

(Appendix C)



ANNUAL FINANCIAL STATEMENTS

2014/15

Council Solutions Regional Authority
25 Pirie St
Adelaide SA 5000
councilsolutions.sa.gov.au

ABN 92 168 067 160



**Council Solutions Regional Authority
General Purpose Financial Reports
for the year ending 30 June 2015**


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Council Solutions Regional Authority
Certification Of Financial Statements
for the year ending 30 June 2015

I have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In my 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 Solutions Regional Authority's financial position at 30 June 2015 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.


.....

Catherine Cooper
Chair Of The Board

Date: 7 September 2015

Council Solutions Regional Authority
Statement Of Comprehensive Income
for the year ending 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Income			
Investment Income	2	20	12
Management Fee	2	926	1,099
Other Income	2	31	-
Total Income	2	977	1,111
Expenses			
Materials, contracts & other expenses	3	1,097	748
Total Expenses	3	1,097	748
Operating Surplus		(120)	363
Net Surplus		(120)	363
Total Other Comprehensive Income	2	-	-
Total Comprehensive Income		(120)	363

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

Council Solutions Regional Authority
Balance Sheet
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	446	615
Receivables	4	203	408
Total Current Assets	4	650	1,023
Total Assets	4	650	1,023
Liabilities			
Current Liabilities			
Trade & Other Payables	5	21	87
Other Current Liabilities	5	21	208
Total Current Liabilities	5	42	295
Total Liabilities	5	42	295
Net Assets		608	728
Equity			
Accumulated Surplus		465	585
Share Capital		143	143
Total Equity		608	728

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

Council Solutions Regional Authority
Statement of Changes in Equity
as at 30 June 2015

	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
2015			
Opening Balance	143	585	728
Net Surplus for Year	-	(120)	(120)
Balance at end of period	143	465	608

	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
2014			
Opening Balance	143	222	365
Net Surplus for Year	-	363	363
Balance at end of period	143	585	728

Council Solutions Regional Authority
Cash Flow Statement
for the year ending 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Cash Flows From Operating Activities			
Receipts			
Operating receipts		1,162	1,133
Investment Receipts		20	12
Payments			
Operating payments to suppliers & employees		(1,350)	(532)
Net Cash provided by (or used in) Operating Activities	6	(169)	612
Net Increase (Decrease) in cash held		(169)	612
Cash & cash equivalents at beginning of period		615	3
Cash & cash equivalents at end of period	4	446	615

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

Council Solutions Regional Authority

Notes to and forming part of the Financial Statements

for the year ending 30 June 2015

Note 1 - Significant Accounting Policies

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.

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

Constituent Council	Equity Share
Adelaide City Council	16.67%
City of Charles Sturt	16.67%
City of Marion	16.67%
City of Onkaparinga	16.67%
City of Salisbury	16.67%
City of Tea Tree Gully	16.67%

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011 dated 1 May 2011*.

1 Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 Income recognition

Management Fee Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Council) with a Management Fee.

3 Cash, Cash Equivalents and other Financial Instruments

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

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.

4 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

All employees are employed through Adelaide City Council, one of the Constituent Councils. Those employees are then contracted to the Authority.

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2015

6 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.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

7 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

8 Critical Accounting Estimates and Judgements

The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the authority.

Accounts receivable are reviewed at each reporting date to establish the collectability.

9 Pending Accounting Standards

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

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 124	Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

(Standards not affecting local government have been excluded from the above list.)

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

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2015

Note 2 - Income

	2015	2014
	\$'000	\$'000
Investments		
Interest Income	20	12
	20	12
Management Fee		
Management Fee	926	1,099
	926	1,099
Other Income		
Reimbursements	31	-
	31	-

Note 3 - Expenses

	2015	2014
	\$'000	\$'000
Materials, Contracts & Other Expenses		
Advertising	10	8
Audit Fees	6	7
Catering	4	2
Contractors	45	73
Consultant Fees	204	59
Entertainment Costs	1	3
Fringe Benefits Tax	10	3
Insurance	25	26
IT Expenses	3	8
Legal Fees	145	22
Membership Fees & Subscriptions	5	6
Motor Vehicle	18	6
Recruitment	11	38
Reimbursements - Salary & Wages	533	455
Rent	24	-
Sitting Fees	26	13
Sundry	23	13
Telephone	3	4
Training and Development	3	3
	1,097	748

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2015

Note 4 - Current Assets

	2015 \$'000	2014 \$'000
Cash & Cash Equivalents		
Cash at Bank	446	615
	446	615
Receivables		
Accounts Receivables	132	21
Accrued Income	71	378
Receivable from Adelaide City Council	-	9
	203	408
Total Current Assets	650	1,023

