

# Financial Report

## City of Burnside

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

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*We are renowned for our City's green and leafy character and unique integrated urban form. We are highly regarded for our sense of community spirit, support for one another, social diversity and commitment to the environment.*





**General Purpose Financial Statements**  
for the year ended 30 June 2016

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City of Burnside

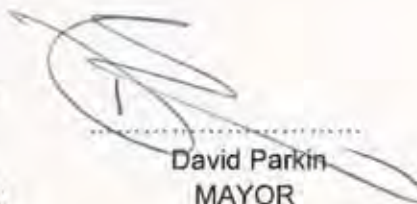
**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2016**

**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by 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 as at 30 June 2016 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.

  
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**Paul Deb**  
CHIEF EXECUTIVE OFFICER  
.....  
**David Parkin**  
MAYOR

25 October 2016

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## Understanding Council's Financial Statements

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### Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true & fair view" of the Council's financial results for the year, and ensuring both responsibility for and ownership of the Financial Statements across Council.

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2016.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

#### 1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income & expenses.

#### 2. A Balance Sheet

A 30 June snapshot of Council's financial position including its assets & liabilities.

#### 3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

#### 4. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

### About the Auditor's Reports

Council's Financial Statements and Financial Internal Controls are required to be audited by external accountants.

### About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

## City of Burnside

### Statement of Comprehensive Income for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>Income</b>			
Rates Revenues	2a	36,024	34,988
Statutory Charges	2b	1,086	1,329
User Charges	2c	1,647	910
Grants, Subsidies and Contributions	2g	3,308	4,417
Investment Income	2d	28	50
Reimbursements	2e	273	489
Other Income	2f	510	317
Net Gain - Equity Accounted Council Businesses	19	766	71
<b>Total Income</b>		<b>43,642</b>	<b>42,571</b>
<b>Expenses</b>			
Employee Costs	3a	15,447	15,151
Materials, Contracts & Other Expenses	3b	17,683	17,762
Depreciation, Amortisation & Impairment	3c	8,755	8,135
Finance Costs	3d	276	131
Net loss - Equity Accounted Council Businesses	19	132	249
<b>Total Expenses</b>		<b>42,293</b>	<b>41,428</b>
<b>Operating Surplus / (Deficit)</b>		<b>1,349</b>	<b>1,143</b>
Asset Disposal & Fair Value Adjustments	4	29	103
Amounts Received Specifically for New or Upgraded Assets	2g	313	304
Physical Resources Received Free of Charge	2i	209	451
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>1,900</b>	<b>2,001</b>
<b>Other Comprehensive Income</b>			
Changes in Revaluation Surplus - I,PP&E	9a	-	(104,516)
Movements in Other Reserves		18	1
<b>Total Other Comprehensive Income</b>		<b>18</b>	<b>(104,515)</b>
<b>Total Comprehensive Income</b>		<b>1,918</b>	<b>(102,514)</b>

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

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

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## City of Burnside

### Statement of Financial Position as at 30 June 2016



\$ '000	Notes	2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	583	2,198
Trade & Other Receivables	5b	1,414	1,445
Inventories	5c	24	26
<b>Total Current Assets</b>		<b>2,021</b>	<b>3,669</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	178	25
Equity Accounted Investments in Council Businesses	6b	865	176
Infrastructure, Property, Plant & Equipment	7a	517,967	510,968
Other Non-Current Assets	6c	1,491	3,577
<b>Total Non-Current Assets</b>		<b>520,501</b>	<b>514,746</b>
<b>TOTAL ASSETS</b>		<b>522,522</b>	<b>518,415</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	5,497	3,912
Borrowings	8b	8,799	8,261
Provisions	8c	2,212	1,815
<b>Total Current Liabilities</b>		<b>16,508</b>	<b>13,988</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	-	50
Provisions	8c	-	324
Liability - Equity Accounted Council Businesses	8d	2,280	2,237
<b>Total Non-Current Liabilities</b>		<b>2,280</b>	<b>2,611</b>
<b>TOTAL LIABILITIES</b>		<b>18,788</b>	<b>16,599</b>
<b>NET ASSETS</b>		<b>503,734</b>	<b>501,816</b>
<b>EQUITY</b>			
Accumulated Surplus		217,220	215,320
Asset Revaluation Reserves	9a	286,085	286,085
Other Reserves	9b	429	411
<b>TOTAL EQUITY</b>		<b>503,734</b>	<b>501,816</b>

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

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## City of Burnside

### Statement of Changes in Equity for the year ended 30 June 2016

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
<b>2016</b>					
Balance at the end of previous reporting period		215,320	286,085	411	501,816
Net Surplus / (Deficit) for Year		1,900	-	-	1,900
Other Comprehensive Income					
- Increase in Open Space Contribution Reserve		-	-	18	18
Other Comprehensive Income		-	-	18	18
Total Comprehensive Income		1,900	-	18	1,918
Balance at the end of period		217,220	286,085	429	503,734
<b>2015</b>					
Balance at the end of previous reporting period		213,319	390,601	410	604,330
Net Surplus / (Deficit) for Year		2,001	-	-	2,001
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(104,516)	-	(104,516)
- Increase in Open Space Contribution Reserve		-	-	1	1
Other Comprehensive Income		-	(104,516)	1	(104,515)
Total Comprehensive Income		2,001	(104,516)	1	(102,514)
Balance at the end of period		215,320	286,085	411	501,816

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

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**Statement of Cash Flows**  
for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Rates Receipts		36,115	34,925
Statutory Charges		1,086	1,329
User Charges		1,797	910
Grants, Subsidies and Contributions (operating purpose)		3,308	4,417
Investment Receipts		28	50
Reimbursements		273	489
Other Receipts		3,066	139
<u>Payments</u>			
Payments to Employees		(15,427)	(15,020)
Payments for Materials, Contracts & Other Expenses		(16,685)	(18,806)
Finance Payments		(276)	(131)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>13,285</b>	<b>8,302</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		313	304
Sale of Replaced Assets		423	333
Repayments of Loans by Community Groups		12	9
Distributions Received from Equity Accounted Council Businesses		766	71
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(8,415)	(11,903)
Expenditure on New/Upgraded Assets		(7,524)	(3,549)
Loans Made to Community Groups		(203)	(41)
Capital Contributed to Equity Accounted Council Businesses		(778)	(106)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(15,388)</b>	<b>(14,882)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayments of Borrowings		(47)	(42)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(47)</b>	<b>(42)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(2,150)</b>	<b>(6,622)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>(6,016)</b>	<b>606</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>(8,166)</b>	<b>(6,016)</b>

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

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## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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## Note 1. Summary of Significant Accounting Policies

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

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

### 1 Basis of Preparation

#### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated (insert date – when adopted by Council).

