

District Council of Robe

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



General Purpose Financial Statements

for the year ended 30 June 2022

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General Purpose Financial Statements
for the year ended 30 June 2022

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

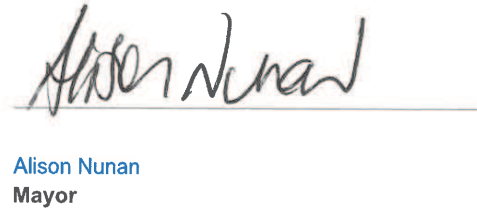
In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



James Holyman
Chief Executive Officer

31 October 2022



Alison Nunan
Mayor

31 October 2022

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Income			
Rates	2a	5,801	5,556
Statutory Charges	2b	251	205
User Charges	2c	1,197	1,139
Grants, Subsidies and Contributions	2g	689	559
Investment Income	2d	10	7
Reimbursements	2e	39	43
Other income	2f	273	216
Total Income		8,260	7,725
Expenses			
Employee costs	3a	2,381	2,781
Materials, Contracts and Other Expenses	3b	3,268	3,006
Depreciation, Amortisation and Impairment	3c	2,234	2,177
Finance Costs	3d	-	1
Total Expenses		7,883	7,965
Operating Surplus / (Deficit)		377	(240)
Asset Disposal & Fair Value Adjustments	4	105	(51)
Amounts Received Specifically for New or Upgraded Assets	2g	362	172
Net Surplus / (Deficit)		844	(119)
Total Comprehensive Income		844	(119)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	2,445	894
Trade & Other Receivables	5b	483	300
Inventories	5c	28	38
Total current assets		<u>2,956</u>	<u>1,232</u>
Non-current assets			
Financial Assets	6a	6	9
Other Non-Current Assets	6b	118	–
Infrastructure, Property, Plant & Equipment	7a(i)	90,416	91,080
Total non-current assets		<u>90,540</u>	<u>91,089</u>
TOTAL ASSETS		<u>93,496</u>	<u>92,321</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	1,054	498
Borrowings	8b	–	12
Provisions	8c	357	531
Total Current Liabilities		<u>1,411</u>	<u>1,041</u>
Non-Current Liabilities			
Trade & Other Payables	8a	2,419	2,462
Provisions	8c	41	37
Total Non-Current Liabilities		<u>2,460</u>	<u>2,499</u>
TOTAL LIABILITIES		<u>3,871</u>	<u>3,540</u>
Net Assets		<u>89,625</u>	<u>88,781</u>
EQUITY			
Accumulated surplus		14,793	14,840
Asset revaluation reserves	9a	72,839	72,839
Other reserves	9b	1,993	1,102
Total Council Equity		<u>89,625</u>	<u>88,781</u>
Total Equity		<u>89,625</u>	<u>88,781</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022				
Balance at the end of previous reporting period	14,840	72,839	1,102	88,781
Net Surplus / (Deficit) for Year	844	–	–	844
Total comprehensive income	844	–	–	844
Transfers between Reserves	(891)	–	891	–
Balance at the end of period	14,793	72,839	1,993	89,625
2021				
Balance at the end of previous reporting period	15,260	72,839	801	88,900
Net Surplus / (Deficit) for Year	(119)	–	–	(119)
Total comprehensive income	(119)	–	–	(119)
Transfers between Reserves	(301)	–	301	–
Balance at the end of period	14,840	72,839	1,102	88,781

