

The District Council of Yankalilla



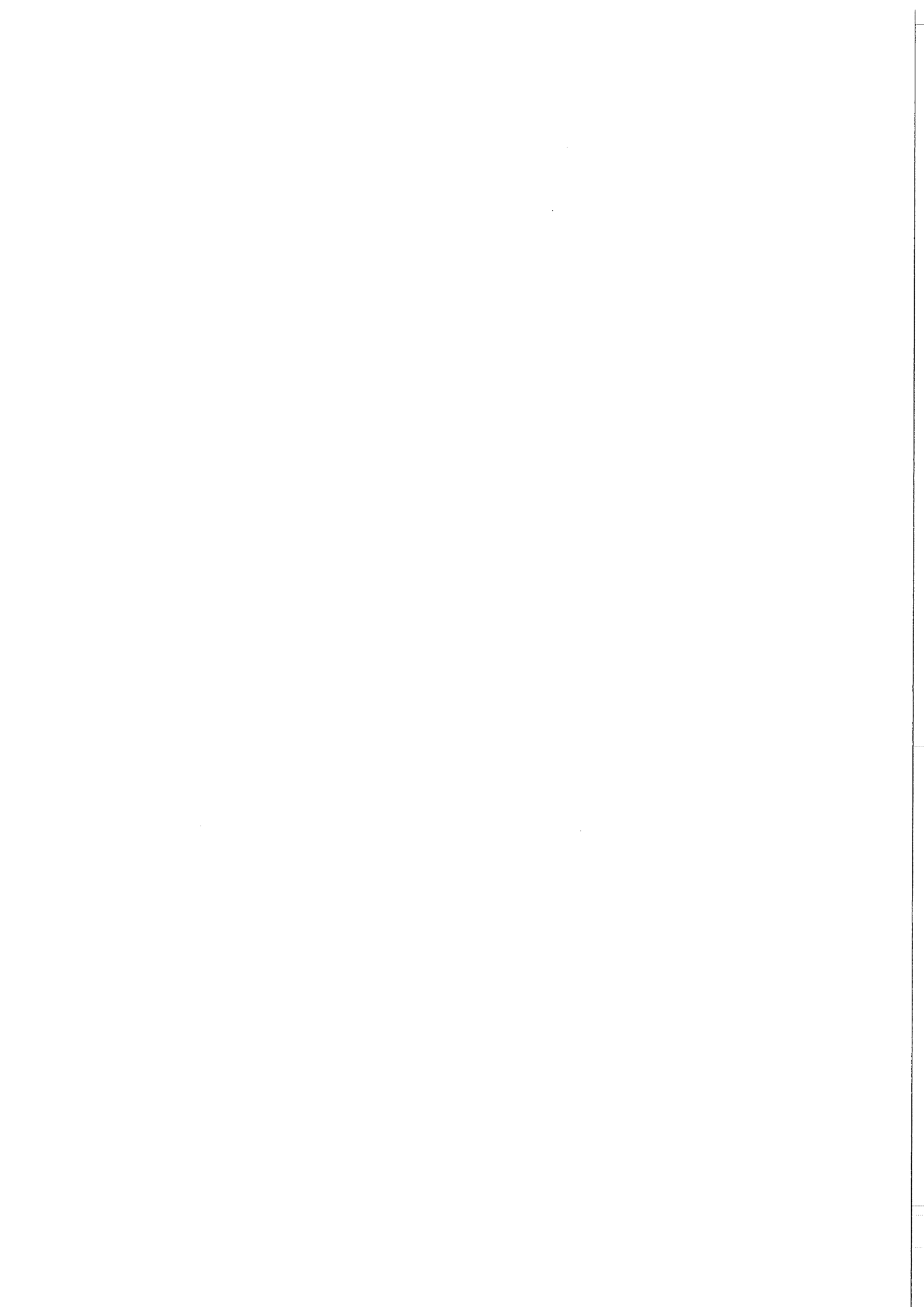
**FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 30th JUNE 2015**

DISTRICT COUNCIL OF YANKALILLA

General Purpose Financial Reports for the year ended 30 June 2015

TABLE OF CONTENTS

	<u>Page</u>
Council Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N6
Note 3 - Expenses	N9
Note 4 - Asset Disposal & Fair Value Adjustments	N10
Note 5 - Current Assets	N11
Note 6 - Non-Current Assets	N11
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	N12
Note 8 - Liabilities	N17
Note 9 - Reserves	N18
Note 10 - Assets Subject to Restrictions	N18
Note 11 - Reconciliation of Cash Flow Statement	N19
Note 12 - Functions	N20
Note 13 - Financial Instruments	N22
Note 14 - Expenditure Commitments	N24
Note 15 - Financial Indicators	N25
Note 16 - Uniform Presentation of Finances	N26
Note 17 - Operating Leases	N27
Note 18 - Superannuation	N28
Note 19 - Interests in Other Entities	N29
Note 20 - Contingencies & Assets & Liabilities Not Recognised In The Balance Sheet	N31
Note 21 - Events Occurring After Reporting Date	N31
Audit Report - Financial Statements	
Council Certificate of Audit Independence	
Audit Certificate of Audit Independence	



DISTRICT COUNCIL OF YANKALILLA

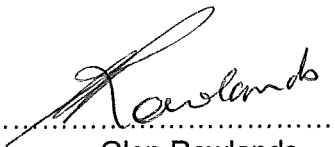
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

CERTIFICATION OF FINANCIAL STATEMENTS

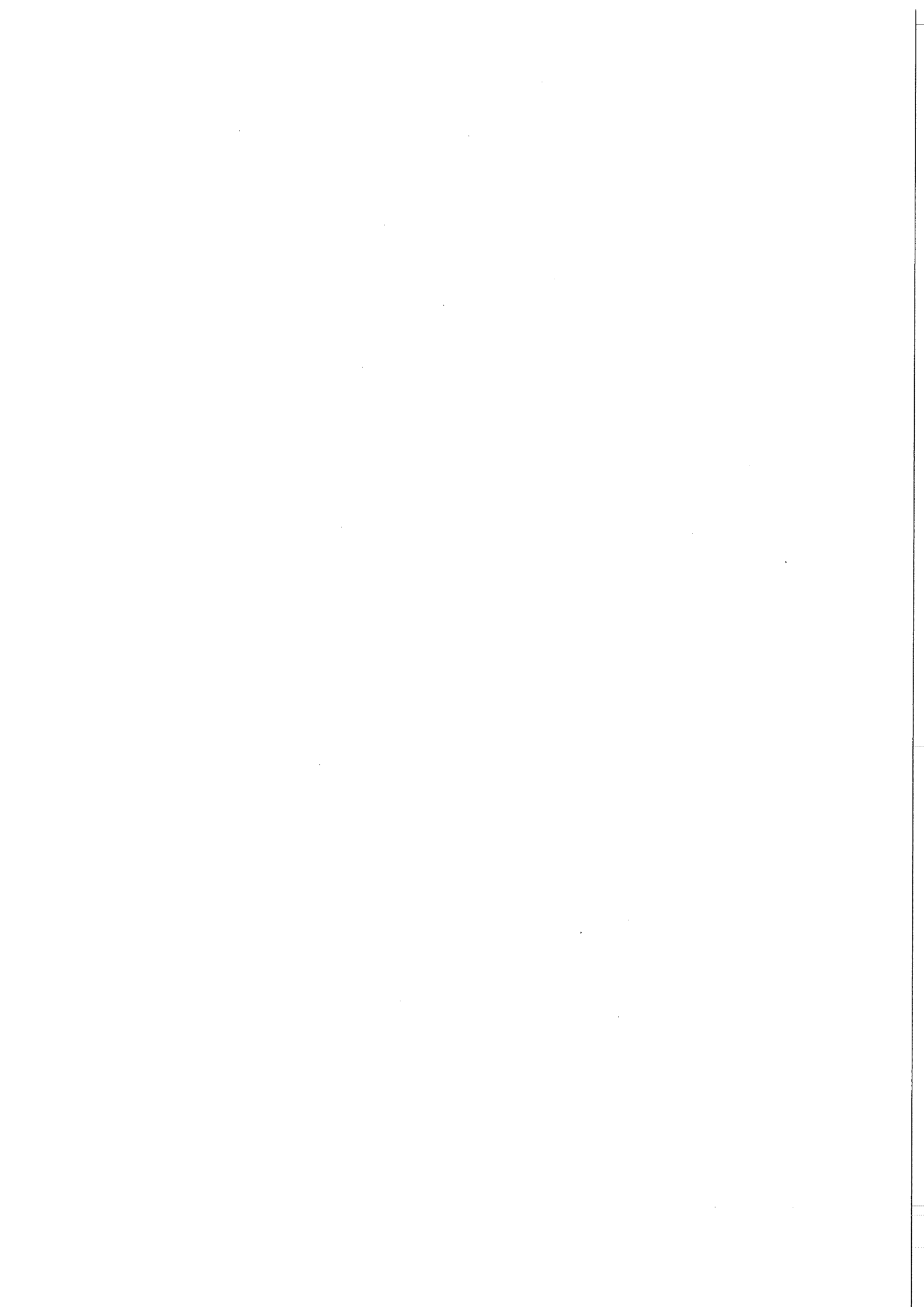
We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- 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.