#### 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

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

principal place of business at 401 Greenhill Road, Tusmore, SA 5065. There were no reporting entities controlled by Council during the reporting period and consolidated into these financial statements. The net results of entities in which Council exert a significant (but not controlling) influence have been equity accounted for in the Statement of Comprehensive Income.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

1. Eastern Waste Management Authority Inc
2. Highbury Landfill Authority Inc
3. Eastern Health Authority Inc ; and
4. ERA Water

### 3 Income Recognition

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

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

In the month of June in recent years, the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$354,258 was paid in advance; in June 2012 two quarters of the 2012/13 allocation: \$729,354; and in June 2013, two quarters of the 2013/14 allocation: \$733,778. Accordingly, the operating results for these periods have been not comparable when compared to those that would have been reported had the grants been paid in a consistent manner.

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

These amounts in advance were adjusted in the 2013/14 financial year. A similar advance payment of two quarters amounting to \$727,083 occurred in June 2015 relating to the 2015/16 Financial Assistance Grants. No such advance has been received in June 2016 relating to the 2016/17 year.

Accordingly, the operating results have been distorted compared to those that would have been reported had the grants been received in the appropriate financial years.

The 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 at the lower of cost and net realisable value.

#### 6 Infrastructure, Property, Plant & Equipment

##### 6.1 Initial Recognition

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

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

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

##### 6.2 Materiality

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

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

##### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis (3-5 years) 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.

**Note 1. Summary of Significant Accounting Policies (continued)**

**6.4 Depreciation of Non-Current Assets**

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

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

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

<i>Land Improvements</i>	20 to 30 years
<i>Buildings</i>	40 to 60 years
<i>Infrastructure</i>	
Sealed Roads – Surface	12 to 100 years
Sealed Roads – Structure	80 to 100 years
Paving & Footpaths, Kerb & Gutter	30 to 120 years
Drainage	80 years
<i>Plant &amp; Equipment</i>	
Office Equipment	5 to 10 years
Library Equipment/Media	5 to 15 years
Major Plant	5 to 8 years
Other Plant & Equipment	2 to 50 years
<i>Furniture &amp; Fittings</i>	
Office Furniture	10 to 20 years
Street/Reserve Furniture	10 to 20 years
Artworks	Indefinite

**6.5 Impairment**

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

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

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

**6.6 Borrowing Costs**

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

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender are replaced by notional interest as per AASB 139 Financial Instruments.

#### 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, *Employee Benefits*.

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.

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

#### 10 Leases

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

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 Construction Contracts

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

#### 12 Equity Accounted Council Businesses

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

#### 13 GST Implications

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

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

**Note 1. Summary of Significant Accounting Policies** (continued)

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**14 New accounting standards and UIG interpretations**

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016. Council has not adopted any of these standards early.

**15 Comparative Figures**

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

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 2. Income

\$ '000	Notes	2016	2015
<b>(a) Rates Revenues</b>			
<b>General Rates</b>			
General Rates		34,948	33,740
Less: Mandatory Rebates		(390)	(202)
Less: Discretionary Rebates, Remissions & Write Offs		(16)	(2)
<b>Total General Rates</b>		<u>34,542</u>	<u>33,536</u>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,376	1,350
<b>Total Other Rates</b>		<u>1,376</u>	<u>1,350</u>
<b>Other Charges</b>			
Penalties for Late Payment		103	99
Rates Postponed - Interest		3	3
<b>Total Other Charges</b>		<u>106</u>	<u>102</u>
<b>Total Rates Revenues</b>		<u>36,024</u>	<u>34,988</u>
<b>(b) Statutory Charges</b>			
Development Act Fees		460	454
Town Planning Fees		35	36
Animal Registration Fees & Fines		196	179
Parking Fines / Expiation Fees		349	580
Other Licences, Fees & Fines		46	80
<b>Total Statutory Charges</b>		<u>1,086</u>	<u>1,329</u>
<b>(c) User Charges</b>			
Hall & Equipment Hire		257	240
Property Leases		143	114
Community Program User Charges		250	56
Green Organics Collection Charges		85	85
Library Fees, Fines & Other User Charges		21	24
Other Commercial Activities		259	86
Swimming Centre User Charges		478	149
Rates Searches		51	52
Community Transport		5	12
Pepper St Arts Centre User Charges		14	15
Other User Charges		84	77
<b>Total User Charges</b>		<u>1,647</u>	<u>910</u>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 2. Income (continued)

\$ '000	Notes	2016	2015
<b>(d) Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		18	38
- Banks & Other		10	12
<b>Total Investment Income</b>		<b>28</b>	<b>50</b>
<b>(e) Reimbursements</b>			
Private Works		106	121
Insurance Rebates		145	212
Workers Compensation Claims		12	151
Other Reimbursements		10	5
<b>Total Reimbursements</b>		<b>273</b>	<b>489</b>
<b>(f) Other Income</b>			
Rebates Received		340	293
Sundry		1	-
Gifts & Donations		2	4
Sale of Surplus Equipment		12	20
Income from recyclable waste		155	-
<b>Total Other Income</b>		<b>510</b>	<b>317</b>
<b>(g) Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		313	304
Other Grants, Subsidies and Contributions		3,308	3,690
Individually Significant Item - Additional Grants Commission Payment (refer below)		-	727
<b>Total Grants, Subsidies, Contributions</b>		<b>3,621</b>	<b>4,721</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		2,417	1,963
State Government		1,155	2,693
Other		49	65
<b>Total</b>		<b>3,621</b>	<b>4,721</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income		-	727

On 30 June 2015, Council received a payment equivalent to the first and second instalments of the 2015/16 Grant Commission Financial Assistance and Local Roads Grants. This materially increased Council's operating result in the 2014/15 financial year, as these amounts are recognised as income upon receipt. No such payment was received in 2015/2016.



## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 2. Income (continued)

\$ '000	Notes	2016	2015
<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>		32	110
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Disability Access to Buildings		-	(100)
Crime Prevention		(1)	(9)
Kensington Gardens RSL Grant		(26)	-
War Memorial Grant		(5)	-
<b>Subtotal</b>		<u>(32)</u>	<u>(109)</u>
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Kensington Gardens RSL Grant		-	25
War Memorial Grant		-	5
Crime Prevention		-	1
<b>Subtotal</b>		<u>-</u>	<u>31</u>
<b>Unexpended at the close of this reporting period</b>		<u>-</u>	<u>32</u>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<u>(32)</u>	<u>(78)</u>
<b>(i) Physical Resources Received Free of Charge</b>			
Infrastructure		<u>209</u>	<u>451</u>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 3. Expenses

\$ '000	Notes	2016	2015
<b>(a) Employee Costs</b>			
Salaries and Wages		12,726	11,922
Employee Leave Expense		1,144	1,526
Superannuation - Defined Contribution Plan Contributions	18	1,245	1,243
Workers' Compensation Insurance		653	616
Other		5	97
Less: Capitalised Costs		(326)	(253)
<b>Total Operating Employee Costs</b>		<u>15,447</u>	<u>15,151</u>
Total Number of Employees (full time equivalent at end of reporting period)		163	161
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		31	60
Bad and Doubtful Debts		13	(1)
Elected Members' Expenses		255	210
Independent Sitting Fees		35	31
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		267	297
<b>Subtotal</b>		<u>601</u>	<u>597</u>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		8,169	8,564
Other Contractual Services		1,951	1,563
Professional Services		475	251
Energy		897	1,319
Legal Expenses		471	503
Levies Paid to Government - NRM levy		1,374	1,344
Levies - Other		71	70
Parts, Accessories & Consumables		1,376	1,275
Sundry Materials, Contracts & Expenses		393	338
Water		612	530
Insurance Premiums		547	519
Advertising		43	117
Bank Fees & Charges		121	109
Contributions / Donations		81	136
Postage		95	124
Subscriptions		142	132
Taxes		93	138
Training		204	173
Less: Capitalised Costs		(33)	(40)
<b>Subtotal</b>		<u>17,082</u>	<u>17,165</u>
<b>Total Materials, Contracts and Other Expenses</b>		<u>17,683</u>	<u>17,762</u>

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 3. Expenses (continued)

\$ '000	Notes	2016	2015
<b>(c) Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Land Improvements		7	68
Buildings		905	1,078
<i>Infrastructure</i>			
- Stormwater Quality Devices		73	66
- Stormwater Structures		886	878
- Other Structures		585	158
- Recreation/Sport Structures		764	655
- Road Structures		3,908	3,808
- Traffic Control Devices		228	159
Plant & Equipment		1,268	1,091
- Street/Reserve		94	89
- Interior		37	17
<b>Subtotal</b>		<b>8,755</b>	<b>8,067</b>
<b>(ii) Impairment</b>			
Infrastructure		-	68
<b>Subtotal</b>		<b>-</b>	<b>68</b>
<b>Total Depreciation, Amortisation and Impairment</b>		<b>8,755</b>	<b>8,135</b>
<b>(d) Finance Costs</b>			
Interest on Loans		276	131
<b>Total Finance Costs</b>		<b>276</b>	<b>131</b>

## City of Burnside



### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$ '000	Notes	2016	2015
<b>Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		423	333
Less: Carrying Amount of Assets Sold		(394)	(230)
<b>Gain (Loss) on Disposal</b>		<b>29</b>	<b>103</b>

#### Note 5. Current Assets

<b>(a) Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		138	1,081
Deposits at Call		445	1,117
<b>Total Cash &amp; Cash Equivalents</b>		<b>583</b>	<b>2,198</b>
<b>(b) Trade &amp; Other Receivables</b>			
Rates - General & Other		523	611
Council Rates Postponement Scheme		49	52
Accrued Revenues		26	69
Debtors - General		296	147
GST Recoupment		401	385
Prepayments		74	169
Loans to Community Organisations		45	7
Sundry		-	5
<b>Total Trade &amp; Other Receivables</b>		<b>1,414</b>	<b>1,445</b>
<b>(c) Inventories</b>			
Stores & Materials		24	26
<b>Total Inventories</b>		<b>24</b>	<b>26</b>

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 6. Non-Current Assets

\$ '000	Notes	2016	2015
<b>(a) Financial Assets</b>			
<b>Receivables</b>			
Loans to Community Organisations		178	25
<b>Total Financial Assets</b>		<b>178</b>	<b>25</b>
<b>(b) Equity Accounted Investments in Council Businesses</b>			
Eastern Health Authority	19	84	130
East Waste	19	25	46
ERA Water	19	756	-
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>865</b>	<b>176</b>
<b>(c) Other Non-Current Assets</b>			
Capital Works-in-Progress - Buildings		-	3,263
Capital Works-in-Progress - Infrastructure		1,239	256
Capital Works-in-Progress - Plant & Equipment		164	56
Capital Works-in-Progress - Furniture & Fittings		-	2
Other		88	-
<b>Total Other Non-Current Assets</b>		<b>1,491</b>	<b>3,577</b>



