

# The City of Unley

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

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*Our City is recognised for its vibrant community spirit,  
quality lifestyle choices, diversity, business strength and  
innovative leadership.*



# The City of Unley

## General Purpose Financial Statements for the year ended 30 June 2015

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## The City of Unley

### 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.



Peter Tsokas  
**CHIEF EXECUTIVE OFFICER**



Lachlan Clyne  
**MAYOR**

Date: 13 October 2015

# The City of Unley

## Statement of Comprehensive Income

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
<b>Income</b>			
Rates Revenues	2a	35,902	34,113
Statutory Charges	2b	1,395	1,270
User Charges	2c	1,537	1,580
Grants, Subsidies and Contributions	2g	3,933	3,059
Investment Income	2d	16	21
Reimbursements	2e	294	239
Other Income	2f	1,014	763
Net Gain - Equity Accounted Council Businesses	19	202	155
<b>Total Income</b>		<b>44,293</b>	<b>41,200</b>
<b>Expenses</b>			
Employee Costs	3a	15,840	15,355
Materials, Contracts & Other Expenses	3b	18,150	16,993
Depreciation, Amortisation & Impairment	3c	6,448	6,811
Finance Costs	3d	531	552
<b>Total Expenses</b>		<b>40,969</b>	<b>39,711</b>
<b>Operating Surplus / (Deficit)</b>		<b>3,324</b>	<b>1,489</b>
Asset Disposal & Fair Value Adjustments	4	161	(8)
Amounts Received Specifically for New or Upgraded Assets	2g	1,477	285
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>4,962</b>	<b>1,766</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	24,692	(6,210)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	(7,830)	-
<b>Total Other Comprehensive Income</b>		<b>16,862</b>	<b>(6,210)</b>
<b>Total Comprehensive Income</b>		<b>21,824</b>	<b>(4,444)</b>

<sup>1</sup> Transferred to Equity Statement

# The City of Unley

## Statement of Financial Position

as at 30 June 2015

\$ '000	Notes	2015	2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	1,091	115
Trade & Other Receivables	5b	2,241	1,958
Other Financial Assets	5c	18	27
<b>Total Current Assets</b>		<b>3,350</b>	<b>2,100</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	41	61
Equity Accounted Investments in Council Businesses	6b	10,977	18,605
Infrastructure, Property, Plant & Equipment	7a	557,900	529,246
<b>Total Non-Current Assets</b>		<b>568,918</b>	<b>547,912</b>
<b>TOTAL ASSETS</b>		<b>572,268</b>	<b>550,012</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	5,042	5,582
Borrowings	8b	5,932	6,692
Provisions	8c	1,806	1,557
<b>Total Current Liabilities</b>		<b>12,780</b>	<b>13,831</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	5,466	4,003
Provisions	8c	575	583
Other Non-Current Liabilities	8e	181	153
<b>Total Non-Current Liabilities</b>		<b>6,222</b>	<b>4,739</b>
<b>TOTAL LIABILITIES</b>		<b>19,002</b>	<b>18,570</b>
<b>Net Assets</b>		<b>553,266</b>	<b>531,442</b>
<b>EQUITY</b>			
Accumulated Surplus		126,656	121,694
Asset Revaluation Reserves	9a	426,610	409,748
<b>Total Council Equity</b>		<b>553,266</b>	<b>531,442</b>

# The City of Unley

## Statement of Changes in Equity for the year ended 30 June 2015

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2015</b>					
<b>Balance at the end of previous reporting period</b>		121,694	409,748	-	<b>531,442</b>
<b>a. Net Surplus / (Deficit) for Year</b>		4,962	-	-	<b>4,962</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	24,692	-	<b>24,692</b>
- Share of OCI - Equity Accounted Council Businesses	19	-	(7,830)	-	<b>(7,830)</b>
<b>Other Comprehensive Income</b>		-	16,862	-	<b>16,862</b>
<b>Total Comprehensive Income</b>		<b>4,962</b>	<b>16,862</b>	<b>-</b>	<b>21,824</b>
<b>Balance at the end of period</b>		<b>126,656</b>	<b>426,610</b>	<b>-</b>	<b>553,266</b>
<b>2014</b>					
<b>Balance at the end of previous reporting period</b>		119,928	415,958	23	<b>535,909</b>
<b>a. Net Surplus / (Deficit) for Year</b>		1,766	-	-	<b>1,766</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(6,210)	-	<b>(6,210)</b>
- Ron Young Reserve fully expended in line with bequest requirements		-	-	(23)	<b>(23)</b>
<b>Other Comprehensive Income</b>		-	(6,210)	(23)	<b>(6,233)</b>
<b>Total Comprehensive Income</b>		<b>1,766</b>	<b>(6,210)</b>	<b>(23)</b>	<b>(4,467)</b>
<b>Balance at the end of period</b>		<b>121,694</b>	<b>409,748</b>	<b>-</b>	<b>531,442</b>

# The City of Unley

## Statement of Cash Flows

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Operating Receipts		43,572	41,378
Investment Receipts		6	21
<b><u>Payments</u></b>			
Operating Payments to Suppliers and Employees		(33,836)	(32,293)
Finance Payments		(531)	(557)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>9,211</b>	<b>8,549</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		1,477	285
Sale of Replaced Assets		386	458
Repayments of Loans by Community Groups		29	46
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(7,518)	(8,128)
Expenditure on New/Upgraded Assets		(3,313)	(3,364)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(8,939)</b>	<b>(10,703)</b>
<b>Cash Flows from Financing Activities</b>			
<b><u>Receipts</u></b>			
Proceeds from Borrowings		2,425	-
<b><u>Payments</u></b>			
Repayments of Borrowings		(1,229)	(1,150)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>1,196</b>	<b>(1,150)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>1,468</b>	<b>(3,304)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	(5,348)	(2,044)
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>(3,880)</b>	<b>(5,348)</b>

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

### Contents of the Notes accompanying the Financial Statements

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

### Note 1. Summary of Significant Accounting Policies

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The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

The City of Unley is incorporated under the South Australian *Local Government Act 1999* and has its

principal place of business at 181 Unley Road, Unley. 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.

