

District Council of Robe

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023



General Purpose Financial Statements

for the year ended 30 June 2023

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General Purpose Financial Statements
for the year ended 30 June 2023

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 2023 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.



[General Manager]
Chief Executive Officer (Acting)

23/11/23



[Mayor]

Mayor LISA RUFFELL

23.11.2023

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Income			
Rates	2a	6,202	5,801
Statutory charges	2b	165	251
User charges	2c	1,416	1,197
Grants, subsidies and contributions - operating	2g	616	689
Investment income	2d	106	10
Reimbursements	2e	107	39
Other income	2f	259	273
Total income		<u>8,871</u>	<u>8,260</u>
Expenses			
Employee costs	3a	2,835	2,381
Materials, contracts and other expenses	3b	3,571	3,268
Depreciation, amortisation and impairment	3c	2,851	2,234
Total expenses		<u>9,257</u>	<u>7,883</u>
Operating surplus / (deficit)		<u>(386)</u>	<u>377</u>
Asset disposal and fair value adjustments	4	7	105
Amounts received specifically for new or upgraded assets	2g	135	362
Net surplus / (deficit)		<u>(244)</u>	<u>844</u>
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	13,440	-
Total amounts which will not be reclassified subsequently to operating result		<u>13,440</u>	<u>-</u>
Total other comprehensive income		<u>13,440</u>	<u>-</u>
Total comprehensive income		<u>13,196</u>	<u>844</u>

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

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	3,854	2,445
Trade and other receivables	5b	428	483
Inventories	5c	15	28
Total current assets		<u>4,297</u>	<u>2,956</u>
Non-current assets			
Trade and other receivables	6a	3	6
Other Non-Current Assets	6b	146	118
Infrastructure, property, plant and equipment	7	101,988	90,416
Total non-current assets		<u>102,137</u>	<u>90,540</u>
TOTAL ASSETS		<u>106,434</u>	<u>93,496</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8a	832	1,054
Provisions	8b	379	357
Total current liabilities		<u>1,211</u>	<u>1,411</u>
Non-current liabilities			
Trade and other payables	8a	2,380	2,419
Provisions	8b	22	41
Total non-current liabilities		<u>2,402</u>	<u>2,460</u>
TOTAL LIABILITIES		<u>3,613</u>	<u>3,871</u>
Net assets		<u>102,821</u>	<u>89,625</u>
EQUITY			
Accumulated surplus		13,681	14,793
Asset revaluation reserves	9a	86,279	72,839
Other reserves	9b	2,861	1,993
Total council equity		<u>102,821</u>	<u>89,625</u>
Total equity		<u>102,821</u>	<u>89,625</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 2023

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance at the end of previous reporting period		14,793	72,839	1,993	89,625
Net surplus / (deficit) for year		(244)	–	–	(244)
Other comprehensive income					
Gain (loss) on revaluation of IPP&E	7a	–	13,440	–	13,440
Other comprehensive income		–	13,440	–	13,440
Total comprehensive income		(244)	13,440	–	13,196
Transfers between reserves		(868)	–	868	–
Balance at the end of period		13,681	86,279	2,861	102,821
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

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 2023

\$ '000	Notes	2023	2022
Cash flows from operating activities			
<u>Receipts</u>			
Rates		6,312	5,761
Statutory charges		171	256
User charges		1,423	1,219
Grants, Subsidies and Contributions (operating purpose)		647	720
Investment receipts		106	10
Reimbursements		107	40
Other receipts		428	603
<u>Payments</u>			
Payments to employees		(2,790)	(2,548)
Payments for materials, contracts and other expenses		(4,148)	(3,293)
Net cash provided by (or used in) operating activities	10b	2,256	2,768
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		135	362
Sale of replaced assets		25	224
Repayments of loans by community groups		3	15
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(694)	(1,068)
Expenditure on new/upgraded assets		(281)	(739)
Net cash provided (or used in) investing activities		(812)	(1,206)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from bonds and deposits		–	1
<u>Payments</u>			
Repayments of loans		–	(12)
Repayment of bonds and deposits		(35)	–
Net cash provided by (or used in) financing activities		(35)	(11)
Net increase (decrease) in cash held		1,409	1,551
plus: cash & cash equivalents at beginning of period		2,445	894
Cash and cash equivalents held at end of period	10a	3,854	2,445
Additional information:			
Total cash, cash equivalents and investments		3,854	2,445

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 2023

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Notes to and forming part of the Financial Statements for the year ended 30 June 2023

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 dd MMMM yyyy

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 2022/23.