.....
Kirk Richardson
CHIEF EXECUTIVE OFFICER


.....
Glen Rowlands
MAYOR

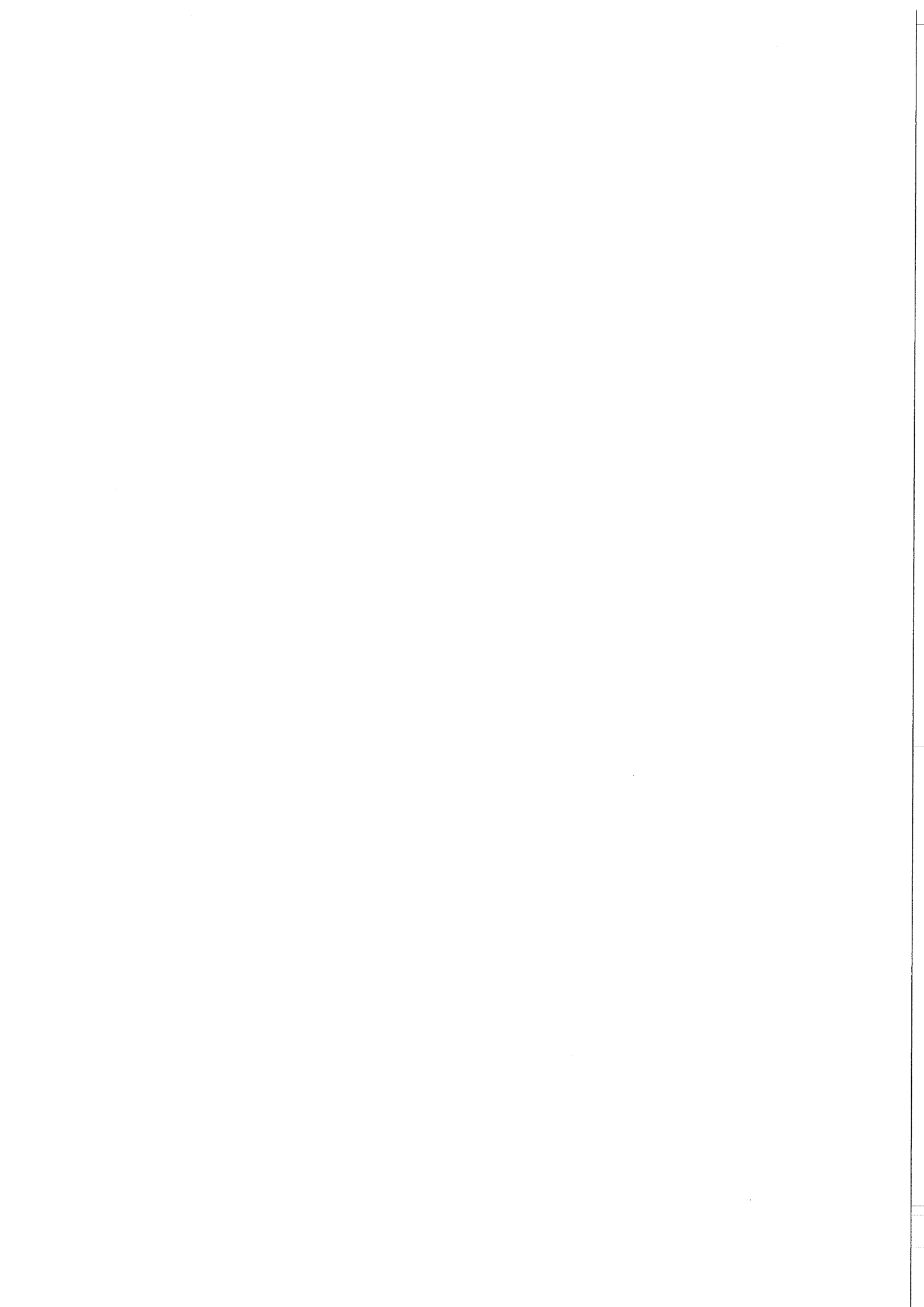
Date: 20/10/15



DISTRICT COUNCIL OF YANKALILLA
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
INCOME			
Rates	2	10,841,583	9,951,674
Statutory charges	2	194,464	168,094
User charges	2	1,149,538	1,062,680
Grants, subsidies and contributions	2	777,972	1,189,898
Investment income	2	132,001	83,694
Reimbursements	2	82,910	59,370
Other income	2	160,137	173,630
Net gain - equity accounted Council businesses	19	28,501	18,182
Total Income		<u>13,367,107</u>	<u>12,707,222</u>
EXPENSES			
Employee costs	3	4,078,959	3,715,299
Materials, contracts & other expenses	3	5,188,438	4,842,409
Depreciation, amortisation & impairment	3	3,499,941	3,647,982
Finance costs	3	458,030	524,539
Total Expenses		<u>13,225,368</u>	<u>12,730,229</u>
OPERATING SURPLUS / (DEFICIT)		141,739	(23,007)
Asset disposal & fair value adjustments	4	98,443	(112,512)
Amounts received specifically for new or upgraded assets	2	80,000	48,931
Physical resources received free of charge	2	13,600	273,934
NET SURPLUS / (DEFICIT)		<u>333,782</u>	<u>187,346</u>
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	159,996	324,135
Total Other Comprehensive Income		<u>159,996</u>	<u>324,135</u>
TOTAL COMPREHENSIVE INCOME		<u>493,778</u>	<u>511,481</u>