City of Burnside

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 7a. Infrastructure, Property, Plant & Equipment

	as at 30/6/2015						Asset Movements during the Reporting Period										as at 30/6/2016					
	Fair Value Level	RI	MI	Accumulated Dep'n	Impairment	Carrying Value	Asset Address	Revenues	Opening Cost	Opening Accumulated Depreciation	MOV of Asset (Gain/Loss)	Depreciation Expense (P&L)	Impairment Loss (Recognised in P&L)	Adjustment to Equity (AOL)	Revaluation Increment/(Decrease) to Equity (AOL)	Revaluation Increment/(Decrease) to AOL (P&L)	RI	MI	Accumulated Dep'n	Impairment	Carrying Value	
\$ '000																						
Land and Land Improvements	2	254,555	-	206	-	254,349	-	-	-	-	-	-	-	-	-	-	254,555	-	213	-	254,342	
Buildings	2	31,489	-	18,851	-	12,638	4,124	865	-	-	(7)	(807)	-	123	-	33,008	4,040	18,489	-	17,549		
Buildings Infrastructure	3	74,216	3	35,039	-	39,580	9	291	-	-	(83)	(403)	-	(123)	-	72,770	3	34,504	-	38,268		
Stormwater Quality Devices	2	987	-	155	-	832	43	83	-	-	(16)	(57)	-	-	-	1,006	105	170	-	941		
Stormwater Quality Devices Infrastructure	3	5,485	18	1,352	-	4,115	-	-	-	-	(89)	(102)	-	-	-	5,485	19	1,409	-	4,084		
Stormwater Structures	2	81,330	852	32,221	4	48,957	574	137	7	-	(89)	(102)	-	-	-	81,418	1,484	33,107	4	48,789		
Other Structures	2	4,641	-	2,487	-	2,154	13	165	-	-	(15)	(26)	-	-	-	4,697	133	2,589	-	2,230		
Other Structures Infrastructure	3	21,863	136	8,719	36	13,284	29	289	56	(27)	(83)	(102)	-	-	-	22,201	169	9,221	36	13,114		
Recreation/Sport Structures	2	12,509	11	3,482	-	9,038	1,199	224	-	-	(138)	(138)	-	-	-	12,711	1,231	4,110	-	9,533		
Recreation/Sport Structures Infrastructure	3	2,040	-	1,039	-	1,001	-	42	-	-	(28)	(36)	-	-	-	2,082	-	1,178	-	905		
Road Structures	2	236,427	14,562	188,555	28	112,406	709	4,436	609	(430)	(3,908)	(228)	-	-	-	201,094	15,677	182,658	28	113,815		
Traffic Control Devices	2	8,464	17	5,311	-	2,910	87	85	-	-	(9)	(9)	-	-	-	8,488	90	5,734	-	2,854		
Traffic Control Devices Infrastructure	3	310	-	224	-	86	4	-	-	-	(296)	(296)	-	-	-	314	-	224	-	90		
Plant & Equipment	2	1,613	16,542	9,690	-	6,652	366	1,739	-	-	(81)	(81)	-	-	-	17,657	10,261	7,396	-	7,260		
Plant/Reserve	2	1,613	-	967	-	1,646	12	37	-	-	(13)	(13)	-	-	-	1,613	45	648	-	1,014		
Street/Reserve	3	1,238	-	332	-	905	352	28	-	-	(37)	(37)	-	-	-	1,294	690	248	-	918		
Street/Reserve Infrastructure	3	430	-	240	-	88	-	-	-	-	(37)	(37)	-	-	-	430	-	277	-	383		
Total Infrastructure, Property, Plant & Equipment		737,557	32,448	278,970	68	570,988	7,523	8,419	671	(403)	(394)	(6,755)	(89)	1,226	(186,817)	84,201	737,557	32,448	280,390	68	571,957	
Comparatives		829,320	32,138	253,475	-	607,803	3,549	11,092	451	-	(230)	(6,097)	(89)	1,226	(186,817)	84,201	737,557	32,448	278,970	68	570,988	

## City of Burnside

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

### 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.

#### Information on Valuations

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

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

Where there is no known market for buildings, infrastructure and other assets or where a revaluation has not been adopted after 1 July 2013, these assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

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

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\$ '000

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Valuation of Assets (continued)

Highest and best use

**Land**

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.

**Buildings**

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

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

**Infrastructure**

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

**Transition to AASB 13 - Fair Value Measurement**

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

The dates of the valuations for the individual assets classes are shown below.

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



## City of Burnside

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

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

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\$ '000

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#### Valuation of Assets (continued)

##### Land & Land Improvements

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015.
- Valuer: Liquid Pacific Holdings Pty Ltd

##### Buildings & Other Structures

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015.
- Valuer: Liquid Pacific Holdings Pty Ltd

##### Infrastructure

###### Road & Stormwater Structures

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2012.
- Valuer: Tonkin Consulting

###### Traffic Control Devices, Recreation/Sporting & Other Structures

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015.
- Valuer: Maloney Field Services

##### Furniture & Fittings

###### Street/Reserve

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015.
- Valuer: Maloney Field Services

##### All other Assets

###### Artworks

- Basis of valuation: Fair Value
- Date of valuation: 9 April 2013. Adopted 30 June, 2013
- Valuer: Theodore Bruce Auctions Pty Ltd

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 8. Liabilities

\$ '000	Notes	2016		2015	
		Current	Non Current	Current	Non Current
<b>(a) Trade and Other Payables</b>					
Goods & Services		2,037	-	1,476	-
Payments Received in Advance		127	-	62	-
Accrued Expenses - Employee Entitlements		240	-	161	-
Accrued Expenses - Other		3,093	-	2,213	-
<b>Total Trade and Other Payables</b>		<b>5,497</b>	<b>-</b>	<b>3,912</b>	<b>-</b>
<b>(b) Borrowings</b>					
Short Term Draw Down Facility		8,749	-	8,214	-
Loans		50	-	47	50
<b>Total Borrowings</b>		<b>8,799</b>	<b>-</b>	<b>8,261</b>	<b>50</b>
<b>(c) Provisions</b>					
Fringe Benefits Tax Provision		26	-	35	-
Long Service Leave Provision*		1,209	-	900	324
Annual Leave Provision		938	-	846	-
Rostered Days Off Provision		39	-	34	-
<b>Total Provisions</b>		<b>2,212</b>	<b>-</b>	<b>1,815</b>	<b>324</b>

\*Long Service Leave shown above relates to leave that Council is liable to pay to employees who have reached 7 years of service. As such, it is all considered current.