(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 2023

Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2020/21	\$144,143	\$146,897	- \$2,754
2021/22	\$266,165	\$152,676	+ \$113,489
2022/23	\$263,163	\$162,499	+ \$100,664

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 and 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 2023

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 0.42% (2022: 3.26%)

Weighted avg. settlement period 1.3 years (2022: 1 year)

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

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

Council applied for the first time certain new standards and amendments to existing standards, which are effective for annual periods beginning on or after 1 January 2022. Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Australian Accounting Standards – AASB 2020-3: Annual Improvement 2018-2020 and Other Amendments

Council adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2020-6: Amendments to Australian Accounting Standards – Classification of Liabilities as Current and Non-Current

AASB 2020-6 defers the effective date for applying the requirements added to AASB 101 in AASB 2020-1 from annual reporting periods beginning on or after 1 January 2022 to annual reporting periods beginning after 1 January 2023, with earlier application permitted.

The adoption of the amendment did not have a material impact on the financial statements.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. 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 Council.

Effective for annual report periods beginning on or after 1 January 2023.

AASB 2022-6: Amendments to Australian Accounting Standards – Non current Liabilities with Covenants.

Effective for annual report periods beginning on or after 1 January 2024.

AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

Effective for annual report periods beginning on or after 1 January 2025.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture

Council has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective and concluded that they will not have a material in the financial statements.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income

\$ '000	2023	2022
(a) Rates		
General rates		
General rates	4,467	4,222
Less: mandatory rebates	(21)	(37)
Less: discretionary rebates, remissions and write-offs	(2)	(8)
Total general rates	4,444	4,177
Other rates (including service charges)		
Landscape levy	250	232
Waste collection	456	438
Community wastewater management systems	1,001	935
Separate and special rates	25	–
Total other rates (including service charges)	1,732	1,605
Other charges		
Penalties for late payment	16	19
Legal and other costs recovered	10	–
Total other charges	26	19
Total rates	6,202	5,801
(b) Statutory charges		
Development Act fees	107	205
Health and septic tank inspection fees	24	22
Animal registration fees and fines	15	15
Parking fines / expiation fees	11	–
Other licences, fees and fines	8	9
Total statutory charges	165	251
(c) User charges		
Cemetery/crematoria fees	7	8
Aged Home Income	49	52
Hall and equipment hire	12	7
Sundry	20	7
Robe Marina	390	332
Childcare Fees	606	512
Garbage Fees	55	41
Caravan Park Fees	164	160
Health Centre Rent	21	20
Boatramp Fees	12	11
Tourism Sales	80	47
Total user charges	1,416	1,197

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	106	9
- Loans to community groups	-	1
<u>Total investment income</u>	<u>106</u>	<u>10</u>
(e) Reimbursements		
Private works	2	4
Income Protection	86	28
Other	19	7
<u>Total reimbursements</u>	<u>107</u>	<u>39</u>
(f) Other income		
Sundry	71	35
Augmentation Fee	172	215
Childcare Sponsor Fee	16	23
<u>Total other income</u>	<u>259</u>	<u>273</u>
(g) Grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	135	362
Total	<u>135</u>	<u>362</u>
Other grants, subsidies and contributions		
Other grants, subsidies and contributions	11	4
Untied - Financial Assistance Grant	263	266
Roads to Recovery	-	109
Library and communications	17	5
Sundry	18	18
Childcare Grant	307	287
<u>Total other grants, subsidies and contributions</u>	<u>616</u>	<u>689</u>
<u>Total grants, subsidies and contributions</u>	<u>751</u>	<u>1,051</u>
The functions to which these grants relate are shown in Note 11.		
(i) Sources of grants		
Commonwealth Government	518	772
State Government	218	271
Other	15	8
Total	<u>751</u>	<u>1,051</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses

