



**Barunga West
Council**

Annual Report 2019-2020





Barunga West
Council

MAYOR'S MESSAGE

This Annual Report provides the opportunity to reflect on the previous year and look at what we've achieved as a Council.

The 2019/20 year was a period of planning for the Council with a new Strategic Management Plan developed in late 2019 called *Uniquely Barunga*, setting out the Council's long-term vision and objectives to be delivered in 2020-2030.

While Council was planning for the future decade, 2019/20 delivered many challenges including:

- the partners and owners of the Fisherman Bay licence area unable to secure financial backing for the long awaited infrastructure for the Fisherman Bay township including wastewater management, coastal protection, road upgrades and stormwater management
- the resignation of Fred Linke, Manager of Infrastructure Services and its Chief Executive Andrew Cole
- the COVID-19 global pandemic and its effects and impacts on the community, economy and our general way of life

The year also brought about opportunities with the appointment of a new Manager of Infrastructure Services Steve Davey and Chief Executive Maree Wauchope.

The Council's new leadership team developed a renewed strategy to address the long standing issues at Fisherman Bay with planning work focusing on an Infrastructure Deed with Council acting as an enabler for critical infrastructure to permit residents to obtain freehold titles in 2021. Council will see the outcomes of this planning work in 2020/21 financial year.

Council also focused on its unsealed road maintenance program delivering 27.7 kilometres of works compared to 21 kilometres in the previous year.

The financial year also saw Council start work to deliver a basketball court on Port Broughton's foreshore, a nature walk on Snook Road near Fisherman Bay, and Council's first off the leash dog park. The dog park is situated just off Spencer Highway at the southern entrance to Pt Broughton, overlooking Pt Broughton Beach South.

The global coronavirus (COVID-19) pandemic had an effect on our community in the latter half of the financial year and Council moved swiftly to waive council set rates and fees for those rate payers experiencing hardship.

As a Council we find ourselves at the end of the financial year in a sound financial position thanks to Andrew Cole's leadership and steady hand throughout his term with Council.

With the appointment of a new Chief Executive experienced in infrastructure delivery, next financial year we will see a string of priority initiatives and projects delivered, including opportunities to partner with State and Commonwealth governments through grant programs.

There will be a number of projects that we will be looking to advance in partnership with State and Federal Governments including upgrades to the Bute Town Hall, coastal protection measures for Port Broughton, mainstreet improvements, and tourism infrastructure.

This is in addition to the start of infrastructure works at Fisherman Bay which will consist of up to \$20 million in private sector investment.

Our Council's future looks bright and we are well positioned to advance our priority initiatives and projects.

I'm looking forward to playing a role with my fellow Councillors and working with our new Chief Executive and her team in 2020/21.

Leonie Kerley
Mayor
Barunga West Council

Contents

INTRODUCTION	4
HIGHLIGHTS FOR 2019/20	4
SERVICES	5
Profile	6
Council's vision	7
ELECTED MEMBERS	8
Profiles	8
Meeting attendance	9
Allowances	9
Training	9
FINANCES	10
GOVERNANCE	11
Representation quota	11
Meetings	11
Committees	12
External committees, boards and associations	12
Delegations	13
Registers	13
Codes of practice	13
Subsidiaries	13
Strategic and operational policies	13
Contracts and tendering	13
National competition policy	13
ELECTORS	14
Public participation	14
Freedom of Information	14
Amendment of council records	15
Internal review of council decisions	15
Documents available for inspection	15
Confidential information	15
COUNCIL ADMINISTRATION	18
Organisational structure	18
Senior executive officer remuneration	19
Human resources	19
Equal opportunity	19
Learning and development	19
Health and wellbeing	19
Staff profile	20
Award coverage	20
Full staff listing	20
COMPLIANCE	21
Statistics	21
Animal management	21
Local nuisance and litter control	21
FUTURE DIRECTIONS	22
APPENDICES	
Appendix 1 – General Purpose Financial Reports for the year ended 30 June 2020	
Appendix 2 – The Legatus 2019/20 Annual Report	

INTRODUCTION

It is a mandatory requirement of Council to produce an Annual Report prescribed under Section 131 which addresses requirements under Schedule 4 on the *Local Government Act 1999*.

Section 131 of the *Local Government Act 1999*, requires Council to produce an annual report (relating to the immediately preceding financial year) to be adopted by council by the 30 November each year. Schedule 4 of the *Local Government Act 1999* prescribes in detail a council's obligation to provide certain material and to report on other matters in its annual report.

This report has been prepared in accordance with these requirements in addition to the *Annual Report Guidelines* (January 2020) developed by the Local Government Association (LGA) of South Australia.

HIGHLIGHTS FOR 2019/20

The Council's priorities for 2019/20 were developed with Council and the community and documented in its Annual Business Plan.

