 1999 – Sections 132 and 132A

Freedom of Information Act 1991

State Records Act 1997.

ATTACHMENTS

Not Applicable

DIRECTOR CORPORATE AND COMMUNITY SERVICES

10. POLICY REVIEWS

(File Ref: 9.14.1.6)

INTRODUCTION

To update the Audit Committee following Council's adoption of the Policies listed in the discussion.

RECOMMENDATION

That the Audit Committee receives the Policies attached as endorsed by Council at its meeting held on 14 October 2015.

LINK TO STRATEGIC PLAN

Key Theme/s:	Corporate Governance and Leadership 2. Organisational Efficiency and Resource Management
Strategic Goal/s:	2.1 Financially sustainable organisation 2.3 Meet all legislative and compliance responsibilities 2.4 Effective Risk Management

BACKGROUND

The following Policies have been reviewed and changes made as a result of current Policies being expired and due for updating. Changes consist wholly of relevant date updates as these require update annually.

DISCUSSION

The relevant Policy that has undergone review since the last Audit Committee meeting is listed as follows:-

- PO060 Rates Relief Policy

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Director Corporate and Community Services
- Manager Financial Services
- Financial Accountant
- Senior Rates Officer

In preparing this report, the following External Parties were consulted:

- Nil

POLICY IMPLICATIONS

Audit Committee Terms of Reference

Local Government Act 1999, Chapter 8.

BUDGET AND RESOURCE IMPLICATIONS

Not applicable.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Local Government Act, 1999

ATTACHMENTS

Attachment 1: PO060 Rates Relief Policy



COUNCIL POLICY

Rates Relief Policy (includes rebates, remissions, hardship & postponement of rates)

Policy Number:	PO060		
Strategic Plan Objective	Financially Sustainable Organisation		
Policy Owner:	Corporate & Community Services	File Number:	7.63.1
Responsible Officer:	Director Corporate & Community Services	Minute Reference:	
Date Adopted:	14/10/2015	Next Review Date:	August 2016

1. POLICY OBJECTIVES

The objective of this Policy is to ensure that all applications for rate relief are considered in an equal and fair manner in line with the provisions set out under the Local Government Act and this Policy.

2. DEFINITIONS

Rebates	The refund of a portion of rates paid or payable. The full amount of annual rates are raised and billed to the ratepayer. A specified amount is then refunded back to the ratepayer.
Remission	The reduction of the amount of rates payable. The amount of annual rates raised is reduced by a calculated amount and the reduced amount of annual rates is billed to the ratepayer.
Postponement	The delay of payment of rates until a future date. Subject to any interest charges, the annual rates payable are delayed and do not become payable until a future date.

3. POLICY STATEMENT

Rates are a form of taxation and provide the main revenue stream for Council to deliver services to the community.

The Local Government Act 1999 ("the Act") sets out at Chapter 10, Division 5 (Sections 159 to 166) those provisions applicable to the Council granting a rebate of rates to persons or bodies.

Section 159(3) of the Act provides that the Council may grant a rebate of rates under the Act if it is satisfied that it is appropriate to do so.

The Act provides for a mandatory rebate of rates in specified cases and the amount of that mandatory rebate.

The Act also provides that where the Council must grant a rebate of rates under the Act, and the amount of that rebate is fixed by the Act at less than 100%, the Council may increase the amount of the rebate.

Pursuant to Section 166 of The Act, Council may provide a discretionary rebate of rates in the cases set out in that Section.

Rate Relief will only be considered in accordance with this Policy.

4. PROCEDURES

4.1 REBATES

Mandatory Rebates

Council must under Sections 160-165 of the Local Government Act 1999 (as amended) provide mandatory rebates in the following cases.

A Mandatory rebate of 100% is applicable to:

- Land predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australian Public Health Act 2011
- Land containing a church or other building used for public worship, or land used solely for religious purposes.
- Land being used for the purposes of a public cemetery.
- Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Inc.

A Mandatory rebate of 75% is applicable to:

- Land occupied by a government school under a lease or licence and being used for educational purposes.
- Land occupied by a non-government school registered under Part 5 of the Education Act 1972 and being used for educational purposes.
- Land being used by a University or University college to provide accommodation and other forms of support for students on a not-for-profit basis
- Land predominantly used for service delivery or administration by a community service organisation as defined under Sections 161(3) & 161(4) of the Local Government Act 1999 (as amended).
- Land being predominantly used for supported accommodation that consists of accommodation for persons provided by housing associations registered under the South Australian Co-operative and Community Housing Act 1991.