\$ '000	Notes	2023	2022
(a) Employee costs			
Salaries and wages		2,436	2,088
Employee leave expense		164	97
Superannuation - defined contribution plan contributions	16	230	197
Superannuation - defined benefit plan contributions	16	23	24
Workers' compensation insurance		63	47
Less: capitalised and distributed costs		(81)	(72)
Total operating employee costs		2,835	2,381
Total number of employees (full time equivalent at end of reporting period)		30	28
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		17	16
Bad and doubtful debts		3	6
Elected members' expenses		78	79
Election expenses		33	3
Subtotal - prescribed expenses		131	104
(ii) Other materials, contracts and expenses			
Maintenance		693	711
Legal expenses		117	76
Levies paid to Government - NRM levy		240	230
Levies - other		1	-
Professional services		303	325
Sundry		963	931
Robe Marina		69	94
Fuels & Oils		78	55
Garbage Collection and Disposal		636	606
Childcare Expenses		187	136
Underground Power Expenses		153	-
Subtotal - Other material, contracts and expenses		3,440	3,164
Total materials, contracts and other expenses		3,571	3,268

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses (continued)

\$ '000	2023	2022
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings and other structures	567	362
Infrastructure		
- Stormwater drainage	26	25
- Roads	1,276	1,275
- Bridges	3	3
- Footways	31	29
- Marina Development	200	115
- Common Effluent	496	179
Plant, Machinery & Equipment	226	225
Furniture and fittings	24	15
Library Stock	-	1
Other Community Assets	2	5
Subtotal	2,851	2,234
Total depreciation, amortisation and impairment	2,851	2,234

Note 4. Asset disposal and fair value adjustments

\$ '000	2023	2022
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	25	224
Less: carrying amount of assets sold	(18)	(119)
Gain (loss) on disposal	7	105
Net gain (loss) on disposal or revaluation of assets	7	105

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 5. Current assets

\$ '000	2023	2022
(a) Cash and cash equivalent assets		
Cash on hand and at bank	146	202
Deposits at call	3,599	2,243
Sinking Fund	109	–
<u>Total cash and cash equivalent assets</u>	<u>3,854</u>	<u>2,445</u>

(b) Trade and other receivables

Rates - general and other	171	281
Accrued revenues	14	30
Debtors - general	180	103
GST recoupment	81	84
Prepayments	–	1
Loans to community organisations	3	3
Subtotal	<u>449</u>	<u>502</u>
Less: provision for expected credit losses	(21)	(19)
<u>Total trade and other receivables</u>	<u>428</u>	<u>483</u>

(c) Inventories

Stores and materials	15	28
<u>Total inventories</u>	<u>15</u>	<u>28</u>

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	2023	2022
(a) Trade and other receivables		
Receivables		
Loans to community organisations	3	6
Total receivables	<u>3</u>	<u>6</u>
<u>Total financial assets</u>	<u>3</u>	<u>6</u>

(b) Other Non-Current Assets

Capital work in progress	92	118
Intangible Assets	54	–
<u>Total other non-current assets</u>	<u>146</u>	<u>118</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