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.

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

Note 1. Summary of Significant Accounting Policies (continued)

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.

**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 which is \$3000. 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.

**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.

**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.

Equipment, Furniture & Fittings	2 to 15 years
Buildings	50 years
Infrastructure:	
Roads, Lanes, Kerb & Watertable	20 to 100 years
Pathways	20 to 50 years
Drainage	35 to 100 years
Traffic and Lighting	5 to 20 years
Bridges	50 to 75 years
Recycled Water	5 to 50 years
Other Assets	5 to 20 years

**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

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

Note 1. Summary of Significant Accounting Policies (continued)

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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.

### 8 Payables

#### 8.1 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.

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

### 9 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is

accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

### 10 Employee Benefits

#### 10.1 Salaries, Wages & 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	3% (2014, 2.5%)
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#### 10.2 Superannuation

The 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.

#### 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.

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

Note 1. Summary of Significant Accounting Policies (continued)

**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 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".

**14 Interests in Other Entities**

Council has a 50% share in the regional subsidiary, Centennial Park Cemetery Authority. Council's share has been recognised in the Financial Statements by including its share of the net assets within the Statement of Financial Position. The Change in the equity share, including any asset revaluation, is disclosed in the Statement of Comprehensive Income. Details are reported in Note 19

As a result of changes made to the Charter of Centennial Park Cemetery Authority on August 2011, all distributions paid by the Authority to

Council are recorded as revenue in the Statement of Comprehensive Income. Distributions paid by the Authority to Council are regarded as payments for guaranteeing the liabilities of the Authority and accordingly are treated as an expense in the Statement of Comprehensive Income in the Financial Statements of Authority.

Council is party to an agreement with the Cities of Burnside, Mitcham, West Torrens and the Corporation of the City of Adelaide in relation to the Brown Hill Keswick Creek Project which is accounted for under AASB 11 Joint Arrangements as a joint operation. As such, each Party is responsible for its own direct costs, and joint assets, revenue and expenses are shared on the basis set out in the agreement and Stormwater Management Plan documentation. Council's share has been recognised in the Financial Statements by including its share of joint revenue and expenditure in the Statement of Comprehensive Income and Council's share of joint assets within the Statement of Financial Position. Further details are provided in Note 19.

**15 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.

**16 New accounting standards and UIG interpretations**

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

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	Title
9	Financial Instruments
15	Revenue from Contracts with Customers
119	Employee Benefits
124	Related Party Disclosures
2014	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interest in Joint Operations (AASB 1 & AASB 11)
2014-5	Amendments to Australian Accounting Standards arising from AASB 15
2014-7	Amendments to Australian Accounting Standards arising from AASB 9
2014-8	Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2014) – Application of AASB 9 (Dec 2009) and AASB 9 (Dec 2010)
2014-10	Sale or contribution of Assets between an Investor and its Associates or Joint Venture
2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
2015-3	Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
2015-6	Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-For-Profit Public Sector Entities

The Authority is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in these financial statements.

**17 Early Adoption AASB 13 Fair Value Measurement**

The Authority has elected to early adopt the amendments to AASB 13 *Fair Value Measurement* for the annual reporting period commencing 1 July 2014. The amendments provide relief for not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 *Property Plant and Equipment* which are primarily held for their current service potential rather than to generate future net cash flows.

The amendments are mandatory for the annual reporting periods commencing on or after 1 July 2016.

As a result of early adopting, the Authority is no longer required to disclose the following information:

- For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, quantitative information about the significant unobservable inputs used in the fair value measurements;
- For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of total gains and losses for the period included in profit or loss that is attributable to the change in unrealised gains or losses relating to the assets held at the end of the reporting period, and then line item(s) in profit or loss in which those unrealised gains or losses are recognised; and
- For recurring fair value measurement categorised within level 3 of the fair value hierarchy, a narrative description of the sensitivity of the fair measurement to changes in unobservable inputs if a change in these inputs to a different amount might result in a significantly higher or lower fair value measurement. Where there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, the disclosure of a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs of the fair value measurement.

**18 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.

**19 Disclaimer**

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

# The City of Unley

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

### Note 2. Income

\$ '000	Notes	2015	2014
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		35,174	33,362
Less: Mandatory Rebates		(799)	(762)
Less: Discretionary Rebates, Remissions & Write Offs		(7)	(15)
<b>Total General Rates</b>		<b>34,368</b>	<b>32,585</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,088	1,076
Separate & Special Rates		324	303
<b>Total Other Rates</b>		<b>1,412</b>	<b>1,379</b>
<b>Other Charges</b>			
Penalties for Late Payment		98	94
Legal & Other Costs Recovered		24	55
<b>Total Other Charges</b>		<b>122</b>	<b>149</b>
<b>Total Rates Revenues</b>		<b>35,902</b>	<b>34,113</b>
<b>(b). Statutory Charges</b>			
Other Licences, Fees & Fines		1,395	1,270
<b>Total Statutory Charges</b>		<b>1,395</b>	<b>1,270</b>
<b>(c). User Charges</b>			
Sundry		1,537	1,580
<b>Total User Charges</b>		<b>1,537</b>	<b>1,580</b>
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		9	10
- Banks & Other		7	11
<b>Total Investment Income</b>		<b>16</b>	<b>21</b>

# The City of Unley

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

### Note 2. Income (continued)

\$ '000	Notes	2015	2014
<b>(e). Reimbursements</b>			
Private Works		-	24
Other		294	215
<b>Total Reimbursements</b>		<b>294</b>	<b>239</b>
<b>(f). Other Income</b>			
Sundry		1,014	763
<b>Total Other Income</b>		<b>1,014</b>	<b>763</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		1,477	285
Other Grants, Subsidies and Contributions		3,322	3,059
Individually Significant Item - Additional Grants Commission Payment (refer below)		611	-
<b>Total Grants, Subsidies, Contributions</b>		<b>5,410</b>	<b>3,344</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		1,882	1,831
State Government		2,351	1,500
Other		1,177	13
<b>Total</b>		<b>5,410</b>	<b>3,344</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income		611	-
Contribution from Stormwater Management Authority Brown Hill Keswick Creek (included in Amounts Received Specifically for New or Upgraded Assets above)		1,152	-

On 30 June 2015 Council received payment of the first two instalments of the 2015-16 grant.

