

ATTACHMENTS

Under Separate Cover Council Meeting

6.00pm Monday 21 September 2020

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7.11	In-Principle Performance Statement and In-Principle Financial Statements for the year ended 30 June 2020				
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Golden Plains Shire Council ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2020

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.

Philippa O'Sullivan CPA Principal Accounting Officer

Date : xx September 2020 Bannockbum

In our opinion the accompanying financial statements present fairly the financial transactions of Golden Plains Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.

Councillor Owen Sharkey Mayor

Date : xx September 2020 Bannockbum

Councillor Les Rowe

Date : xx September 2020 Bannockbum

Eric Braslis Chief Executive Officer

Date : xx September 2020 Bannockbum

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Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	23,834	22,951
Statutory fees and fines	3.2	725	667
User fees	3.3	2,147	2,613
Grants - operating	3.4	10,860	11,000
Grants - capital	3.4	4,692	4,103
Contributions - monetary	3.5	1,904	1,644
Contributions - non monetary	3.5	1,043	795
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	18	103
Share of net profits (or loss) of associates	6.2	67	(16)
Other income	3.7	234	773
Total income	_	45,524	44,633
Expenses			
Employee costs	4.1	16,454	17,133
Materials and services	4.2	14,632	12,760
Depreciation and amortisation	4.3	8,045	7,780
Bad and doubtful debts	4.4	109	16
Borrowing costs	4.5	199	334
Other expenses	4.6	1,317	260
Total expenses		40,756	38,283
Surplus/(deficit) for the year		4,768	6,350
Other comprehensive income			
Other comprehensive income Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	9,555	3,103
Total comprehensive result		14,323	9,453

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Balance Sheet As at 30 June 2020

\$7000 \$7000 Assets Current assets Cash and cash equivalents 5.1 21,414 18,563 Tade and other neceivables 5.1 2,574 3,768 Other financial assets 5.1 - 2,718 Inventories 5.2 17 4 Other assets 5.2 683 167 Total current assets 24,668 25,250 Non-current assets 5.1 - - Other financial assets 5.1 - - Investments in associates 6.2 791 724 Properly, infrastructure, plant and equipment 6.1 462,315 439,603 Total non-current assets 483,106 440,327 Total assets - Current liabilities 5.3 490,2 3,703 Total assets - Current liabilities 5.3 490,2 3,703 Total assets - - Unationation and eposits 5.3 4,902 3,703 - - <th></th> <th>Note</th> <th>2020</th> <th>2019</th>		Note	2020	2019
Current assets 5.1 21,414 18,563 Cash and cash equivalents 5.1 2,574 3,708 Other financial assets 5.1 2,574 3,708 Other financial assets 5.1 2,574 3,708 Inventories 5.2 17 4 Other assets 5.2 653 167 Total current assets 24,658 25,250 17 Non-current assets 5.1 - - Other financial assets 5.1 - - Investorient assets 6.2 791 724 Property, infrastructure, plant and equipment 6.1 462,315 439,603 Total non-current assets 487,764 445,577 445,577 Liabilities - - - - Urnernt (iabilities - - - - Trade and other payables 5.3 4,902 3,703 - Trade and other payables 5.3 4,229 7,344 -			\$'000	\$'000
Cash and cash equivalents 5.1 21,414 18,563 Trade and other receivables 5.1 2,574 3,798 Other financial assets 5.1 - 2,718 Inventories 5.2 17 4 Other assets 5.2 653 167 Total current assets 24,658 25,250 Non-current assets 24,658 25,250 Other financial assets 5.1 - Other financial assets 6.2 791 724 Property, infrastructure, plant and equipment 6.1 462,315 439,603 Total assets 24,658 2465,577 4463,106 Liabilities 487,764 465,577 465,577 Liabilities 5.3 4,902 3,703 Trust funds and deposits 5.3 5.3 4,902 3,703 Investiments 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 5.5 2,747	Assets			
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Inventories 52 17 4 Other assets 5.2 653 167 Total current assets 24,658 25,250 Non-current assets 24,658 25,250 Other financial assets 6.1 - - Investments in associates 6.2 791 724 Property, infrastructure, plant and equipment 6.1 462,315 439,603 Total assets - - - Current iassets - 487,764 465,577 Liabilities - - - - Current liabilities - - - - Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 2,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,428 14,848 Total non-current liabilities -	Trade and other receivables	5.1	2,574	3,798
Other assets 5.2 653 167 Total current assets 24,658 25,250 Non-current assets 5.1 - - Investments in associates 6.2 791 724 Property, infrastructure, plant and equipment 6.1 462,315 439,603 Total assets 463,106 440,327 465,577 Liabilities 4487,764 465,577 Current liabilities 5.3 4,902 3,703 Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 4,202 3,703 Trust funds and deposits 5.3 3,299 3,237 Total current liabilities 5.4 2,229 7,349 Total current liabilities 5.4 2,747 2,967 Interest-bearing liabilities 5.4 11,428 3,264 Total non-current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities	Other financial assets	5.1		2,718
Total current assets 24,658 25,250 Non-current assets - - - Investments in associates 6.2 791 724 Property, infrastructure, plant and equipment 6.1 462,315 439,603 Total non-current assets 463,106 440,327 Total assets 463,106 440,327 Total assets 487,764 465,577 Liabilities - - Current liabilities - - Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 425 - Provisions 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,428 14,448 Non-current liabilities 5.5 2,747 2,967 Total non-current liabilities 5.5 2,747 2,967 Total non-current li	Inventories	5.2	17	4
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Cher financial assets 5.1 - - Investments in associates 6.2 791 724 Property, infrastructure, plant and equipment 6.1 462,315 439,603 Total non-current assets 463,106 440,327 487,764 465,577 Liabilities 487,764 465,577 487,764 465,577 Liabilities 5.3 4,902 3,703 Trade and other payables 5.3 573 559 Unearned income 5.3 425 - Provisions 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 5.4 2,229 7,349 Total current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,428 14,848 Total non-current liabilities 5.4 11,801 297 Total non-current liabilities 5.4 14,548 3,264 Total inabilities 461,788 447	Total current assets		24,658	25,250
Investments in associates 6.2 791 724 Property, infrastructure, plant and equipment 6.1 462,315 439,603 Total non-current assets 463,106 440,327 Total assets 487,764 465,577 Liabilities 487,764 465,577 Current liabilities 5.3 4,902 3,703 Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 425 - Provisions 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 5.4 2,229 7,349 Total current liabilities 5.4 11,422 14,848 Non-current liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,812 447,465 Net assets 461,	Non-current assets			
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Total assets 487,764 465,577 Liabilities Current liabilities 773 703 Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 573 559 Unearned income 5.3 425 - Provisions 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 11,428 14,848 Non-current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 461,788 3,264 Total liabilities 25,976 18,112 Net assets 461,788 447,465 Equity 187,071 183,105 Reserves	Property, infrastructure, plant and equipment	6.1	462,315	439,603
Liabilities Current liabilities Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 573 559 Unearned income 5.3 425 - Provisions 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 11,428 14,848 Non-current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Total liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Total iabilities 5.5 9,76 18,112 Net assets 461,788 447,465 Equity 187,071 183,105 Reserves 9,1 274,717 264,360	Total non-current assets		463,106	440,327
Current liabilities Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 573 559 Unearned income 5.3 425 - Provisions 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 11,428 14,848 Non-current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Italiabilities 461,788 3,264 Total liabilities 461,788 447,465 Equity 187,071 183,105 Reserves 9.1 274,717 264,360	Total assets		487,764	465,577
Current liabilities Trade and other payables 5.3 4,902 3,703 Trust funds and deposits 5.3 573 559 Unearned income 5.3 425 - Provisions 5.5 3,299 3,237 Interest-bearing liabilities 5.4 2,229 7,349 Total current liabilities 11,428 14,848 Non-current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Total non-current liabilities 5.4 11,801 297 Italiabilities 461,788 3,264 Total liabilities 461,788 447,465 Equity 187,071 183,105 Reserves 9.1 274,717 264,360	1			
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Provisions 5.5 2,747 2,967 Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 14,548 3,264 Total liabilities 25,976 18,112 Net assets 461,788 447,465 Equity 187,071 183,105 Reserves 9.1 274,717 264,360	lotal current liabilities		11,428	14,848
Interest-bearing liabilities 5.4 11,801 297 Total non-current liabilities 14,548 3,264 3,264 Total liabilities 25,976 18,112 18,112 Net assets 461,788 447,465 447,465 Equity 187,071 183,105 183,105 Reserves 9.1 274,717 264,360	Non-current liabilities			
Total non-current liabilities 14,548 3,264 Total liabilities 25,976 18,112 Net assets 461,788 447,465 Equity 187,071 183,105 Reserves 9.1 274,717 264,360	Provisions	5.5	2,747	
Total liabilities 25,976 18,112 Net assets 461,788 447,465 Equity 187,071 183,105 Reserves 9.1 274,717 264,360		5.4		
Net assets 461,788 447,465 Equity	Total non-current liabilities		· · ·	
Equity 187,071 183,105 Accumulated surplus 9.1 274,717 264,360	Total liabilities		25,976	18,112
Accumulated surplus 187,071 183,105 Reserves 9.1 274,717 264,360	Net assets		461,788	447,465
Accumulated surplus 187,071 183,105 Reserves 9.1 274,717 264,360	Equity			
Reserves 9.1 274,717 264,360			187,071	183,105
	Reserves	9.1	274,717	264,360
	Total Equity		461,788	447,465

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2020

2020	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year Impact of change in accounting policy - AASB 15		447,465	183,105	256,153	8,207
Revenue from Contracts with Customers		-			-
Impact of change in accounting policy - AASB					
1058 Income of Not-for-Profit Entities		-	-		-
Impact of change in accounting policy - AASB 16					
Leases		-	-	-	-
Adjusted Opening balance	_				
Surplus/(deficit) for the year	_	4,768	4,768	-	-
Net asset revaluation increment/(decrement)	9.1(a)	9,555		9,555	-
Transfers to other reserves	9.1(b)		(899)	08	899
Transfers from other reserves	9.1(b)	-	97	-	(97)
Balance at end of the financial year		461,788	187,071	265,708	9,009

2019		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		438,012	181,249	253,050	3,713
Surplus/(deficit) for the year		6,350	6,350	-	-
Net asset revaluation increment/(decrement)	9.1(a)	3,103	-	3,103	-
Transfers to other reserves	9.1(b)	-	(8,335)	-	8,335
Transfers from other reserves	9.1(b)	-	3,841	-	(3,841)
Balance at end of the financial year	_	447,465	183,105	256,153	8,207

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2020

Cash flows from operating activities	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Rates and charges		23,545	22,509
Statutory fees and fines		725	667
Userfees		2,262	2,568
Grants - operating		12,585	10,735
Grants - capital		4,692	4,103
Contributions - monetary		2,103	1,692
Interest received		321	327
Trust funds and deposits taken		226	408
Net GST refund/payment		761	736
Employee costs		(17,166)	(16,794)
Materials and services		(14,724)	(13,991)
Trust funds and deposits repaid		(212)	(139)
Net cash provided by/(used in) operating activities		15,118	12,821
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(21,363)	(10.534)
Proceeds from sale of property, infrastructure, plant and equipment		193	385
Payments of loans and advances			(785)
Net cash provided by/(used in) investing activities		(21,170)	(10,934)
Cash flows from financing activities			<u> </u>
Finance costs		(199)	(334)
Proceeds from borrowings		13,000	-
Repayment of borrowings		(3,898)	(261)
Net cash provided by/(used in) financing activities		8,903	(595)
Net increase (decrease) in cash and cash equivalents		2,851	1,292
Cash and cash equivalents at the beginning of the financial year		18,563	17,271
Cash and cash equivalents at the end of the financial year		21,414	18,563
Financing arrangements	5.4		
Restrictions on cash assets	5.1	1,005	799

The above statement of cash flow should be read in conjunction with the accompanying notes.