Discretionary Rebates

Council has the power under Section 166 of the Local Government Act 1999 (as amended) to grant discretionary rebates in the following cases.

- The rebate is desirable for the purpose of securing the proper development of the Council area (or part thereof).
- The rebate is desirable for the purpose of assisting or supporting business within the Council area.
- The rebate will conduce to the preservation of buildings or places of historic significance.
- The land being used for educational purposes.
- The land being used for agricultural, horticultural or floricultural exhibitions.
- The land is being used for a hospital or health centre.
- The land is being used to provide facilities or services for children or young persons.
- The land is being used to provide accommodation for the aged or disabled.

- The land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth) or a day therapy centre.
- The land is being used by an organisation which, in the opinion of Council, provides a benefit to the local community.
- The rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has free and unrestricted access and enjoyment.
- The rebate is considered by Council to provide relief against what would otherwise amount to substantial changes in rates payable by a ratepayer due to changes in the basis or structure of the Council's rates, or a change in the basis of valuation, rapid changes in valuation or anomalies in valuations.

Section 166 (1a) outlines the issues that Council must consider in deciding whether to grant a rebate. All applications for rebates will be considered on their merits.

Applications for a rebate of rates are to be made in writing and are to be accompanied by the appropriate supporting documentation.

4.2 RATE CAPPING REBATE

In recognition of the Discretionary rebates of rates provisions in the Act, Council has decided to provide a "Rates Capping Rebate" pursuant to Section 166(1)(1)(ii) to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuations.

Council recognizes that fluctuations in the property market on Yorke Peninsula have continued and that some properties may experience rapid increases in valuations, therefore potentially resulting in rapid increases in rates payable.

Council has also given consideration to the number of ratepayers eligible for differing forms of concessional relief in this region, in comparison with the State average, and the potential effect of rapid changes in valuations on these ratepayers and their capacity to pay.

In recognition of these factors, Council has implemented a rebate to seek to provide relief to ratepayers that experience a substantial change in rates due to a substantial change in valuation.

Pursuant to section 166 (1)(I)(ii) of the Local Government Act, Council has adopted the following rebate, conditional upon meeting the requirements listed below:

- 4.2.1 To provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuation, a rebate of general rates for the 2015/2016 financial year to be granted to the Principal Ratepayer of an Assessment under Section 166 (1) (I) of the Act, on application to Council, where the amount of any increase in rates in respect of that Assessment in monetary terms between the amount of general rates payable for the 2014/2015 financial year (after any rebate was applied) and the amount of general rates imposed for the 2015/2016 financial year is greater than 17.5%.
- 4.2.2 The amount of the rebate to be the amount of the increase in general rates in monetary terms imposed for the 2015/2016 financial year over and above 17.5% of the general rates charged in monetary terms for the 2014/2015 financial year (after any rebate was applied but prior to deducting any pensioner or other concessions)

4.2.3 The rebate shall not apply where:

- any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$15,000 as determined by the State Valuation Office, or
- any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of a rectification within the current and/or previous year of an “error of fact” by the State Valuation Office, or
- any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the 2015/2016 financial year than on the date the Council declared its general rates for the 2014/2015 financial year, or
- the land use attributed to the Assessment for the 2014/2015 financial year is Commercial Use, Industry Use, Vacant Land Use or Other Use, or
- the ownership of the rateable property has changed since 1 July 2003, as this is based upon advice from the Valuer General that sales evidence up to 24 months prior to the current valuation is considered.

Applications for the rate capping rebate are to be made on Council's Rate Capping Rebate Application Form (IS089).

4.3 POSTPONEMENT OF RATES – Hardship

Council recognises that at various times of the year, and due to personal circumstances, some ratepayers may find themselves in situations that make it difficult to make payment of rates by the relevant due dates.

Council has adopted a Rates Postponement Scheme to provide relief to ratepayers for whom the payment of ordinary rates on the principal residence would cause hardship.

Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Senior Rates and Assessment Officer to discuss the matter.

Applications for the relief of rates due to hardship or extenuating circumstances are to be made in writing and accompanied by the appropriate supporting documentation.

Such inquiries are treated confidentially by the Council.