Movements in Provisions

	Fringe Benefits Tax Provision	Long Service Leave Provision*	Annual Leave Provision	Rostered Days Off Provision
Opening Balance	35	1,224	846	34
Additional Amounts Recognised	130	106	809	229
(Less) Payments	(139)	(121)	(717)	(224)
<b>Closing Balance</b>	<b>26</b>	<b>1,209</b>	<b>938</b>	<b>39</b>

(d) Liability Accounted Investments in Council businesses

Highbury Landfill Authority	19	2,280	2,237
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## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 9. Reserves

\$ '000	1/7/2015	increments (Decrements)	Transfers	Impairments	30/6/2016
<b>(a) Asset Revaluation Reserve</b>					
Land and Land Improvements	116,597	-	-	-	116,597
Buildings	32,900	-	-	-	32,900
Infrastructure	128,419	-	-	-	128,419
Plant & Equipment	4,799	-	-	-	4,799
Furniture and Fittings	3,371	-	-	-	3,371
<b>Total Asset Revaluation Reserve</b>	<b>286,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286,085</b>
<b>Comparatives</b>	<b>390,601</b>	<b>(104,516)</b>	<b>-</b>	<b>-</b>	<b>286,085</b>

\$ '000	1/7/2015	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2016
<b>(b) Other Reserves</b>					
Open Space Contribution Reserve	411	18	-	-	429
<b>Total Other Reserves</b>	<b>411</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>429</b>
<b>Comparatives</b>	<b>410</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>411</b>

#### PURPOSE OF THESE 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).

##### Open Space Contribution Reserve

This reserve is used to record increments and decrements in Open Space Contributions.

#### Note 10. Assets Subject to Restrictions

\$ '000	Notes	2016	2015
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.			
<b>Cash &amp; Financial Assets</b>			
Unexpended amounts received from State Government		-	31

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2016	2015
<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	583	2,198
Less: Short-Term Borrowings	8	(8,749)	(8,214)
<b>Balances per Statement of Cash Flows</b>		<b>(8,166)</b>	<b>(6,016)</b>
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus/(Deficit)		1,900	2,001
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		8,755	8,135
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(634)	178
Non-Cash Asset Acquisitions		(209)	(451)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(313)	(304)
Net (Gain) Loss on Disposals		(29)	(103)
		<b>9,470</b>	<b>9,456</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		69	(254)
Net (Increase)/Decrease in Inventories		2	-
Net (Increase)/Decrease in Other Current Assets		2,086	(1,416)
Net Increase/(Decrease) in Trade & Other Payables		1,585	642
Net Increase/(Decrease) in Other Provisions		73	(126)
<b>Net Cash provided by (or used in) operations</b>		<b>13,285</b>	<b>8,302</b>
<b>(c) Non-Cash Financing and Investing Activities</b>			
<b>Acquisition of assets by means of:</b>			
- Physical Resources Received Free of Charge	2	209	451
<b>Total Non-Cash Financing &amp; Investing Activities</b>		<b>209</b>	<b>451</b>
<b>(d) Financing Arrangements</b>			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		98	75
LGFA Cash Advance Debenture Facility		10,000	10,000

City of Burnside

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

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 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015		
	\$ '000											
Business Undertakings	54	49	76	57	(22)	(8)	-	-	-	-		
Community Services	2,138	2,039	3,927	3,796	(1,789)	(1,757)	1,475	1,602	-	-		
Culture	283	423	2,027	1,889	(1,744)	(1,466)	128	243	-	-		
Economic Development	-	-	21	21	(21)	(21)	-	-	-	-		
Environment	364	164	8,343	9,509	(7,979)	(9,345)	32	67	-	-		
Recreation	779	242	2,931	2,370	(2,152)	(2,128)	50	50	-	-		
Regulatory Services	1,080	1,329	2,766	3,016	(1,686)	(1,687)	-	-	-	-		
Transport & Depo/Indirect	1,000	417	1,116	1,050	(115)	(633)	979	343	-	-		
Plant Hire & Depo/Indirect	8	64	(601)	(685)	609	749	-	-	-	-		
Unclassified Activities	-	-	1	121	(1)	(121)	-	-	-	-		
Council Administration	37,169	37,773	21,553	20,035	15,616	17,738	644	2,112	522,522	518,415		
<b>Total Functions/Activities</b>	<b>42,876</b>	<b>42,500</b>	<b>42,161</b>	<b>41,179</b>	<b>715</b>	<b>1,321</b>	<b>3,308</b>	<b>4,417</b>	<b>522,522</b>	<b>518,415</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.

## Note 12b. Components of Functions

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\$ '000

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

### **BUSINESS UNDERTAKINGS**

Private Works and Water Supply – Domestic.

### **COMMUNITY SERVICES**

Public Order and Safety, Crime Prevention, Emergency Services and Fire Protection, Other Public Order and Safety, Immunisation and Preventive Health Services, Elderly Citizens Facilities, Home Assistance Scheme and Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries and Public Conveniences.

### **CULTURE**

Mobile Libraries and Housebound Services, Static Libraries, Cultural Venues, Heritage and Other Cultural Services.

### **ECONOMIC DEVELOPMENT**

Support to Local Businesses.

### **ENVIRONMENT**

Animal/Plant Boards, Landcare, Domestic Waste, Green Waste, Recycling, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

### **RECREATION**

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

### **REGULATORY SERVICES**

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

### **TRANSPORT**

Footpaths and Kerbing, Roads – sealed, Roads – formed, Traffic Management, LGGC – roads (formula funded).