For the 2013-14 year, there were no advancements made.

This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt. A material adverse effect will be experienced when timing of these grant payments is resorted to the normal schedule. It is not known when this will occur.

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

Note 2. Income (continued)

\$ '000	Notes	2015	2014
<b>(h). Conditions over Grants &amp; Contributions</b>			
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:			
<b>Unexpended at the close of the previous reporting period</b>		15	137
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Community		(15)	(137)
<b>Subtotal</b>		<b>(15)</b>	<b>(137)</b>
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Community		-	15
Assets and Environment		5	-
Other		15	-
<b>Subtotal</b>		<b>20</b>	<b>15</b>
<b>Unexpended at the close of this reporting period</b>		<b>20</b>	<b>15</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>5</b>	<b>(122)</b>



# The City of Unley

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

### Note 3. Expenses

\$ '000	Notes	2015	2014
<b>(a). Employee Costs</b>			
Salaries and Wages		13,299	12,628
Employee Leave Expense		2,081	2,148
Superannuation - Defined Contribution Plan Contributions	18	1,367	1,056
Superannuation - Defined Benefit Plan Contributions	18	-	244
Workers' Compensation Insurance		477	436
Less: Capitalised and Distributed Costs		(1,384)	(1,157)
<b>Total Operating Employee Costs</b>		<b>15,840</b>	<b>15,355</b>
 Total Number of Employees (full time equivalent at end of reporting period)		 189	 183
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Current Year Audit Fees		32	31
- Prior Year Audit Fees		-	28
- Other Auditors		28	-
Elected Members' Expenses		262	250
Election Expenses		134	-
<b>Subtotal - Prescribed Expenses</b>		<b>456</b>	<b>309</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contracts		8,964	8,622
Energy		909	953
Legal Expenses		288	264
Levies Paid to Government - NRM levy		1,090	1,073
Parts, Accessories & Consumables		2,939	2,975
Insurance		596	577
Work in Progress Written Off		202	-
Bad Debt (provided for)		(16)	27
Brownhill Keswick Creek Contributions		612	-
Other		2,110	2,193
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>17,694</b>	<b>16,684</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>18,150</b>	<b>16,993</b>

# The City of Unley

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

### Note 3. Expenses (continued)

\$ '000	Notes	2015	2014
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Infrastructure			
- Stormwater Drainage		792	1,056
- Roads, Lanes, Kerb & Watertable		1,121	1,628
- Pathways		1,198	1,325
- Traffic and Lighting		162	107
- Bridges		126	79
Equipment, Furniture & Fittings		1,046	970
Buildings		1,259	1,268
Recycled Water		292	-
Other Assets		452	378
<b>Total Depreciation, Amortisation and Impairment</b>		<b>6,448</b>	<b>6,811</b>
<b>(d). Finance Costs</b>			
Interest on Loans		531	552
<b>Total Finance Costs</b>		<b>531</b>	<b>552</b>

### Note 4. Asset Disposal & Fair Value Adjustments

#### Infrastructure, Property, Plant & Equipment

<b>Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		386	458
Less: Carrying Amount of Assets Sold		(225)	(466)
<b>Gain (Loss) on Disposal</b>		<b>161</b>	<b>(8)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>161</b>	<b>(8)</b>

# The City of Unley

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

### Note 5. Current Assets

\$ '000	Notes	2015	2014
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		415	37
Deposits at Call		676	78
<b>Total Cash &amp; Cash Equivalents</b>		<b>1,091</b>	<b>115</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		674	400
Accrued Revenues		1	46
Debtors - General		1,207	868
GST Recoupment		228	507
Prepayments		112	136
Sundry		19	1
<b>Total Trade &amp; Other Receivables</b>		<b>2,241</b>	<b>1,958</b>
<b>(c). Other Financial Assets (Investments)</b>			
Loans to Community Organisations		18	33
Less: Allowance for Doubtful Debts		-	(6)
<b>Total Other Financial Assets (Investments)</b>		<b>18</b>	<b>27</b>

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13

# The City of Unley

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

### Note 6. Non-Current Assets

\$ '000	Notes	2015	2014
<b>(a). Financial Assets</b>			
Loans to Community Organisations		41	82
Less: Allowance for Doubtful Debts		-	(21)
<b>Total Financial Assets</b>		<b>41</b>	<b>61</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Centennial Park Cemetery Authority	19	10,977	18,605
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>10,977</b>	<b>18,605</b>

Within the terminology of Section 43 of the Local Government Act 1999, the Centennial Park Cemetery Trust Incorporated is a joint controlling authority of the City of Unley and the City of Mitcham each having a 50% interest in the assets, liabilities and operations of the Authority. The Authority was established in the cemetery industry and no financial contributions have been made to the Authority in the financial year. The City of Unley's investment in the Authority has been accounted for under the equity method (Note 19).