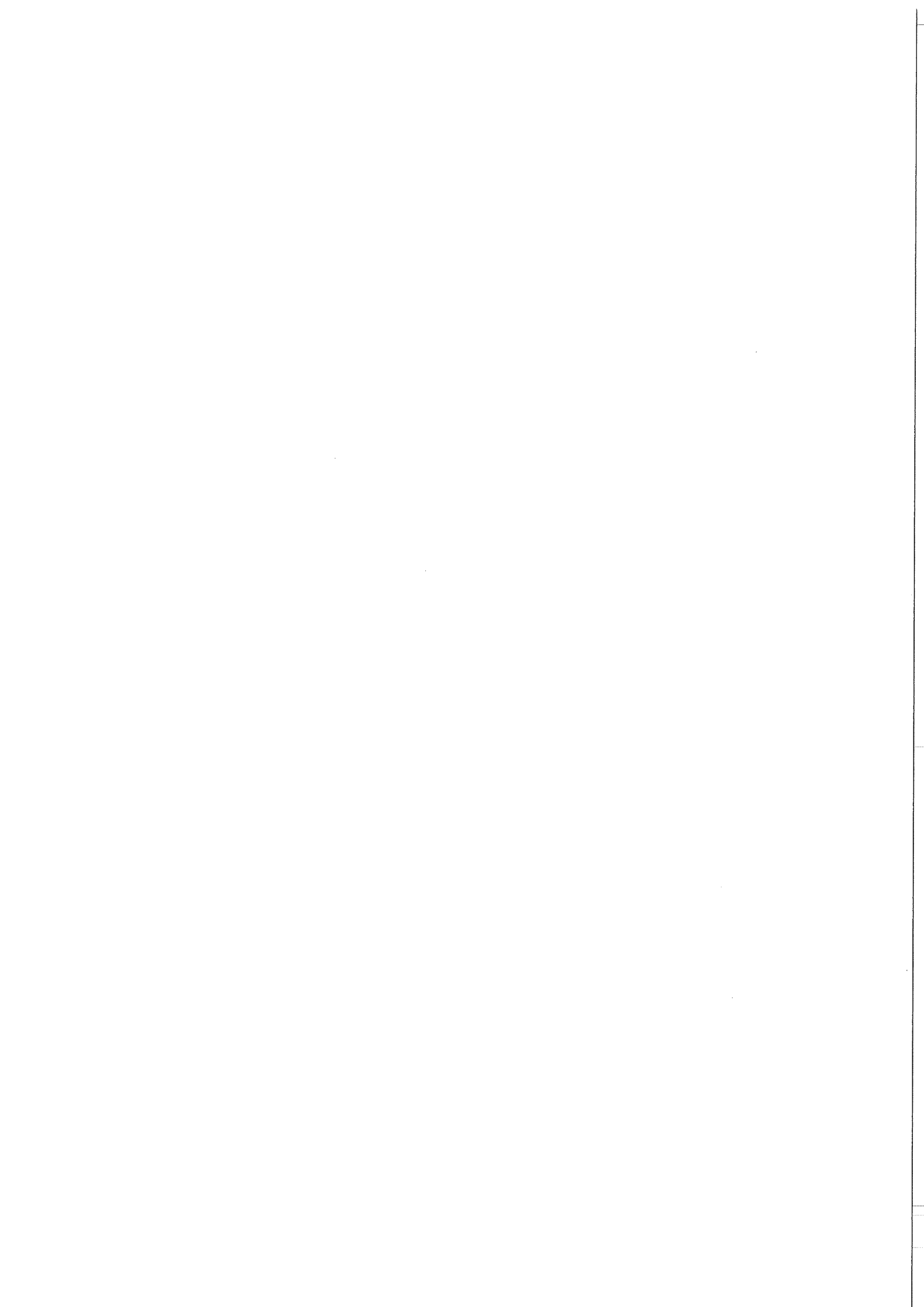
This Statement is to be read in conjunction with the attached Notes.



DISTRICT COUNCIL OF YANKALILLA
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

ASSETS	Notes	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	5	3,459,161	1,380,400
Trade & other receivables	5	1,273,214	1,524,664
Inventories	5	60,721	44,627
Total Current Assets		<u>4,793,096</u>	<u>2,949,691</u>
Non-current Assets			
Financial assets	6	8,721	30,997
Equity accounted investments in Council businesses	6	107,853	79,352
Infrastructure, property, plant & equipment	7	107,202,760	109,003,125
Total Non-current Assets		<u>107,319,334</u>	<u>109,113,474</u>
Total Assets		<u>112,112,430</u>	<u>112,063,165</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,200,890	1,073,580
Borrowings	8	584,156	708,894
Provisions	8	393,695	262,567
Total Current Liabilities		<u>2,178,741</u>	<u>2,045,041</u>
Non-current Liabilities			
Borrowings	8	6,368,578	6,952,734
Provisions	8	114,630	108,687
Total Non-current Liabilities		<u>6,483,208</u>	<u>7,061,421</u>
Total Liabilities		<u>8,661,949</u>	<u>9,106,462</u>
NET ASSETS		<u>103,450,481</u>	<u>102,956,703</u>
EQUITY			
Accumulated Surplus		30,871,934	30,768,504
Asset Revaluation Reserves	9	71,625,349	71,465,353
Other Reserves	9	953,198	722,846
TOTAL EQUITY		<u>103,450,481</u>	<u>102,956,703</u>