Statement of Capital Works For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
Property	\$ 000	÷ 000
Land	-	45
Total land		45
Buildings - Specialised	301	1,211
Buildings - Non Specialised	5,782	187
Total buildings	6,083	1,398
Total property	6,083	1,443
Plant and equipment	666	1,942
Plant, machinery and equipment Computers, Fixtures, fittings and furniture	344	200
Total plant and equipment	1,010	2,142
t	- 8	
Infrastructure		
Roads	6,862	4,108
Bridges	2,727	360
Footpaths and cycleways	243	347
Drainage Recreational, leisure and community facilities	4,110	1,955
Parks, open space and streetscapes	335	127
Off street car parks	27	50
Total infrastructure	14,304	6,947
Total capital works expenditure	21,397	10,532
Represented by:		
New asset expenditure	3,529	2,756
Asset renewal expenditure	6,715	4,331
Asset expansion expenditure	5,774	
Asset upgrade expenditure	5,379	3,445
Total capital works expenditure	21,397	10,532

The above statement of capital works should be read in conjunction with the accompanying notes.

Notes to the Financial Report For the Year Ended 30 June 2020

OVERVIEW

Introduction

The Golden Plains Shire Council was established by an Order of the Governor in Council on 6 May 1994 and is a body corporate. The Council's main office is located at 2 Pope Street, Bannockburn.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)

- the determination of whether performance obligations are sufficiently specific so as to determine whether an

arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)

- other areas requiring judgments

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent and \$20,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 25 June 2019. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

1.1 Income and expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	23,649	23,834	185	1%	
Statutory fees and fines	606	725	119	20%	1
Userfees	2,526	2,147	(379)	-15%	2
Grants - operating	10,718	10,860	142	1%	3
Grants - capital	4,000	4,692	692	17%	4
Contributions - monetary	1,569	1,904	335	21%	5
Contributions - non monetary	1,125	1,043	(82)	-7%	
Net gain/(loss) on disposal of property, infrastructure, plant and equip	-	18	18		
Share of net profits/(losses) of associates and joint ventures		67	67		6
Other income	251	234	(17)	-7%	
Total income	44,444	45,524	1,080		
Expenses					
Employee costs	18,208	16,454	1,754	10%	7
Materials and services	14,680	14,632	48	0%	
Bad and doubtful debts	12	109	(97)	100%	8
Depreciation and amortisation	8,295	8,045	250	3%	
Borrowing costs	536	199	337	63%	9
Other expenses	275	1,317	(1,042)	-379%	10
Total expenses	42,006	40,756	1,250		
Surplus/(deficit) for the year	2,438	4,768	(170)		

Notes to the Financial Report For the Year Ended 30 June 2020

) E)	xpla	nation of material variations		
Re	ef	Item	Explanation	\$'00
1	Sta	atutory fees and fines		
		Town Planning Permit Fees and Lodgement Fees	Increase in the number of property planning and rezoning activities.	109
		Pool Permit Information Search and Pool Registration Fees	Additional revenue due to new pool safety regulations introduced during the year	29
		Animal Infringement Fines	Reduced fines due to increased compliance	(26
2	Us	er Fees		
		Childcare/Children's Programs	Reduced childcare centre revenue due to increased competition and lower enrolment.	(330
		Animal Registration Charges Subdivision Supervision Fees	Registration payments have been extended until September Increased number of applications for sub-divisions	(7 2
3	Gra	ants - Operating		
		General Purpose Grant	Population growth resulted in an increased allocation	5
		FDC Child Care Benefit Working for Victoria	Reduced income due to lower childcare centre enrolments. Funding for new initiative announced due to COVID19	(9 21
4	Gra	ants - Capital		
		Grant - Roads to Recovery	Grant funding received was higher than anticipated	46
		Grant - Bannockburn Heart (NSRF) Grant - Heart (State)	Grant received in 2019-20 year, originally expected in 2018-19 Grant received in 2019-20 year, originally expected in 2018-19	1,14 15
		Grant - Fixing Country Road	Grant received in 2018-19 year, originally expected in 2018-19 Grant received in 2018-19 year, originally expected in 2019-20	(81
		Grant - Wall Bridge Renewal	Grant received in 2019-20 year, originally expected in 2018-19	30
		Grant - Bannockburn Vic park Oval	Grant funding received in 2018-19	(50
5	Co	ntributions - monetary		
		Public Open Space Contributions	Higher subdivision activities than expected	20
		Developer Community Contributions	Increase in developer contribution payments due to increased development and building activity	15
		Debt Collection Recoupment	Decrease in debt collection activities due to COVID-19 related relief measures	(16
		Contributions - Berrybank - Teesdale	Contribution received in 2018-19, budgeted in 2019-20	(6
		Central Highlands Councils Victoria (CHCV) - Contributions	Contribution received for new project	11
		Contributions - Barwon Park Bridge Deck Replacement	Contribution received was higher than originally budgeted	11

Notes to the Financial Report For the Year Ended 30 June 2020

6	Share of net profits/(losses) of associates and joint ventures					
	GRLC Equity Contribution	Geelong Regional Library Corporation Equity Contribution adjustment (surplus for 19/20)	67			
7	Employee Costs					
	Wages and Salaries	Vacant positions during the year which took longer to fill and reduction of temporary staff in Childcare	1,499			
8	Bad and Doubtful Debts					
	Animal, Parking & Local Laws Quarry Works Aged and Disability	Increase in long outstanding fines and infringement notices Provision for doubtful debtors Provision for doubtful debtors	(41) (40) (10)			
9	Borrowing Costs					
	Interest on Borrowings	Low interest rates and budgeted loan drawdowns later in the year.	337			
10	Other expenses					
	De-recognition non-current assets	De-recognition of footpath and trails as a result of re-valuation	(1,030)			

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Property					
Land	-	-	-	100%	
Land improvements	1,500	-	(1,500)	100%	1
Total Land	1,500	-	(1,500)		
Buildings - specialised	80	301	221	276%	2
Buildings - unspecialised	4,610	5,782	1,172	25%	3
Heritage buildings	-	-	-	-	
Building improvements	-	-	-	-	
Leasehold improvements	-	-	-	-	
Total Buildings	4,690	6,083	1,393		
Total Property	6,190	6,083	(107)		
Plant and Equipment					
Plant, machinery and equipment	1,055	666	(389)	-37%	4
Fixtures, fittings and furniture	10	-	(10)	-100%	
Computers and telecommunications	500	344	(156)	-31%	5
Total Plant and Equipment	1,565	1,010	(555)		
Infrastructure					
Roads	6,175	6,862	687	11%	6
Bridges	1,500	2,727	1.227	82%	7
Footpaths and cycleways	368	243	(125)	-34%	8
Recreational, leisure and community facilities	2,515	4,110	1,595	63%	9
Parks, open space and streetscapes	362	335	(27)	-7%	10
Off street car parks	25	27	2	8%	
Total Infrastructure	10,945	14,304	3,359		
Total Capital Works Expenditure	18,700	21,397	2,697		
Represented by:					
New asset expenditure	3,844	3,529	(315)		
Asset renewal expenditure	4,267	6,715	2,448		
Asset expansion expenditure	an Barne an an	5,774	5,774		
Asset upgrade expenditure	10,589	5,379	(5,210)		
Total Capital Works Expenditure	18,700	21,397	2,697		
	#	y			

Notes to the Financial Report For the Year Ended 30 June 2020

(i) Explanation of material variations

Variance Ref	Item	Explanation	\$'000
1	Land Land for Re-sale - Bakers Lane Stage 4 Development cost	Project is in planning stage, development to be started in 2020-21	(1,500)
2	Buildings - Specialised Haddon stadium floor replacement	Works carried out in 2019-20, originally budgeted in 2018-19	221
3	Buildings - Unspecialised Golden Plains Community & Civic Centre	GPCCC Project Stage 1 were carried out in 2019-20. Original budget in 2018-19	1,194
	Linton Depot Refurbishment	Project currently in progress, to be completed in 2020-21	(15)
4	Plant, machinery and equipment Crane Truck (P338) Replacing Isuzu FRR500 Tow behind site hut (Linton depot) Ute Purchases Gang Mower (P434) Replacing Jacobson	Purchases to be completed in 2020-21 Purchases to be completed in 2020-21 Budgeted purchases have been delayed to next year Not being replaced, purchase has been cancelled.	(160) (91) (60) (60)
5	Computer and telecommunications Computer Hardware & Software Asset Management Software System	Purchases to be completed in 2020-21 New project which was not originally budgeted	(215) 36
6	Roads Teesdale-Lethbridge Rd Upgrade Local Roads Improvements (Roads to Recovery) Linton Mannibadar Road Cressy-Pitfield Road Widening	Works carried out in 2019-20, originally budgeted in 2018-19 Additional Grant funded works on road network Project cost was higher than initially anticipated Project cost was lower than initially anticipated	287 506 146 (286)
7	Bridges Wall Bridge renewal Barwon Park Road Bridge Deck Replacement Franklin Bridge Replacement Project Bridge Rehabilitation - Coopers Bridge	Works carried out in 2019-20, originally budgeted in 2018-19 Project cost was higher than initially anticipated New project which was not originally budgeted Project cost was higher than initially anticipated	597 253 138 239
8	Footpaths and cycleways Footpaths & Trails	Project cost was lower than initially anticipated	(98)
9	Recreational, leisure and community facilities World Game - Bannockburn Soccer Pitch Bannockburn Bowls Upgrade	Works carried out in 2019-20, originally budgeted in 2018-19 Design works started, to be completed in 2020-21	445 (586)
	Lethbridge Lighting Install Bannockburn Heart (RDV)	Delay in funding approval, to be completed in 2020-21 Originally budgeted in 2017-18. Construction completed in 2019- 20.	(85) 1,998
10	Parks, open space and streetscapes Bannockburn Streetscape Upgrade	Currently under construction, to be completed in 2020-21	(16)

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Citizen & Customer Service

The key objective is to foster a culture across the organisation which addressed the needs of the community through communication and the provision of excellent customer service.

Civic Leadership

Civic leadership's objective is to enhance Council's decision making capacity by strengthening the governance and advocacy of Council. Good governance and leadership is supported by planning, delivering and improving high quality, cost effective, accessible and responsible services.