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 2022

\$ '000	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Rates		5,761	5,539
Statutory Charges		256	205
User Charges		1,219	1,151
Grants, Subsidies and Contributions (operating purpose)		720	615
Investment Receipts		10	7
Reimbursements		40	48
Other Receipts		603	796
<u>Payments</u>			
Payments to Employees		(2,548)	(2,780)
Payments for Materials, Contracts & Other Expenses		(3,293)	(3,791)
Finance Payments		-	(1)
Net cash provided by (or used in) Operating Activities	10b	2,768	1,789
Cash flows from investing activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		362	172
Sale of Replaced Assets		224	12
Repayments of Loans by Community Groups		15	15
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(1,068)	(1,338)
Expenditure on New/Upgraded Assets		(739)	(695)
Net cash provided (or used in) investing activities		(1,206)	(1,834)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		1	-
<u>Payments</u>			
Repayments of Loans		(12)	(12)
Repayment of Bonds & Deposits		-	(66)
Net Cash provided by (or used in) Financing Activities		(11)	(78)
Net Increase (Decrease) in Cash Held		1,551	(123)
plus: Cash & Cash Equivalents at beginning of period		894	1,017
Cash and cash equivalents held at end of period	10a	2,445	894
Additional Information:			
Total Cash, Cash Equivalents & Investments		2,445	894

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 31 October 2022

1.2 Critical Accounting Estimates

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

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

1.3 Rounding

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

1.4 Estimates and assumptions

COVID-19 had no significant impact on Council operations in 2021/22. The budget assumptions for 2022/23 assume a continued easing of restrictions put in place by the government. Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

(2) The Local Government Reporting Entity

The District Council of Robe is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at Royal Circus, Robe. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

(3) Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2019/20	\$140,526	\$145,703	- \$5,177
2020/21	\$144,143	\$146,897	- \$2,754
2021/22	\$266,165	\$152,676	+ \$113,489

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 14 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, Cash Equivalents and other Financial Instruments

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

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

(5) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

(6) Infrastructure, Property, Plant & Equipment

6.1 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

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

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.5 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

(7) Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

(8) Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted avg. discount rate 3.26% (2021, 0.34%)

Weighted avg. settlement period 1 year (2021, 1 year)

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council made employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

(10) GST Implications

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

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

(11) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

Effective for NFP annual reporting periods beginning on or after 1 January 2025

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7))

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 2. Income

\$ '000	2022	2021
(a) Rates		
General Rates		
General Rates	4,222	4,118
Less: Mandatory Rebates	(37)	(19)
Less: Discretionary Rebates, Remissions & Write Offs	(8)	(130)
Total General Rates	4,177	3,969
Other Rates (Including Service Charges)		
Landscape Levy	232	227
Waste Collection	438	427
Community Wastewater Management Systems	935	913
Total Other Rates (Including Service Charges)	1,605	1,567
Other Charges		
Penalties for Late Payment	19	20
Total Other Charges	19	20
Total Rates	5,801	5,556
(b) Statutory Charges		
Development Act Fees	205	145
Health & Septic Tank Inspection Fees	22	33
Animal Registration Fees & Fines	15	13
Other Licences, Fees & Fines	9	14
Total Statutory Charges	251	205
(c) User Charges		
Cemetery/Crematoria Fees	8	7
Aged Home Income	52	56
Hall & Equipment Hire	7	5
Sundry	7	12
Robe Marina	332	310
Childcare Fees	512	503
Garbage Fees	41	30
Caravan Park Fees	160	143
Health Centre Rent	20	20
Boatramp Fees	11	11
Tourism Sales	47	42
Total User Charges	1,197	1,139

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	9	6
- Loans to Community Groups	1	1
Total Investment Income	10	7
(e) Reimbursements		
Private Works	4	13
Income Protection	28	20
Other	7	10
Total Reimbursements	39	43
(f) Other income		
Sundry	35	73
Augmentation Fee	215	63
Boatshow Income	-	48
Childcare Sponsor Fee	23	23
Diesel Fuel Rebate	-	9
Total Other income	273	216
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	362	172
Total Amounts Received Specifically for New or Upgraded Assets	362	172
Other Grants, Subsidies and Contributions	4	-
Untied - Financial Assistance Grant	266	144
Roads to Recovery	109	109
Library and Communications	5	4
Sundry	18	15
Childcare Grant	287	287
Total Other Grants, Subsidies and Contributions	689	559
Total Grants, Subsidies, Contributions	1,051	731
The functions to which these grants relate are shown in Note 11.		
(i) Sources of grants		
Commonwealth Government	772	568
State Government	271	163
Other	8	-
Total	1,051	731