The Council advanced several projects for the community including:

- The basketball court on the Port Broughton Foreshore
- The off-leash Dog Park
- The expansion of available plots at the Port Broughton cemetery
- Planning for projects to be delivered as part of round 2 of the Drought Communities Programme worth \$1 million
- A new Infrastructure Deed for the Fisherman Bay freeholding project
- Planning for the commencement of the new State Government's ePlanning system
- Planning for a Regional Disability Access and Inclusion Plan

Council completed most of its operating and capital program outlined in its Annual Business Plan 2019/20 including:

- delivering 27.7 kilometres of work on its unsealed road network
- Sealing of sections of Hughes Terrace in Tickera and 1 kilometre of Mundoora Road
- New footpaths near the Port Broughton Golf Club and on Bay Street
- Connection to water mains at the Tickera Community and Recreation Club
- Installation of the new water fountain near the Port Broughton Skate Park
- Providing community grants
- Holding Australia day award ceremonies





SERVICES

Councils have responsibilities under the *Local Government Act 1999* and other relevant legislation.

These responsibilities include:

- Setting rates
- Street cleaning
- Rubbish collection and waste management
- Management of infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage
- Development planning and control, including building safety assessment
- Various environmental health services
- Dog and cat management
- Pest control
- Community wastewater management systems
- Cemeteries
- Safety of food premises
- Native vegetation and roadside vegetation management
- Regulatory activities
- Supporting the Elected Members and business of Council
- Assessing landscape levy on all ratepayers, and collecting this levy on behalf of Natural Resources Management (NRM)
- Preparing an Annual Budget, Annual Business Plan, Long Term Financial Plan, Asset Management Plans and determining strategic management plans for the Council

Council is responsible for approximately \$82 million of infrastructure and it needs to maintain these assets on behalf of ratepayers.

Council also provides the following discretionary services and programs:

- RV and Caravan parks at Alford, Bute and Port Broughton on a fee for service basis

- Transport services for the elderly through the Yorke Peninsula Community Transport Scheme
- Library services through the Port Broughton Area School
- Assistance for progress associations and community groups, including cash contributions, grant application support and in-kind support
- Assistance with maintenance of ovals and other sporting facilities
- Support for the Visitor Information Centre
- A Rural Transaction Centre in Port Broughton, principally Centrelink services
- A Rural Transaction Centre and licensed Post Office in Bute
- Foreshore control and protection

ABOUT THE COUNCIL

PROFILE

The Barunga West Council is located on the 'Top of the Yorke', adjacent to the Mid North of South Australia, with its southern-most boundary approximately 110 kilometres north of Adelaide. The townships in the Council area are Alford, Bute, Fisherman Bay, Kulpara, Melton, Mundoora, Port Broughton and Tickera.

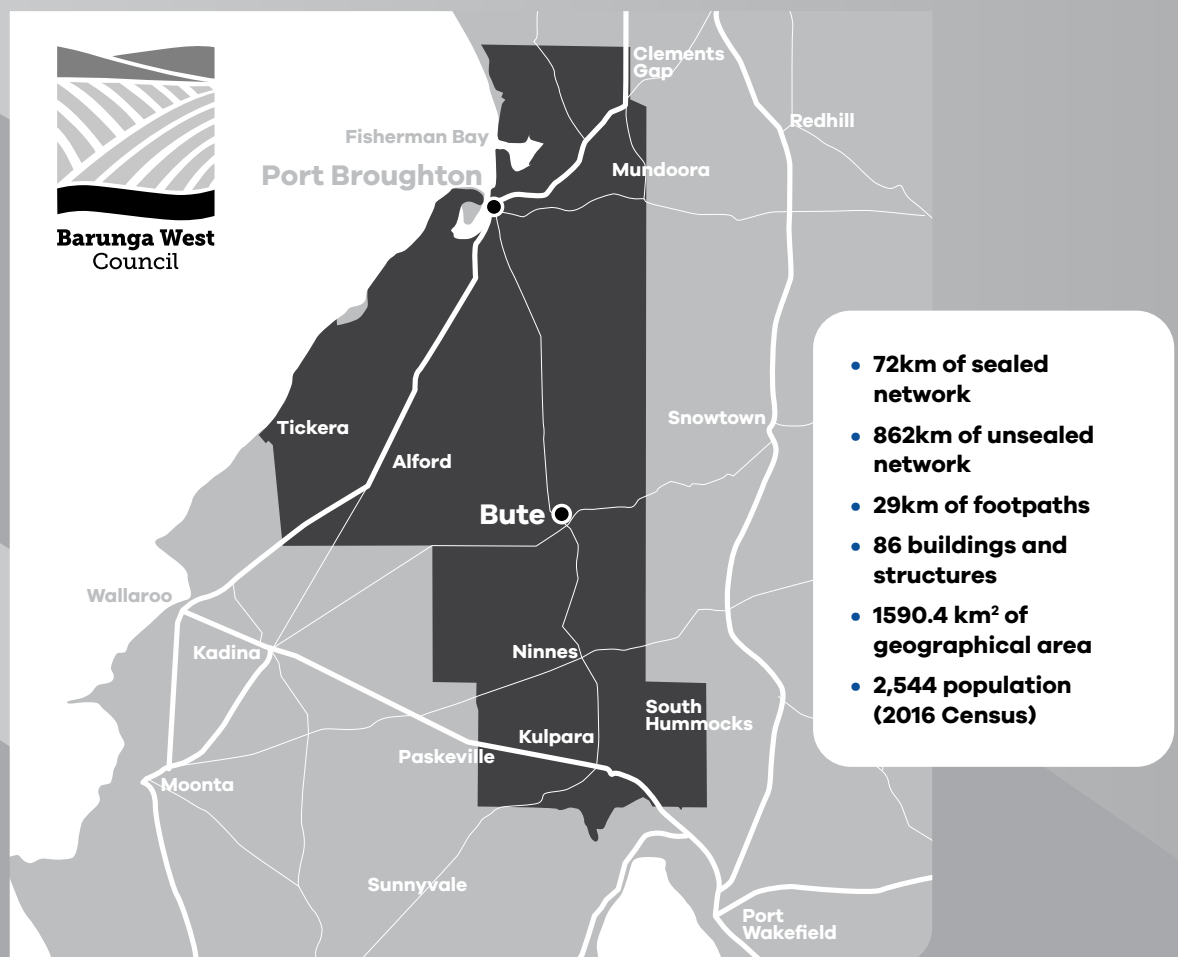
The Council covers an area of 1,590 square kilometres, and has a total of 931 kilometres of roads. It has boundaries with Copper Coast Council, Yorke Peninsula Council, Port Pirie Regional Council and Wakefield Regional Council.