Economic Development

The strategic objective of economic development is to facilitate the growth of the local economy particularly in township development and rural based industries.

Environment & Land use Plan

A key objective is to encourage and facilitate sustainable land use and development and protect and enhance the natural environment. Central to environment and land use is the assessment of development, health and local laws, planning strategy and urban growth.

Financial Management

To ensure the efficient and effective allocation of resources through sound financial planning and management that secures the long-term financial viability of the municipality. This objective is achieved by providing proactive support services across Council which include finance services, digital information and technology, property and procurement, strategy and program delivery.

Human Support Services

To provide a range of sustainable human support services that maintain and enhance the wellbeing and quality of life of Golden Plains Shire residents.

Recreation & Community Development

To facilitate the provision of a range of recreation facilities across the Shire and assist the community committees to best service their communities and to continue to enhance townships through Town Place Plans. To identify and respond to community needs and provide opportunities to enable needs and provide opportunities to enable people in the community to be supported and involved.

Roads & Streets Infrastructure

To maintain and enhance the road network at a level that adequately satisfies transportation needs.

Waste Management

Continue to provide the current satisfactory garbage bin and recycling bin collection disposal service.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2.1 Analysis of Council results by program

2.1 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2020	\$'000	\$'000	\$'000	\$'000	\$'000
Citizen & Customer Service	8	(1,270)	(1,263)		2,630
Civic Leadership	285	(2,434)	(2,149)	120	329
Economic Development	68	(406)	(338)	-	349
Environment & Land use Plan	2,086	(3,742)	(1,655)	69	1,443
Financial Management	28,362	(1,957)	26,406	5,923	916
Human Support Services	5,045	(7,184)	(2,139)	3,863	12,051
Recreation & Community Development	2,900	(6,441)	(3,541)	2,560	61,244
Roads & Streets Infrastructure	3,673	(14,511)	(10,839)	3,015	379,883
Waste Management	3,096	(2,809)	286	-	1,255
Unattributed				-	2,216
	45,524	(40,754)	4,768	15,552	462,315

_					
	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2019	\$'000	\$'000	\$'000	\$'000	\$'000
Citizen & Customer Service	12	(1,251)	(1,239)	-	2,610
Civic Leadership	160	(2,466)	(2,306)	120	335
Economic Development	47	(564)	(516)	-	434
Environment & Land use Plan	2,220	(3,668)	(1,448)	161	1,514
Financial Management	27,899	(2,355)	25,544	5,956	948
Human Support Services	5,720	(7,844)	(2,124)	4,208	12,648
Recreation & Community Development	2,583	(5,912)	(3,329)	2,263	46,985
Roads & Streets Infrastructure	3,055	(11,776)	(8,721)	2,395	371,205
Waste Management	2,937	(2,447)	490	-	1,231
Unattributed				-	1,693
	44,633	(38,283)	6,350	15,103	439,603

Notes to the Financial Report For the Year Ended 30 June 2020

Note 3 Funding for the delivery of our services	2020	2019
3.1 Rates and charges	\$'000	\$'000

Council uses Capital Improved Valuation (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total market value including land and improvements.

The valuation base used to calculate general rates for 2019/20 was \$5,610 million (2018/19 \$4,704 million).

General Rates	17,435	17,383
Municipal charge	3,232	2,375
Waste management charge	2,956	2,885
Special rates and charges	31	32
Supplementary rates and rate adjustments	134	141
Interest on rates and charges	46	135
Total rates and charges	23,834	22,951

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Planing and building fees	551	487
Infringements and costs	56	92
Property information fees	23	25
Land information certificates	25	24
Drainage information fees	41	39
Pool Registration and Permit Information	29	
Total statutory fees and fines	725	667

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

Childcare/Children's Programs	597	872
Home and Community Care Fees	115	172
Animal Registration Charges	328	388
Early Childhood Education	253	224
Subdivision Supervision Fees	127	217
Gravel Cartage Levy	172	161
Septic Tank Fees	186	170
Food Premises Registration Fees	77	79
Fire Hazard Eradication Fees and Fines	18	31
Bannockburn Family Services Centre Charges	30	29
Bannockburn Cultural Centre Charges	39	51
Smythesdale Business Hub Centre Charges	28	30
Farmers Market Fees	13	21
Lease of Land	43	46
Other	121	122
Total user fees	2,147	2,613

18 User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

Notes to the Financial Report For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
3.4 Funding from other levels of government	\$ 000	\$ 000
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	11,034	9,375
State funded grants	4,518	5,728
Total grants received	15,552	15,103
(a) Operating Grants		
(a) Operating Grants Recurrent - Commonwealth Government		
Financial Assistance Grants - General	3,811	3.887
Financial Assistance Grants - Local Roads	2,113	2,069
Children's Services	1,540	1,872
General home care	987	963
Other	25	***
Recurrent - State Government		
Kindergarten	683	786
Community Health	482	468
Home Care	192	189
Maternal and Child Health	361	405
Emergency Management	120	120
Youth projects	65	67
Other	77	97
Environment Projects	48	51
Total recurrent operating grants	10,504	10,974
Non-recurrent - State Government	8	23
Environment Projects	2	∠3 3
Youth projects Other	215	3
Children's Services	71	
Community Health	33	-
Homecare	27	-
Total non-recurrent operating grants	356	26
Total operating grants	10.860	11,000
i viai vyčiality granis	10,000	11,000

Notes to the Financial Report For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'00
(b) Capital Grants	÷	
Recurrent - Commonwealth Government		
Roads to recovery	1,334	585
Total recurrent capital grants	1,334	585
Non-recurrent - Commonwealth Government		
Roads	-	
Buildings Specialised	-	
Recreational Leisure & Community	1,225	
Non-recurrent - State Government		
Roads	1,340	1,809
Recreational Leisure & Community	451	1,70
Buildings Specialised	38	
Bridges	304	
Total non-recurrent capital grants	3,358	3,51
Total capital grants	4,692	4,10
(c) Unspent grants received on condition that they be spent in a specific manner Operating Balance at start of year Received during the financial year and remained unspent at balance date Received in prior years and spent during the financial year	1,030 707 (1,030)	95: 87 (80)
Balance at year end	707	1,03
Capital		
Balance at start of year	- 85	
Received during the financial year and remained unspent at balance date Received in prior years and spent during the financial year	CO	
Balance at year end	85	
Grant income is recognised when Council obtains control of the contribution. Contro (or acquittal) or upon earlier notification that a grant has been secured.	l is normally obtained u	pon receipt
Contributions		a
Monetary	1,904	1,64
Non-monetary	1,043	79
Total contributions	2,947	2,43

Contributions of non monetary assets were received in relation to the following asset classes.

Land	7	3
Infrastructure	1,036	792
Total non-monetary contributions	1,043	795

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

Net gain/(loss) on disposal of property, infrastructure, plant and 3.6 equipment

Proceeds of sale Written down value of assets disposed	193 (175)	385 (282)
Total net gain/(loss) on disposal of property, infrastructure, plant and	40	400
equipment	18_	103

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

Notes to the Financial Report For the Year Ended 30 June 2020

3.7 Other income	2020 \$'000	2019 \$'000
Interest on Investment	188	378
Present value discount for gravel pit provision	44	393
Other	2	2
Total other income	234	773

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 4 The cost of delivering services

4.1 Employee costs

Wages and salaries	14,671	15,335
WorkCover	257	297
Superannuation	1,364	1,327
Fringe benefits tax	160	161
Other	2	13
Total employee costs	16,454	17,133

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	<u> </u>	126
Employer contributions payable at reporting date.		
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	830	755
Employer contributions - other funds	431	558
	1,261	1,313
Employer contributions payable at reporting date.	111	46

Refer to note 9.3 for further information relating to Council's superannuation obligations.

Notes to the Financial Report For the Year Ended 30 June 2020

	2020	2019
	\$'000	\$'000
4.2 Materials and services		
Delivery of environment of the second of the	2,030	1,853
Delivery of projects and Services	0	- 8
General maintenance	4,354	3,372
Garbage Operations	2,380	2,117
Contractors and Consultants	1,773	1,552
Vehicle and Machinery Operations	519	552
Building maintenance	718	452
Information technology	532	534
Utilities	378	383
Printing, Stationery and Postage	265	252
Telecommunication	268	291
Debt Collection and Legal Fee	199	136
Cleaning	354	319
Insurance	255	198
Training	115	129
Advertising	106	134
Election Expenses		29
Gravel Pit Operation	29	69
Other Expenses	357	388
Total materials and services	14,632	12,760
4.3 Depreciation and amortisation		
Infrastructure	C 400	E 000
The second s	6,126	5,929
Plant and Machinery	831	762
Buildings	907	900
Furniture and Equipment		189
Total depreciation	8,045	7,780

Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

Notes to the Financial Report For the Year Ended 30 June 2020

		2019
	\$'000	\$'000
4.4 Bad and doubtful debts		
Community Protection	51	49
Long day Care	-	3
Waste Management	6	(36)
Home Care	10	-
Other	42	
Total bad and doubtful debts	109	16
Movement in provisions for doubtful debts		
Balance at the beginning of the year	126	132
New Provisions recognised during the year	149	50
Amounts already provided for and written off as uncollectible	(24)	(56)
Balance at end of year	251	126

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairments.

4.5 Borrowing costs

Interest - Borrowings	199	334
Total borrowing costs	199	334

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.6 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquitals	50	45
Internal Auditors' remuneration	32	14
Councillors' allowances	205	201
De-recognition of Non-current Assets	1,030	-
Total other expenses	1,317	260

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

(u) ouon unu ouon oquitatonto		
Cash on hand	3	3
Cash at bank	3,342	1,465
Short Term Deposit	13,069	13,484
At call deposits	5,000	3,611
Total cash and cash equivalents	21,414	18,563

Notes to the Financial Report For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
(b) Other financial assets		
Term deposits - current	-	2,718
Term deposits - non-current	-	-
Total other financial assets	-	2,718
Total financial assets	21,414	21,281

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Statutory Reserves (Note 9.1(b))	432	240
- Trust funds and deposits (Note 5.3)	573	559
Total restricted funds	1,005	799
Total unrestricted cash and cash equivalents	20,409	17,764

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works	6,475	6,947
 Unspent grant funding - operational 	556	264
 Long Service Leave Investment Account 	1,500	1,500
Total funds subject to intended allocations	8,531	8,711

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Notes to the Financial Report For the Year Ended 30 June 2020

(c) Trade and other receivables	2020 \$'000	2019 \$'000
Current		
Statutory receivables		
Rates debtors	2,144	1,847
Infringement debtors	226	207
Provision for doubtful debts - infringements	(174)	(123)
Net GST receivable	1	357
Other debtors	454	1,532
Provision for doubtful debts - other debtors	(77)	(22)
Total current trade and other receivables	2,574	3,798

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(i) Ageing of Receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was: Current (not vet due) 144

Current (not yet due)	144	1,222
Past due by up to 30 days	10	29
Past due between 31 and 180 days	50	115
Past due between 181 and 365 days	9	2
Past due by more than 1 year	25	21
Total trade & other receivables	238	1,389