### **COUNCIL ADMINISTRATION**

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

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 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 1.75% and 3.30% (2015: 2.0% and 2.5%). Short term deposits have an average maturity of 90 days and an average interest rate of 2.07% (2015: 180 days and 3.3%).

###### Carrying Amount:

Approximates fair value due to the short term to maturity.

###### 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).

###### 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 4.25% (2015: 4% and 5%).

###### Carrying Amount:

Approximates fair value.

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Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2016</b>					
<b>Financial Assets</b>					
Cash & Equivalents	583	-	-	583	583
Receivables	156	178	-	334	546
<b>Total Financial Assets</b>	<b>739</b>	<b>178</b>	<b>-</b>	<b>917</b>	<b>1,129</b>
<b>Financial Liabilities</b>					
Payables	5,497	-	-	5,497	5,497
Current Borrowings	8,799	-	-	8,799	8,799
<b>Total Financial Liabilities</b>	<b>14,296</b>	<b>-</b>	<b>-</b>	<b>14,296</b>	<b>14,296</b>
<b>2015</b>					
<b>Financial Assets</b>					
Cash & Equivalents	2,198	-	-	2,198	2,198
Receivables	228	25	-	253	253
<b>Total Financial Assets</b>	<b>2,426</b>	<b>25</b>	<b>-</b>	<b>2,451</b>	<b>2,451</b>
<b>Financial Liabilities</b>					
Payables	3,945	-	-	3,945	3,912
Current Borrowings	8,261	-	-	8,261	8,261
Non-Current Borrowings	-	50	-	50	50
<b>Total Financial Liabilities</b>	<b>12,206</b>	<b>50</b>	<b>-</b>	<b>12,256</b>	<b>12,223</b>

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

	30 June 2016		30 June 2015	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.20%	8,799	5.00%	8,311
		<b>8,799</b>		<b>8,311</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. Financial assets exclude rates receivable, GST reimbursements and prepayments.

**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.



## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 14. Commitments for Expenditure

\$ '000	Notes	2016	2015
<b>(a) Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Land		145	-
Buildings		83	548
Infrastructure		144	1,098
Plant & Equipment		-	23
Other		-	25
		<u>372</u>	<u>1,694</u>
<b>These expenditures are payable:</b>			
Not later than one year		372	1,694
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>372</u>	<u>1,694</u>
<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		-	31
Waste Management Services		6,960	7,830
Employee Remuneration Contracts		5,996	6,234
Other Maintenance Contracts		1,085	2,180
		<u>14,041</u>	<u>16,275</u>
<b>These expenditures are payable:</b>			
Not later than one year		4,275	8,272
Later than one year and not later than 5 years		5,974	4,523
Later than 5 years		3,792	3,480
		<u>14,041</u>	<u>16,275</u>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2016	2016	2015	2014

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

**1. Operating Surplus Ratio**

Operating Surplus	1,349	3%	3%	(3%)
Total Operating Revenue	43,642			

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

**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.	1,349	3%	1%	(3%)
	43,642			

**2. Net Financial Liabilities Ratio**

Net Financial Liabilities	14,333	33%	25%	10%
Total Operating Revenue	43,642			

*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	7,992	91%	142%	78%
Infrastructure & Asset Management Plan required expenditure	8,755			

*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.*

City of Burnside

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 15. Financial Indicators - Graphs (continued)

<p><b>1. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>-3%</td> </tr> <tr> <td>2015</td> <td>3%</td> </tr> <tr> <td>2016</td> <td>3%</td> </tr> </tbody> </table>	Year	Ratio %	2014	-3%	2015	3%	2016	3%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p><b>Commentary on 2015/16 Result</b></p> <p><b>2015/16 Ratio 3%</b></p> <p><b>Target per 2015/2016 Adopted Budget - 2%</b></p> <p>Council budgeted for an Operating Surplus of 2% (\$573,000) in 2015/16. Through the financial discipline and commitment towards savings shown by Council throughout the year, this target has been achieved.</p>
Year	Ratio %									
2014	-3%									
2015	3%									
2016	3%									
<p><b>1a. Adjusted Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>-3%</td> </tr> <tr> <td>2015</td> <td>1%</td> </tr> <tr> <td>2016</td> <td>3%</td> </tr> </tbody> </table>	Year	Ratio %	2014	-3%	2015	1%	2016	3%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2015/16 Result</b></p> <p><b>2015/16 Ratio 3%</b></p> <p><b>Target per 2015/2016 Adopted Budget - 2%</b></p> <p>In spite of not getting 2 quarters of the Financial Assistance Grants in 2015/16, Council have achieved an Operating Surplus of 2% which is within Council's target range of 1-5% and in line with the 2015/16 Adopted Budget target of 2%.</p>
Year	Ratio %									
2014	-3%									
2015	1%									
2016	3%									
<p><b>2. Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>10%</td> </tr> <tr> <td>2015</td> <td>25%</td> </tr> <tr> <td>2016</td> <td>33%</td> </tr> </tbody> </table>	Year	Ratio %	2014	10%	2015	25%	2016	33%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2015/16 Result</b></p> <p><b>2015/16 Ratio 33%</b></p> <p><b>Target per 2015/2016 Adopted Budget - 44%</b></p> <p>This ratio demonstrates that Council's liabilities (including debt) are within acceptable levels and well below the target set in the 2015/16 Adopted Budget.</p>
Year	Ratio %									
2014	10%									
2015	25%									
2016	33%									
<p><b>3. Asset Sustainability Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>78%</td> </tr> <tr> <td>2015</td> <td>142%</td> </tr> <tr> <td>2016</td> <td>91%</td> </tr> </tbody> </table>	Year	Ratio %	2014	78%	2015	142%	2016	91%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p><b>Commentary on 2015/16 Result</b></p> <p><b>2015/16 Ratio 91%</b></p> <p><b>Target per 2015/2016 Adopted Budget - 90%</b></p> <p>Council set a target range of 90% in its 2015/16 Adopted Budget and has achieved this target. In addition, the three year average is 102% which is in line with the LGA target of between 90-100%.</p>
Year	Ratio %									
2014	78%									
2015	142%									
2016	91%									