The main industries in the Council area are agriculture, aged-care services, and recreational and commercial fishing. Engineering, mining and tourism are also highly relevant and influence Council decision-making.

The Council area has several retirement facilities and these are expanding due to the amenity of life in the area and the central location of the Port Broughton Hospital and related medical services.

According to the 2016 Census data, the Council population is 2,544, an increase of 3.6% from the previous 2011 census data. The median age of the population is 55 (an increase from 51) compared to the State average of 40 (up from 39) and national average of 38 (up from 37). People aged 65 years and over make up 32.27% (up from 25.9%) of the population.

The increase in the average age of the population is expected to continue and Council is mindful of the infrastructure necessary to accommodate a growing population of elderly residents in addition to the robust needs of the agricultural and tourism sector.



COUNCIL'S VISION

In the latter part of 2019, Council staff and its Elected Members developed a vision, values and a range of goals to be applied over a ten-year period. The Strategic Plan is based on community feedback received from a community survey undertaken in early 2019.

The following is the vision defined by Councillors:

“We are a vibrant, thriving, safe and welcoming coastal and agricultural community with an unspoilt natural environment and relaxed country lifestyle.”

The following goals and objectives were also identified for the next decade:

GOAL 1

An inclusive and connected community

OBJECTIVE 1

One community

OBJECTIVE 2

Retaining our coastal and rural character

OBJECTIVE 3

A safe, inclusive and active community

GOAL 2

Quality services, facilities and infrastructure

OBJECTIVE 4

Well maintained and sustainable local road network and community infrastructure

OBJECTIVE 5

Sustainable and accessible services

OBJECTIVE 6

Facilities that meet the needs of our community

GOAL 3

A robust local economy

OBJECTIVE 7

Sustainable local businesses and industry

OBJECTIVE 8

Develop and promote our tourism proposition

OBJECTIVE 9

Develop and promote the area as a desirable place to live

GOAL 4

Preserve and enhance our natural and built environment

OBJECTIVE 10

Preserve our local flora and fauna

OBJECTIVE 11

Promotion and recognition of our local environmental treasures

OBJECTIVE 12

Well-presented towns of which we are proud

GOAL 5

Effective and community leadership

OBJECTIVE 13

An Informed and engaged community

OBJECTIVE 14

Effective leadership and engagement

OBJECTIVE 15

A financially sustainable council

ELECTED MEMBERS

Profiles

Council comprises the following eight Elected Members as well as the Mayor, and is responsible for policy making and decisions that impact the district, community, businesses and the environment.

The roles of Councillors, as described by *Local Government Act 1999* are to:



Leonie Kerley



Peter Button



Dave Eason



Rebecca Hewett



Rob Locke



Brian Lockyer



**Margaret
McDonald**



Grant Rowlands



**Georgie
Simmons**

- Participate in the deliberations and civic activities
- Review policies and procedures
- Review Council's resource allocation, expenditure and activities
- Represent the interest of residents and ratepayers

Elected Members have nominated to actively represent all of the townships within the council area. Elected Members are always available to take your feedback and you are invited to contact any member.

Elected member contact details can be found on Council's website at www.barungawest.sa.gov.au/council/elected-members

Meeting attendance

The following table shows the number of meetings held and attended by the Elected Members of Council.