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

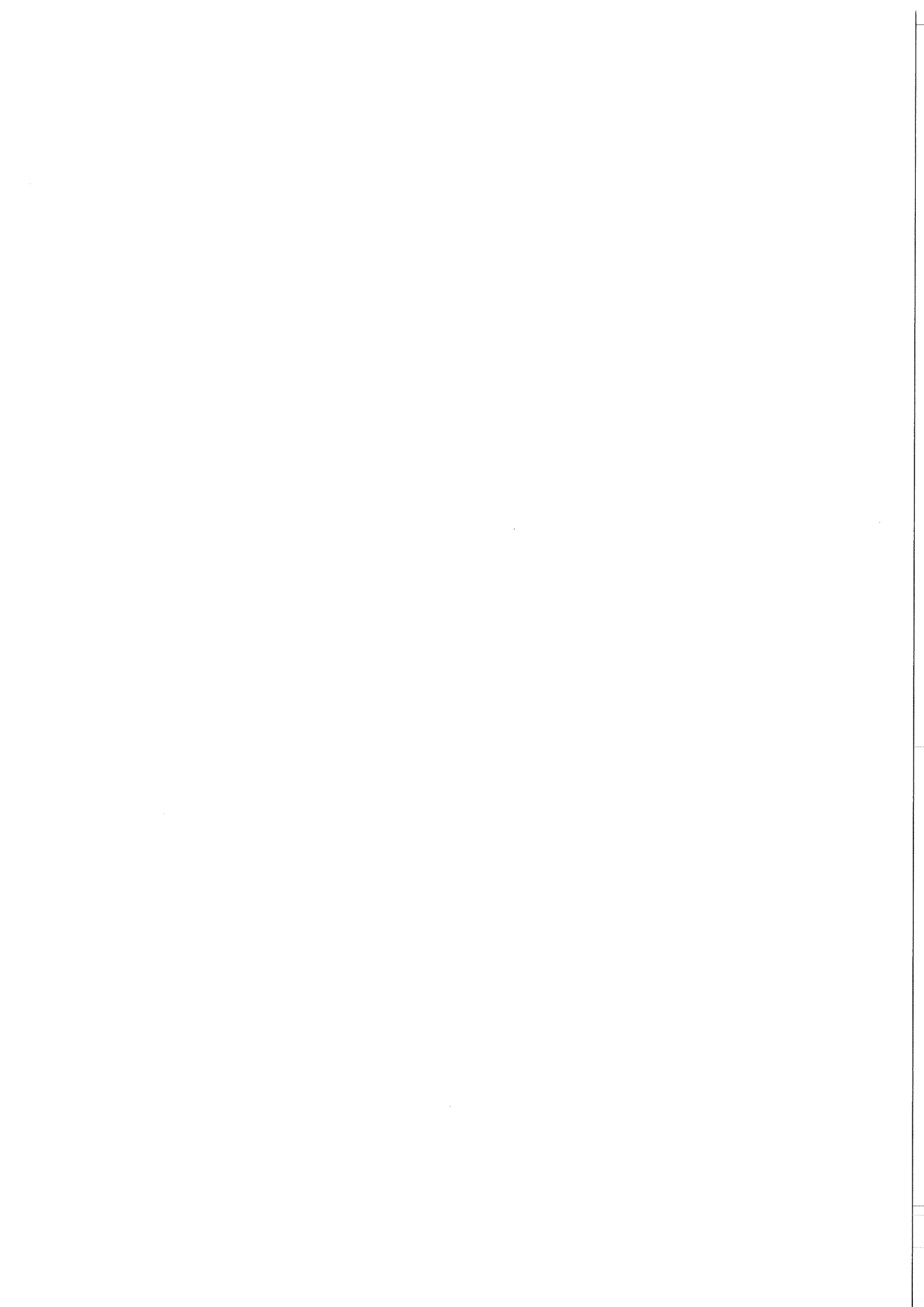


DISTRICT COUNCIL OF YANKALILLA

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2015	\$	\$	\$	\$	\$
Balance at end of previous reporting period		30,768,504	71,465,353	722,846	102,956,703
Net Surplus / (Deficit) for Year		333,782			333,782
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment			159,996		159,996
Transfers between reserves		(230,352)		230,352	-
Balance at end of period		30,871,934	71,625,349	953,198	103,450,481
2014					
Balance at end of previous reporting period		30,994,227	71,141,218	309,777	102,445,222
Net Surplus / (Deficit) for Year		187,346			187,346
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment			324,135		324,135
Transfers between reserves		(413,069)		413,069	-
Balance at end of period		30,768,504	71,465,353	722,846	102,956,703

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

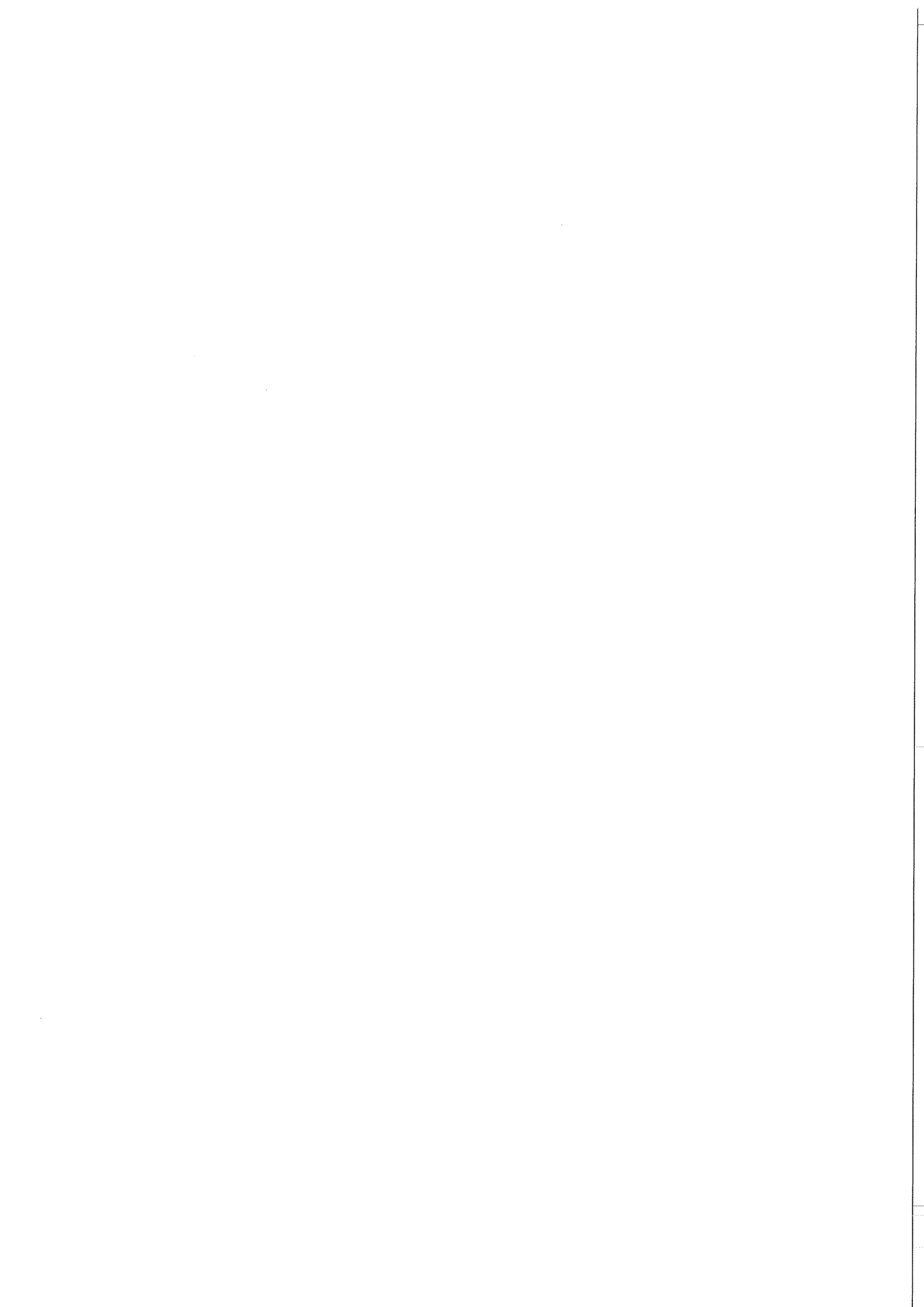


DISTRICT COUNCIL OF YANKALILLA

STATEMENT OF CASH FLOWS for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating Receipts		13,497,480	13,245,414
Investment receipts		82,389	76,715
<u>Payments</u>			
Operating Payments		(9,015,166)	(9,221,488)
Finance payments		(458,030)	(601,101)
Net Cash provided by (or used in) Operating Activities	11	4,106,673	3,499,540
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		80,000	48,931
Sale of replaced assets		191,842	202,879
Sale of surplus assets		151,364	1,860
Repayments of loans by community groups		28,087	39,746
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,606,502)	(1,454,138)
Expenditure on new/upgraded assets		(163,809)	(118,048)
Net Cash provided by (or used in) Investing Activities		(1,319,018)	(1,278,770)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	
<u>Payments</u>			
Repayments of borrowings		(708,894)	(1,149,121)
Net Cash provided by (or used in) Financing Activities		(708,894)	(1,149,121)
Net Increase (Decrease) in cash held		2,078,761	1,071,649
Cash & cash equivalents at beginning of period	11	1,380,400	308,751
Cash & cash equivalents at end of period	11	3,459,161	1,380,400

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



DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 20 October 2015.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

District Council of Yankalilla is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1 Charles Street, Yankalilla. 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.