	Fair Value Level	Asset movements during the reporting period										as at 30/06/23			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New/ Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - community	3	21,317	246	-	21,563	-	-	-	-	-	-	21,317	246	-	21,563
Land - other	2	3,832	-	-	3,832	-	-	-	-	-	-	3,832	-	-	3,832
Buildings and other structures	2	9,329	1,580	(4,863)	6,046	221	12	(22)	(9,245)	3,754	-	1,897	1,897	(1,131)	766
Buildings and other structures Infrastructure	3	6,386	519	(3,708)	3,197	19	-	-	(545)	9,281	(1,117)	24,879	19	(14,063)	10,835
- Stormwater drainage	3	2,262	235	(1,623)	874	-	-	-	(26)	-	-	2,262	235	(1,649)	848
- Roads	3	74,881	3,469	(35,466)	42,884	-	607	-	(1,276)	-	-	74,881	3,599	(36,265)	42,215
- Bridges	3	134	-	(29)	105	-	-	-	(3)	-	-	134	-	(32)	102
- Footways	3	1,010	197	(382)	825	-	-	-	(31)	-	-	1,010	197	(413)	794
- Marina Development	3	3,804	207	(781)	3,230	-	-	-	(200)	-	1,488	8,420	-	(3,902)	4,518
- Common Effluent	3	10,059	2,215	(6,181)	6,093	-	13	-	(496)	-	9,315	23,391	13	(8,479)	14,925
Plant, Machinery & Equipment		-	3,345	(1,852)	1,493	20	53	(18)	(226)	-	-	-	3,379	(2,057)	1,322
Furniture and fittings		-	224	(118)	106	21	35	-	(24)	(1)	-	-	278	(141)	137
Library Stock		-	243	(243)	-	-	-	-	-	1	-	-	244	(243)	1
Other Community Assets		-	212	(44)	168	-	-	-	(2)	(36)	-	-	176	(46)	130
Total infrastructure, property, plant and equipment		133,014	12,692	(55,290)	90,416	281	720	(18)	(2,851)	-	13,440	160,126	10,283	(68,421)	101,988
Comparatives		133,014	11,484	(53,418)	91,080	630	1,059	(125)	(2,234)	-	-	133,014	12,692	(55,290)	90,416



Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

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.

In the course of revaluing Building and Structures, the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

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

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 & Fittings	5,000
Plant & Equipment	10,000
Buildings & Structures	20,000
Library/Visitor Information Centre Resources	5,000

continued on next page ...

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Marina	10,000
CWMS	10,000
Stormwater	10,000
Paving & Footpaths, Kerbs & Gutters	10,000
Roads	20,000
Bridges	10,000
Open spaces structures	10,000

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:

Buildings

Buildings and Structures	15 to 170 years
Open Spaces Structures	15 to 200 years

Infrastructure

Roads	20 to 100 years
Bridges	40 to 50 years
Paving & Footpaths, Kerbs & Gutters	20 to 60 years
Stormwater	40 to 90 years
CWMS	20 to 80 years

Community Assets

Marina	10 to 90 years
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Other Assets

Library/Visitor Information Centre Resources	4 to 20 years
Furniture & Fittings	3 to 20 years
Plant & Equipment	2 to 30 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 & Structures

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Building and structure assets were valued as at 1 July 2022 by KPMG at depreciated current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Roads

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.

Community Waste Management Scheme

Community wastewater management system infrastructure was valued as at 1 July 2022 by Tonkin at depreciated current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Open Space Assets

Open Space assets were valued as at 1 July 2022 by Sprutt at depreciated current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Marina

Marina development infrastructure was valued as at 1 July 2022 by KPMG at depreciated current replacement cost. 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 2023

Note 8. Liabilities

\$ '000	2023 Current	2023 Non Current	2022 Current	2022 Non Current
(a) Trade and other payables				
Goods and services	482	–	621	–
Payments received in advance	130	–	257	–
Accrued expenses - employee entitlements	101	–	48	–
Accrued expenses - other	78	–	51	–
Deposits, retentions and bonds	–	–	35	–
Premiums Received in Advance Marina	41	2,380	42	2,419
<u>Total trade and other payables</u>	<u>832</u>	<u>2,380</u>	<u>1,054</u>	<u>2,419</u>
(b) Provisions				
Employee entitlements (including oncosts)	379	22	357	41
<u>Total provisions</u>	<u>379</u>	<u>22</u>	<u>357</u>	<u>41</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 9. Reserves

\$ '000	as at 30/06/22				as at 30/06/23
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Land	21,115	–	–	–	21,115
Buildings and other structures	5,838	2,637	–	–	8,475
Infrastructure	41,822	–	–	–	41,822
Infrastructure					
- Marina Development	–	1,488	–	–	1,488
- Common Effluent	–	9,315	–	–	9,315
Plant, Machinery & Equipment	4,064	–	–	–	4,064
Total asset revaluation reserve	72,839	13,440	–	–	86,279
Comparatives	72,839	–	–	–	72,839