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 16. Uniform Presentation of Finances

\$ '000	2016	2015
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The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

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

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

Income	43,642	42,571
less Expenses	<u>(42,293)</u>	<u>(41,428)</u>
Operating Surplus / (Deficit)	1,349	1,143
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	8,415	11,093
less Depreciation, Amortisation and Impairment	(8,755)	(8,135)
less Proceeds from Sale of Replaced Assets	<u>(423)</u>	<u>(333)</u>
Subtotal	(763)	2,625
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	7,524	3,549
less Amounts Received Specifically for New and Upgraded Assets	(313)	(304)
Subtotal	<u>7,211</u>	<u>3,245</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u>(5,099)</u>	<u>(4,727)</u>

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 17. Operating Leases

\$ '000	2016	2015
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##### Leases Providing Revenue to the Council

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

##### (i) Investment Property

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

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

Not later than one year	254	197
Later than one year and not later than 5 years	738	939
Later than 5 years	1,378	1,378
	<u>2,370</u>	<u>2,514</u>

##### (ii) Lease Payment Commitments of Council

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

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

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

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

No lease contains any escalation clause

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

Not later than one year	444	616
Later than one year and not later than 5 years	404	934
Later than 5 years	-	-
	<u>848</u>	<u>1,550</u>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

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 2015/16; 9.50% in 2014/15). 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.

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2016	2015	2016	2015
Associates - Gain	766	71	(1,415)	176
Associates - Loss	(132)	(249)	-	(2,237)
<b>Total</b>	<b>634</b>	<b>(178)</b>	<b>(1,415)</b>	<b>(2,061)</b>

#### (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2016	2015
Eastern Waste Management Authority Inc	Waste Management	25	46
Highbury Landfill Authority Inc	Discontinued Landfill	(2,281)	(2,237)
ERA Water	Water supply and sale	756	-
Eastern Health Authority Inc	Health	84	130
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>(1,416)</b>	<b>(2,061)</b>

##### Eastern Waste Management Authority Inc

The City of Burnside is one of six member Councils of the Eastern Waste Management Authority Inc. The other member Councils are the City of Norwood, Payneham & St.Peters, the Town of Walkerville, the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

##### Highbury Landfill Authority Inc

The City of Burnside is one of the member Councils of the Highbury Landfill Authority Inc. The other member Councils are the City of Norwood, Payneham & St. Peters and the Town of Walkerville.

##### ERA Water

The City of Burnside is one of the member Councils of the ERA Water Regional Subsidiary. The other member Councils are the City of Norwood, Payneham & St. Peters and the Town of Walkerville. ERA Water came into operation in July 2015 and has been established to capture creekwater, disinfect and store it in aquifers and subsequently deliver it to customers.

##### Eastern Health Authority Inc

The City of Burnside is one of five members of Councils of the Eastern Health Authority Inc (EHA). The other member Councils are the City of Campbelltown, the City of Norwood, Payneham & St Peters, the City of Prospect and the Town of Walkerville.

##### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2016	2015	2016	2015	2016	2015
Eastern Waste Management Authority Inc	17%	17%	17%	17%	17%	17%
Highbury Landfill Authority Inc	50%	50%	50%	50%	33%	33%
ERA Water	33%	0%	33%	0%	33%	0%
Eastern Health Authority Inc	25%	25%	25%	25%	20%	20%

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Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 19. Interests in Other Entities (continued)

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority Inc		Highbury Landfill Authority Inc	
	2016	2015	2016	2015
Opening Balance	46	3	(2,237)	(2,094)
Share in Operating Result	(2)	43	(132)	(249)
Share in Other Comprehensive Income	7	-	-	-
New Capital Contributions	20	-	71	106
Distributions Received	(46)	-	-	-
Adjustments to Equity	-	-	17	-
<b>Council's Equity Share in the Joint Venture</b>	<b>25</b>	<b>46</b>	<b>(2,281)</b>	<b>(2,237)</b>
	ERA Water		Eastern Health Authority Inc	
	2016	2015	2016	2015
Opening Balance	-	-	130	102
Share in Operating Result	756	-	5	28
Share in Other Comprehensive Income	-	-	-	-
New Capital Contributions	-	-	-	-
Distributions Received	-	-	(51)	-
Adjustments to Equity	-	-	-	-
<b>Council's Equity Share in the Joint Venture</b>	<b>756</b>	<b>-</b>	<b>84</b>	<b>130</b>

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Eastern Waste Management Authority Inc		Highbury Landfill Authority Inc	
	2016	2015	2016	2015
Cash and Cash Equivalents	2,798	2,096	19	92
Other Current Assets	359	249	9	4
Non-Current Assets	5,332	6,793	9	17
<b>Total Assets</b>	<b>8,489</b>	<b>9,138</b>	<b>37</b>	<b>113</b>
Current Trade and Other Payables	1,870	1,163	33	7
Current Financial Liabilities	1,417	1,100	-	-
Current Provisions	609	439	225	171
Non-Current Financial Liabilities	4,374	6,103	-	-
Non-Current Provisions	69	56	4,339	4,372
<b>Total Liabilities</b>	<b>8,339</b>	<b>8,861</b>	<b>4,597</b>	<b>4,550</b>
<b>Net Assets</b>	<b>150</b>	<b>277</b>	<b>(4,560)</b>	<b>(4,437)</b>
Statement of Financial Position	ERA Water		Eastern Health Authority Inc	
	2016	2015	2016	2015
Cash and Cash Equivalents	26	-	581	790
Other Current Assets	1,318	-	158	162
Non-Current Assets	2,099	-	422	441
<b>Total Assets</b>	<b>3,443</b>	<b>-</b>	<b>1,161</b>	<b>1,393</b>
Current Trade and Other Payables	1,174	-	96	109
Current Financial Liabilities	-	-	59	56
Current Provisions	-	-	259	235
Non-Current Financial Liabilities	-	-	376	435
Non-Current Provisions	-	-	33	42
<b>Total Liabilities</b>	<b>1,174</b>	<b>-</b>	<b>823</b>	<b>877</b>
<b>Net Assets</b>	<b>2,269</b>	<b>-</b>	<b>338</b>	<b>516</b>