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - Significant Accounting Policies (cont)

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 2011, one quarter of the 2011/12 allocation, amounting to \$68,832, was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$140,298; and in June 2013, again two quarters of the 2013/14 allocation: \$145,008. Accordingly, the operating results of these periods were 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 \$145,008, which has adversely affected the operating result for that year. The 2014/15 financial year the Federal Government has again two quarters of the 2015/16 allocation, \$148,888. which are recognised on receipt, in advance of the year of allocation.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) 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 Land under roads

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

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 1 - Significant Accounting Policies (cont)

6.2 Initial Recognition

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

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

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

6.3 Materiality

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

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

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

6.6 Impairment

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

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - Significant Accounting Policies (cont)

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.

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate	2.0% (2013, 2.52%)
--------------------------------	--------------------

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 1 - Significant Accounting Policies (cont)

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

9.2 Superannuation

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

10 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.

11 Joint Ventures and Associated Entities

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

12 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.

13 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been used in preparing these reports.

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 2 - INCOME

	2015	2014
Notes	\$	\$
RATES REVENUES		
<u>General Rates</u>	9,054,847	8,433,573
Less: Mandatory rebates	(48,952)	(36,760)
Less: Discretionary rebates, remissions & write offs	<u>(30,436)</u>	<u>(68,227)</u>
	8,975,459	8,328,586
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	174,216	171,838
Wirrina CWMS & Water Supply	467,600	210,000
Community wastewater management systems	1,201,200	1,135,000
	<u>1,843,016</u>	<u>1,516,838</u>
<u>Other Charges</u>		
Penalties for late payment	116,628	106,250
	<u>116,628</u>	<u>106,250</u>
Less: Discretionary rebates, remissions & write offs	(93,520)	
	<u>10,841,583</u>	<u>9,951,674</u>
STATUTORY CHARGES		
Development Act fees	26,757	28,474
Town planning fees	87,607	65,947
Health & Septic Tank Inspection fees	44,335	35,774
Animal registration fees & fines	34,822	35,193
Parking fines / expiation fees	0	1,339
Other licences, fees, & fines	944	1,367
	<u>194,464</u>	<u>168,094</u>
USER CHARGES		
Caravan Park Hire Fees	870,207	834,696
Cemetery/crematoria fees	6,293	4,746
Block Clearing Fees	9,481	21,169
Hall & equipment hire	13,979	4,924
Search Fees	20,367	21,945
HACC Contributions	20,725	12,186
Sales - general	50,403	61,212
Water Consumption	114,148	69,994
Sundry	43,935	31,808
	<u>1,149,538</u>	<u>1,062,680</u>
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	52,158	22,773
Banks & other	5,661	7,332
Loans to community groups	3,109	4,981
Investment property rental income	71,073	48,608
	<u>132,001</u>	<u>83,694</u>

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 2 - INCOME (continued)

	2015	2014
	\$	\$
REIMBURSEMENTS		
- for roadworks	4,318	
- other	78,592	59,370
	82,910	59,370
OTHER INCOME		
Rebates received	80,716	96,339
Sundry	79,421	77,291
	160,137	173,630
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	80,000	48,931
Other grants, subsidies and contributions	629,084	1,189,898
Individually Significant item - Additional Grants		
Commission payment	148,888	
	857,972	1,238,829
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	235,990	930,977
State government	439,204	204,821
Other	182,778	103,031
	857,972	1,238,829

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 2 - INCOME (continued)

	2015	2014
Notes	\$	\$
Conditions over grants & contributions		
<i>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:</i>		
<i>Unexpended at the close of the previous reporting period</i>	223,835	15,553
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Department of Justice - Crime Prevention</i>		(9,477)
<i>Department Planning Transport & Infrastructure (Planning Division)</i>	(195,082)	
<i>Department of Plan/Local Govt</i>		(1,139)
<i>HACC</i>	(17,225)	
<i>Library Board</i>	(8,528)	
<i>ANZ Seed</i>		(855)
<i>Department Social Secure / Youth Advisory</i>	(3,000)	
<i>Subtotal</i>	(223,835)	(11,471)
 <i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Department Planning Transport & Infrastructure (Planning Division)</i>		191,000
<i>HACC</i>		17,225
<i>Library Board</i>		8,528
<i>Department Social Secure / Youth Advisory</i>		3,000
<i>Heritage & Cultural Services</i>		
<i>Subtotal</i>	223,835	219,753
 <i>Unexpended at the close of this reporting period</i>	223,835	223,835
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	(223,835)	208,282
 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Land & Improvements		
Roads, Bridges & Footpaths	13,600	212,750
Stormwater Drainage		59,094
Furniture & Fittings		2,090
TOTAL PHYSICAL RESOURCES RECEIVED	13,600	273,934

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 3 - EXPENSES

	Notes	2015 \$	2014 \$
EMPLOYEE COSTS			
Salaries and Wages		3,606,078	3,248,101
Employee leave expense		139,866	42,416
Superannuation - defined contribution plan contributions	18	248,758	217,817
Superannuation - defined benefit plan contributions	18	75,180	71,464
Workers' Compensation Insurance		160,730	161,840
Other		55,840	43,174
Less: Capitalised and distributed costs		(207,493)	(69,513)
Total Operating Employee Costs		4,078,959	3,715,299
Total Number of Employees		47.1	44.0
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		17,105	12,500
- Other Auditors		4,718	5,000
Bad and Doubtful Debts		(467)	3,420
Elected members' expenses		119,867	123,704
Election expenses		29,918	15,555
Insurance		231,306	236,080
Subtotal - Prescribed Expenses		402,446	396,259
<u>Other Materials, Contracts & Expenses</u>			
Contractors, Materials & Other Expenses		4,213,196	3,903,035
Legal Expenses		75,765	60,879
Levies paid to government - NRM levy		172,888	171,838
- Other Levies		23,247	7,413
Parts, accessories & consumables		300,896	302,985
Subtotal - Other Materials, Contracts & Expenses		4,785,992	4,446,150
		5,188,438	4,842,409
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings		157,814	160,289
Recreation		84,591	83,743
Infrastructure			
- Transport Infrastructure		2,115,551	2,277,430
- Community Waste Management Scheme		338,988	346,483
- Stormwater Drainage		154,379	153,660
- Wirrina CWMS & Water Supply		121,484	118,385
Major Plant & Equipment		318,803	318,948
Fleet Plant		98,817	88,885
Furniture & Fittings		97,639	88,283
Other Assets		11,875	11,876
		3,499,941	3,647,982

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 3 - EXPENSES (cont)

	Notes	2015 \$	2014 \$
FINANCE COSTS			
Interest on overdraft and short-term drawdown		-	7,752
Interest on Loans		458,030	516,787
		458,030	524,539

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Assets renewed or directly replaced

Proceeds from disposal		191,842	203,554
Less: Carrying amount of assets sold		(200,354)	(317,251)
Gain (Loss) on disposal		(8,512)	(113,697)

Assets surplus to requirements

Proceeds from disposal		151,364	1,860
Less: Carrying amount of assets sold		(44,409)	(675)
Gain (Loss) on disposal		106,955	1,185

NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		98,443	(112,512)
---	--	---------------	------------------

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	366,859	22,363
BankSA at Call	142,067	80,772
LGFA - 24 Hour Call	2,949,541	1,276,588
LGFA CWMS - 24 Hour Call	694	677
	3,459,161	1,380,400

