

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 31 December 2018

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

S.43 Regional Subsidiary Members

General Purpose Financial Reports for the six months ending 31 December 2018

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MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

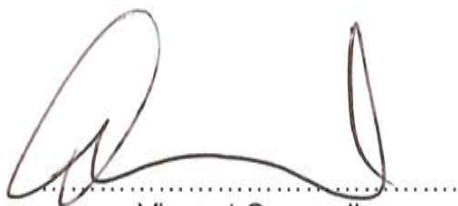
ANNUAL FINANCIAL STATEMENTS FOR SIX MONTHS ENDING 31 DECEMBER 2018

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Murray Mallee Community Transport Scheme's 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 Murray Mallee Community Transport Scheme's financial position at 31 December 2018 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 Murray Mallee Community Transport Scheme's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Murray Mallee Community Transport Scheme's accounting and other records.



Vincent Cammell
**CHIEF EXECUTIVE OFFICER
COORONG DISTRICT COUNCIL**

Date: 20 / 03 / 2019

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

STATEMENT OF COMPREHENSIVE INCOME for the six months ending 31 December 2018

	Notes	31-Dec-18 \$	30-Jun-18 \$
INCOME			
User charges	2	5,310	9,584
Grants, subsidies and contributions	2	109,754	197,534
Investment income	2	1,865	3,830
Reimbursements	2	1,823	2,897
Total Income		<u>118,752</u>	<u>213,845</u>
EXPENSES			
Employee costs	3	67,956	122,574
Materials, contracts & other expenses	3	39,581	48,858
Depreciation, amortisation & impairment	3	3,115	6,789
Total Expenses		<u>110,652</u>	<u>178,222</u>
OPERATING SURPLUS / (DEFICIT)		8,100	35,623
Asset disposal & fair value adjustments	4	(30,572)	-
NET SURPLUS / (DEFICIT)		<u>(22,472)</u>	<u>35,623</u>
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		<u>(22,472)</u>	<u>35,623</u>

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

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

STATEMENT OF FINANCIAL POSITION for the six months ending 31 December 2018

	Notes	31-Dec-18 \$	30-Jun-18 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	202,461	219,654
Trade & other receivables	5	392	185
Infrastructure, property, plant & equipment	6	-	34,418
Total Current Assets		<u>202,853</u>	<u>254,257</u>
Total Assets		<u>202,853</u>	<u>254,257</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	7	1,035	5,963
Provisions	7	-	24,003
Total Liabilities		<u>1,035</u>	<u>29,966</u>
NET ASSETS		<u>201,819</u>	<u>224,291</u>
EQUITY			
Accumulated Surplus		201,819	224,291
TOTAL EQUITY		<u>201,819</u>	<u>224,291</u>

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

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

STATEMENT OF CHANGES IN EQUITY for the six months ending 31 December 2018

	Notes	Accumulated Surplus \$	TOTAL EQUITY \$
31-Dec-18			
Balance at end of previous reporting period		224,291	224,291
Net Surplus / (Deficit) for Year		(22,472)	(22,472)
Balance at end of period		<u>201,819</u>	<u>201,819</u>
30-Jun-18			
Balance at end of previous reporting period		188,668	188,668
Net Surplus / (Deficit) for Year		35,623	35,623
Balance at end of period		<u>224,291</u>	<u>224,291</u>

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

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

STATEMENT OF CASH FLOWS for the six months ending 31 December 2018

	Notes	31-Dec-18 \$	30-Jun-18 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
User charges		5,310	9,584
Investment receipts		1,865	3,830
Grants utilised for operating purposes		109,754	197,534
Reimbursements		1,822	2,897
<u>Payments</u>			
Employee costs		(67,956)	(122,574)
Materials, contracts & other expenses		(68,719)	(73,732)
Net Cash provided by (or used in) Operating Activities		(17,923)	17,539
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of surplus assets		730	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	-
Net Cash provided by (or used in) Investing Activities		730	-
Net Increase (Decrease) in cash held		(17,193)	17,539
Cash & cash equivalents at beginning of period	5	219,654	202,116
Cash & cash equivalents at end of period	5	202,461	219,654

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

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the six months ending 31 December 2018

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 20th February 2019.

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 MMCTS's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

Murray Mallee Community Transport Scheme (MMCTS) was a Regional Subsidiary under Section 43 and schedule 2 of the Local Government Act 1999. The constituent MMCTSs of the MMCTS are Coorong District MMCTS, Southern Mallee District MMCTS and the District MMCTS of Karoonda/ East Mallee. The principal place of business was at 73 Railway Terrace, Tailem Bend. All the funds which the MMCTS controls to carry on its function have been included in this financial report.

The 3 constituents have voted to discontinue the Section 43 as from 31 December 2018.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the MMCTS 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 MMCTS's operations for the current reporting period.