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 3. Expenses

\$ '000	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		2,088	2,415
Employee Leave Expense		97	116
Superannuation - Defined Contribution Plan Contributions	16	197	188
Superannuation - Defined Benefit Plan Contributions	16	24	23
Workers' Compensation Insurance		47	76
Less: Capitalised and Distributed Costs		(72)	(37)
Total Operating Employee Costs		2,381	2,781
Total Number of Employees (full time equivalent at end of reporting period)		28	26
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		16	20
Bad and Doubtful Debts		6	(4)
Elected Members' Expenses		79	81
Election Expenses		3	1
Subtotal - Prescribed Expenses		104	98
(ii) Other Materials, Contracts and Expenses			
Maintenance		711	906
Legal Expenses		76	68
Levies Paid to Government - NRM levy		230	228
Professional Services		325	298
Sundry		931	488
Robe Marina		94	154
Fuels & Oils		55	61
Garbage Collection and Disposal		606	596
Childcare Expenses		136	109
Subtotal - Other Material, Contracts & Expenses		3,164	2,908
Total Materials, Contracts and Other Expenses		3,268	3,006

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 3. Expenses (continued)

\$ '000	2022	2021
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	362	365
Infrastructure		
- Stormwater Drainage	25	26
- Roads	1,275	1,269
- Bridges	3	3
- Footways	29	26
- Marina Development	115	108
- Common Effluent	179	174
Plant, Machinery & Equipment	225	196
Furniture & Fittings	15	10
Library Stock	1	-
Other Community Assets	5	-
Subtotal	2,234	2,177
Total Depreciation, Amortisation and Impairment	2,234	2,177
(d) Finance Costs		
Interest on Loans	-	1
Total Finance Costs	-	1

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2022	2021
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	224	12
Less: Carrying Amount of Assets Sold	(119)	(63)
Gain (Loss) on Disposal	105	(51)
Net Gain (Loss) on Disposal or Revaluation of Assets	105	(51)

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 5. Current Assets

\$ '000	2022	2021
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	202	521
Deposits at Call	2,243	373
Total Cash & Cash Equivalent Assets	2,445	894

(b) Trade & Other Receivables

Rates - General & Other	281	241
Accrued Revenues	30	2
Debtors - General	103	55
GST Recoupment	84	-
Prepayments	1	-
Loans to Community Organisations	3	15
Subtotal	502	313
Less: Allowance for Doubtful Debts	(19)	(13)
Total Trade & Other Receivables	483	300

(c) Inventories

Stores & Materials	28	38
Total Inventories	28	38

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

Note 6. Non-Current Assets

\$ '000	2022	2021
(a) Financial Assets		
Receivables		
Loans to Community Organisations	6	9
Total Receivables	6	9
Total Financial Assets	6	9