TRADE & OTHER RECEIVABLES

Rates - General & Other	1,007,211	1,188,199
Rates postponed for State Seniors	9,108	5,793
Accrued Revenues	13,885	8,419
Debtors - general	85,912	194,302
GST Recoupment	(3,564)	31,585
Prepayments	30,794	34,742
Loans to community organisations	22,776	28,587
Debtors - Wirrina Water Consumption	115,473	41,885
	1,281,595	1,533,512
Less: Allowance for Doubtful Debts	(8,381)	(8,848)
	1,273,214	1,524,664

INVENTORIES

Stores & Materials	60,721	44,627
	60,721	44,627

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

Note 6 - NON-CURRENT ASSETS

	Notes	2015 \$	2014 \$
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		8,721	30,997
		8,721	30,997
TOTAL FINANCIAL ASSETS			
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
<i>Southern & Hills Local Govt Association</i>		11,118	5,609
<i>Fleurieu Regional Waste Authority</i>		96,735	73,743
		107,853	79,352

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2014						2015					
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	11,900,863	35,000	-	11,935,863	11,900,863	35,000	-	11,935,863	11,900,863	35,000	-	11,935,863
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	8,554,116	154,828	(2,317,588)	6,391,356	8,554,116	194,828	(2,475,402)	6,273,542	8,554,116	194,828	(2,475,402)	6,273,542
Recreation	2,709,600	191,913	(1,086,267)	1,815,246	2,709,600	274,460	(1,170,858)	1,813,202	2,709,600	274,460	(1,170,858)	1,813,202
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
- Transport Infrastructure	91,608,109	2,008,541	(34,941,985)	58,674,665	90,905,890	2,865,376	(36,422,577)	57,348,689	90,905,890	2,865,376	(36,422,577)	57,348,689
- Community Waste Management S	17,956,140	922,648	(4,964,449)	13,914,339	18,081,193	974,300	(5,276,769)	13,778,724	18,081,193	974,300	(5,276,769)	13,778,724
- Stormwater Drainage	14,286,006	129,497	(3,138,340)	11,277,163	14,270,728	237,671	(3,287,275)	11,221,124	14,270,728	237,671	(3,287,275)	11,221,124
- Wirrina CWMS & Water Supply	-	2,599,571	(118,385)	2,481,186	-	2,612,794	(234,857)	2,377,937	-	2,612,794	(234,857)	2,377,937
Major Plant & Equipment	-	3,803,066	(2,163,926)	1,639,140	-	3,433,566	(1,934,214)	1,499,352	-	3,433,566	(1,934,214)	1,499,352
Fleet Plant	-	550,150	(259,028)	291,122	-	627,868	(202,218)	425,650	-	627,868	(202,218)	425,650
Furniture & Fittings	-	1,037,057	(708,633)	328,424	-	1,092,203	(806,272)	285,931	-	1,092,203	(806,272)	285,931
Other Assets	526,290	9,643	(281,312)	254,621	526,290	9,643	(293,187)	242,746	526,290	9,643	(293,187)	242,746
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	147,541,124	11,441,914	(49,979,913)	109,003,125	146,948,680	12,357,709	(52,103,629)	107,202,760	146,948,680	12,357,709	(52,103,629)	107,202,760
Comparatives	148,086,093	10,250,721	(47,536,619)	110,800,195	147,541,124	11,441,914	(49,979,913)	109,003,125	147,541,124	11,441,914	(49,979,913)	109,003,125

This Note continues on the following pages.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR							2015
	2014		\$					\$
	CARRYING AMOUNT	New/Upgrade	Additions Renewals	Disposals	Depreciation	Net Revaluation	CARRYING AMOUNT	
Land	11,935,863	-	-	-	-	-	11,935,863	
Buildings	-	-	-	-	-	-	-	
Buildings	6,391,356	40,000	-	-	(157,814)	-	6,273,542	
Recreation	1,815,246	62,547	20,000	-	(84,591)	-	1,813,202	
Infrastructure	-	-	-	-	-	-	-	
- Transport Infrastructure	58,674,665	13,600	843,235	(67,260)	(2,115,551)	-	57,348,689	
- Community Waste Management Service	13,914,339	-	51,652	(8,275)	(338,988)	159,996	13,778,724	
- Stormwater Drainage	11,277,163	-	108,174	(9,834)	(154,379)	-	11,221,124	
- Wirrina CWMS & Water Supply	2,481,186	18,500	-	(265)	(121,484)	-	2,377,937	
Major Plant & Equipment	1,639,140	-	234,706	(55,691)	(318,803)	-	1,499,352	
Fleet Plant	291,122	-	322,751	(89,406)	(98,817)	-	425,650	
Furniture & Fittings	328,424	42,762	12,384	-	(97,639)	-	285,931	
Other Assets	254,621	-	-	-	(11,875)	-	242,746	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	109,003,125	177,409	1,592,902	(230,731)	(3,499,941)	159,996	107,202,760	
Comparatives	110,800,195	389,892	1,454,138	(317,251)	(3,647,982)	324,133	109,003,125	

This Note continues on the following pages.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

Valuation of Assets

General Valuation Principles

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

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

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

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

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

Transition to AASB 13: 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.

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

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

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

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

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 7 – Property, Plant & Equipment (cont)

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

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

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$2,000
Other Plant & Equipment	\$3,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000

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

Plant, Furniture & Equipment	
Office Equipment	3 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equipment	5 to 10 years
Other Plant & Equipment	5 to 15 years
Building, Recreation & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc.	10 to 20 years
TV Towers & Equipment	10 to 65 years
Infrastructure (Inc. Transport, CWMS, Water & Stormwater)	
Sealed Roads – Surface	17 to 25 years
Sealed Roads – Structure	40 to 80 years
Unsealed Roads	8 to 20 years
Bridges – Concrete	80 years
Paving & Footpaths, Kerb & Gutter	15 to 70 years
Drains	100 years
Culverts	70 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	50 to 70 years
Reticulation Pipes – other	50 to 70 years
Pumps & Telemetry	20 years

District Council of Yankalilla

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 7 – Property, Plant & Equipment (cont)

Land

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

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

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost.

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.

Buildings & Recreation

Buildings were valued by Asset Valuation & Consulting Pty Ltd at written down current replacement cost during the reporting period commencing 1 July 2012 and pursuant to Council's election, are disclosed at fair value.

Recreation was valued by Maloney Fields Services, Property Consultants and Valuer's at written down current replacement cost during the reporting period ended 30 June 2010.

All acquisitions made after the respective dates of valuation will be recorded at cost.

Infrastructure

Transportation assets were valued by Tonkin Consulting at written down current replacement cost during the reporting period commencing 1 July 2013 and pursuant to Council's election are disclosed at fair value. All acquisitions made after the respective dates of valuation will be recorded at cost.

Stormwater drainage infrastructure was valued by Tonkin Consulting at written down current replacement cost during the reporting period ending 30 June 2015 and pursuant to Council's election are disclosed at fair value.

Community Wastewater Management Scheme infrastructure was valued by Tonkin Consulting at written down current replacement cost during the reporting period ended 30 June 2015 and pursuant to Council's election, are disclosed at fair value. All acquisitions made after the respective dates of valuation will be recorded at cost.