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and Other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at MMCTS'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 10.

5 Infrastructure, Property, Plant & Equipment

5.1 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.

5.2 Materiality

No capitalisation thresholds exist for assets with an economic life in excess of one year.

5.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in the manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of assets are shown below:

<u>Plant, Furniture & Equipment</u>	
Office Equipment	3 to 10 years
Vehicles	4 to 8 years

5.4 Impairment

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

6 Payables

6.1 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.

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 1 - Significant Accounting Policies (cont)

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 6 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

No accrual is made for sick leave as MMCTS 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. MMCTS does not make payment for untaken sick leave.

7.2 Superannuation

The MMCTS makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and MMCTS's involvement with the schemes are reported in Note 15.

8 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.

9 Pending Accounting Standards

In the current year, MMCTS adopted no new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) relevant to its operations and effective for the current reporting period.

MMCTS has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

10 Disclaimers

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

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 2 - INCOME

	Notes	31-Dec-18 \$	30-Jun-18 \$
USER CHARGES			
Client Contributions		5,310	9,584
		<u>5,310</u>	<u>9,584</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		1,865	3,830
		<u>1,865</u>	<u>3,830</u>
REIMBURSEMENTS			
- other		1,823	2,897
		<u>1,823</u>	<u>2,897</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		109,754	197,534
		<u>109,754</u>	<u>197,534</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
State government		90,353	158,733
Other		19,401	38,801
		<u>109,754</u>	<u>197,534</u>

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 3 - EXPENSES

	Notes	31-Dec-18 \$	30-Jun-18 \$
EMPLOYEE COSTS			
Salaries and Wages		85,357	113,723
Employee leave expense		(23,707)	(4,241)
Superannuation - defined contribution plan contributions	15	2,617	8,491
Superannuation - defined benefit plan contributions	15	2,223	1,985
Workers' Compensation Insurance		1,466	2,616
Total Operating Employee Costs		67,956	122,574
Total Number of Employees		-	2
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		1,050	2,600
Subtotal - Prescribed Expenses		1,050	2,600
<u>Other Materials, Contracts & Expenses</u>			
Contractors		15,366	24,225
Energy		480	696
Other Materials		562	2,524
Fuel		1,172	3,058
Vehicle Other Costs		2,653	3,631
Telephone		1,937	3,037
Insurance		505	1,009
Other Costs		15,857	8,078
Subtotal - Other Materials, Contracts & Expenses		38,531	46,258
		39,581	48,858
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Motor Vehicles		3,115	6,231
Office Equipment		0	559
		3,115	6,789

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	31-Dec-18 \$	30-Jun-18 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets surplus to requirements</i>			
Proceeds from disposal		730	
Less: Carrying amount of assets sold		31,302	
Gain (Loss) on disposal		<u>(30,572)</u>	<u>-</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION		<u>(30,572)</u>	<u>-</u>

Note 5 - CURRENT ASSETS

	Notes	43465 \$	2018 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand		-	200
Cash at Bank		202,461	219,454
Total		<u>202,461</u>	<u>219,654</u>
TRADE & OTHER RECEIVABLES			
GST Recoupment		11	185
Sundry		381	
Total		<u>392</u>	<u>185</u>

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Fair Value Level	30-Jun-18				31-Dec-18			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Motor Vehicles		44,924	(10,506)	34,418		-	-	-
Office Equipment		2,887	(2,887)	-		-	-	-
TOTAL PLANT & EQUIPMENT	-	47,811	(13,393)	34,418	-	-	-	-
Comparatives		47,811	(6,604)	41,207	-	47,811	(13,393)	34,418

CARRYING AMOUNT MOVEMENTS DURING YEAR									
\$									
2018	Additions		Disposals	Depreciation	Transfers		Net Revaluation		
CARRYING AMOUNT	New/Upgrade	Renewals			In	Out			CARRYING AMOUNT
34,418	-		(31,303)	(3,115)	-	-	-	-	-
-	-		-	(0)	-	-	-	-	-
34,418	-		(31,303)	(3,115)	-	-	-	-	-
41,212		-	-	(6,789)					34,423

This Note continues on the following pages.

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 7 - LIABILITIES

		31-Dec-18		30-Jun-18	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		1,035		4,039	
Accrued expenses - employee entitlements				1,924	
		<u>1,035</u>	<u>-</u>	<u>5,963</u>	<u>-</u>
PROVISIONS					
Employee entitlements (including oncosts)				24,003	
		<u>-</u>	<u>-</u>	<u>24,003</u>	<u>-</u>

On wind up of MMCTS all employees were terminated and all benefits were paid, thus no further liability remains.