(b) Other Non-Current Assets

Capital Works-in-Progress	118	-
Total Other Non-Current Assets	118	-

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property

(a(i)) Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	Asset movements during the reporting period												
		as at 30/06/21	as at 30/06/22							Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost, Depreciation	Carrying amount	
		At Fair Value	At Cost, Depreciation	Carrying amount	Asset Additions New/ Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers		At Fair Value	At Cost, Depreciation	Carrying amount	
Land - Community	3	21,317	-	21,317	246	-	-	-	-	-	21,317	246	-	21,563
Land - Other	2	3,832	-	3,832	-	-	-	-	-	-	3,832	-	-	3,832
Buildings & Other Structures	2	9,329	1,360 (4,628)	6,061	8	212	-	(235)	-	-	9,329	1,580	(4,863)	6,046
Buildings & Other Structures Infrastructure	3	6,386	436 (3,581)	3,241	-	83	-	(127)	-	-	6,386	519	(3,708)	3,197
- Stormwater Drainage	3	2,262	215 (1,598)	879	20	-	-	(25)	-	-	2,262	235	(1,623)	874
- Roads	3	74,881	3,145 (34,191)	43,835	23	301	-	(1,275)	-	-	74,881	3,469	(35,466)	42,884
- Bridges	3	134	- (26)	108	-	-	-	(3)	-	-	134	-	(29)	105
- Footways	3	1,010	16 (353)	673	181	-	-	(29)	-	-	1,010	197	(382)	825
- Marina Development	3	3,804	175 (667)	3,312	31	2	-	(115)	-	-	3,804	207	(781)	3,230
- Common Effluent	3	10,059	2,188 (6,002)	6,245	13	14	-	(179)	-	-	10,059	2,215	(6,181)	6,093
Plant, Machinery & Equipment		-	3,366 (1,987)	1,379	24	434	(125)	(225)	-	-	-	3,345	(1,852)	1,493
Furniture & Fittings		-	165 (104)	61	48	12	-	(15)	-	-	-	224	(118)	106
Library Stock	1	-	243 (242)	1	-	-	-	(1)	-	-	-	243	(243)	-
Other Community Assets		-	175 (39)	136	36	1	-	(5)	-	-	-	212	(44)	168
Total Infrastructure, Property, Plant & Equipment		133,014	11,484 (53,418)	91,080	630	1,059	(125)	(2,234)	-	-	133,014	12,692	(55,290)	90,416
Comparatives		133,493	9,478 (51,684)	91,287	695	1,339	65	(2,177)	-	-	133,014	11,484	(53,418)	91,080

continued on next page ...



Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

General Valuation Principles

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Highest and best use: For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

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

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

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

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

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

	\$
Office Furniture & Equipment	1,000
Other Plant & Equipment	1,000
Buildings - new construction/extensions	1,000
Park & Playground Furniture & Equipment	1,000
Road construction & reconstruction	1,000
Paving & Footpaths, Kerb & Gutter	1,000
Drains & Culverts	1,000
Reticulation Extensions	1,000

continued on next page ...

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

<i>Plant, Furniture & Equipment</i>	
Office Equipment	3 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equipment	3 to 8 years
Other Plant & Equipment	5 to 20 years
<i>Building & Other Structures</i>	
Buildings - masonry	15 to 100 years
Buildings - other construction	15 to 50 years
Park Structures - masonry	30 to 100 years
Park Structures - other construction	30 to 80 years
Playground Equipment	15 years
Benches, Seats, etc	10 to 25 years
<i>Infrastructure</i>	
Sealed Roads - Surface	20 to 100 years
Sealed Roads - Structure	100 to 400 years
Unsealed Roads	20 to 100 years
Bridges - Concrete	50 to 60 years
Paving & Footpaths, Kerb & Gutter	20 to 400 years
Drains	3 to 90 years
Culverts	50 to 400 years
Bores	80 years
Reticulation Pipes - PVC	70 to 80 years
Reticulation Pipes - Other	50 to 60 years
Pumps & Telemetry	20 years
<i>Other Assets</i>	
Library Books	4 to 20 years

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2018 by Mitch Ekonomopoulos AAPI of AssetVal Pty Ltd.

Infrastructure

Transportation assets were valued as at 1 July 2018 by Mitch Ekonomopoulos AAPI of AssetVal Pty Ltd. at depreciated current replacement cost based on actual costs incurred during the reporting period ended 30 June 2017 and 2018. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by 1 July 2018 by Mitch Ekonomopoulos AAPI of AssetVal Ply Ltd. at depreciated current replacement cost based on actual costs incurred during the reporting period ended 30 June 2017 and 2018. All acquisitions made after the respective dates of valuation are recorded at cost.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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

Community wastewater management system infrastructure was valued as at 1 July 2018 by Mitch Ekonomopoulos AAPI of AssetVal Pty Ltd. at depreciated current replacement cost based on actual costs incurred during the reporting period ended 30 June 2017 and 2018. All acquisitions made after the respective dates of valuation are recorded at cost.