\$ '000	as at 30/06/22				as at 30/06/23
	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
CWMS Maintenance Reserve	1,681	821	–	–	2,502
Contribution Reserve	34	1	–	–	35
Childcare Reserve	202	46	–	–	248
Road Safety Group Reserve	1	–	–	–	1
Open Space Reserve	75	–	–	–	75
Total other reserves	1,993	868	–	–	2,861
Comparatives	1,102	926	(35)	–	1,993

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 2023

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2023	2022
(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 and equivalent assets	5	3,854	2,445
Balances per Statement of Cash Flows		3,854	2,445
(b) Reconciliation of change in net assets to cash from operating activities			
Net surplus/(deficit)		(244)	844
Non-cash items in income statements			
Depreciation, amortisation and impairment		2,851	2,234
Grants for capital acquisitions treated as investing activity		(135)	(362)
Net (gain)/loss on disposals		(7)	(105)
		2,465	2,611
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		53	(201)
Change in allowances for under-recovery of receivables		(2)	(6)
Net (increase)/decrease in inventories		13	10
Net (increase)/decrease in other assets		(50)	12
Net increase/(decrease) in trade and other payables		(226)	512
Net increase/(decrease) in unpaid employee benefits		3	(170)
Net cash provided by (or used in) operations		2,256	2,768
(c) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate credit cards		20	15
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 2023

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).											
	2023	2022	2023	EXPENSES	2022	2023	2022	OPERATING	2023	2022	TOTAL ASSETS HELD	
\$ '000								SURPLUS (DEFICIT)			(CURRENT AND	
									GRANTS INCLUDED		NON-CURRENT)	
									IN INCOME		2023	
											2022	
Functions/Activities												
Public Order & Safety	30	20	78	121	(48)	(101)	2	5	9			
Health	45	42	160	99	(115)	(57)	—	—	—			
Social Security & Welfare	985	856	938	841	47	15	307	287	514			
Housing & Community Amenities	252	271	1,910	1,382	(1,658)	(1,111)	—	—	6,260			
Protection of the Environment	—	74	88	186	(88)	(112)	—	—	475			
Sports & Recreation	55	33	813	717	(758)	(684)	35	24	26,543			
Mining Manufacturing & Construction	107	205	214	231	(107)	(26)	—	—	—			
Transport & Communication	78	291	1,928	1,786	(1,850)	(1,495)	54	279	44,804			
Economic Affairs	635	542	709	620	(74)	(78)	—	—	8,647			
Other Purposes NEC	99	35	256	71	(157)	(36)	6	3	1,737			
Administration	6,586	5,891	2,084	1,829	4,502	4,062	212	96	2,134			
Total Functions/Activities	8,872	8,260	9,178	7,883	(306)	377	616	689	106,434	93,496		

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 2023

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 2023

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 1.55% and 4.30% (2022: 0.30% and 1.05%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and 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 (2022: 0.48%). 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 and 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 and 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 and 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 2023

Note 12. Financial instruments (continued)

Terms and 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% (2022: 5.05%).

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12. Financial instruments (continued)

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2023					
Financial assets					
Cash and cash equivalents	3,854	–	–	3,854	3,854
Receivables	449	3	–	452	431
Total financial assets	4,303	3	–	4,306	4,285
Financial liabilities					
Payables	560	–	–	560	560
Total financial liabilities	560	–	–	560	560
Total financial assets and liabilities	4,863	3	–	4,866	4,845
2022					
Financial assets					
Cash and cash equivalents	2,445	–	–	2,445	2,445
Receivables	501	6	–	507	489
Total financial assets	2,946	6	–	2,952	2,934
Financial liabilities					
Payables	707	–	–	707	707
Total financial liabilities	707	–	–	707	707
Total financial assets and liabilities	3,653	6	–	3,659	3,641

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

\$ '000	2023		2022	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed interest rates	5.05%	–	5.05%	–
		–		–

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 2023

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 and 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.