The City of Unley

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

Note 7a. 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		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Other Movements Expense	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals									Dep'n	Impairment	
Capital Work in Progress*		-	1,157	-	-	1,157	2,487	586	-	-	(470)	(202)	-	-	-	4,490	-	-	4,490
- Stormwater Drainage	3	73,980	-	36,267	-	37,713	-	28	-	(792)	-	-	-	73,980	27	37,058	-	36,949	
- Roads, Lanes, Kerb & Watertable	3	234,696	4,920	45,414	-	194,202	-	1,758	-	(1,121)	61	-	25,842	258,531	1,758	39,547	-	220,742	
- Pathways	3	48,821	-	14,852	-	33,969	34	1,176	-	(1,198)	-	(3,516)	50	52,679	42	22,206	-	30,515	
- Traffic and Lighting	3	4,407	1,046	3,008	-	2,445	-	29	-	(162)	(35)	2	2,316	5,575	54	1,034	-	4,595	
- Bridges	3	8,960	-	5,296	-	3,664	-	144	-	(126)	-	-	-	8,961	144	5,423	-	3,682	
Equipment, Furniture & Fittings	3	-	15,104	8,749	-	6,355	146	1,047	(225)	(1,046)	181	-	-	-	13,932	7,474	-	6,458	
Land	2	43,394	2,351	-	-	45,745	239	-	-	-	-	-	-	43,394	2,590	-	-	45,984	
Land	3	152,648	-	-	-	152,648	-	-	-	-	-	-	-	152,649	-	-	-	152,649	
Buildings	2	50,081	824	24,050	-	26,855	-	1,081	-	(960)	-	-	-	50,081	1,905	25,010	-	26,976	
Buildings	3	16,605	-	7,508	-	9,097	-	-	-	(299)	-	-	-	16,605	-	7,808	-	8,797	
Recycled Water	3	-	11,429	42	-	11,387	-	-	-	(292)	(88)	-	-	-	11,304	297	-	11,007	
Other Assets	3	8,700	797	5,488	-	4,009	407	738	-	(452)	351	3	-	8,700	2,331	5,975	-	5,056	
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>642,292</b>	<b>37,628</b>	<b>150,674</b>	<b>-</b>	<b>529,246</b>	<b>3,313</b>	<b>6,587</b>	<b>(225)</b>	<b>(6,448)</b>	<b>-</b>	<b>(197)</b>	<b>(3,516)</b>	<b>28,208</b>	<b>671,155</b>	<b>38,577</b>	<b>151,832</b>	<b>-</b>	<b>557,900</b>
<b>Comparatives</b>		<b>583,230</b>	<b>96,852</b>	<b>148,839</b>	<b>-</b>	<b>531,243</b>	<b>3,364</b>	<b>8,129</b>	<b>(466)</b>	<b>(6,811)</b>	<b>-</b>	<b>(2)</b>	<b>(6,210)</b>	<b>-</b>	<b>642,292</b>	<b>37,628</b>	<b>150,674</b>	<b>-</b>	<b>529,246</b>

\* Includes assets associated with the Brownhill Keswick Creek Project. Refer to Note 19.

# The City of Unley

## 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

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\$ '000

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#### 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.

#### Land, Buildings and Structures

- Date of valuation: 1 July 2013
- Valuer: Maloney Field Services
- All acquisitions made after the valuation date are recorded at cost.

The following provides a summary of the City of Unley's asset classes together with the Maloney Field Services' opinion of the Fair Value Hierarchy relevant to each asset group based on the quantum of observable inputs involved in the valuation relative to observable inputs.

Land : Excluded / Revoked from classification as community land - Level 2 inputs

Land : Community Land classification - Level 3 inputs

Buildings : Market Approach - Level 2 inputs

Buildings : Cost Approach (excluding highly specialised and/or heritage listed Buildings) - Level 2 inputs

Buildings : Cost Approach (inclusive of highly specialised and/or heritage listed Buildings) - Level 3 inputs

Valuations techniques used to measure fair value within Level 2, including a description of the significant input used

#### Land : Excluded / Revoked from classification as community land

The valuation of all Excluded / Revoked Land has been undertaken using the Market Approach, more specifically the Direct Comparison method of valuation and by reference to comparable market data.

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)

**Buildings : Market Approach**

The valuation of each Building under this scenario has been undertaken utilising the Direct Comparison Method of valuation by reference to market data and the subsequent apportionment of the Land and Structural components.

**Buildings : Cost Approach (excluding highly specialised and/or heritage listed Buildings)**

The calculated value is based on Replacement Costs data sourced from the Maloney Field Services Replacement Costs Database and/or Rawlinsons Australia Construction Handbook 2014.

Valuation Techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationships between unobservable inputs and fair value.

Asset Type	Valuation Technique
Land	Market Approach using the Direct Comparison Method of valuation by reference to comparable market data and subsequently adjusted to reflect the level of risk associated with alienating the Land to make it available for disposal.
Land - Structures	Market Approach using the Direct Comparison Method of valuation by reference to comparable market data and subsequently adjusted to reflect the level of risk associated with alienating the Land to make it available for disposal.
Buildings	Coast Approach using the Replacement Costs data sourced from Maloney Field Services Replacement Costs Database, recent constructions by local government and/or Rawlinson's Australia Construction Handbook 2015. The unique nature of such buildings and the lack of definitive valuation inputs results in some variance to rates adopted.

Council being of the opinion that it is not possible to attribute a value that is sufficient and reliable 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.

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.

**Infrastructure**

*Roads, Lanes, Kerb and Water Table*

- Date of valuation: 1 July 2014
- Valuer: Pavement Management Services
- Basis of Valuation : Consumption based approach to the valuation of the pavement and surface assets was developed in order to more closely reflect the life cycle of the assets.
- All acquisitions made after the valuation date are recorded at cost.

The result of the revaluation was to decrease depreciation by an estimated \$445,000 for the 2014-15 year.

# The City of Unley

## 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)

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\$ '000

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#### Valuation of Assets (continued)

##### Infrastructure (continued)

###### *Pathways (Footpaths, Car Parks, Bike Paths)*

- Date of valuation: 1 July 2014
- Valuer: IMG
- Basis of valuation: Level 3, please refer to summary table below
- All acquisitions made after the valuation date are recorded at cost.

The result of the revaluation was to decrease depreciation by an estimated \$136,000 for the 2014-15 year.

###### *Drainage (Stormwater Drains & Creeks)*

- Date of valuation: 30 June 2014
- Valuer: Tonkin Consulting
- Basis of valuation: Level 3, please refer to summary table below

###### *Traffic and Lighting (Traffic Control, Street Lighting, Bus Stops)*

- Date of valuation: 30 June 2015
- Valuer: Internal Council valuation
- Basis of valuation: Written down current replacement cost discounted for age and condition
- All acquisitions made after the valuation date are recorded at cost.