(ii) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$23,453 (2019: \$17,427) were impaired. The amount of the provision raised against these debtors was \$ 23,453 (2019: \$17,427). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	-	-
Past due by up to 30 days		-
Past due between 31 and 180 days		17
Past due between 181 and 365 days	23	-
Past due by more than 1 year		-
Total trade & other receivables	23	17

Notes to the Financial Report For the Year Ended 30 June 2020

5.2 Non-financial assets (a) Inventories	2020 \$'000	2019 \$'000
Inventories held for distribution	17	4
Total inventories	17	4

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Total unearned income	425	805
Other	-	
Grants received in advance - capital	112	805
Grants received in advance - operating	313	-
(c) Unearned income		
Total trust funds and deposits	573	559
Refundable deposits	573	559
(b) Trust funds and deposits		
Total trade and other payables	4,902	3,703
Accrued expenses	310	801
Trade payables	4,592	2,902
5.3 Payables (a) Trade and other payables		
Total other assets	653	167
Accrued income	565	94
Prepayments	88	73

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Notes to the Financial Report For the Year Ended 30 June 2020

5.4 Interest-bearing liabilities

	2020	2019
Current	\$'000	\$'000
Borrowings - secured	2,229	7,349
-	2,229	7,349
Non-current		
Borrowings - secured	11,801	297
	11,801	297
Total	14,030	7,646
Borrowings are secured by Council rates and charges	14,030	7,646
(a) The maturity profile for Council's borrowings is:		
Not later than one year	2,229	7,349
Later than one year and not later than five years	6,562	147
Later than five years	5,239	150
	14,030	7,646

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

	Employee	Landfill restoration	Gravel Pit restoration	Total
2020	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	3,714	1,655	835	6,204
Additional provisions	844		-	844
Amounts used	(957)	-	-	(957)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	(45)	(45)
Balance at the end of the financial year	3,601	1,655	790	6,046
2019				
Balance at beginning of the financial year	3,188	1,657	980	5,825
Additional provisions	2,351	-	230	2,581
Amounts used	(1,825)	(2)	(1)	(1,828)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	(374)	(374)
Balance at the end of the financial year	3,714	1,655	835	6,204

Notes to the Financial Report

For the Year Ended 30 June 2020							
	2020	2019					
(a) Employee provisions	\$'000	\$'000					
Current provisions expected to be wholly settled within 12 months							
Rostered days off	72	70					
Annual leave	904	846					
Long service leave	-	248					
	976	1,164					
Current provisions expected to be wholly settled after 12 months							
Annual leave	144	120					
Long service leave	2,069	1,843					
_	2,213	1,963					
Total current employee provisions	3,189	3,127					
Non-current							
Long service leave	412	587					
Total non-current employee provisions	412	587					
Aggregate carrying amount of employee provisions:							
Current	3,189	3,127					
Non-current	412	587					
Total aggregate carrying amount of employee provisions	3,601	3,714					

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Key assumptions: - discount rate - inflation rate	2020 1.5% 2.2%	2019 1.3% 4.3%
	2020	2019
(b) Landfill restoration	\$'000	\$'000
Current	50	50
Non-current	1,605	1,605
	1,655	1,655

Council is obligated to restore closed Rokewood and Teesdale sites to a particular standard. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Notes to the Financial Report For the Year Ended 30 June 2020

(c) Gravel Pit restoration	2020 \$'000	2019 \$'000
Current	60	60
Non-current	730	775
	790	835
Total current provisions	3,299	3,237
Total non-current provisions	2,747	2,967
Total provisions	6,046	6,204

Council operate Sagohill gravel pit to supply gravel for it's roads and maintenance projects. The gravel pit has a further 28 years of expected life. Provision has been made to rehabilitate the excavated area at the end of the expected life of the quarry. The expected cost of works has been estimated to reinstate the site to a suitable standard, with the estimated rehabilitation costs to be reviewed annually. The provision has been calculated based on the present value of the expected cost of works to be undertaken.

2020 \$`000	2019 \$'000
ine 2020.	
-	-
150,000	150,000
-	-
150,000	150,000
(23,471)	(44,300)
126,529	105,700
	\$'000 ine 2020. - 150,000 - 150,000 (23,471)

Notes to the Financial Report For the Year Ended 30 June 2020

5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

	Not later	Later than 1 year and not later than 2	years and not	Later than 5	
2020	than 1 year	years	years	years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste Management	1,580	1,620	-		3,200
Suppliers	1,448	1,196	912		3,556
Total	3,028	2,816	912		6,756
Capital					
Buildings	1,445	-	-		1,445
Roads	45	-	-		45
Computer Software	163	145	-	-	308
Recreational, leisure and Community	89	-	-	-	89
Plant & Machinery	20	-	-		20
Total	1,762	145	-		1,907

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating				_	
Waste Management	1,319	1,352	-	-	2,671
Suppliers	752	274	-		1,026
Total	2,071	1,626	38	000	3,697
Capital					
Buildings	5,940	-	-		5,940
Roads	558	-	-		558
Computer Software	2	-	-		2
Recreational, leisure and Community	2,187	-	-		2,187
Plant & Machinery	175	-	-		175
Total	8,862	-	-	-	8,862

Notes to the Financial Report For the Year Ended 30 June 2020

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	34,621	-	7	-	-	-	-	-	34,628
Buildings	29,575	343	-	3,554	(908)	-	-	53	32,617
Plant and Equipment	5,334	993	-	-	(1,012)	(210)	-	59	5,164
Infrastructure	366,852	13,853	1,036	6,001	(6,124)		(1,030)	1,633	382,221
Work in progress	3,221	6,209	-	-	-	-	-	(1,745)	7,685
Total	439,603	21,398	1,043	9,555	(8,044)	(210)	(1,030)	-	462,315

Summary of Work in Progress	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Buildings	1,541	5,739	(65)	7,215
Plant and Equipment	59	17	(59)	17
Infrastructure	1,621	453	(1,621)	453
Total	3,221	6,209	(1,745)	7,685

2020 Financial Report	Notos to th	e Financial Rep	art
		Ended 30 June	
			2020
Asset recognition thresholds and depreciation periods	T Depreciation	hreshold Limit \$'000	
	Period	\$000	
Property			
Buildings			
heritage buildings	30 to 150 years	5	
buildings	30 to 150 years	5	
building improvements	30 to 150 years	5	
Plant and Equipment			
heritage plant and equipment	3 to 20 years	1	
plant, machinery and equipment	3 to 20 years	1	
fixtures, fittings and furniture	3 to 20 years	1	
computers and telecommunications	3 to 10 years	1	
Infrastructure			
sealed pavements	90 years	5	
unsealed pavements	25 years	5	
sealed surfaces	19 years	5	
road kerb, channel and minor culverts	90 years	5	
bridges deck	90 years	5	
bridges substructure	90 years	5	
footpaths and cycleways	85 years	5	
drainage	50 years	5	
recreational, leisure and community facilities	30 to 60 years	5	
parks, open space and streetscapes	40 years	5	
off street car parks	50 years	5	
и. 			

Notes to the Financial Report For the Year Ended 30 June 2020

(a) Property

(a) Property									
	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2019	4,335	30,286	34,621	2,918	39,274	4,077	46,269	1,541	82,431
Accumulated depreciation at 30 June 2019	-	-	-	(1,948)	(13,130)	(1,616)	(16,694)	-	(16,694)
	4,335	30,286	34,621	970	26,144	2,461	29,575	1,541	65,737
Movements in fair value Additions Contributions	- 7		- 7	-	301	42.	343	5,739	6,082
Revaluation	-	-	-	114	3,174	266	3,554	-	3,554
Disposal	-	-	-	-	-	-	-		-
Write-off Transfers		-	-	-	- 53	-	- 53	(65)	- (12)
	7	-	7	114	3,528	308	3,950	5,674	9,631
Movements in accumulated depreciation Depreciation and amortisation	-	-	-	(56)	(768)	(84)	(908)	-	(908)
-			-	(56)	(768)	(84)	(908)		(908)
At fair value 30 June 2020	4,342	30,286	34,628	3,032	42,802	4,385	50,219	7,215	92,062
Accumulated depreciation at 30 June 2020	-	-	-	(2,004)	(13,898)	(1,700)	(17,602)	-	(17,602)
_	4,342	30,286	34,628	1,028	28,904	2,685	32,617	7,215	74,460

Notes to the Financial Report For the Year Ended 30 June 2020

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2019	7,884	2,554	59	10,497
Accumulated depreciation at 30 June 2019	(3,042)	(2,062)		(5,104)
	4,842	492	59	5,393
Movements in fair value				<u> </u>
Additions	649	344	17	1,010
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	(422)	(79)	-	(501)
Write-off	-	-	-	-
Transfers	59	-	(59)	-
	286	265 -	42	509
Movements in accumulated depreciation				
Depreciation and amortisation	(831)	(181)	-	(1,012)
Accumulated depreciation of disposals	212	79	-	291
	(619)	(102)	-	(721)
At fair value 30 June 2020	8,170	2,819	17	11,006
Accumulated depreciation at 30 June 2020	(3,661)	(2,164)	-	(5,825)
	4,509	655	17	5,181

Notes to the Financial Report For the Year Ended 30 June 2020

(c) Infrastructure

(e) mman menne										
-	Roads	Bridges Fo	otpaths and cycleways	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Gravel Pit	Off street car parks	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2019	414,360	30,568	13,265	7,854	9,204	1,549	1,220	1,156	1,621	480,797
Accumulated depreciation at 30 June 2019	(86,119)	(17,774)	(1,750)	(2,448)	(2,863)	(472)	(806)	(92)	-	(112,324)
	328,241	12,794	11,515	5,406	6,341	1,077	414	1,064	1,621	368,473
Movements in fair value										
Additions	6,390	2,727	715	-	3,803	191	-	27	453	14,306
Contributions	786	-	180	70	-	-	-	-	-	1,036
Revaluation	5,375	-	721	(95)	-	-	-	-	-	6,001
Disposal	-	-	-	-	-	-	-	-	-	-
Write-off		-	(1,251)	-	-	-	-	-	-	(1,251)
Transfers	(279)	361	187	227	1,034	92	11	-	(1,621)	12
	12,272	3,088	552	202	4,837	283	11	27	(1,168)	20,104
Movements in accumulated depreciation										
Depreciation and amortisation	(4,852)	(359)	(171)	(161)	(432)	(64)	(61)	(24)	-	(6,124)
Accumulated depreciation of disposals	-	-	221	-	-	-	-	-	-	221
Impairment losses recognised in operating										
result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-		-
-	(4,852)	(359)	50	(161)	(432)	(64)	(61)	(24)	-	(5,903)
At fair value 30 June 2020	426,632	33,656	13,817	8,056	14,041	1,832	1,231	1,183	453	500,901
Accumulated depreciation at 30 June 2020	(90,971)	(18,133)	(1,700)	(2,609)	(3,295)	(536)	(867)	(116)	-	(118,227)
-	335,661	15,523	12,117	5,447	10,746	1,296	364	1,067	453	382,674

Notes to the Financial Report For the Year Ended 30 June 2020

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Mr Stephen Davey AAPI registration no 63379 in June 2016 and subsequently indexed in June 2020. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Land	-	30,286	-	Jun-19
Specialised land	-	-	4,342	Jun-20
Heritage Buildings	-	1,028	-	Jun-20
Non - Specialised Buildings	-	2,685	-	Jun-20
Specialised Buildings	-	28,904	-	Jun-20
Total	~	62,903	4,342	

Notes to the Financial Report For the Year Ended 30 June 2020

Valuation of infrastructure

Valuation of Roads, Footpaths and Drainage infrastructure assets have been determined in accordance with an independent valuation undertaken by Australian Road Research Board (ARB) as at 30 June 2020.