Wirrina Community Wastewater Management Scheme & Water Supply infrastructure was valued by Tonkin Consulting at written down current replacement cost during the reporting period and pursuant to Council's election, are disclosed at fair value. All acquisitions made after the respective dates of valuation will be recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 8 - LIABILITIES

		2015		2014	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		560,435		455,956	
Payments received in advance		54,625		47,789	
Accrued expenses - employee entitlements		418,072		397,968	
Accrued expenses - other		154,597		156,121	
Other		13,161		15,746	
		1,200,890	-	1,073,580	-
BORROWINGS					
Loans		584,156	6,368,578	708,894	6,952,734
		584,156	6,368,578	708,894	6,952,734
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
PROVISIONS					
Employee entitlements (including oncosts)		393,695	114,630	262,567	108,687
		393,695	114,630	262,567	108,687

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2014	Net Increments (Decrements)	Transfers, Impairments	30/6/2015
Notes	\$	\$	\$	\$
Land	8,216,500			8,216,500
Buildings	1,443,701			1,443,701
Recreation	1,501,313			1,501,313
Infrastructure				
- Transport Infrastructure	44,809,007			44,809,007
- Community Waste Management Scheme	7,367,885	159,996		7,527,881
- Stormwater Drainage	8,075,342			8,075,342
Other Assets	51,605			51,605
TOTAL	71,465,353	159,996		71,625,349
<i>Comparatives</i>	<i>71,141,218</i>	<i>324,135</i>		<i>71,465,353</i>

OTHER RESERVES	1/7/2014	Transfers to Reserve	Transfers from Reserve	30/6/2015
TV Towers Reserve	20,000			20,000
Open Space Development	2,433			2,433
Community Waste Management Scheme	691,722	230,352		922,074
Caravan Park Reserve	8,691			8,691
TOTAL OTHER RESERVES	722,846	230,352		953,198
<i>Comparatives</i>	<i>309,777</i>	<i>564,918</i>	<i>(151,849)</i>	<i>722,846</i>

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Available-for-sale Investments Reserve

This reserve records the net difference between original cost, and fair value at reporting date, of financial instruments classified as available-for-sale. On disposal of the financial instrument, the balance standing in the reserve in relation to that instrument is transferred to profit and loss (see Note 4).

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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.

CASH & FINANCIAL ASSETS

Unexpended amounts received from Federal Government		39,082
Dept. Planning, Transport & Infrastructure (Planning Div.)		156,000
Federal Government Special Road Funding		17,225
Federal Government (HACC 2 Program)		0
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	0	212,307

The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance.

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	5	3,459,161	1,380,400
Balances per Cash Flow Statement		3,459,161	1,380,400

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

Net Surplus (Deficit)		333,782	187,346
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		3,499,941	3,647,983
Equity movements in equity accounted investments (increase) decrease		(28,501)	(18,182)
Net increase (decrease) in unpaid employee benefits		137,071	118,601
Change in allowances for under-recovery		(467)	3,420
Non-cash asset acquisitions		(13,600)	(273,934)
Grants for capital acquisitions treated as Investing Activity		(80,000)	(48,931)
Net (Gain) Loss on Disposals		(98,443)	112,512
		3,749,783	3,728,815
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		246,106	(163,726)
Net (increase) decrease in inventories		(16,094)	(12,551)
Net (increase) decrease in other current assets		5,811	11,159
Net increase (decrease) in trade & other payables		127,310	(43,146)
Net increase (decrease) in other provisions		-	
Net increase (decrease) in other liabilities		(6,243)	(21,011)
Net Cash provided by (or used in) operations		4,106,673	3,499,540

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	13,600	273,934
		13,600	273,934

(d) Financing Arrangements

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

Corporate Credit Cards		10,000	10,000
LGFA Cash Advance Debenture facility		6,500,000	6,500,000

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES											
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2015	2014	2015	2014	
	2015	2014	2015	2014	2015	2014	\$	\$	\$	\$	
Business Undertakings	2,665,820	2,331,172	2,524,145	2,441,401	141,675	(110,229)	10,003	38,077	20,589,112	20,637,039	
Community Services	215,641	150,550	728,049	1,026,806	(512,408)	(876,256)	129,982	97,579	3,288,673	3,363,940	
Culture	16,960	10,901	142,785	75,795	(125,825)	(64,894)	12,957	6,570	475,157	475,157	
Economic Development	86,122	90,709	380,906	487,451	(294,784)	(396,742)			746,757	746,757	
Environment	268,586	277,037	1,298,292	1,662,495	(1,029,706)	(1,385,458)	88,279	82,775	12,763,091	12,819,130	
Recreation	2,308	2,006	424,928	669,555	(422,620)	(667,549)			5,647,383	5,743,849	
Regulatory Services	202,567	184,466	641,507	1,051,664	(438,940)	(867,198)			145,092	145,092	
Transport	386,469	895,482	3,579,116	4,617,307	(3,192,647)	(3,721,825)	386,469	895,300	57,534,123	58,792,839	
Plant Hire & Depot/Indirect	13,378	24,225	978,193	667,233	(964,815)	(643,008)	1,000		1,792,810	1,977,848	
Unclassified Activities	700		335,131	30,522	(334,431)	(30,522)			620,623	719,440	
Council Administration	9,508,556	8,722,492	2,192,316		7,316,240	8,722,492	149,282	69,597	8,509,609	6,640,955	
TOTALS	13,367,107	12,689,040	13,225,368	12,730,229	141,739	(41,189)	777,972	1,189,898	112,112,430	112,062,046	

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Caravan Parks, Gravel Pits/Quarries, Private Works, Property Portfolio, Sewerage/CWMS, Water Supply – Domestic, Wirrina CWMS & Water Supply.

Community Services

Public Order and Safety, Crime Prevention, Emergency Services, Other Public Order and Safety, Pest Control – Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Home Assistance Scheme, Children and Youth Services, Community Assistance, Community Transport, 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

Static Libraries Service, Museums and Art Galleries and Other Cultural Services.

Economic Development

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

Environment

Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Street scaping, Natural Resource Management Levy and Other Environment.

Recreation

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Outdoor and Other Recreation.

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Other Fire Protection, Parking Control, and Other Regulatory Services.

Transport

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

Plant Hire & Depot/Indirect

Plant Hire and Depot Costs

Unclassified Activities

Infrastructural Management, Technical Service and Building Management.

Council Administration

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 14 - COMMITMENTS FOR EXPENDITURE

	2015	2014
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land		
Buildings	40,000	
Roads & Footpaths		156,000
Plant & Equipment	22,453	35,000
	<u>62,453</u>	<u>191,000</u>
These expenditures are payable:		
Not later than one year	62,453	191,000
	<u>62,453</u>	<u>191,000</u>
Other Expenditure Commitments		
Other non-capital expenditure commitments in relation to investment properties:		
Maintenance contracts		
Audit Services	30,000	42,500
Waste Management Contract	686,931	823,200
Employee Remuneration Contracts	169,700	169,700

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 13 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 0.25% and 2.5% (2014: 0.25% and 2.5%). Short term deposits have an average maturity.</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legal & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>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.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.64% and quarterly interest 2.0% (2014: interest 0.66% and quarterly 2.0%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>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.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>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.</p> <p>Carrying amount: approximates fair value.</p>
Receivables - Retirement Home Contributions	<p>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.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>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.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.5% and 7.0% (2014: 4.5% and 7.0%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	3,459,161			3,459,161	3,459,161
Receivables	272,933			272,933	257,235
Total	3,732,094	-	-	3,732,094	3,716,396
Financial Liabilities					
Payables	704,837			704,837	628,221
Current Borrowings	584,156			584,156	584,156
Non-Current Borrowings		2,859,961	3,508,617	6,368,578	6,368,578
Total	1,288,993	2,859,961	3,508,617	7,657,571	7,580,955
2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	1,380,400			1,380,400	1,380,400
Receivables	339,520	30,997		370,517	370,517
Total	1,719,920	30,997	-	1,750,917	1,750,917
Financial Liabilities					
Payables	519,491			519,491	519,491
Current Borrowings	708,894			708,894	708,894
Non-Current Borrowings		2,807,256	4,145,478	6,952,734	6,952,734
Total	1,228,385	2,807,256	4,145,478	8,181,119	8,181,119