The result of the revaluation was to increase depreciation by an estimated \$23,000 for the 2014-15 year.

###### *Bridges*

- Date of valuation: 30 June 2014
- Valuer: Tonkin Consulting
- Basis of valuation: Level 3, please refer to summary table below

###### *Recycled Water*

- Date of valuation: N/A, assets have not been revalued as yet
- Valuer: N/A
- Basis of valuation: Cost



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 Assets (Open Space and Reserve Equipment)**

- Date of valuation: 1 July 2013
- Valuer: Internal Council valuation
- Basis of valuation: Level 3, please refer to summary table below
- All acquisitions made after the valuation date are recorded at cost.

Valuation Techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationships between unobservable inputs and fair value.

Asset Type	Valuation Technique
Infrastructure - Pathways - Other Assets	Depreciated Replacement Cost (DRC) being the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the assets
Infrastructure - Bridges	Current Replacement Cost (CRC) of the infrastructure asset minus any accumulated depreciation and impairment losses. Field inspections provided certainty of the type and condition of the assets. However due to lack of information on bridge replacement costs at the time of valuation factored have been applied to industry rates to provide the replacement cost based on the professional judgement and experience of the Tonkin Consulting engineers.
Infrastructure - Drains	Current Replacement Cost (CRC) of the infrastructure asset minus any accumulated depreciation and impairment losses. The valuation of assets were based on rates provided by the 2014 Rawlinson's handbook and rates obtained from Humes.

# The City of Unley

## 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
<b>(a). Trade and Other Payables</b>					
Goods & Services		1,965	-	3,176	-
Payments Received in Advance		302	-	146	-
Accrued Expenses - Employee Entitlements		1,918	-	1,755	-
Accrued Expenses - Finance Costs		173	-	182	-
Accrued Expenses - Other		676	-	323	-
Deposits, Retentions & Bonds		8	-	-	-
<b>Total Trade and Other Payables</b>		<b>5,042</b>	<b>-</b>	<b>5,582</b>	<b>-</b>
<b>(b). Borrowings</b>					
Short Term Draw Down Facility		4,971	-	5,463	-
Loans		961	5,466	1,229	4,003
<b>Total Borrowings</b>		<b>5,932</b>	<b>5,466</b>	<b>6,692</b>	<b>4,003</b>
All interest bearing liabilities are secured over the future revenues of the Council					
<b>(c). Provisions</b>					
Employee Entitlements (including oncosts)		1,806	575	1,557	583
<b>Total Provisions</b>		<b>1,806</b>	<b>575</b>	<b>1,557</b>	<b>583</b>
<b>(d). Other Liabilities</b>					
Carpark Contribution Fund		-	148	-	144
Urban Tree Fund		-	33	-	9
<b>Total Other Liabilities</b>		<b>-</b>	<b>181</b>	<b>-</b>	<b>153</b>

# The City of Unley

## 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
<b>(a). Asset Revaluation Reserve</b>					
Infrastructure					
- Stormwater Drainage	20,036	-	-	-	20,036
- Roads, Lanes, Kerb & Watertable	127,849	25,842	-	-	153,691
- Pathways	21,134	(3,466)	-	-	17,668
- Traffic and Lighting	364	2,316	-	-	2,680
- Bridges	2,500	-	-	-	2,500
Land	187,588	-	-	-	187,588
Buildings	33,066	-	-	-	33,066
Other Assets	2,217	-	-	-	2,217
JV's / Associates - Other Comprehensive Income	14,994	(7,830)	-	-	7,164
<b>Total Asset Revaluation Reserve</b>	<b>409,748</b>	<b>16,862</b>	<b>-</b>	<b>-</b>	<b>426,610</b>
<b>Comparatives</b>	<b>415,958</b>	<b>(6,210)</b>	<b>-</b>	<b>-</b>	<b>409,748</b>

\$ '000	1/7/2014	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2015
<b>(b). Other Reserves</b>					
<b>Total Other Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comparatives</b>	<b>23</b>	<b>-</b>	<b>(23)</b>	<b>-</b>	<b>-</b>

#### 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).

##### Other Reserves - Ron Young Foundation

A bequest that had been received where the funds are to be used to provide training and support in the use of information technology to residents in the City of Unley that meets the adopted policy criteria.

### Note 10. Assets Subject to Restrictions

The nature of some of the City of Unley's assets, and in particular Centennial Park, is such that they have restricted use either because of legal restrictions, heritage or community expectation so that these assets would continue to be held for the benefit of the community.

# The City of Unley

## 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
<b>(a). Reconciliation of Cash</b>			
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	1,091	115
Less: Short-Term Borrowings	8	(4,971)	(5,463)
<b>Balances per Statement of Cash Flows</b>		<b>(3,880)</b>	<b>(5,348)</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>4,962</b>	<b>1,766</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		6,448	6,811
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(202)	(155)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,477)	(285)
Net (Gain) Loss on Disposals		(161)	8
Net Increase/(Decrease) in Unpaid Employee Benefits		240	333
Expense of Capital Items		197	-
		<b>10,007</b>	<b>8,478</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(283)	599
Change in Allowances for Under-Recovery of Receivables		-	(27)
Net (Increase)/Decrease in Other Current Assets		-	48
Net Increase/(Decrease) in Trade & Other Payables		(538)	(553)
Net Increase/(Decrease) in Ron Young Reserve		-	(23)
Net Increase/(Decrease) in Other Liabilities		25	27
<b>Net Cash provided by (or used in) operations</b>		<b>9,211</b>	<b>8,549</b>
<b>(c). Financing Arrangements</b>			
<b>Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdrafts		500	500
Corporate Credit Cards		50	50
LGFA Cash Advance Debenture Facility		12,000	12,000

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

# The City of Unley

## 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
<b>\$ '000</b>										
City Management	415	362	1,675	1,295	(1,260)	(933)	-	-	10,977	18,605
Community	4,046	3,907	8,416	8,407	(4,370)	(4,501)	1,734	1,673	180,660	183,096
Economic Development & Planning	857	835	3,783	3,643	(2,926)	(2,807)	15	150	-	-
People & Governance	37,095	34,477	8,959	8,565	28,136	25,912	1,190	398	4,855	3,584
Assets & Infrastructure	1,880	1,619	18,137	17,802	(16,257)	(16,183)	994	838	375,776	344,727
<b>Total Functions/Activities</b>	<b>44,293</b>	<b>41,200</b>	<b>40,970</b>	<b>39,712</b>	<b>3,323</b>	<b>1,488</b>	<b>3,933</b>	<b>3,059</b>	<b>572,268</b>	<b>550,012</b>

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.