Valuation of Recreational leisure and community, Park open space and streetscapes and Offstreet carpark. infrastructure assets have been undertaken by Mr Stephen Davey AAPI registered Certified Practising Valuer as a part of land and buildings valuation as at 30 June 2020.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	335,661	Jun-20
Bridges	-	-	15,523	Jun-19
Footpaths and cycleways	-	-	12,117	Jun-20
Drainage	-	-	5,447	Jun-20
Recereational, leisure and community facilities	-	-	10,746	Jun-20
Parks, open space and streetscapes	-	-	1,296	Jun-20
Off street car parks	-	-	1,067	Jun-20
Gravel Pit		-	364	Jun-20
Total	-		382,221	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.01 and \$1,849.06 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 19 years to 90 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Notes to the Financial Report For the Year Ended 30 June 2020

6.2 Investments in associates	2020 \$'000	2019 \$'000
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Equity in Geelong Regional Library (GRL)	791	724
Geelong Regional Library (GRL)		
Background		
Council share of the net equity in GRL is 6.30% (6.23% 2018). The GRL Board is		
comprised of seven representatives from four member Councils. Golden Plains		
Shire Council has one representative on the GRL Board.		
Fair value of Council's investment in Geelong Regional Library	791	724
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus (deficit) at start of year	724	740
Reported surplus(deficit) for year	67	(16)
Council's share of accumulated surplus(deficit) at end of year	791	724
Council's share of expenditure commitments		
Operating commitments	395	406
Council's share of expenditure commitments	395	406

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

Notes to the Financial Report For the Year Ended 30 June 2020				
Note 7 People and relationship 7.1 Council and key manag		2020 No.	2019 No	
(a) Related Parties				
Parent entity Golden Plains Shire Cou	ncil			
(b) Key Management Pe Details of persons holdin during the year are:	ersonnel g the position of Councillor or other members of key manag	ement personnel at ar	ıy time	
Councillors				
	Helena Kirby Des Phelan			
	Des Preian David Evans			
	Joanne Gilbert			
	Nathan Hansford			
	Les Rowe Owen Sharkey			
Chief Executive Officer	and other Key Management Personnel			
	Eric Braslis (1/7/19 - 30/6/20)			
	Philippa O'Sullivan (1/7/19 - 30/6/20) Phil Josipovic (24/2/20 - 30/6/20)			
	Lisa Letic (1/7/19 - 30/6/20)			
Total Number of Council	Lisa Letic (1/7/19 - 30/6/20)	7		
umber of Counc	illors Ifficer and other Key Management Personnel	7 5	7	
Total Key Management		12 -	15	

Notes to the Financial Report For the Year Ended 30 June 2020

(c) Remuneration of Key Management Personnel	2020 \$'000	2019 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,025	983
Long-term benefits	17	18
Post employement benefits	68	70
Termination benefits	56	65
Total	1,166	1,136
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
e carier and rearest entrest tan traint pre teneting sarrest	No.	No.
\$20,000 - \$29,999	6	6
\$40,000 - \$49,999	0	2
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	1	2
\$80,000 - \$89,999	1	
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	-	
\$130,000 - \$139,999	-	1
\$170,000 - \$179,999	1	-
\$200,000 - \$209,999	2	1
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	1	-
	12	15
7.2 Related party disclosure	2020	2019
(a) Transactions with related parties	\$	\$
During the period Council entered into the following transactions with related		
parties.		-
(b) Outstanding balances with related parties		
The following balances are outstanding at the end of the reporting period in relation		
to transactions with related parties.		-
(c) Loans to/from related parties		
The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:		
•		-
(d) Commitments to/from related parties		
The aggregate amount of commitments in existence at balance date that have		
been made, guaranteed or secured by the council to a related party are as follows:		
	080	-

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(a) Contingent assets

Bank Guarantee - Minister for Energy & Resources

Council has issued a Bank Guarantee for the amount of \$9,000 in favour of the Minister for Energy & Resources for rehabilitation of the De Motts/Jollys Gravel Pit. Council does not believe that the bank guarantee will be exercised.

Bank Guarantee - Department of Sustainability & Environment

Council has issued a Bank Guarantee for the amount of \$37,500 in favour of the Department of Natural Resources & Environment for rehabilitation of the Sago Hill Gravel Pit. Council does not believe that the bank guarantee will be exercised.

Council has issued a Bank Guarantee for the amount of \$17,000 in favour of the Department of Natural Resources & Environment for rehabilitation of the Black Hill Gravel Pit. Council does not believe that the bank guarantee will be exercised.

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

 recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;

 reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;

 - initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;

Notes to the Financial Report For the Year Ended 30 June 2020

-recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and

-disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no material impact on the transactions and balances recognised in the financial statements.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

Notes to the Financial Report For the Year Ended 30 June 2020

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

- council have a policy for establishing credit limits for the entities Council deal with;

- council may require collateral where appropriate; and

- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Notes to the Financial Report For the Year Ended 30 June 2020

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;

- have readily accessible standby facilities and other funding arrangements in place;

- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;

- monitor budget to actual performance on a regular basis; and

- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 0.5% and -0.5% in market interest rates (AUD) from year-end rates of 2.5%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Financial Report For the Year Ended 30 June 2020

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 4 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 9 Other matters

9.1 Reserves (a) Asset revaluation reserves	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2020			
Property			
Land	15,970		15,970
Land Under Roads	165		165
Buildings	8,858	3,554	12,412
-	24,993	3,554	28,547
Infrastructure			
Roads	220,589	5,375	225,964
Bridges	5,507	-	5,507
Footpaths and cycleways	2,160	721	2,881
Drainage	2,867	(95)	2,772
Offstreet car parks	37	-	37
	231,160	6,001	237,161
Total asset revaluation reserves	256,153	9,555	265,708
2019			
Property			
Land	9,484	6,486	15,970
Land Under Roads	165		165
Buildings	8,858	-	8,858
	18,507	6,486	24,993
Infrastructure			-
Roads	220,477	112	220,589
Bridges	10,027	(4,520)	5,507
Footpaths and cycleways	2,847	(687)	2,160
Drainage	1,155	1,712	2,867
Offstreet car parks	37	-	37
·	234,543	(3,383)	231,160
Total asset revaluation reserves	253,050	3,103	256,153

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Notes to the Financial Report For the Year Ended 30 June 2020

	1 51 612 1081 2118					
	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000		
(b) Other reserves						
2020						
Recreation Lands	52	120	-	172		
Unexpended project reserve	6,838	265	-	7,103		
LSL Investment Reserve	587	-	(97)	490		
Developer Contribution reserve	240	192		432		
Quarry Levy	-	36	-	36		
Waste Management	490	286	-	776		
Total Other reserves	8,207	899	(97)	9,009		
2019		0.40		50		
Recreation Lands	-	246	(194)	52		
Unexpended project reserve	3,230	6,837	(3,229)	6,838		
LSL Investment Reserve	320	267	-	587		
Developer Contribution reserve	163	336	(259)	240		
Quarry Levy	-	159	(159)	-		
Waste Management	-	490	-	490		
Total Other reserves	3,713	8,335	(3,841)	8,207		
Purposes of Other Reserve						
Recreation Lands	These funds relate to developers. The fund facilities) areas thoug	ls are utilised to deve				
Unexpended project reserve	These funds have bee enable Council to deli			and are held to		
LSL Investment Reserve	These funds relate to liability.	the current portion o	f Council's Long S	ervice Leave		
Developer Contribution reserve		These funds relate to Developer Contributions collected from property developers. The funds are utilised to develop new community infrastructure.				
Quarry Levy	These funds are colle maintain the local roa			ds are utilised to		
Waste Management	These funds relate to less associated waste generated from provid	e management exper	nses therefore repr	esent the surplus		

Item 7.11 - Attachment 1

expected increase in recycling disposal costs.

committed to future waste management expenses and are held to offset the

Notes to the Financial Report For the Year Ended 30 June 2020

Reconciliation of cash flows from operating activities to surplus/(deficit)	2020 \$'000	201 \$'00
Surplus/(deficit) for the year	4,768	6,350
Depreciation/amortisation	8,045	7,780
Cost of Infrastructure assets written-off to Income Statement	1,030	-
(Profit)/loss on acquisition/disposal of property, infrastructure, plant and equipment	(18)	(103
Contributions - Non-monetary assets	(1,043)	(795
Gravel Pit / Landfill re-measurement adjustment	-	(229
Finance cost	199	334
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,224	(1,380
(Increase)/decrease in accrued income	(471)	(43
(Increase)/decrease in prepayments	(15)	102
Increase/(decrease) in trade payables	1,690	283
Increase/(decrease) in Unearned income	425	-
Increase/(decrease) in accrued expenses	(491)	(149
(Increase)/decrease in other assets	(67)	16
(Increase)/decrease in inventories	(13)	7
Increase/(decrease) in trust funds	14	270
Increase/(decrease) in provisions	(159)	378
Net cash provided by/(used in) operating activities	15,118	12,821

Notes to the Financial Report For the Year Ended 30 June 2020

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund Vision Super. This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which [Employer name] is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa Salary information 3.5% pa Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2018 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Notes to the Financial Report For the Year Ended 30 June 2020

Funding calls

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which [Employer name] is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2018	2017
	\$m	\$m
- A VBI Surplus	131.9	69.8
 A total service liability surplus 	218.3	193.5
- A discounted accrued benefits surplus	249.1	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date. Council was notified of the 30 June 2018 VBI during August 2018.

2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$,000	2019 \$,000
Vision super	Defined benefit	9.50%	-	-
Vision super	Accumulation fund	9.50%	-	-
< <insert any="" other="" scheme="">></insert>	< <insert type="">></insert>	< <iinsert rate="">></iinsert>	-	-

[In addition to the above contributions, [Employer name] has paid unfunded liability payments to Vision Super totalling \$[insert amount paid during the 2019/20 year] (2018/19 \$[insert amount paid during the 2018/19 year]).

There were [\$relevant amount/no] contributions outstanding and [\$relevant amount/no] loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$(insert estimated amount to be paid).

Notes to the Financial Report For the Year Ended 30 June 2020

10 Change in accounting policy

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Notfor-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts with Customers using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application. AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

c) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019
	\$'000
Retained earnings at 30 June 2019	447,465
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	(805)
Income Adjustment - impact of AASB 1058 Income of Not-for-Profit Entities	
Retained earnings at 1 July 2019	446,660

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2020.