\$ '000	ECL Rate	Gross carrying amount	Expected Loss
2023			
Current (not past due)	0.0%	155	–
Past due 1-30 days	0.0%	4	–
Past due 31-60 days	65.0%	2	2
Past due 61 days +	100.0%	19	19
		180	21
2022			
Current (not past due)	0.0%	80	–
Past due 1-30 days	20.0%	5	1
Past due 31-60 days	100.0%	2	2
Past due 61 days +	100.0%	16	16
		103	19
\$ '000		2023	2022
As at 1 July		19	13
Provisions		5	12
Less reversals		(3)	(6)
As at 30 June		21	19

Note 13. Capital expenditure and investment property commitments

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 13. Capital expenditure and investment property commitments (continued)

\$ '000	2023	2022
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Infrastructure	176	145
Other	–	11
Community waste water management scheme	–	15
	176	171
These expenditures are payable:		
Not later than one year	176	171
	176	171

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 14. Financial indicators

	Indicator 2023	Indicators 2022	Indicators 2021
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	(4.4)%	4.6%	(3.1)%
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	(8)%	11%	30%
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	(4.8)%	3.9%	(4.2)%
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	(6)%	13%	31%
Total operating income			
3. Asset Renewal Funding Ratio			
Asset renewals	33%	32%	51%
Infrastructure and 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 2023

Note 15. Uniform presentation of finances

\$ '000	2023	2022
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
<u>Income</u>		
Rates	6,202	5,801
Statutory charges	165	251
User charges	1,416	1,197
Grants, subsidies and contributions - operating	616	689
Investment income	106	10
Reimbursements	107	39
Other income	259	273
Total Income	8,871	8,260
<u>Expenses</u>		
Employee costs	2,835	2,381
Materials, contracts and other expenses	3,571	3,268
Depreciation, amortisation and impairment	2,851	2,234
Total Expenses	9,257	7,883
Operating surplus / (deficit)	(386)	377
Adjusted Operating surplus / (deficit)	(386)	377
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(439)	(1,068)
Add back depreciation, amortisation and impairment	2,851	2,234
Add back proceeds from sale of replaced assets	25	224
	2,437	1,390
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(562)	(739)
Add back amounts received specifically for new and upgraded assets	135	362
	(427)	(377)
Annual net impact to financing activities (surplus/(deficit))	1,624	1,390

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 16. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). 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 (10.50% in 2022/23; 10.00% in 2021/22). 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 2021/22) 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 and 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 2023

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, XX persons were paid the following total compensation.

\$ '000	2023	2022
The compensation paid to key management personnel comprises:		
Salaries, allowances & other short term benefits	915	777
Termination benefits	133	–
Total	1,048	777

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:

Rentals for Council property	6	–
Total	6	–

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

An Elected Member was a member of the Robe Mountain Bike Association, another Elected Members was a member of the Robe RSL, another Elected Member was a member of the Robe RSL and Robe Country Arts Presenters, and finally another Elected Member was a member of the Robe Sports and Recreation Association. 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 Robe Mountain Bike Association, Robe RSL, Robe Country Arts Presenters and Robe Sports and Recreation Association.

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. The partner of a KMP has a family business that provides earthmoving works to Council. Total purchases amounted to \$149,798 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. A KMP lived in a property owned by Council and receipted a total of \$5,783.91 to the District Council of Robe.



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 2023, 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 2023, 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.

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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

28/11/2023



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 2022 to 30 June 2023 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 2022 to 30 June 2023.

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 2022 to 30 June 2023. 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 2022 to 30 June 2023. 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

28/11/2023

General Purpose Financial Statements
for the year ended 30 June 2023

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 2023, 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*.



Davine Kovitser
[General Manager]
Chief Executive Officer (Acting)
23/11/23



Deane Wankivell
[Presiding Member Audit Committee]
Presiding Member, Audit Committee
28/11/23.

General Purpose Financial Statements

for the year ended 30 June 2023

Statement by Auditor

I confirm that, for the audit of the financial statements of District Council of Robe for the year ended 30 June 2023, 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: 09 November 2023