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

	30 June 2015		30 June 2014	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Fixed Interest Rates	6.3	\$ 6,952,734	6.3	\$ 7,661,628
		<u>6,952,734</u>		<u>7,661,628</u>

Net Fair Value

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

Risk Exposures

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

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

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

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 15 - FINANCIAL INDICATORS

	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. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	1%	0%	(4%)
Rates - general & other less NRM levy			

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

Adjusted Operating Surplus Ratio

	0%	0%	(4%)
--	----	----	------

*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.*

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	29%	49%	70%
Total Operating Revenue			

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.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	50%	50%	40%
Infrastructure & Asset Management Plan required expenditure			*

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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2015 \$	2014 \$
Income	13,367,107	12,707,222
less Expenses	<u>13,225,368</u>	<u>12,730,229</u>
Operating Surplus / (Deficit)	141,739	(23,007)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,592,902	1,454,138
Depreciation, Amortisation and Impairment	(3,499,941)	(3,647,982)
Proceeds from Sale of Replaced Assets	(191,842)	(202,879)
	<u>(2,098,881)</u>	<u>(2,396,723)</u>
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	163,809	118,048
Amounts received specifically for New and Upgraded Assets	(80,000)	(48,931)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	(151,364)	(1,860)
	<u>(67,555)</u>	<u>67,257</u>
Net Lending / (Borrowing) for Financial Year	<u>2,308,175</u>	<u>2,306,459</u>

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 17 - OPERATING LEASES

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.

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.

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

	2015	2014
	\$	\$
Not later than one year	33,109	32,460
Later than one year and not later than 5 years	22,885	55,994
	55,994	88,454

Lease payment commitments of Council

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

Contingent rental payments exist in relation to the lease of one grader if utilisation exceeds 250 hours during any month. 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:

	2015	2014
	\$	\$
Not later than one year	9,492	9,492
Later than one year and not later than 5 years	23,730	33,222
	33,222	42,714

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 18 – SUPERANNUATION

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.5% 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 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 salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in 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 Fund'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 Scheme'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

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 19 - INTERESTS IN OTHER ENTITIES

Equity accounted Council Businesses

All equity accounted Council businesses are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Southern & Hills Local Government Association:

In conjunction with District Council of Yankalilla, other Constituents Councils are Adelaide Hills, Alexandrina

	2015	2014
	\$	\$
Southern & Hills Local Government Association		
Council's respective interests are:		
- interest in the operating result	12.5%	12.5%
- ownership share of equity	12.5%	12.5%
- the proportion of voting power	12.5%	12.5%
 <u>Movements in Investment in Joint Operation</u>	 \$	 \$
Opening Balance	5,609	4,490
Share in Operating Result	5,509	1,119
Share in Equity of Joint Operation	11,118	5,609
 Summarised financial information of the equity accounted business		
<u>Statement of Financial Position</u>		
Cash and cash equivalents	107,772	59,548
Other current assets	4,118	3,721
Total assets	111,890	63,269
Current trade and other payables	22,945	18,398
Total liabilities	22,945	18,398
Net Assets	88,945	44,871
 <u>Statement of Comprehensive Income</u>		
Other income	116,677	56,494
Contributions from constituent Councils	107,235	98,423
Interest income	1,829	1,988
Total Income	225,741	156,905
Materials, contracts & other expenses	178,455	144,365
Finance costs	3,121	3,588
Total expenses	181,576	147,953
Operating Result	44,165	8,952
Other comprehensive income		
Total Comprehensive Income	44,165	8,952

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 19 (cont) - INTERESTS IN OTHER ENTITIES

Fleurieu Regional Waste Authority:

In conjunction with District Council of Yankalilla, other Constituents Councils are Alexandrina Council, Kangaroo Island Council and District Council of Victor Harbor.

	2015	2014
	\$	\$
Fleurieu Regional Waste Authority		
Council's respective interests are:		
- interest in the operating result	15.0%	15.0%
- ownership share of equity	15.0%	15.0%
- the proportion of voting power	15.0%	15.0%
 <u>Movements in Investment in Joint Operation</u>	 \$	 \$
Opening Balance	73,743	56,680
Share in Operating Result	22,992	17,063
 Share in Equity of Joint Operation	 96,735	 73,743

Summarised financial information of the equity accounted business

Statement of Financial Position

Cash and cash equivalents	1,382,140	1,189,690
Other current assets	353,893	444,010
Non-current assets	2,045,810	1,965,191
Total assets	3,781,843	3,598,891
 Current trade and other payables	 939,157	 1,058,456
Current financial liabilities	451,310	359,128
Current provisions	198,126	210,314
Non-current trade and other payables		
Non-current financial liabilities	1,512,690	1,459,195
Non-current provisions	35,666	20,181
Total liabilities	3,136,949	3,107,274
Net Assets	644,894	491,617

Statement of Comprehensive Income

Other income	7,195,581	6,793,441
Contributions from constituent Councils		
Interest income	32,706	28,939
Total Income	7,228,287	6,822,380
 Employee costs	 2,509,112	 2,239,551
Materials, contracts & other expenses	3,917,121	3,812,612
Depreciation, amortisation & impairment	519,699	528,936
Finance costs	129,078	127,529
Total expenses	7,075,010	6,708,628
Other revenue / expense items		
Operating Result	153,277	113,752
 Other comprehensive income		
Total Comprehensive Income	153,277	113,752

DISTRICT COUNCIL OF YANKALILLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 20 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 1026 km of road reserves of average width 19 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Note 21 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30th June 2015 that need to be disclosed in the financial statements.

DISTRICT COUNCIL OF YANKALILLA
INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of the District Council of Yankalilla:

We have audited the accompanying financial report of the District Council of Yankalilla, ("the Council"), which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Certification of Financial Statements.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011. This responsibility includes designing, implementing and maintaining internal controls to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer as well as evaluating the overall presentation of the financial report.

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report for the District Council of Yankalilla for the financial year ended 30 June 2015 included on the Council's website. The Chief Executive Officer is responsible for the integrity of the Council's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financials report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

DISTRICT COUNCIL OF YANKALILLA
INDEPENDENT AUDITOR'S REPORT (Continued)

Independence

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

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the District Council of Yankalilla as at 30 June 2015 and its performance for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

HLB Mann Judd
HLB Mann Judd
Chartered Accountants

C. McGowan
Corey McGowan
Partner

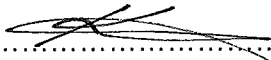
Adelaide, South Australia
30 October 2015

**ANNUAL 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 District Council of Yankalilla for the year ended 30 June 2015, the Council's Auditor, HLB Mann Judd, 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*.



.....
Kirk Richardson
CHIEF EXECUTIVE OFFICER



.....
Jeff Lucy
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 20 October 2015

The Mayor and Council Members
District Council of Yankalilla
PO Box 9
YANKALILLA SA 5203

The Mayor and Council Members

**INDEPENDENCE STATEMENT BY THE AUDITOR
FOR THE YEAR ENDED 30 JUNE 2015**

I confirm that, for the audit of the financial statements of the District Council of Yankalilla 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.

HLB Mann Judd
HLB Mann Judd
Chartered Accountants

C.M.G.
Corey McGowan
Partner

Adelaide, South Australia
30 October 2015