# The City of Unley

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

### Note 12b. Components of Functions

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\$ '000

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**The activities relating to Council functions are as follows:**

#### **CITY MANAGEMENT**

City Management, Centennial Park, Elected Members, Civic Events

#### **COMMUNITY SERVICES**

Community Planning, Community Grants, Festival Events, Community Management, Parking Control, Community Bus Program, Public & Environmental Health, Worm Farms, Immunisation, SRF Licencing, Food Premises Control, Noxious Insect Control, Arts & Culture Development, Recreation Development, Community Development, Community Care, Carers Support, Community Services Support, Aged Care Visitors Scheme, Eastern Region SRF Program, Social Transport, Exchanging Memories, Unley Community Centre, Ron Young Technology Trust, Home & Community Care, Home Assist Under 65, Youth & Children, Youth Sponsorship, Fullarton Park Community Centre, Goodwood Community Centre, Clarence Park Community Centre, Small Sponsorship & Donations, Grant Agreements, Open Space Management, Toy Library Service, Museum, Library Services, Home Library Services, Library Festival, Harmony Day, Swimming Centre

#### **ECONOMIC DEVELOPMENT & PLANNING**

Economic Development, Economic Development & Planning Management, Transport & Traffic, Development & Compliance, Urban Policy Planning

#### **PEOPLE & GOVERNANCE**

Governance, Customer Service, Records, Information Technology, People & Governance Administration, Corporate Support, Rates Administration, Organisational Development, Corporate Training, Communications, Unley Gourmet Gala, Procurement & Contract Administration, Finance, Health, Safety & Insurances, Volunteers, Marketing, Brand, Media Issues Management

#### **ASSETS & INFRASTRUCTURE**

Assets & Infrastructure Management, Environmental Projects, Parks & Reserves, Waste Management, Stormwater & Drainage, Street Cleaning, Lighting, Streetscaping, Footpaths, Roads, Signs, Bus Shelters, Kerb & Watertable, Car Parks, Public Conveniences, Bridges, Bike paths, Buildings, Signs

## Note 13. Financial Instruments

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\$ '000

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### 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 2.36% and 2.5% (2014: 2.5% and 3.25%). Short term deposits have an average maturity of 3 days and an average interest rate of 2.5% (2014: 30 days and 3%).

##### Carrying Amount:

Approximates fair value due to the short term to maturity.

#### Receivables

##### Rates & Associated Charges

(including legals & penalties for late payment)

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

##### Accounting Policy:

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

##### Terms & Conditions:

Secured over the subject land, arrears attract interest of 7.75% (2014: 8%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

#### Receivables

##### Fees & Other Charges

##### Accounting Policy:

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

##### Terms & Conditions:

Unsecured, and do not bear interest. 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).

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

Note 13. Financial Instruments (continued)

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\$ '000

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**Recognised Financial Instruments**

**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 (or variable - describe) rates between 4% and 7.08% (2014: 5.88% and 7.4%).

**Carrying Amount:**

Approximates fair value.



# The City of Unley

## 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
<b>2015</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,091	-	-	1,091	1,091
Receivables	1,496	-	-	1,496	1,496
Other Financial Assets	18	-	-	18	18
<b>Total Financial Assets</b>	<b>2,605</b>	<b>-</b>	<b>-</b>	<b>2,605</b>	<b>2,605</b>
<b>Financial Liabilities</b>					
Payables	4,740	-	-	4,740	4,740
Current Borrowings	5,932	-	-	5,932	5,932
Non-Current Borrowings	-	4,134	1,332	5,466	5,466
<b>Total Financial Liabilities</b>	<b>10,672</b>	<b>4,134</b>	<b>1,332</b>	<b>16,138</b>	<b>16,138</b>

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2014</b>					
<b>Financial Assets</b>					
Cash & Equivalents	115	-	-	115	115
Receivables	1,455	-	-	1,455	1,483
Other Financial Assets	33	80	1	114	59
<b>Total Financial Assets</b>	<b>1,603</b>	<b>80</b>	<b>1</b>	<b>1,684</b>	<b>1,657</b>
<b>Financial Liabilities</b>					
Payables	5,281	-	-	5,281	5,436
Current Borrowings	6,692	-	-	6,692	6,692
Non-Current Borrowings	-	4,003	-	4,003	4,003
<b>Total Financial Liabilities</b>	<b>11,973</b>	<b>4,003</b>	<b>-</b>	<b>15,976</b>	<b>16,131</b>

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	5.00%	11,398	6.44%	10,695
		<b>11,398</b>		<b>10,695</b>

#### 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.

# The City of Unley

## 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.

### 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:**

Infrastructure	43	163
Plant & Equipment	53	207
Other	94	20
	<u>190</u>	<u>390</u>

##### **These expenditures are payable:**

Not later than one year	190	390
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>190</u>	<u>390</u>

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

Note 14. Commitments for Expenditure (continued)

\$ '000	Notes	2015	2014
<b>(b). Other Expenditure Commitments</b>			
<b>Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:</b>			
Audit Services		-	130
Waste Management Services		-	669
Other		192	74
		<b>192</b>	<b>873</b>
<b>These expenditures are payable:</b>			
Not later than one year		192	743
Later than one year and not later than 5 years		-	130
Later than 5 years		-	-
		<b>192</b>	<b>873</b>

The City of Unley is party to a Memorandum of Agreement (MOA) with the Cities of Burnside, West Torrens and the Corporation of the City of Adelaide through which the councils are collaborating to develop a catchment based approach to mitigating flood risk and use of stormwater where feasible in the Brown Hill and Keswick Creek catchment. Provision exists for Mitcham Council to also to execute the agreement if it chooses.