Elected Members	Ordinary Meetings	Special Meetings	Audit Committee Meetings	Executive Committee Meetings	Total Meetings Attended
TOTAL MEETINGS HELD	12	10	4	4	30
Mayor Kerley	12	10	4	4	30
Deputy Mayor Button	10	8		4	22
Cr Eason	11	8		4	23
Cr Hewett	10	8		1 (by invite)	19
Cr Locke	10	9		1 (by invite)	20
Cr Lockyer	12	10		1 (by invite)	23
Cr McDonald	12	10	4	1 (by invite)	27
Cr Rowlands	10	9	4	4	27
Cr Simmons	11	9		1 (by invite)	20

Allowances

Elected Members of Council each receive an annual allowance which is set by the State Government's Remuneration Tribunal prior to each local government periodic election.

For the reporting period ending 30 June 2020 the following allowances were paid:

Elected Member	Allowances
Mayor	\$26,726
Deputy Mayor	\$8,351
Elected Members	\$6,681.50

In addition, the Elected Members also have the opportunity to claim for travelling expenses for attending Council meetings or as a representative of Council to committees for which they are appointed as a Council representative, should a Council vehicle be unavailable.

Travel allowances are paid in accordance with the rates set by the Australian Taxation Office after an appropriate expenses claim form is submitted.

For the reporting period concluding 30th June 2020, direct travelling allowances totalling \$6,671 were paid.

Training

Each year Council allocates funds for its Elected Members to attend conferences, training and development sessions. This training ensures the elected representatives of the region are kept abreast of developments occurring within the local government sector and have the knowledge to comply with local government regulations and requirements.

During the 2019/20 financial year, the Elected Members attended the following activities:

- Meeting procedures and Chamber Etiquette provided by the LGA on 30 September 2019
- Meeting procedures provided by Norman Waterhouse on 23 June 2020

On 13 November 2019 Cr Lockyer attended the Enhanced Public Speaking and Presenting for Elected Members provided by the LGA.

For the reporting period concluding 30th June 2020 the amount spent on external training for Elected Members totalled \$3,900.

FINANCES

A full audited copy of the General Purpose Financial Reports for the year ended 30 June 2020, pursuant to the *Local Government Act 1999* – Section 131, is included in Appendix 1 of this Annual Report.

A snapshot of Council's finances as at 30 June 2020 are as follows:

- An operating deficit of \$79,000
- Total assets of \$53.386 million including cash reserves of \$3.813 million and \$49.21 million of infrastructure plant and equipment
- Total liabilities of \$1.952 million including borrowings of \$495,000 and employee entitlements of \$508,000

The operating income (revenue) for Council was \$6.635 million and was generated from the following major sources:

- \$4.918 million of rates (74% of total revenue)
- \$457,000 in user charges (e.g. caravan parks, boat ramps, cemeteries and CWMS charges)
- \$975,000 in State and Federal Government grants, subsidies and contributions

Council expenses totalled \$6.714 million and consisted of the following major costs:

- \$2.194 million in employee costs
- \$2.724 million in materials, contractors and professional services including waste collection services and road works
- \$1.763 million in depreciation, amortisation and impairment charges

GOVERNANCE

Representation quota

Council's representation quota, that is the number of people able to vote in a Council election, divided by the number of elected members (including the Mayor) representing them, is 1 elected member for every 282 electors. The table below compares Council's representation quota with similar councils.

Council name	Quota (Elected Member: Number of Electors)
Barunga West	1:220
Ceduna	1:232
Goyder	1:432
Kangaroo Island	1:351
Kingston	1:230
Lower Eyre Peninsula	1:539
Mt Remarkable	1:306
Peterborough	1:134
Southern Mallee	1:188
Tumby Bay	1:283
Yankalilla	1:473

Periodically Council is required to review its elector representation. When undertaking this review, components such as the size, composition and ward structure of the Council must be taken into account to ensure the fair and adequate representation of the electors within the Council area. The process occurs at least once every eight years and involves extensive public consultation inclusive of members of the public being able to make written and personal representations to the Council on any proposals rising out of the review process. The last review was undertaken on the 31 July 2017, with the next representation review due between October 2024 and October 2025.

Meetings

Council meetings are held on the second Tuesday of each calendar month with the exclusion of meeting dates that fall on a public holiday which are held the following working day, and in the month of January when the meeting is held on the third Tuesday.

Special Meetings of Council may be held as required. The Council also holds Informal Gatherings when required. The majority of meetings are held at the Port Broughton office.

Copies of meeting agendas and minutes can be obtained from Council's website www.barungawest.sa.gov.au.

In 2019/20 all Council meetings were open to members of the public.

Committees

Council has established the following committees under Section 41 of the Act 1999:

- Audit Committee
- Executive Committee

In addition to its committees, Council also convenes a Council Assessment Panel. The panel generally meets on a monthly basis and is constituted under the criteria described within the *Development Act 1993* and its Regulations.