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Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

**Note 20. 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 256 km of road reserves of average width 8.2 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 4 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 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet (continued)

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**4. BROWNHILL KESWICK CREEK STORM WATER PROJECT**

The City of Burnside continues to work collaboratively with the Cities of Mitcham, Unley and West Torrens and the Corporation of the City of Adelaide to develop a catchment based Stormwater Management Plan (SMP) for the Brown Hill Keswick Creek catchment. The purpose of the SMP is to mitigate and manage flood risk in the Brown Hill and Keswick Creek catchments and to achieve storm water reuse where feasible and economical. The project councils submitted the SMP in late 2012 and this was subsequently approved and gazetted by the Stormwater Management Authority in March 2013. Under the approved SMP, Councils proposed engineering and other works in Brown Hill (downstream of Anzac Highway) and Keswick Creek and its tributaries. These works, referred to as Part A works were endorsed and comprised approximately 80% of the value of the project. Determination of the remaining flood mitigation works in Brown Hill Creek upstream of Anzac Highway (referred to as Part B works) was to be confirmed within one year of gazettal of the SMP 2012 (ie by March 2014). Due to the complexity of the proposed engineering solutions and community interest in the SMP Part B ("dam or no dam"), the investigations into the proposed Part B works have taken longer to complete than originally planned resulting in a further extension of time being granted by the SMA to September 2015.

The gazetted SMP 2012 requires that councils establish a regional subsidiary primarily to undertake the detail design, construction and maintenance of the Part A and B flood mitigation works over a defined project timetable subject to funding commitments from Federal and State Governments. The five project Councils have reached agreement to approximately 80% of the total proposed project works under Part A and continue to fund the investigation into a preferred option for "Part B" works.

The forecast cost of the Brown Hill and Keswick Creeks Stormwater Management Plan is estimated to be in the order of \$147 million, with implementation planned over a 10 year period. No construction work is likely to be undertaken until after the investigation of Part B works has been completed by the Project and the final preferred concept approved by the SMA, which is forecast to be submitted to the SMA in late 2015. Commencement of detail design and construction works is dependent on funding support from the other tiers of government. No funding commitments have yet been received.

Based on the estimated costs and cost sharing arrangements approved under the Stormwater Management Plan (SMP 2012), the City of Burnside's share of the local government contribution is set at 12%, which equates to an indicative cost of between \$8 million and \$10 million depending on project funding support received.

Whilst the City of Burnside continues to collaborate with the other catchment Councils to establish a regional subsidiary, as of 30 June 2016 a regional subsidiary had not been established. It is unlikely that a regional subsidiary will be established until after Part B and the overall SMP has been approved by the SMA and project funding has been agreed by the catchment Councils, State and Federal Governments. As at 30 June 2016, the Project (catchment Councils) does not own any assets.



Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

Note 21. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2016, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is dd/mm/yy.

Council is aware of the following "non adjusting events" that merit disclosure;

At the 14 June 2016 Council meeting, Council approved an additional loan facility for \$2million for a period of 15 years at a fixed interest rate of 4 per cent with the Local Government Finance Authority of South Australia . This was recognised in the ledger after 30 June 2016.

CITY OF BURNSIDE

ABN 66 452 640 504

**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Members councils of the City of Burnside:

We have audited the accompanying financial report of City of Burnside, which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and the statement of cash flow for the year then ended, a summary of significant accounting policies and other explanatory notes and the certification of financial statements.

***Council's responsibility for the Financial Report***

The Council of the City of Burnside is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011 (Regulations) made under that Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the City of Burnside, 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 of the City of Burnside for the financial year ended 30 June 2016 published in the annual report and included on the City of Burnside's website. The Council of the City of Burnside is responsible for the integrity of the City of Burnside's website. We have not been engaged to report on the integrity of this web site. 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.

**HLB Mann Judd Audit (SA) Pty Ltd ABN: 32 166 337 097**

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## INDEPENDENT AUDITOR'S REPORT (continued)

If users of the financial 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.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Local Government Act and Regulations.

### **Auditor's Opinion**

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of City of Burnside as at 30 June 2016 and its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and Regulations.

  
HLB Mann Judd  
Chartered Accountants

  
Corey McGowan  
Partner

Adelaide, South Australia  
26 October 2016

## City of Burnside Independent Assurance Report

To the Mayor and Members of the City of Burnside:

### Report on the Internal Controls of the City of Burnside

We have audited the compliance of the *City of Burnside* (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 2015 to 30 June 2016 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 an opinion 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, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2015 to 30 June 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

### Limitation on Use

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

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### **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 opinion 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.

### **Opinion**

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 so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.



HLB Mann Judd  
Chartered Accountants



Corey McGowan  
Partner

Adelaide, South Australia  
26 October 2016




**CITY OF BURNSIDE**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2016**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the City of Burnside for the year ended 30 June 2016, 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*.

Handwritten signature of Paul Deb in blue ink.

Paul Deb  
**CHIEF EXECUTIVE OFFICER**

Handwritten signature of Leigh Hall in blue ink.

Leigh Hall  
**PRESIDING MEMBER**  
**AUDIT COMMITTEE**

Dated this 17<sup>th</sup> day of October 2016

The Mayor and Council Members  
City of Burnside  
401 Greenhill Road  
TUSMORE SA 5065

**TO THE COUNCILLORS OF CITY OF BURNSIDE**

**STATEMENT OF AUDITORS INDEPENDENCE  
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2016**

I confirm that, for the audit of the financial statements of City of Burnside for the year ended 30 June 2016, 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  
Chartered Accountants

  
Corey McGowan  
Partner

Adelaide, South Australia  
29 September 2016