The agreement requires the Councils to establish a regional subsidiary primarily for the planning and construction of flood mitigation infrastructure of the Brown Hill Keswick Creek Catchment. Prior to the establishment of the regional subsidiary, the Agreement provides for a Steering Group with representatives of each Council to continue to carry out investigations and designs identified by a Storm Water Management Plan as required by legislation. The City of Mitcham is also represented on this Steering Group.

Since 2010, the five catchment councils have been acting in response to Notices and Orders issued by the Stormwater Management Authority (SMA) to produce a revised stormwater management plan catering for the 1 in 100 storm and subject to its direction from time to time in relation to this catchment.

The 2012 Stormwater Management Plan produced by the 5 catchment councils and gazetted in March 2013, produced by the 5 catchment councils outlines a solution for Part A works whilst committing the councils to determine the flood mitigation works for the upper Brown Hill Creek catchment (Part B works).

In May 2015, a further notice was issued by the SMA for the five councils to prepare a revised Stormwater Management Plan for the catchment by 30 September 2015.

Project works under the 2012 Stormwater Management Plan have a preliminary estimated cost of \$148 million and a planned 10 year implementation period. However, any significant construction work is unlikely to be carried out until funding support is agreed between the three spheres of government; Commonwealth, State and Local Government. Unley's share of the local government contribution is currently set at 21%, which equates to approximately \$15 million.

# The City of Unley

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

### Note 15. Financial Indicators

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014	2013
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These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	3,324			
Rates - General & Other Less NRM levy	34,814	10%	5%	8%

*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.

2,713			
34,814	8%	5%	7%

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	15,611			
Total Operating Revenue	44,293	35%	41%	36%

*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	7,132			
Infrastructure & Asset Management Plan required expenditure	7,337	97%	88%	89%

*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.*

## The City of Unley

### 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	44,293	41,200
less Expenses	(40,969)	(39,711)
<b>Operating Surplus / (Deficit)</b>	<b>3,324</b>	<b>1,489</b>
<p><b>less Net Outlays on Existing Assets</b></p>		
Capital Expenditure on Renewal and Replacement of Existing Assets	6,586	8,128
less Depreciation, Amortisation and Impairment	(6,448)	(6,811)
less Proceeds from Sale of Replaced Assets	(386)	(458)
<b>Subtotal</b>	<b>(248)</b>	<b>859</b>
<p><b>less Net Outlays on New and Upgraded Assets</b></p>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	3,313	3,364
less Amounts Received Specifically for New and Upgraded Assets	(1,477)	(285)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
<b>Subtotal</b>	<b>1,836</b>	<b>3,079</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>1,736</b>	<b>(2,449)</b>
<b>Net Financial Liabilities at Beginning of Year</b>	(16,410)	(13,784)
Net (gain) / loss Joint Ventures & Associates	(202)	(155)
Decrease / (increase) in Other	(735)	(22)
<b>Net Financial Liabilities at End of Year</b>	<b>(15,611)</b>	<b>(16,410)</b>

#### Note 17. Operating Leases

Council does not have any Operating Leases

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

### Note 18. Superannuation

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\$ '000

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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 2014/15) 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.

## The City of Unley

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

#### Note 19. Interests in Other Entities

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##### **Joint Operation - Brown Hill Keswick Creek Project**

The City of Unley is party to a Memorandum of Agreement (MOA) with the Cities of Burnside, West Torrens and the Corporation of the City of Adelaide through which the councils are collaborating to develop a catchment based approach to mitigating flood risk and use of stormwater where feasible in the Brown Hill and Keswick Creek catchment. Provision exists for Mitcham Council to also execute the agreement if it chooses.

The agreement requires the Councils to establish a regional subsidiary primarily for the planning and construction of flood mitigation infrastructure of the Brown Hill Keswick Creek Catchment. Prior to the establishment of the regional subsidiary, the Agreement provides for a Steering Group with representatives of each Council to continue to carry out investigations and designs identified by Storm Water Management Plans as required by legislation. The City of Mitcham is also represented on this Steering Group.

Each Party is responsible for its own direct costs of the Project. The Project is jointly controlled with assets, revenue and expenses shared on the basis set out in the agreement and Stormwater Management Plan documentation. Council's share of the Project's joint assets are included in Note 7 of the financial statements. City of Unley's joint share of revenue and expenses of the Project are included in Note 2 and 3 of the financial statements, respectively.

Under the Brown Hill Keswick Creek MOA, the City of Unley acts as "Host" to the Brown Hill Keswick Creek Project, providing for the administration and coordination of the performance of the agreement including:

- arranging the preparation of draft documents,
- entering into agreements with third parties as directed by the Steering Group,
- keeping records,
- employment of support staff as agreed by the Councils,
- liaison with stakeholders,
- holding moneys contributed by the Councils and other parties and
- disbursement of payments as directed by the Steering Group.

Under Australian Accounting Standards, the City of Unley should only recognise transactions from activities it controls. It is considered that the City of Unley does not control the Brown Hill Keswick Creek Project. Therefore City of Unley does not recognise the payments made on behalf of Brown Hill Keswick Creek nor the contributions received from other Councils in its role as Host in its Statement of Comprehensive Statement or Statement of Financial Position.

For the year ended 30 June 2015, the Brown Hill Keswick Creek Project made disbursements of \$8.208m and received contributions of \$7.061m.

##### **Equity Accounted Council Business - Centennial Park**

Within the terminology of Section 43 of the Local Government Act 1999, the Centennial Park Cemetery Trust Incorporated is a joint controlling authority of the City of Unley and the City of Mitcham each having a 50% interest in the assets, liabilities and operations of the Authority. The Authority was established in the cemetery industry and no financial contributions have been made to the Authority in the financial year. The City of Unley's investment in the Authority has been accounted for under the equity method.