Each committee is constituted with its own terms of reference with the role principally being to provide an advisory function to the Council. The committees not only include Elected Members of Council amongst their membership, but in some cases include members of the public who are able to take part in and vote on subject matter before the committee. Council believes that the interaction with the community members at the committee level provides a valuable resource and involves the community members in the decision-making process, thereby providing true ownership over actions resulting from the committee process.

Council would like to thank independent Committee members in the table below who have provided the community with many hours service during the 2019/20 financial year:

Committee	Representative
Audit Committee	Ms Pat Flood (Chair and independent member)
	Mr Martin White (independent member)
	Mayor Kerley
	Cr McDonald
	Cr Rowlands
Council Assessment Panel	Mr John Brak (Presiding and independent member)
	Mr Mark Weedon (independent member)
	Mr Stephen Horsell (independent member)
	Mr Dean Rodda (independent member)
	Cr Locke
	CEO Andrew Cole

External committees, boards and associations

Council participate in a number of external committees, boards and associations. Council's membership can comprise elected members, staff, a mixture of both, and/or members of the public.

These associations include:

- LGA
- Central Local Government Region of South Australia (the Legatus Group)
- Yorke Peninsula Alliance (Barunga West, Copper Coast and Yorke Peninsula Councils)
- Flinders Mid North Bushfire Management Committee
- Yorke Peninsula Tourism
- YP Community Transport Inc
- Port Broughton Progress Association
- The Murray Darling Association Region Eight
- Port Broughton District Health Advisory Council
- Zone Emergency Management Committee
- Port Broughton Area School Governing Council
- Port Broughton Area School Community Library Committee
- Barunga Village Inc

Delegations

Councils have certain duties which they must perform, and certain powers which they may exercise, pursuant to the *Local Government Act 1999* as well as a range of other Acts. In most cases the relevant Acts confer those obligations and powers directly on the Council as a body. It is not practical or efficient for the Council as a body of elected members to perform the many functions or undertake the many activities that are required in the day to day administration of the Council's roles and functions. Delegations are the way in which the Council's Chief Executive Officer and other officers of Council undertake these steps on its behalf. These delegations are made under Section 44 of the *Local Government Act 1999*. The delegations register can be viewed on Council's website at www.barungawest.sa.gov.au

Registers

Council is required to maintain the following registers which are made available to the general public:

- Members interest
- Members allowances and benefits
- Staff remuneration, salaries and benefits
- Prescribed officers interest
- All community land
- Public roads

Codes of practice

The following are codes observed by staff and Council Members:

- Code of Conduct for Council Employees
- Code of Conduct for Council Members
- Code of Practice for Access to Council Meetings, Council Committees and Council Documents

Subsidiaries

With reference to section 42 of the *Local Government Act 1999*, Council has no subsidiaries. Council is however a member of the Central Local Government Region of South Australia (the Legatus Group), a regional subsidiaries constituted under section 43 of the *Local Government Act 1999*. A copy of the Legatus Group's Annual Report is included as Appendix 2 to this document.

Strategic and operational policies

A policy is a public document which sets out Council's position and direction for decision making pertaining to operations, role and service provision as they affect both public and internal administration. Policies are determined by Council and may be amended or waived according to circumstances. This power is conveyed to Council in Section 59 of the *Local Government Act 1999*.

Legislation or other compliance requirements may determine the review period for a policy and Council can review a policy at any time. All policies are reviewed on an ongoing basis. Council's policy documents are available for public inspection on Council's website at www.barungawest.sa.gov.au and at its principle office in Port Broughton.

Contracts and tendering

Council is committed to ensuring a fair, transparent and accountable process, in the provision of services, purchasing of goods and services and in the disposal of land and other assets. Council aims to ensure that its methods of:

- Service provision, including the carrying out of works
- Purchasing good
- The sale and disposal of land and/or other assets are cost effective and meet the needs of the community and represent best value for money

Council's procurement policy addresses the key elements of the conduct of Council affairs in these areas and the principles that will guide its decision making processes. The policy have been developed and adopted in accordance with Section 49 of the *Local Government Act 1999*. It will apply to the provision of all services, the purchase of goods and services and the disposal of land and other assets.

National competition policy

The Council's significant business activities include caravan parks and Community Wastewater Management Schemes (CWMS).

No significant businesses ceased or new ones commenced for the financial year.

For the past financial year, Council has continued to comply with the National Competition Policy and no complaints have been received by Council alleging any breach of competitive neutrality principles in the abovementioned business activities.

ELECTORS

Public participation

Members of the public have a number of opportunities to put forward their views on particular issues to the Council.

With the permission of the Committee Chairman or the Mayor, a member of the public can also address a Committee or the Council on any issues within the Council's jurisdiction.

Written petitions can be addressed to the Council on any issue within the Council's jurisdiction and these are presented at the next meeting of Council following receipt.