Marina development infrastructure was valued as at 1 July 2018 by Mitch Ekonomopoulos AAPI of AssetVal Pty Ltd. at depreciated current replacement cost based on actual costs incurred during the reporting period ended 30 June 2017 and 2018. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant & Equipment

These assets are recognised on the cost basis.

All other Assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 8. Liabilities

\$ '000	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables				
Goods & Services	621	–	222	–
Payments Received in Advance	257	–	149	–
Accrued Expenses - Employee Entitlements	48	–	39	–
Accrued Expenses - Other	51	–	13	–
Deposits, Retentions & Bonds	35	–	34	–
Premiums Received in Advance Marina	42	2,419	41	2,462
<u>Total Trade and Other Payables</u>	<u>1,054</u>	<u>2,419</u>	<u>498</u>	<u>2,462</u>

(b) Borrowings

Loans	–	–	12	–
<u>Total Borrowings</u>	<u>–</u>	<u>–</u>	<u>12</u>	<u>–</u>

All interest bearing liabilities are secured over the future revenues of the Council

(c) Provisions

Employee Entitlements (including oncosts)	357	41	531	37
<u>Total Provisions</u>	<u>357</u>	<u>41</u>	<u>531</u>	<u>37</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 9. Reserves

\$ '000	as at 30/06/21					as at 30/06/22
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance	
(a) Asset Revaluation Reserve						
Land	21,115	–	–	–	21,115	
Buildings & Other Structures	5,838	–	–	–	5,838	
Infrastructure	41,822	–	–	–	41,822	
Plant, Machinery & Equipment	4,064	–	–	–	4,064	
Total Asset Revaluation Reserve	72,839	–	–	–	72,839	
Comparatives	72,839	–	–	–	72,839	

\$ '000	as at 30/06/21					as at 30/06/22
	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance	
(b) Other Reserves						
CWMS Maintenance Reserve	830	851	–	–	1,681	
Contribution Reserve	34	–	–	–	34	
Childcare Reserve	237	–	(35)	–	202	
Road Safety Group Reserve	1	–	–	–	1	
Open Space Reserve	–	75	–	–	75	
Total Other Reserves	1,102	926	(35)	–	1,993	
Comparatives	801	301	–	–	1,102	

Purposes of Reserves

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

CWMS Maintenance Reserve

The Community Wastewater Management System ('CWMS') Maintenance Reserve is for future asset replacement and capital maintenance relating to the CWMS.

Contribution Reserve

Contribution Reserve is monies put aside in a trust fund for future expenditures.

Childcare Reserve

Childcare Reserve is for the future requirements for asset replacement and Employee benefits relating to the Child Care on Wheels Service.

Road Safety Group

Road Safety Group is money transferred upon the wind up of the Robe Road Safety Group for the purposes of Road Safety in Robe.

Open Space Reserve

Open Space Reserve is open space monies required under legislation to be held in reserve.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2022	2021
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(a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	2,445	894
Balances per Statement of Cash Flows		<u>2,445</u>	<u>894</u>

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

Net Surplus/(Deficit)		844	(119)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		2,234	2,177
Grants for capital acquisitions treated as Investing Activity		(362)	(172)
Net (Gain) Loss on Disposals		(105)	51
		<u>2,611</u>	<u>1,937</u>
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(201)	86
Change in Allowances for Under-Recovery of Receivables		(6)	8
Net (Increase)/Decrease in Inventories		10	-
Net (Increase)/Decrease in Other Assets		12	(16)
Net Increase/(Decrease) in Trade & Other Payables		512	(223)
Net Increase/(Decrease) in Unpaid Employee Benefits		(170)	(3)
Net Cash provided by (or used in) operations		<u>2,768</u>	<u>1,789</u>

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	15	20
LGFA Cash Advance Debenture Facility	1,950	1,950