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

# The City of Unley

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

### Note 19. Interests in Other Entities (continued)

\$ '000

	Council's Share of Net Income		Council's Share of Net Assets	
	2015	2014	2015	2014
Associates	202	155	10,977	18,605
<b>Total</b>	<b>202</b>	<b>155</b>	<b>10,977</b>	<b>18,605</b>

#### (i) ASSOCIATED ENTITIES

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2015	2014
Centennial Park Cemetery Authority	Cemetery Industry	10,977	18,605
<b>Total Carrying Amounts - Associate</b>		<b>10,977</b>	<b>18,605</b>

#### Centennial Park Cemetery Authority

##### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2015	2014	2015	2014	2015	2014
Centennial Park Cemetery Authority	50%	50%	50%	50%	50%	50%

##### (c) Movement in Investment in Associate

	Centennial Park Cemetery Authority	
	2015	2014
Opening Balance	18,605	18,450
Share in Operating Result	202	155
Share in Other Comprehensive Income	(7,830)	-
<b>Council's Equity Share in the Associate</b>	<b>10,977</b>	<b>18,605</b>



# The City of Unley

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

### Note 19. Interests in Other Entities (continued)

\$ '000

#### (d) Summarised Financial Information of the Associate

Statement of Financial Position	Centennial Park Cemetery Authority	
	2015	2014
Cash and Cash Equivalents	10,513	10,639
Other Current Assets	1,571	941
Non-Current Assets	26,399	41,295
<b>Total Assets</b>	<b>38,483</b>	<b>52,875</b>
Current Trade and Other Payables	1,712	1,044
Current Provisions	201	167
Non-Current Provisions	14,615	14,455
<b>Total Liabilities</b>	<b>16,528</b>	<b>15,666</b>
<b>Net Assets</b>	<b>21,955</b>	<b>37,209</b>

Statement of Comprehensive Income	Centennial Park Cemetery Authority	
	2015	2014
Other Income	9,341	8,738
Interest Income	355	401
<b>Total Income</b>	<b>9,696</b>	<b>9,139</b>
Employee Costs	3,544	3,603
Materials, Contracts & Other Expenses	4,090	3,617
Depreciation, Amortisation and Impairment	1,635	1,553
<b>Total Expenses</b>	<b>9,269</b>	<b>8,773</b>
<b>Operating Result</b>	<b>427</b>	<b>366</b>

#### Contingent Liabilities of the Associate

Each Member is Jointly and Severally Liable for the Debts of the Operation

- arising from Council's Share of Associate
- arising from Joint and Several Liability of all Members

The Authority has contingent liabilities with respect to the redemption of unused licences in the event that the Authority ceases to take any business. The Burial and Cremation Act 2013 mandates the refund of unexercised licences at current prices less a provision for administration, maintenance and establishment costs. The calculation is determined in the regulations. The contingent liability as at the 30th June 2015 is \$11,148,863. An actual liability will only arise if a claim is made by existing licence holders in the future. Based on the Board's understanding of the experience of Cemetery operators interstate when similar legislation was introduced, it is considered that the likelihood of future claims arising which could have a significant impact on Centennial Park is remote.

Total unused licences account for approximately 6.82% of 51,431 burial licences currently issued.  
Total unused licences account for approximately 7.19% of 46,154 memorial licences currently issued.  
Once an interment or placement of a monument has occurred a licence cannot be redeemed.

## Note 20. Non-Current Assets Held for Sale & Discontinued Operations

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Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

## Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

### 1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the 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 167.2 km of road reserves of average width 12 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 deductible "insurance excesses", the amount of which varies according to the class of insurance.

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

### 3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 1 appeal 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.

## The City of Unley

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

### Note 22. Events after the Balance Sheet Date

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**Council is unaware of any material or significant "non adjusting events" that should be disclosed.**

## **INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF THE CITY OF UNLEY**

### **Report on the Financial Report**

We have audited the accompanying financial report of the City of Unley (“the Council”), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and 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 the financial statements by the Chief Executive Officer and the Principal Member of the Council.

### **Council's Responsibility for the Financial Report**

The Council's officers are responsible for the preparation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal controls as the Council's officers determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 company's preparation of the financial report that gives a true and fair view 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 Council's officers, as well as evaluating the overall presentation of the financial report.

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



## Opinion

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

A handwritten signature in blue ink, appearing to read 'G K Edwards'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'G K Edwards'.

G K Edwards  
Director

Adelaide, 15 October 2015

## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF UNLEY

We have audited the compliance of City of Unley (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2014 to 30 June 2015 have been conducted properly and in accordance with law.

### The Council's Responsibility for the Internal Controls

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

### Our Responsibility

Our responsibility is to express a conclusion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law in all material respects,. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to provide reasonable assurance that, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2014 to 30 June 2015. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies. Our procedures included assessing the controls of the Council based on the criteria in the Better Practice Model—Internal Financial Controls, specifically:

1. Obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities
2. Evaluating management's assessment of these controls
3. Assessing the risk that a material weakness exists
4. Testing and evaluating the design and implementation of controls on a sample basis based on the assessed risk

These procedures have been undertaken to form a conclusion as to whether the Council has complied in all material respects, with the Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, for the period 1 July 2014 to 30 June 2015.



### **Inherent Limitations**

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with Section 125 of the *Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with Section 125 of the *Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

### **Independence**

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

### **Conclusion**

In our opinion, the Council has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law for the period 1 July 2014 to 30 June 2015.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink that reads 'G K Edwards'.

G K Edwards  
Director

Adelaide, 15 October 2015

## The City of Unley

### General Purpose Financial Statements for the year ended 30 June 2015

### Statement by Auditor

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The City of Unley for the year ended 30 June 2015, the Council's Auditor, BDO 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*.



Peter Tsokas  
**CHIEF EXECUTIVE OFFICER**



John Rawson  
**PRESIDING MEMBER, AUDIT &  
GOVERNANCE COMMITTEE**

Date: 13 October 2015





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AUSTRALIA

## CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Unley 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.

**BDO Audit (SA) Pty Ltd**

G K Edwards  
Director

Adelaide, 13<sup>th</sup> October 2015