People wishing to access the opportunity to address Council via a Deputation, Presentation or Petition can find the relevant guidelines and forms on Council's website at www.barungawest.sa.gov.au

A member of the public can write to the Council on any Council policy, activity or service via post or email addressed to:

Chief Executive Officer
Barunga West Council
PO Box 3, Port Broughton SA 5522

Members of the public can contact their elected members of Council to discuss any issue relevant to the Council. Elected member contact details can be found on Council's website at www.barungawest.sa.gov.au/council/elected-members

Freedom of Information

Where possible Council provide information to residents and/or ratepayers without referral to the provisions of the *Freedom of Information Act 1991*. Where information is requested under the *Freedom of Information Act 1991*, an application form must be completed and forwarded with the required application fee, unless an exemption is granted. The application form is available at Council offices and on Council's website at www.barungawest.sa.gov.au.

As at 30 June 2020, the Council received 2 requests for the provision of information in this manner for the reporting period.

Applications received under the *Freedom of Information Act 1999* will be responded to as soon as possible within the statutory timeframe upon the receipt of a properly completed request and the prescribed fee or proof of exemption. Requests for other information will be considered in accordance with the *Freedom of Information Act 1999*. Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charges set out in the Act will apply.

Freedom of Information enquiries or requests should be addressed to Council's Chief Executive Officer in the first instance, at the following address;

Chief Executive Officer
Barunga West Council
PO Box 3, Port Broughton SA 5522

Amendment of council records

A member of the public may request access to Council documents concerning their personal affairs by making a request under the Freedom of Information provisions. A request may then be made to correct any information about them that is incomplete, incorrect, misleading or out of date. To gain access to these records a Freedom of Information Request Form must be completed, outlining the records that the applicant wishes to inspect.

Internal review of council decisions

Council received nil applications under Section 270 of the *Local Government Act 1999* for the 2019/2020 year, for the review of decisions made by Council, its employees, and persons acting on Council's behalf.

Documents available for inspection

The following documents are available for public inspection on Council's website at www.barungawest.sa.gov.au and at its principal office in Port Broughton.

- Annual Business Plan
- Annual Financial Statements
- Annual Report
- Asset Management Plans
- Council and Committee Agendas and Minutes
- Council By-Laws
- Development Plans
- Long Term Financial Plan
- Strategic Management Plan

Confidential information

On some occasions it may be necessary to exclude the public from a discussion in a Council or Committee meeting regarding a matter which is confidential. Examples of where this may happen could relate to the health, safety, and/or financial position of a person or organisation. The public is only excluded when considered absolutely necessary.

During the 2019/20 financial year, 30 instances occurred where Council or a Committee of Council were satisfied it was necessary to exclude the public under Section 90(2) and consider information of a confidential nature that if disclosed:

- S90(2)(a) - Would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);
- S90(2)(b) - Could reasonably be expected to confer commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the Council; Or is
- S90(2)(h) - Legal Advice.

At the conclusion of the June 2020 Council Meeting 32 matters were registered as confidential items in accordance with Section 90 of the *Local Government Act 1999*. Twelve of these applications were retained as confidential items which were registered prior to the 2019/20 period. A total of 20 report items were released to the public in accordance with Section 91(7).