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 11(a). Functions

	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 11(b).									
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
\$ '000	INCOME	EXPENSES	SURPLUS (DEFICIT)	OPERATING	GRANTS INCLUDED	TOTAL ASSETS HELD				
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions/Activities										
Administration	5,891	5,660	1,829	1,932	4,062	3,728	96	14	3,736	2,829
Public Order & Safety	20	21	121	89	(101)	(68)	-	-	9	5
Health	42	53	99	111	(57)	(58)	-	-	-	13
Social Security & Welfare	856	870	841	850	15	20	287	287	514	584
Housing & Community Amenities	271	109	1,382	1,294	(1,111)	(1,185)	-	-	6,260	4,090
Protection of the Environment	74	-	186	30	(112)	(30)	-	-	475	566
Sports & Recreation	33	31	717	720	(684)	(689)	24	19	26,543	18,124
Mining Manufacturing & Construction	205	145	231	231	(26)	(86)	-	-	-	-
Transport & Communication	291	251	1,786	1,900	(1,495)	(1,649)	279	239	44,804	52,988
Economic Affairs	542	544	620	597	(78)	(53)	-	-	9,418	10,814
Other Purposes NEC	35	41	71	211	(36)	(170)	3	-	1,737	2,308
Total Functions/Activities	8,260	7,725	7,883	7,965	377	(240)	689	559	93,496	92,321

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 11(b). Components of Functions

The activities relating to Council functions are as follows:

Administration

General and office operations not attributable to another specific activity, rates and elected members expenses.

Public Order & Safety

Supervision of various by-laws, fire prevention and animal control.

Health

Food control, operation of community health programs and health centre.

Social Security & Welfare

Childcare, aged services, youth services, community welfare and aged homes.

Housing & Community Amenities

Rubbish collection services, operation of tip, effluent drainage, public toilets, street cleaning and lighting, town planning and maintenance of cemeteries.

Protection of the Environment

Foreshore protection, beach patrol, coast and marine.

Sports & Recreation

Maintenance of halls, library operations, national estates, parks and gardens, recreation and sporting venues.

Mining Manufacturing & Construction

Development act requirements, quarry operations.

Transport & Communication

Construction and maintenance of roads, bridges, footpaths, parking and signs and stormwater drainage.

Economic Affairs

Land development activities, caravan park operations, off-street parking, tourism, robe marina.

Other Purposes NEC

Public depot transactions, plant and machinery operations, depot expenses, vandalism costs and private works.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 12. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning interest rates between 0.30% and 1.05% (2021: 0.30% and 0.45%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.48% per month (2021: 0.55%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Liabilities - Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 12. Financial Instruments (continued)

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable by 2 instalments per year in December and June; interest is charged at fixed rates of 5.05% (2021: 5.05%).

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 12. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets and Liabilities					
2022					
Financial Assets					
Cash & Cash Equivalents	2,447	–	–	2,447	2,445
Receivables	483	6	–	489	489
Total Financial Assets	2,930	6	–	2,936	2,934
Financial Liabilities					
Payables	3,373	–	–	3,373	3,374
Current Borrowings	–	–	–	–	–
Total Financial Liabilities	3,373	–	–	3,373	3,374
2021					
Financial Assets					
Cash & Cash Equivalents	894	–	–	894	894
Receivables	308	9	–	317	309
Total Financial Assets	1,202	9	–	1,211	1,203
Financial Liabilities					
Payables	2,908	–	–	2,908	2,908
Current Borrowings	12	–	–	12	12
Total Financial Liabilities	2,920	–	–	2,920	2,920

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

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	5.05%	–	5.05%	12
		–		12

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Note 13. Capital Expenditure and Investment Property Commitments

\$ '000	2022	2021
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Infrastructure	145	–
Other	11	–
Community waste water management scheme	15	–
	171	–
These expenditures are payable:		
Not later than one year	171	–
	171	–