4.4 POSTPONEMENT OF RATES – Seniors (Section 182A of Local Government Act)

A ratepayer who holds or is in the process of applying for a State Seniors Card may apply for postponement of the Council rates payable on property they own or are buying if it is their principal place of residence (that is, the place lived in most of the time) and if no other person other than their spouse has an interest as owner of the property.

If there is a current mortgage over the property which was registered prior to 25 January 2007 the applicant is required to have at least 50% equity in your property.

If you have a mortgage that was registered after 25 January 2007 there is no restriction on the level of equity held.

The postponement of rates option does not affect any existing entitlement to a State Seniors Card or Pensioner concession, and/or Council remission on your Council rates. At least \$500 of the total of the rates bill must be paid, but an application can be made for any amount in excess of \$500 to be postponed. The minimum amount of

\$500 will be reduced by State Seniors Card concession and/or Council remissions if applicable, unless agreed otherwise.

Interest payable

If a postponement of rates occurs under this section, interest will accrue on the amount postponed at the prescribed interest rate compounded on a monthly basis.

The prescribed interest rate is $P = \frac{\text{CADR} + 1\%}{12}$ where:

12

P = Prescribed Interest Rate

CADR = Cash Advance Debenture Rate for the relevant financial year

Penalties

Reference is also made to Sections 182A (8) and 182A (9) of the Local Government Act 1999 (as amended) which outlines that if a person has applied for the benefit of a seniors postponement of rates and entitlement to that postponement ceases to exist, the owner of the land must inform the Council in writing of that fact (unless the liability to the relevant rates has been extinguished).

If a person fails to comply with the above requirement to inform Council of a change in circumstances, that person is guilty of an offence under the Local Government Act 1999 (as amended) with a maximum penalty of \$5,000. Any rates applicable on the grounds that the rebate was no longer applicable become due and payable immediately.

A person must not make a false or misleading statement or representation in an application made for seniors postponement of rates. Maximum penalty \$10,000.

Applications for the postponement of rates under section 182A are to be made on Council's Application for Postponement of Rates for Seniors (SF204) and accompanied by the appropriate supporting documentation.

4.5 REMISSION OF FINES AND INTEREST

Council has adopted various policies relating to the remission of fines and interest raised for late payment of rates and service charges, according to the different circumstances involved, these being:

4.5.1 Fines and interest raised that are the subject of a letter receiving Council consideration:-

- Where fines and/or interest are raised on rates that are the subject of a letter before Council, fines and/or interest raised on outstanding amounts between the time of receipt of the letter and the time that the letter is replied to by Council, shall be remitted in full.

This policy shall not apply to those letters raising an objection, review or appeal in respect to a valuation, or an objection or appeal in respect of the attribution of a particular land use code.

4.5.2 Fines and interest raised due to delay of postal service in forwarding the rate payment:-

- Where a request is received by Council to waive fines and/or interest for the reason of delay between postage of payment of rates and receipt by Council of same, Council's policy is that fines and/or interest will only be waived where it can be demonstrated that the payment was posted, by way of Australia Post-date stamp or other conclusive

evidence, to Council no less than three (3) working days prior to the last day to pay the instalment.

4.5.3 Fines and interest raised for the reason of non-receipt of the rate notice by the ratepayer:-

- Where a request is received by Council to waive fines and interest for the reason of non-receipt of rates notices only where it can be demonstrated that the rates notice has been returned to Council as undeliverable, due to a clerical error on Council's behalf.

4.5.4 Fines and interest raised due to clerical error on Council's part:-

- Council will remit fines and interest raised as a result of a clerical error on the part of Council.

4.5.5 Fines and interest raised due to illness, death or other extenuating circumstances that all requests made for waiving of fines and/or interest due to illness, death or extenuating circumstances be assessed by the CEO and appropriate action be taken.

5. APPLICATIONS

5.1 Council will inform the community of the provisions for rate rebates under the Local Government Act by the inclusion of suitable details in the brochures distributed with the annual rates notices.

5.2 Persons or bodies who seek a rebate of rates in accordance with Division 5 of the Act must make written application to the Council pursuant to Section 159(1) of the Act in the manner and form determined by the Council and supplying such information as the Council may reasonably require.