Assets	As reported 30 June 2019 \$'000	Adjustments \$'000	Post adoption \$'000
Right of use assets	-		
Grants receivable	-	-	-
		-	-
Liabilities			
Unearned income - operating grants	30	-	-
Unearned income - capital grants		805	-
	-	805	-

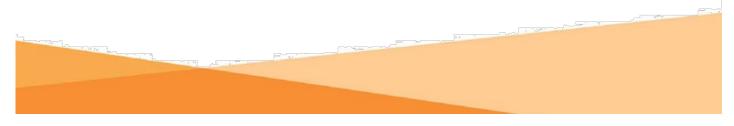
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PERFORMANCE Statement 2019 - 2020

ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges the traditional Wadawurrung owners of the land where we live, work and meet. Council pays its respects to Wadawurrung Elders both past and present and extends that respect to all Aboriginal and Torres Strait Islander People who are a part of Golden Plains Shire.



PerformanceStatement-For the year ended 30 Certification of the Performance Statement

In my opinion, the accompanying Performance Statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

Philippa O'Sullivan Principal Accounting Officer Dated: 8 September 2020

In our opinion, the accompanying Performance Statement of the Golden Plains Shire Council for the year ended 30 June 2020 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

The Performance Statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the Performance Statement to be misleading or inaccurate.

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this Performance Statement in its final form.

Councillor Owen Sharkey Mayor Dated: 8 September 2020

Councillor Joanne Gilbert Deputy Mayor Dated: 8 September 2020

Eric Braslis Chief Executive Officer Dated: 8 September 2020

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PerformanceStatement-For the year ended 30



Independent Auditor's Report

To the Councillors of Golden Plains Shire Council

Opinion	I have audited the accompanying performance statement of Golden Plains Shire Council (the council) which comprises the:
	 description of municipality for the year ended 30 June 2020
	 sustainable capacity indicators for the year ended 30 June 2020
	 service performance indicators for the year ended 30 June 2020
	 financial performance indicators for the year ended 30 June 2020
	other information and
	 the certification of the performance statement.
	In my opinion, the performance statement of Golden Plains Shire Council in respect of the year ended 30 June 2020 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i> .
Basis for Opinion	I have conducted my audit in accordance with the Audit Act 1994 which
	incorporates the Australian Standards on Assurance Engagements. I further
	describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the performance statement section
	of my report.
	My independence is established by the Constitution Act 1975. I and my staff
	are independent of the council 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 my audit of
	the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.
	I believe that the audit evidence I have obtained is sufficient and appropriate
	to provide a basis for my opinion.
Councillors'	The Councillors are responsible for the preparation and fair presentation of
responsibilities for the performance	the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control
statement	as the Councillors determines is necessary to enable the preparation and fair
	presentation of the statement of performance that is free from material
	misstatement, whether due to fraud or error.
Auditor's	As required by the Audit Act 1994, my responsibility is to express an opinion
responsibilities for the	on the performance statement based on the audit. My objectives for the audit
audit of the	are to obtain reasonable assurance about whether the performance
performance	statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.
statement	Reasonable assurance is a high level of assurance, but is not a guarantee that
	an audit conducted in accordance with the Australian Standards on Assurance

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GOLDEN PLAINS SHIRE COUNCIL ANNUAL REPORT 2018-19 | 139

PerformanceStatement-For the year ended 30

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE September 2020 Tim Loughnan as delegate for the Auditor-General of Victoria

PerformanceStatement- For the year ended 30



Description of municipality

Golden Plains is the place to enjoy life as it should be.

In recent years, the region has experienced significant population growth as people discover the benefits of living in a semi-rural setting with plenty of space to breathe.

With 22,480 residents across 56 communities and 16 townships, Golden Plains Shire has been one of the fastest growing municipalities in Victoria, with population growth now around 2.5% per annum.

New residents, including many young families, continue to enjoy a diverse range of lifestyle choices available in the Shire's welcoming communities.

Golden Plains Shire comprises 2,705 square kilometres between Victoria's two largest regional cities, Geelong and Ballarat. The Shire's close proximity to services available in neighbouring cities and convenient commuting distance to Melbourne and the Surfcoast adds to its appeal as a place to call home.

Business growth continues to create attractive investment opportunities and new jobs. While the Shire has a strong tradition of wool and grain production, intensive animal farming, particularly poultry and pigs, is increasing. Golden Plains Shire is conveniently located close to export markets and welcomes investment and sustainable development. Strong population and economic growth render the region an attractive place to invest.

As a popular destination for family fun, food and wine connoisseurs and for those seeking adventure in the great outdoors, Golden Plains Shire also has it all for the perfect day trip experience.

This thriving municipality has become renowned across Australia, and internationally, for the produce on offer at local eateries, cellar doors and the monthly Golden Plains Farmers' Market in Bannockburn.

The Golden Plains region has become known for its many gourmet food producers and the Moorabool Valley in the Shire's east is home to a well established award winning wine industry. The newly created Moorabool Valley Taste Trail includes wineries, cellar doors and provedores.

Despite strong growth in the north west and south east, the Shire continues to be offer beautiful natural environments and landscapes. The natural beauty of the region remains visible and accessible as does remnant townships and structures from the area's rich gold mining history.

The region has a vibrant arts and culture scene including iconic music festivals which are all helping to make Golden Plains an emerging tourism destination.

We encourage you to visit Golden Plains and taste, see and explore all it has to offer. Who knows? Perhapsyou'll decide to stay.



PerformanceStatement- For the year ended 30

Sustainable Capacity Indicators

					Material Variations
Population					
Expenses per head of municipal population	\$1,758.40	\$1,657.34	\$1,655.84	\$1,684.26	
[Total expenses / Municipal population]					
Infrastructure per head of municipal	\$19,636.96	\$18,012.28	\$17,516.52	\$18,029.13	
population [Value of infrastructure / Municipal					
population]					
Population density per length of road	12.74	13.12	13.73	14.08	
[Municipal population / Kilometres of					
local roads]					
Own-source revenue					
Own-source revenue per head of municipal	\$1,107.07	\$1,132.16	\$1,171.76	\$1,134.90	
population [Own-source revenue / Municipal					
population]					
Recurrent grants					
Recurrent grants per head of municipal	\$709.93	\$529.58	\$499.96	\$499.03	
population				<i>Q435.05</i>	
[Recurrent grants / Municipal population]					
Disadvantage					
Relative socio-economic disadvantage	8.00	8.00	8.00		
[Index of Relative Socio-economic				8.00	
Disadvantage by decile]					
Animal management					
Health and safety					
Animal management prosecutions	2*	5	5	2	
[Number of successful animal				2	
management prosecutions]					

* These figures have been corrected to exclude prosecutions relating to unpaid fines.

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PerformanceStatement-For the year ended 30

Service Performance Indicators

					Material Variations	
Food safety						
Health and safety						
Critical and major non-compliance	94.12%	100.00%	100.00%	100.00%		
notifications				100.00%		
Number of critical non-compliance notifications						
and major non-compliance notifications about a food premises followed up / Number of critical						
non-compliance notifications and major non-						
compliance notifications about food premises]						
<100						
Governance						
Satisfaction	48.00	F1 00	47.00			
Satisfaction with council decisions	48.00	51.00	47.00	47.00		
Community satisfaction rating out of 100 with how Council has performed in making decisions						
n the interest of the community]						
Home and community care						
Participation						
Participation in HACC service	n/a	n/a	n/a	nla		
Number of people that received aHACC				n/a		
service / Municipal target population for						
HACC services] x100						
Participation	- 1	n la	- 1-			
Participation in HACC service by CALD people	n/a	n/a	n/a	n/a		
Number of CALD people who receive a HACC service / Municipal target population						
n relation to CALD people for HACCservices]						
<100						
Libraries						
Participation						
Active library members	12.68%	12.10%	10.50%	10 00%		
Number of active library members / Municipal				10.69%		
population] x100						
fe						

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PerformanceStatement- For the year ended 30

Service Performance Indicators

Service/indicator/ <i>measure</i>				Material Variations	
Maternal and child health					
Participation					
Participation in the MCH service	80.29%	86.34%	82.31%	83.30%	
[Number of children who attend the MCH				05.50%	
service at least once (in the year) / Number of children enrolled in the MCH service] x100					
of children enrolled in the Mich service] x100					
Participation					
Participation in the MCH service by Aboriginal	55.56%	91.67%	86.96%	80.00%	
children				00.0070	
[Number of Aboriginal children who attend					
the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the					
MCH service] x100					
Roads					
Satisfaction					
Satisfaction with sealed local roads	38.00	47.00	44.00	39.00	
[Community satisfaction rating out of 100				39.00	
with how Council has performed on the					
condition of sealed local roads]					
Statutory Planning					
Decision making Council planning decisions upheld at VCAT	100.00%	100.00%	0.00%		
[Number of VCAT decisions that did not	100.00%	100.00%	0.00%	100.00%	
set aside council's decision in relation to					
a planning application / Number of VCAT					
decisions in relation to planning applications]					
x100					
Waste Collection					
Waste diversion					
Kerbside collection waste diverted from	40.65%	40.81%	38.13%	22.46%	Impact of recycle crisis -
landfill	10.0070	10.0170	50.1570		40% reduction in weight of
[Weight of recyclables and green organics					recyclables and green organics collected from
collected from kerbside bins / Weight of					kerbside bins in 19-20
garbage, recyclables and green organics					
collected from kerbside bins] x100					

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Financial Performance Indicators

						Forecas	t Figures		Material Variations
					2021	2022	2023	2024	
Efficiency									
Expenditure level									
Expenses per property assessment [Total expenses/Number of property assessments]	\$3,612.18	\$3,438.54	\$3,480.27	\$3,602.40	\$3,892.78	\$3,764.18	\$3,808.62	\$3,904.86	
Revenue level									
Average residential rate per residential property assessment	\$1,824.45	\$1,896.58	\$2,014.78	\$1,838.68	\$1,886.59	\$1,976.36	\$2,020.51	\$2,081.78	
[Residential rate revenue / Number of residential property assessments]									
Workforce turnover									
Resignations and terminations compared to average staff	12.96%	16.27%	22.43%	23.10%	13.89%	13.89%	13.89%	13.89%	
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]x100									
Liquidity									
Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	234.41%	249.48%	170.06%	215.82%	136.84%	194.36%	204.77%		Budgeted \$9.5m new loans taken- up in 19-20
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	136.75%	163.53%	119.29%	182.42%	92.54%	141.24%	152.12%		Budgeted \$9.5m new loans taken- up in 19-20
Obligations Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	36.42%	36.95%	33.36%	58.94%	55.43%	48.18%	50.45%		Budgeted \$9.5m new loans taken- up in 19-20

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Financial Performance Indicators

						Foreca	ist Figures		Material Variations
					2021	2022	2023	2024	
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.26%	2.69%	2.60%	17.21%	7.13%	6.37%	1.20%	6.82%	\$3.8m loan repaid in 19-20
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	40.72%	37.73%	12.05%	53.83%	49.71%	42.16%	43.16%	35.50%	Budgeted \$9.5m new loans taken-up in 19-20
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expenses / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	150.35 %	144.05 %	104.47 %	133.11%	97.29%	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	6.85%	5.04%	5.05%	0.89%	-1.21%	9.55%	9.00%	9.78%	Higher capital grants than prior years
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	49.74%	54.54%	56.84%	57.88%	55.98%	54.19%	55.11%	54.87%	
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.50%	0.50%	0.49%	0.43%	0.40%	0.42%	0.42%	0.43%	This figure should continue to be approximately 0.50% as the Shire grows.