Note 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	31-Dec-18	30-Jun-18
Total cash & equivalent assets		202,461	219,654
Balances per Cash Flow Statement		<u>202,461</u>	<u>219,654</u>

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

Net Surplus (Deficit)	(22,472)	35,623
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	3,115	6,789
Net increase (decrease) in unpaid employee benefits	(25,927)	(4,241)
Net (Gain) Loss on Disposals	30,572	-
	<u>(14,712)</u>	<u>38,172</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(207)	(185)
Net increase (decrease) in trade & other payables	(3,004)	(20,448)
Net Cash provided by (or used in) operations	<u>(17,923)</u>	<u>17,539</u>

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 9 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
31-Dec-18	30-Jun-18	31-Dec-18	30-Jun-18	31-Dec-18	30-Jun-18	31-Dec-18	30-Jun-18	31-Dec-18	30-Jun-18
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
118,752	213,845	110,652	178,222	8,100	35,623	109,754	197,534	202,854	254,257
118,752	213,845	110,652	178,222	8,100	35,623	109,754	197,534	202,854	254,257

Community Services

TOTALS

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.

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 10 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.5% (30 June 2018: 1.5%). Short term deposits have an average maturity of 1 days and an average interest rates of 1.5% (30 June 2018: 1 day and 1.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

31-Dec-18	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	202,461			202,461	202,461
Receivables	392			392	392
Total	202,853	-	-	202,853	202,853
Financial Liabilities					
Payables	1,035			1,035	1,035
Total	1,035	-	-	1,035	1,035
30-Jun-18	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	219,654			219,654	219,654
Receivables	185			185	185
Total	219,839	-	-	219,839	219,839
Financial Liabilities					
Payables	4,039			4,039	4,039
Total	4,039	-	-	4,039	4,039

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 11 - FINANCIAL INDICATORS

31-Dec-18 30-Jun-18 30-Jun-17

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

<u>Operating Surplus</u>	7%	17%	9%
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

7%	17%	9%
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*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.*

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(169%)	(89%)	(76%)
Total Operating Revenue			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	0%	0%	0%
Infrastructure & Asset Management Plan required expenditure	*	*	*

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

* no asset management plans

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 12 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	31-Dec-18 \$	30-Jun-18 \$
Income	118,752	213,845
less Expenses	110,652	178,222
Operating Surplus / (Deficit)	8,100	35,623
 <i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Depreciation, Amortisation and Impairment	(3,115)	(6,789)
Proceeds from Sale of Replaced Assets	(730)	-
	(3,845)	(6,789)
 Net Lending / (Borrowing) for Financial Year	11,945	42,413

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 13 - RELATED PARTY TRANSACTIONS

Key Management Personnel

The Key Management Personnel of the Council include the Chairman, Board Members and certain prescribed officers under section 112 of the *Local Government Act 1999*.

Key Management Personnel, do not have any relationship to business associated with the entity.

Transactions with Related Parties:

The following transactions occurred with Related Parties:

<i>Related Party Entity</i>	<i>Sale of Services</i>	<i>Description of Services Provided to Related Parties</i>
Coorong District Council	\$ 12,307	Provision for Community Transport
District Council of Karoonda East Murray	\$ 2,487	Provision for Community Transport
Southern Mallee District Council	\$ 4,606	Provision for Community Transport

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5. The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have representation based on the financial support on the Board of Management and accordingly have significant influence on the financial and operating decisions of the Subsidiary.

Note 14 - EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Events that occur after the reporting date of 31 December 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Murray Mallee Community Transport Services 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 28/3/19

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

	Contribution %	Date of Adoption of Wind up
Coorong District Council	64.4%	21/08/2018
District Council of Karoonda East Murray	11.6%	11/07/2018
Southern Mallee District Council	24.0%	30/08/2018

MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the six months ending 31 December 2018

Note 15 – SUPERANNUATION

The MMCTS 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 2018/19; 9.50% in 2017/18). No further liability accrues to the MMCTS 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. MMCTS 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 2017/18) of "superannuation" salary.

In addition, MMCTS 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), MMCTS 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 represented by their share of the net assets of the scheme, and no further liability attaches to the MMCTS's contribution rates as some future time.

Certification of Auditor Independence

I confirm that, for the audit of the financial statements of the Murray Mallee Community Transport Scheme for the year ended 31 December 2018, 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.

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 13th day of March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MURRAY MALLEE COMMUNITY TRANSPORT SCHEME

Qualified Opinion

We have audited the accompanying financial report of the Murray Mallee Community Transport Scheme, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial report gives a true and fair view of the financial position of the Murray Mallee Community Transport Scheme as of 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for the scheme to maintain an effective system of internal control over receipts until their initial entry in the accounting records. Accordingly, our audit in relation to receipts was limited to the amounts recorded.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the entity's financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

BENTLEYS SA AUDIT PARTNERSHIP



DAVID PAPA
PARTNER

Dated at Adelaide this 28th day of March 2019