5.3 The Council may take into account other matters considered relevant by the Council including, but not limited to, the following –

- a) why there is a need for financial assistance through a rebate;
- b) the level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- c) the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- d) whether the applicant has made/intends to make applications to another Council;
- e) whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- f) whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- g) whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- h) the desirability of granting a rebate for more than one year where permitted by the Act;
- i) consideration of the full financial consequences of the rebate for the Council;
- j) the time the application is received;
- k) the availability of any community grant to the person or body making the application;
- l) whether the applicant is in receipt of a community grant; and
- m) any other matters, and policies of the Council, which the Council considers relevant.
- n) All persons who or bodies which wish to apply to the Council for a rebate of rates or service charges may do so at any time. Applicants which satisfy

the criteria for a mandatory 100% rebate will be granted the rebate at any time.

- o) The Act provides that the Council may grant a rebate of rates or service charges on such conditions as the Council thinks fit.
- p) The Council may, for proper cause, determine that an entitlement to a rebate of rates or service charges under the Act no longer applies.
- q) Where an entitlement to a rebate of rates or service charges ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.
- r) It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.
- s) The maximum penalty for this offence is \$5,000.
- t) If a person or body has the benefit of a rebate of rates or service charges and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.
- u) The maximum penalty for this offence is \$5,000.
- v) The Council will, in writing, advise an applicant for a rebate of its determination of that application. The advice will state –
 - w) if the application has been granted, the amount of the rebate; or
 - x) if the application has not been granted, the reasons why.

6. COMPLAINTS

Complaints in relation to this policy can be directed to the Director Corporate and Community Services and will be managed in accordance with Council's PO147 Complaints Policy.

7. REVIEW

This policy will be reviewed every 12 months and in accordance with changes to legislation.

8. TRAINING

Council is committed to supporting employees in complying with this policy.

Training needs will be reviewed annually, during individual performance reviews and as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

9. RELATED COUNCIL POLICIES AND DOCUMENTS

Delegation Register

10. REFERENCES AND LEGISLATION

Local Government Act 1999. Chapter 10, Division 5

11. COUNCIL DELEGATION

Delegate:	Chief Executive Officer
Sub Delegate:	Director Corporate & Community Services

12. VERSION HISTORY

Archived Policy Name	Policy Number	Date Adopted	Last Reviewed
Remission and Postponement of Rates	PO121	10/07/2007	08/06/2010
Rates Relief Policy	PO060	14/08/2013	August 2014

MANAGER FINANCIAL SERVICES

11. FINANCE MANUAL

(File Ref: 7.1.4.5)

PURPOSE

To provide the Audit Committee with a copy of the operational manual for the Financial Services department.

RECOMMENDATION

That the Finance Manual be received for review by the Audit Committee.

LINK TO STRATEGIC PLAN

Key Theme/s: Corporate Governance and Leadership
2. Organisational Efficiency and Resource Management
Strategic Goal/s: 2.1 Financially sustainable organisation

BACKGROUND

Yorke Peninsula Council's Financial Services department incorporates positions and processes that have been identified as core business functions of Council. Accordingly, Financial Services staff have been working on preparation of a Finance Manual that includes all processes relevant to the Department to ensure that these core functions can continue to operate under extraordinary circumstances.

DISCUSSION

Financial Services staff have uploaded into the Promapp application, all procedures relevant to the following functions:

- Accounting
- Rates
- Accounts Payable
- Accounts Receivable
- Reception
- Payroll

The resulting manual will be a living document, reviewed and updated by the responsible officers as processes and procedures are changed. As such, only one printed copy will be kept available within the Finance Department, with officers accessing their relevant processes online when required and updating the printed manual accordingly.

Due to the sensitive nature of the information, the manual will be provided under separate cover at this meeting for review by Audit Committee members prior to the December 2015 Audit Committee meeting. Feedback from Audit Committee members will be received by staff at the December 2015 meeting.

COMMUNITY ENGAGEMENT PLAN

Not Applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Director Corporate and Community Services
- Manager Financial Services
- Financial Accountants
- Senior Rates Officer
- Accounts Payable Officer
- Accounts Receivable Officer
- Payroll Officer

In preparing this report, the following External Parties were consulted:

- Nil

POLICY IMPLICATIONS

Nil

BUDGET AND RESOURCE IMPLICATIONS

The Manual will provide the ability for any Council staff to resource the core business functions under extraordinary circumstances. There are no budget implications relevant to this report.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

An up to date operational Manual will help mitigate the risks associated with staffing resources available to back-up core business functions. In the event of an emergency, the Manual will enable basic core functions to be carried out by staff with little or no training.

ATTACHMENTS

Nil.