Note 5 - Liabilities

	2015 \$'000	2014 \$'000
Trade & Other Payables		
Creditors	10	82
Accruals	11	5
	21	87
Other Current Liabilities		
Payable to Adelaide City Council	21	208
	21	208
Total Liabilities	42	295

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2015

Note 6 - Reconciliation To Cash Flow Statement

(a) Reconciliation of Cash

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

	2015	2014
	\$'000	\$'000
Cash at Bank	446	615
Balances per Cash Flow Statement	446	615

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

Net Surplus	(120)	363
Net (increase)/decrease in Receivables	205	33
Net increase/(decrease) in Current Liabilities	(253)	216
Net Cash provided by (or used in) operations	(169)	612

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2015

Note 7 - Financial Instruments

(a) Interest Rate Risk

The Authority's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those applicable financial assets and liabilities is as follows;

2015	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instrument s	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non- Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash	1.9%	446	-	-	-	-
Receivables		-	-	-	-	203
Total Financial Assets		446	-	-	-	203
Financial Liabilities:						
Creditors and Provisions		-	-	-	-	21
Total Financial Liabilities		-	-	-	-	21

2014	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instrument	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non- Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash	2.3%	615	-	-	-	-
Receivables	0.0%	-	-	-	-	408
Total Financial Assets		615	-	-	-	408
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	87
Total Financial Liabilities		-	-	-	-	87

(b) Credit Risk

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted.

The Authority's exposure to credit risk is limited to receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

(c) Net Fair Value

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability.

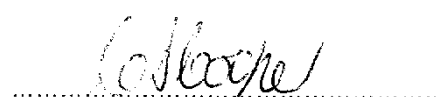
The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of financial instruments held in the Authority, the cost associated with their settlement would not be material and have not been considered.

Council Solutions Regional Authority
Certification Of Auditor Independence
for the year ending 30 June 2015

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the year ended 30 June 2015, the Council's Auditor, Ian G McDonald, 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) (b) Local Government (Financial Management) Regulations 2011.



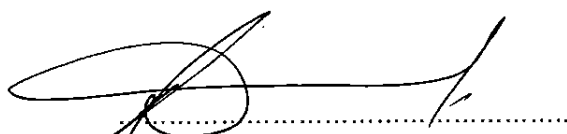
Catherine Cooper
CHAIR

Date: 7/9/15



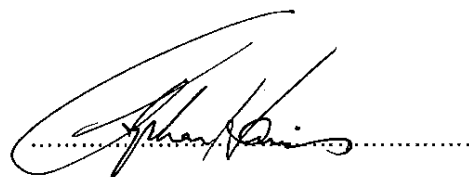
Tanya Johnston
PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 11/9/15



Mark Dowd
CHIEF EXECUTIVE OFFICER
City of Onkaparinga

Date: 11/9/15



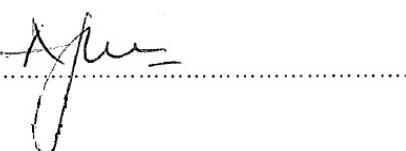
Stephen Hains
A/CHIEF EXECUTIVE OFFICER
Adelaide City Council

Date: 26/8/15



Paul Sutton
A/CHIEF EXECUTIVE OFFICER
City of Charles Sturt

Date: 28/8/15



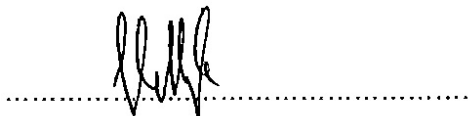
Adrian Skull
CHIEF EXECUTIVE OFFICER
City of Marion

Date: 9/9/15



John Harry
CHIEF EXECUTIVE OFFICER
City of Salisbury

Date: 31/8/15



John Moyle
CHIEF EXECUTIVE OFFICER
Tea Tree Gully

Date: 28/8/15

Council Solutions Regional Authority

Annual Financial Statements For the year ending 30 June 2015

Statement by Auditor

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

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



Ian G McDonald FCA

Dated this 14 day of August 2015



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE
COUNCIL SOLUTIONS REGIONAL AUTHORITY**

We have audited the accompanying financial report of the Council Solutions Regional Authority which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2015.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. 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 have 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 Board of Management, 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.

Independence

In conducting our audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

Auditor's Opinion

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

**IAN G MC DONALD FCA
CHARTERED ACCOUNTANT
REGISTERED COMPANY AUDITOR**

Liability limited by a scheme approved under Professional Standards Legislation

Signed 15th day of September , at Adelaide, South Australia