Confidentiality orders register 2019/20

MEETING REGISTER	TYPE	ITEM No. & SUBJECT	90(2) PROV	90(3) (a-na)	91(7) PROV	91(7) PROV Released Revoked
9/07/2019	ORD	16.1 Dalling Street Demolition	Yes	90(3)(b)	Yes	0
13/08/2019	ORD	16.1 Review of Confidential items Register	Yes	90(3)(a)	Yes	20
		16.2 Dalling Street Property	Yes	90(3)(b)	Yes	0
		16.3 Fisherman Bay Land Division	Yes	90(3)(b)	Yes	0
27/08/2019	SPE	5.1 Fisherman Bay Land Division Progress	Yes	90(3)(b)	Yes	0
10/09/2019	ORD	16.1 Community Grants 2019-20	Yes	90(3)(a) & (b)	Yes	0
		16.2 Port Broughton Tourist Park	Yes	90(3)(b)	Yes	0
8/10/2019	ORD	16.1 CEO Annual Performance Review	Yes	90(3)(a)	Yes	0
		16.2 10 Dalling Street Sale	Yes	90(3)(b)	Yes	0
12/11/2019	ORD	16.2 Council Rates Matters	Yes	90(3)(a)	Yes	0
10/12/2019	ORD	16.1 Broughton Bayside Caravan Park	Yes	90(3)(a)	Yes	0
		16.2 Annual Road Rentals	Yes	90(3)(a)	Yes	0
		16.3 Australia Day Awards 2020	Yes	90(3)(a)	Yes	0
23/12/2019	SPE	4.1 Staff Member	Yes	90(3)(a)	Yes	0
7/01/2020	EXEC	5.1 CEO Annual Performance Review 2019	Yes	90(3)(a) & (b)	Yes	0
		5.2 CEO Recruitment Process	Yes	90(3)(b)	Yes	0
7/01/2020	SPE	4.1 CEO Performance Review	Yes	90(3)(a)	Yes	0
		4.2 CEO Recruitment Process	Yes	90(3)(a) & (b)	Yes	0
13/01/2020	EXEC	5.1 Recruitment Process	Yes	90(3)(b)	Yes	0
14/01/2020	SPE	4.1 CEO Recruitment Process	Yes	90(3)(b)	Yes	0
		4.2 Appointment of Acting-CEO	Yes	90(3)(b)	Yes	0
2/03/2020	SPE	4.1 Narungga Nation Settlement ILUA and Consent Determination	Yes	90(3)(h)	Yes	0
10/03/2020	SPE	4.1 Staff Remuneration	Yes	90(3)(a)	Yes	0
24/03/2020	EXEC	4.1 CEO Recruitment 2020	Yes	90(3)(a)	Yes	0
24/03/2020	SPE	4.1 CEO Recruitment	Yes	90(3)(a)	Yes	0
2/04/2020	SPE	5.1 CEO Employment Agreement	Yes	90(3)(a)	Yes	0
		5.2 CEO Appraisal and Performance Review Proposal	Yes	90(3)(b)	Yes	0
15/05/2020	SPE	4.1 Drought Communities Programme	Yes	90(3)(b)	Yes	0
9/06/2020	ORD	16.1 CEO Key Performance Indicators 2020	Yes	90(3)(a)	Yes	0
29/06/2020	ORD	16.1 Fisherman Bay Freehold Proposal	Yes	90(3)(b)	Yes	0

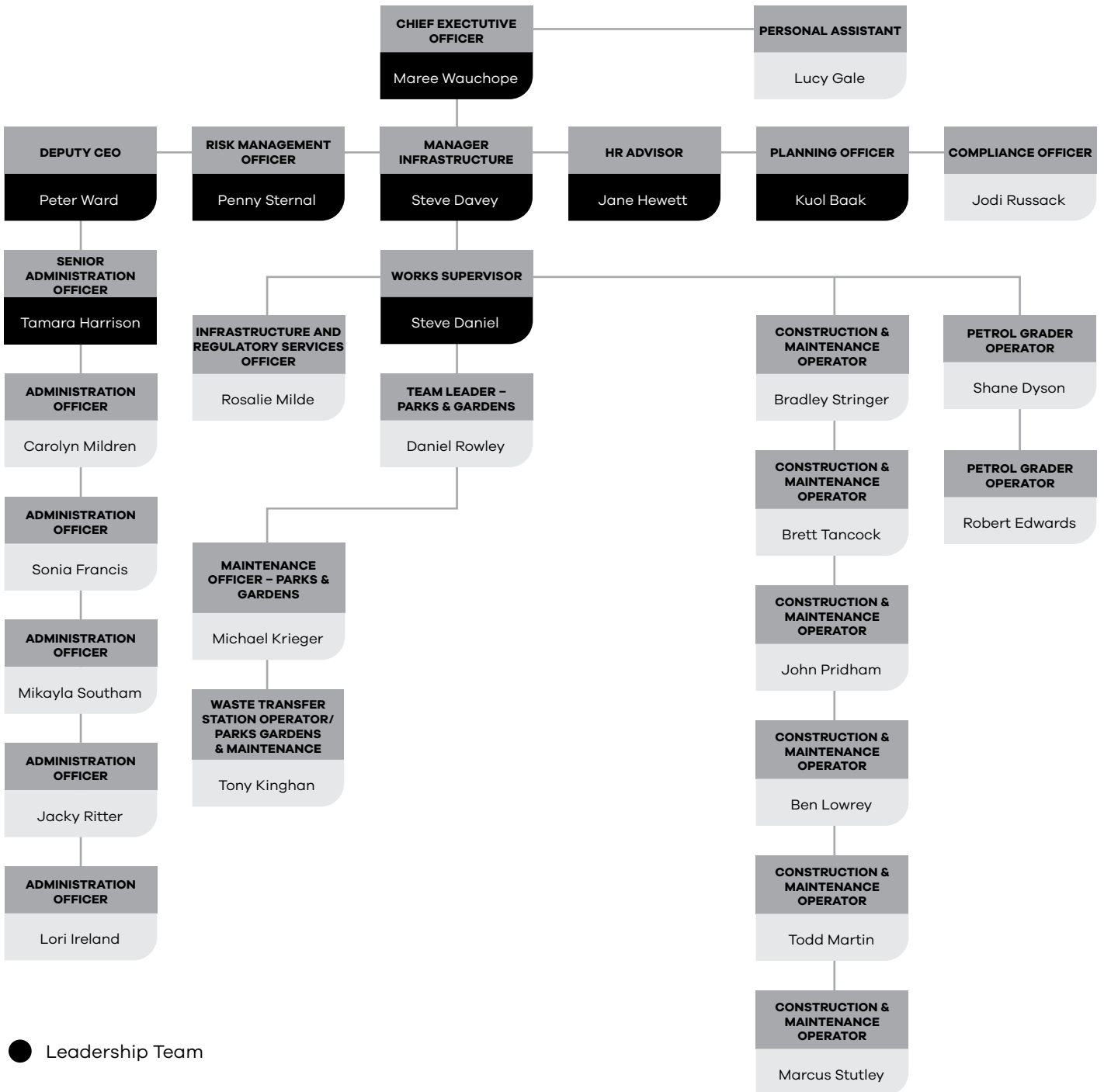
Retained confidentiality orders registered prior to
2019/20 (as at 30 June 2020)