PerformanceStatement- For the year ended 30/ 2020

Other Information



Basis of preparation

Council is required to prepare and include a Performance Statement within its annual report. The Performance Statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the Performance Statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the Performance Statement are those adopted by Council in its strategic resource plan on 26 June 2020 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.







Golden Plains Shire Council Interim Management Letter for the year ending 30 June 2020

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Background

I enclose for your information the interim management letter for the year ending 30 June 2020. This letter provides a summary of audit findings from the interim phase of our audit. This letter will be discussed at the Audit Committee meeting in August.

Acknowledgement

I take this opportunity to thank your executive team and staff for the time they made available to us during the interim phase of our audit.

Yours sincerely

C.J. Kol Partner McLaren Hunt Audit and Assurance VAGO Audit Service Provider

Warrnambool

9 June 2020

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Significant event impact - COVID-19 pandemic	6
Summary of audit findings	8
Detailed audit findings	10
Status update on new accounting standard implementation	17
Appendix A. Rating definitions and actions	18

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Introduction

We have substantially completed the interim phase of the 30 June 2020 audit and now bring to your attention our findings from that phase of the audit. As part of our reporting, we include our assessment on the significance of the findings. The criteria we consider in this assessment is included in **Appendix A**. Findings can fall into the following categories:

- → internal control findings
- → financial reporting and performance statement reporting findings
- business improvement opportunities.

Internal control findings

As part of our audit, we assess the design and implementation of internal controls relevant to financial reporting and performance statement reporting. If we intend to rely on these controls, we test how effectively they are operating.

Any weaknesses in internal control identified during our audit is communicated to you through our management letters.

Financial reporting and performance statement reporting findings

As part of our audit, we may identify weaknesses in management's approach to financial reporting and performance statement reporting resulting in potential material misstatement. This includes, but is not limited to, non-compliance with the Australian Accounting Standards and other reporting frameworks.

Reporting and tracking internal control and financial reporting findings

As part of this communication we include:

- → our assessment as to the significance of the finding
- recommended actions
- → management comments (only for moderate and high rated matters) and expected implementation dates.

We have discussed all findings with management. The nature and rating of the finding determines our expectations in relation to management acceptance and our monitoring of the implementation of remedial actions.

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Business improvement opportunities

While conducting our audit, we may identify opportunities for improving the efficiency and effectiveness of your entity's processes and controls. We may also identify better practice situations from across the public sector which we would like to share with you.

Given their nature, business improvement opportunities will not be tracked.

Scope of our audit

We did not carry out a comprehensive audit of all processes and systems of internal control you maintain or seek to uncover all deficiencies, breaches and irregularities in those systems and processes. Inherent limitations in any process and system of internal control may mean that errors or irregularities might not be detected.

As explained in the audit strategy previously presented for 30 June 2020, the objective of the audit is for the Auditor-General to express an opinion on the financial report and performance statement. Although the audit considers internal controls relevant to preparing the financial report and performance statement, this is done in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of those controls. Our planned approach, including level of reliance on internal controls, was communicated in our audit strategy.

Reports to Parliament

The Auditor-General may include items listed in this letter in a report to Parliament. We will send you a draft of the relevant material included in this report and ask for your comments before the report is tabled in Parliament. High rated findings may be specifically identified and reported in the Parliamentary reports.

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Significant event impact - COVID-19 pandemic

COVID-19 Impacts to consider for the 30 June 2020 reporting cycle

Early identification and discussion with your audit team of COVID-19 related impacts to your financial report and performance statement will help to reduce pressure during the year-end phase. The areas in your financial report which may be materially impacted by COVID-19:

- Recognition and measurement
 - valuation of assets may be materially impacted e.g. property, plant, equipment and infrastructure, receivables and associated expected credit loss, investments
- ➔ Financial report disclosure of relevant information
 - o significant estimation uncertainty, key judgements and estimates and adverse financial performance, financial support provided/received
 - subsequent events should be specific to your entity, holistic and up to date. While COVID is a current event there may be future developments/uncertainties that may require additional disclosure.

More difficult and complex areas such as accounting estimates may require the experience and expertise of external management experts such as asset valuers. Canvass early limitations on the scope of the work of experts, data access and the nature of deliverables due to uncertainties.

Information should be produced on a timely basis and be supported by appropriate analysis and documentation including all relevant facts for the basis of judgements reached. Judgements are to be based on information that is available at that time.

The provision of COVID-19 disclosures in your shell accounts will assist us work through any concerns early. These disclosures will need to be tailored to ensure that the disclosure is sufficiently specific to your circumstances. As COVID-19 matters continue to rapidly evolve, your post balance date note may require updating if circumstances change between the initial drafting and the date of signing your financial report.

Information disclosed in your financial report should not be inconsistent with the information in your annual report.

COVID-19 Impacts to your audit

Our audit approach has been impacted by the additional COVID-19 risks we communicated to you in our audit strategy document.

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COVID-19 Impacts to the timing of your audit

We are equipped to conduct our financial audits remotely. We appreciate that the diversion of resources to respond to the crisis, combined with challenges posed by restrictions on movement and home-schooling arrangements have adversely affected the capacity of agencies to achieve pre-determined financial reporting and audit timelines.

The State Government has granted an extension to Council's deadline for 2019-2020 council annual report submissions. VAGO surveyed the Local Government sector to understand your reporting timelines and year end audit cycle. Based on your responses we will work flexibly with you to deliver the 2019-20 audit program.

Impact on our interim phase of our audit process

Key interim audit areas outstanding as at the date of this report include expenditure (VAGO testing of expenditure allocations to ledger outstanding as at the date of this report to be completed during year end visit) We will continue to liaise with management to obtain outstanding documentation and complete our work as part of the next phase of our audit process.

Management comment (as at 28 May 2020):

Management acknowledges the COVID-19 impacts and remote working arrangements impacting the interim audit with turnaround timeframes longer than traditional methods due to the requirement to generate soft copies of information with email explanation as opposed to sitting with auditors and reviewing information together. With some information stored in hard copy in the office and staff working remotely it was agreed that these source documents would be reviewed as part of the final audit process where working arrangements may have returned to normal.

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Summary of audit findings

The table below summarises all 'open' (current and prior period) management letter issues, and prior period issues that have been resolved in the current period. Open items include all findings that are 'unresolved', 'partially resolved' or 'substantially resolved' as at the date of this letter.

				Classificati	on of findings				
Finding first raised	Reference	Findings	Rating	Internal control	Financial / performance reporting	- Financial statement areas grouping	Resolved / unresolved	Management acceptance	Original agreed implementation date
Open issues (current and p	rior period)							
May 2020	2020.1	Procurement Card Policy	Low	х	*	Expenditure & payables	Unresolved	Yes	30 September 2020
May 2020	2020.2	Bank signatories	Moderate	х	æ	Expenditure & payables	Unresolved	Yes	30 June 2020
May 2020	2020.3	Bank payment files	High	х	-	Employee benefits	Unresolved	Yes	30 September 2020
May 2020	2020.4	Payroll Policies	Moderate	х	æ	Employee benefits	Unresolved	Yes	31 December 2020
May 2020	2020.5	Signature register	Low	х	-	Employee benefits	Unresolved	Yes	30 September 2020
August 2019	2019.5	Landfill Provision	Low	-	х	Provisions	Unresolved	Yes	30 June 2020
August 2018	2018.2	Long outstanding rates debtors	Low	х	×	Receivables	Partially resolved	Yes	30 June 2019
Prior period is	ssues resolve	d during the period							
March 2019	2019.1	Credit card authorisation	Low	х	-	Expenditure & payables	Resolved	Yes	30 June 2019
March 2019	2019.3	Purchase order authorisation	Moderate	х		Infrastructure, property, plant & equipment	Resolved	Yes	30 September 2019
March 2019	2019.2	Masterfile Change Policy	Moderate	х	-	Information systems	Resolved	Yes	30 September 2019

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			Classificatio	on of findings					
Finding first raised	Reference	Findings	Rating	Internal control	Financial / performance reporting	Financial statement areas grouping	Resolved / unresolved	Management acceptance	Original agreed implementation date
March 2019	2019.4	Compliance with Laws and Regulations	Low	х	080	Governance	Resolved	Yes	30 June 2019

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Detailed audit findings

Ref 2020.1	Description of finding and implication Procurement Card Policy Audit noted that the STANDARD OPERATING PROCEDURE - PROCUREMENT CARD USE was due for review on 17 June 2018 but has not been reviewed as at the time of the interim 2020 audit.	VAGO recommendation on new findings and update on open items Recommendation We recommend the procedures are reviewed to ensure Council is up to date with any potential risks and uses relating to Council	Response from management Recommendation Acknowledged Responsible officer: Asanka Jayakody Implementation date: 30 September 2020
		credit card.	2019–20 interim management comment:
			The procurement card operating procedure will be reviewed.
			Management acknowledges strong controls are in place with the procurement card policy in place and all transactions reviewed by immediate supervisor and Finance staff for compliance. Management also completed a review of credit card controls following the release of the VAGO report on 'Fraud & Corruption Control – Local Government' including a formal response to the Minister for Local Government confirming the controls in place.
2020.2	Bank signatories – Bendigo Bank Audit noted that two staff members who had resigned from their positions (Gregory Anders and Jillian Evans) were still listed as signatories on the Bendigo Bank accounts.	Recommendation We recommend that termination of staff procedures include the immediate removal of those who are bank signatories.	Recommendation Acknowledged Responsible officer: Asanka Jayakody Implementation date: 30 June 2020
			2019–20 interim management comment:
			Notification has been sent to the Bendigo Bank advising of the staff to be removed. Management notes controls are also in place preventing any transaction taking