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 14. Financial Indicators

	Indicator 2022	Indicators 2021	Indicators 2020
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating Surplus	4.6%	(3.1)%	0.2%
Total Operating Income			
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities	11%	30%	32%
Total Operating Income			
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
Adjusted Operating Surplus Ratio			
Operating Surplus	3.9%	(4.2)%	0.1%
Total Operating Income			
Adjustments to Ratios			
<i>In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.</i>			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities	13%	31%	33%
Total Operating Income			
3. Asset Renewal Funding Ratio			
Asset Renewals	32%	51%	57%
Infrastructure & Asset Management Plan required expenditure			
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets. The optimal level planned refers to the Council's Asset Management Plan (AMP) which forecasts the activities/projects that need to be undertaken in order to maintain the Council's assets.</i>			
<i>The ideal ratio is 100%, where Council is spending the amount required each year to renew and replace existing assets so they continue to operate optimally to meet the organisations objectives.</i>			

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 15. Uniform Presentation of Finances

\$ '000	2022	2021
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	8,260	7,725
less Expenses	(7,883)	(7,965)
Operating Surplus / (Deficit)	377	(240)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(1,068)	(1,338)
add back Depreciation, Amortisation and Impairment	2,234	2,177
add back Proceeds from Sale of Replaced Assets	224	12
	1,390	851
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(739)	(695)
add back Amounts Received Specifically for New and Upgraded Assets	362	172
	(377)	(523)
Net Lending / (Borrowing) for Financial Year	1,390	88

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 16. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 17. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 18. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 13 persons were paid the following total compensation.

\$ '000	2022	2021
The compensation paid to Key Management Personnel comprises:		
Salaries, allowances & other short term benefits	777	872
Termination Benefits	–	214
Total	777	1,086

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Planning and Building Application Fees	–	4
Total	–	4

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

An Employee and an Elected Member were members of the Robe Netball Club and another employee was a member of the Junior Football Club. In accordance with the Local Government Act 1999, these persons declared a conflict of interest and took no part in discussions relating to matters of the Netball Club and the Junior Football Club.

Key Management Personnel ('KMP') and relatives of KMP own retail businesses from which various supplies and services were purchased as required either for cash or on a 30-day account. One Councillor is a Director in a company providing CWMS capital works to Council. Total purchases amounted to \$29,365 during the year. Additionally, the partner of another KMP has a family business that provides earthmoving works to Council. Total purchases amounted to \$314,952 during the year. These contracts were awarded through a competitive tender process and the KMP declared a conflict of interest where required and were not involved in decisions related to the award of these contracts.

One close family member of a Councillor is employed by Council in accordance with the terms of the Award and as recorded in the Public Register of Salaries maintained in accordance with section 105 of the Local Government Act 1999.



INDEPENDENT AUDITOR'S REPORT

To the members of the District Council of Robe

Opinion

We have audited the accompanying financial report of the District Council of Robe, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the District Council of Robe.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report

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

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpains.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpains.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpains.com.au

W: www.galpains.com.au

Galpins Trading Pty Ltd
ABN: 89 656 702 886

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Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. 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 economic decisions of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 our 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 of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Luke Williams CA, CPA, Registered Company Auditor
Partner

01 / 11 / 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of the District Council of Robe

Independent Assurance report on the Internal Controls of the District Council of Robe

Opinion

We have audited the compliance of the District Council of Robe with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with law.

In our opinion, the District Council of Robe has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022 .

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's Responsibility for Internal controls

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

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

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Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of Use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Luke Williams CA, CPA, Registered Company Auditor
Partner

01 / 11 / 2022

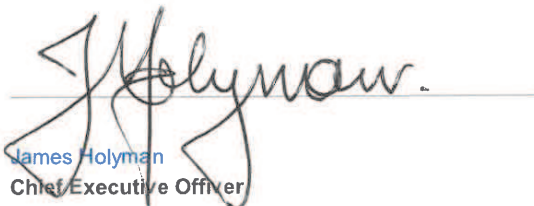
District Council of Robe

General Purpose Financial Statements for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Robe for the year ended 30 June 2022, the Council's Auditor, Galpins Accountants, Auditors and Business Consultants has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



James Holyman
Chief Executive Officer



Deane Nankivell
Presiding Member, Audit Committee

Date: 31 October 2022

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of District Council of Robe for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Luke Williams

**Galpins Accountants, Auditors and Business
Consultants**

Date: 31 October 2022