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management place as these accounts require two signatories to action, and access to Council systems is actioned on termination of staff.
2020.3	 Bank payment files Audit noted that the payroll bank payment file transfer process begins when the payroll officer generates the pays in synergy. This process updates the employees leave balances, payroll history and generates a bank file and superannuation file to be uploaded to CBA CommBiz. The file is exported as an ABA file for authorisation. The payroll bank file is saved in the human resources folder prior to uploading to CBA CommBiz. An internal payroll audit has found this file is not protected and can be manually edited. There was also an instance during the year where the previous payroll officer altered this bank file after authorisation was given. Without restricting edibility of these files, there is a risk that inappropriate changes being made - for example changes in staff's bank details or changes of the 	Recommendation We note the recommendations made by the Internal Auditors be considered, and in the interim recommend a more secure procedure of handling the payroll bank file be implemented to avoid any unauthorised changes being made to the bank file after authorisation.	Recommendation Acknowledged Responsible officer: Scott Cayzer Implementation date: 30 September 2020 2019–20 interim management comment: More secure storage and control of payroll bank files will be investigated to implement a process to prevent the ability to edit aba bank files.
2020.4	amount to be paid to a particular employee. Payroll Policies Audit noted that Council does not have a formal Payroll Policy. Council does undertake the payroll function using guidelines, manuals, handbooks, and procedures. Although council has supporting guidelines, these documents have not yet been reviewed by management for accuracy.	Recommendation We recommend that a Payroll Policy that provides a clear overview of key processing and control requirements for the payroll functions should be developed and implemented. This policy should include a written/ approved policy for Masterfile changes as there has been a fraud during the year.	Recommendation Acknowledged Responsible officer: Scott Cayzer Implementation date: 31 December 2020 2019–20 interim management comment: A review of payroll policies will be completed detailing key processing and control requirements, including the policy and procedure for Masterfile changes to ensure strong controls are in place.
2020.5	Signature register While completing timesheet testing audit noted that there are a number of different managers who sign off on employee timesheets. Usually when completing an onsite audit, we would query who the signatures belong to with	Recommendation We recommend that a register of specimen signatures should be made available so that payroll officers and auditors can accurately tell who are signing off on timesheets.	Recommendation Acknowledged Responsible officer: Scott Cayzer Implementation date: 30 September 2020

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
	multiple staff, but as we are working remotely we had to upload the signatures and wait for staff to respond with who they belonged to.	Signatures should be sufficient that they are recognised and not easily copied.	2019–20 interim management comment: A register of signatures of timesheet approvers will be developed.
2019.5	Landfill Provisions Audit noted that landfill sites have been closed and a provision for restoration has been provided for in the financial statements. The restoration of the landfills has not been forecast in the budget or the five-year strategic plan.	Recommendation We recommend the costs for restoration are assessed and incorporated into the budget or strategic plan. 2019–20 interim audit comment: To be reviewed once 2021-22 Budget has been adopted	Recommendation Acknowledged Responsible officer: Asanka Jayakody Team Leader Finance and Rates Implementation date: 30 June 2020 Land fill restoration costs will be assessed and incorporated into the 2020-21 budget and Strategic Resource Plan. 2019–20 interim management comment: The 2020-21 Draft Budget and Strategic Resource Plan have included increases in the annual garbage charge to recover the cost of landfill rehabilitation over a ten year period. The 2020-21 Draft Budget included a \$10 increase however due to the financial impacts on customers from COVID-19 Council decided to defer the commencement of this increase to the 2021-22 year.
2019.1	Credit card authorisation We noted the Chief Executive Officer ("CEO") and Director of Corporate Services sign off each other's credit card. There may be a perceived lack of independence in relation to this process.	Recommendation Audit would recommend that credit cards are signed off by a more senior person to the card holder. In regard to the CEO's card, this may be a Councillor. 2019–20 interim audit comment: Resolved	Recommendation acknowledged Responsible officer: Asanka Jayakody Team Leader Finance and Rates Implementation date: 30 June 2019 The CEO's credit is signed off by Director of Corporate Services to ensure the timely checking and approval of credit cards on a monthly basis. It is recommended that the approval continues to remain with Director of Corporate Services, however a report

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
			outlining credit card items is provided to the Mayor for oversight
			2019–20 interim management comment:
			The CEO's credit card is signed off by Director Corporate Services to ensure the timely checking and approval of credit cards on a monthly basis.
			The Mayor is provided with a report of all CEO credit card transactions.
2019.2	Masterfile Change Policy	Recommendation	Recommendation Accepted
	We noted during our testing that although Council has a change in detail form for suppliers, the process for creditor Masterfile change is not documented into policy. We further noted that Payroll Masterfile changes are not being reviewed on a timely basis.	We recommend that the change in details form and the process of confirming changes to suppliers is documented in the Masterfile Change Policy and that all Masterfile change reports are independently reviewed on a timely basis.	Responsible officer: Asanka Jayakody Team Leader Finance and Rates Implementation date: 30 September 2019 Masterfile change in details form has been amended to include checks of the bank details. The Masterfile Changes Policy will
		2019–20 interim audit comment:	be updated to include the 'change in
		Audit noted during interim testing that evidence of review of Masterfile Change reports could not be provided. Audit note the Creditor Masterfile Change Policy has now been updated on 25 May 2020 with Masterfile change procedures, Resolved	details form' and process of confirming changes to suppliers' details, including changes to bank account details.
			This process will also be included as part of monthly review and signed off by the Team leader Finance and Rates and Finance manager
			2019–20 interim management comment:
			The Creditor Masterfile Change Policy has been updated to include the electronic approval of invoices introduced to enable staff working remotely to approve invoices, and to include the requirement to call the creditor to confirm bank account changes using a phone number recorded in Council's financial system.

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
			SMT reviewed and approved the updated policy on 25 May 2020.
2019.3	Purchase order authorisation We noted that on the purchase order system, there is one 'Contracts' account with a purchase order limit of \$1.5 million, which is used to authorised contracts approved by the Council over \$199,999 (the highest delegation of the CEO). We noted during testing that Tony Talevski (Engineer) with delegation of \$25k has password access to the "Contract" account and used that account to approve one payment of \$90k to Goldblade Truck which is over his delegation. Access of the 'Contracts' account on Altus is also given to the "Works Team" and Janine Rowan (Fleet Coordinator with limit of \$3,300).	Recommendation Audit recommend that council should have a better management of this account in terms of access. Access should be given to staff with an appropriate delegation. Audit Status: Review at interim 2020 2019–20 interim audit comment: Resolved	Recommendation Accepted Responsible officer: Asanka Jayakody Team Leader Finance and Rates Implementation date: 30 September 2019 A review of access to the 'Contracts' authorisation account will be completed. Access to the 'Contracts' purchase order authorisation account will be modified to restrict access to officers authorised to approve contracts. 2019–20 interim management comment: The 'Contracts' account has been disabled.
			Access for the Contact and Procurement Specialist has been updated to include financial delegation to raise purchase orders for new contracts. The order is drawn down by the relevant Council officer as payments are made with financial delegations applied to any drawing down of purchase orders.
2019.4	Compliance with Laws and Regulations Golden Plains Shire Council is an entity that has many obligations in relation to compliance with Laws and Regulations. At present it does not have a system for the capturing of compliance with Laws and Regulations, and therefore the reporting of such is lacking.	Recommendation Audit recommends that a system of compliance is built. This system should include the applicable law, the reporting requirement, the responsible officer, and the compliance and reporting time frame. 2019–20 interim audit comment:	Recommendation Accepted Responsible officer: Candice Holloway Corporate Governance Coordinator Implementation date: 30 June 2019 A central register has been developed to record applicable laws and regulations to assist compliance assessment and
		Resolved	exception reporting. 2019–20 interim management comment:

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
			Council has developed and implemented a 'Statutory Obligations and Compliance Schedule'.
2018.2	Long outstanding rates debtors We noted during our review of Rates Debtors, particularly those over \$15k that certain rate payers were noted on the system as being pensioners and no further debt collection actions were undertaken. There were also other Rates debtors where no further actions were noted on the system since 2017. This could lead to balances accumulating to an extent where the CIV value ratio is insufficient to cover any debts if a SEC181 sale was required. No rates debts are included in Doubtful debts.	 Recommendation Audit is aware of recent staff changes in Rates Management and recommends that review of long outstanding Rates debts and a debt collection policy review is undertaken. Audit update Interim 2019 Partially resolved Audit is aware that Council are still attempting to fill the Rates Team Leader Role. We noted that Rates Officer's working with the Finance Team have managed to add a number of Rate Payers onto Payment Arrangements (which are being monitored monthly by a Rates Officer). We noted that there have been instances where Sec 181 sales have occurred to recover debt on properties where owners could not be traced. 2019–20 interim audit comment: Unresolved, to review at year end 	Recommendation Accepted Responsible officer: Asanka Jayakody Team Leader Finance and Rates Implementation date: 30 June 2019 Current rates debt collection process is in accordance with Collection of Overdue Rates and Charges Policy. Rates team regularly assure that the CIV value ratio is sufficient to cover the outstanding debt. If any likely event of insufficient CIV value ratio, Council immediately proceed with SEC181 sale or make a provision for doubtful debt. Review of long outstanding rates debts and the policy will be undertaken to ensure the most efficient way managing this process. Management update Interim 2019: The new Rates Team Leader commenced with GPS on April 29. Council has continued to pursue outstanding rates debts with a number of customers added to payment arrangements. A review of the long outstanding rates debts and 'Collection of Overdue Rates and Charges Policy' will be conducted by the Rates Team Leader by 30 June 2019. Management update Year end 2019: Since the commencement of the new Rates Team Leader a significant amount of work has been completed with a number

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
			of customers with long outstanding debt on payment plans or payments made.
			2019–20 interim management comment:
			The Coordinator Rates and Property has continued to pursue long outstanding rates debts with a number of customers now either paid in full, making lump sum payments or making regular payments. The COVID-19 environment has resulted in a number of additional customers experiencing financial hardship resulting in the development of a COVID-19 hardship policy with less stringent requirements, which has resulting in a number of customers who have taken up payment plans.

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Status update on new accounting standard implementation

New accounting standards listed below will impact Council's financial report for the first time in 2019-20:

- → AASB 15 Revenue from Contracts with Customers
- → AASB 1058 Income of Not-for-profit Entities
- → AASB 16 Leases.

At the time of the interim phase of our audit, management have prepared and assessed the impact of the new accounting standards on their financial statements, including any potential changes to their systems, processes and resources.

We will follow up with management progress as part of our next audit visit and determine the extent and adequacy of management assessment. Our findings (if any) will be reported in our final management letter.

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Appendix A. Rating definitions and actions

We have rated our findings as follows:

Rating	Description of rating	Management action required
High	This issue represents: a material misstatement in the financial report and performance statement which has occurred, or an issue which could potentially result in a modified audit opinion if not addressed as a matter of urgency by the entity, or	Requires executive management to correct the misstatement in the financial report and performance statement, or address the issue, as a matter of urgency to avoid a modified audit opinion.
	a control weakness which could cause or is causing a major disruption of the process or the entity's ability to achieve process objectives in relation to financial and performance statement reporting and comply with relevant legislation.	Requires immediate management intervention with a detailed action plan to be implemented within one month.
Moderate	This issue represents:	Requires management intervention with a detailed action plan implemented within
	a misstatement in the financial report and performance statement that is not material and has occurred, or that may occur, the impact of which has the possibility to be material, or	three to six months.
	a control weakness which could have or is having a moderate adverse effect on the ability to achieve process objectives and comply with relevant legislation.	
Low	This issue represents:	ightarrow Requires management intervention with a detailed action plan implemented within six
	 a misstatement in the financial report that is likely to occur but is not expected to be material, or 	to 12 months.
	a minor control weakness with minimal but reportable impact on the ability to achieve process objectives and comply with relevant legislation.	

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