MEETING REGISTER	TYPE	ITEM No. & SUBJECT	90(2) PROV	90(3) (a-na)	91(7) PROV
13/10/2015	ORD	Ombudsman Report	Yes	90(3)(a)	Yes
13/12/2016	ORD	Fisherman Bay Land Division – Legal Requirements	Yes	90(3)(h)	Yes
06/06/2017	SPE	Correspondence received from Developer FBM P/L	Yes	90(3)(h)	Yes
13/02/2018	ORD	Port Broughton Caravan Park Lease	Yes	90(3)(b)	Yes
10/04/2018	ORD	Port Broughton caravan park Lease Arrangements	Yes	90(3)(b)	Yes
05/05/2018	SPE	Port Broughton caravan park Lease Arrangements	Yes	90(3)(a)	Yes
10/07/2018	ORD	Review of confidential Items Register	Yes	90(3)(a)	Yes
11/12/2018	ORD	Australia Day Awards 2019	Yes	90(3)(a)	Yes
11/12/2018	EXEC	CEO performance Review	Yes	90(3)(a)	Yes
15/01/2019	ORD	Drought Communities Program Extension	Yes	90(3)(b)	Yes
15/01/2019	ORD	Proposed Skate Park Event	Yes	90(3)(b)	Yes
12/03/2019	ORD	Conflict of Interest Matters	Yes	90(3)(a)	Yes

COUNCIL ADMINISTRATION

Organisational structure

The chart below is an illustration of the organisation as at 30 July 2020.



Senior executive officer remuneration

Council's Senior Officers in 2019/20 comprised of the Chief Executive Officer, Deputy Chief Executive and a Manager of Infrastructure, with a base salary ranging from \$97k to \$155k as part of their overall remuneration package. Annual remuneration of Senior Officers accounts for the total cost of all fixed remuneration items and is made up of the annual salary, Council superannuation contributions and benefits. Council maintains a Register of Remuneration, which is available for inspection at the Principal Office.

The following information is provided in accordance with Schedule 4, s.1(g) of the *Local Government Act 1999*. All staff salaries and allowances are recorded in the Register of Salaries and Allowances, which is available for inspection at Council's Principal Office at 11 Bay Street, Port Broughton.

Position title	Classification	Allowances
Chief Executive Officer Maree Wauchope	Individual Contract	<ul style="list-style-type: none"> Restricted private use of Council maintained vehicle pursuant to Council Policy; Annual performance review; Membership fees to maintain membership subscriptions to approved professional associations; Provision of mobile phone and Laptop
Deputy Chief Executive Officer Peter Ward	Municipal Officers Award Level 3/3	<ul style="list-style-type: none"> Restricted private use of Council maintained vehicle pursuant to Council Policy; Provision of an iPad and mobile phone
Manager – Infrastructure Services Steve Davey	Municipal Officers Award Level 2/1	<ul style="list-style-type: none"> Restricted private use of Council maintained vehicle pursuant to Council Policy; Provision of mobile phone and Laptop

Human resources

Human resources provide support across Council with staff recruitment, performance and development initiatives, industrial and employee relations, employee assistance programs and overseeing related policy and procedures. These functions are provided by a mix of internal resources and external human resources specialists.

Equal opportunity

Council is committed to ensuring that all employees and those persons seeking employment are treated fairly and equitably and are not subjected to any form of unlawful discrimination, harassment, bullying or victimisation in the workplace.

On commencing employment with Council employees are required to complete a comprehensive induction. The purpose of the induction is to make employees aware of their responsibilities and Council's expectations during their employment.

Learning and development

Council recognise that its people are one of its strongest assets. A strong workforce increases productivity and helps to drive a positive culture. Council has continued to invest in its people throughout the 2019/20 offering a range of online and face to face training programs to assist with individual professional/personal development.

Health and wellbeing

Council promotes a healthy workplace for its employees and supports several initiatives including flu vaccinations, health assessments, skin screening and access to an Employee Assistance Program (EAP).

The EAP seeks to provide support for employees and their immediate family members through counselling sessions. The intention of an EAP service is to help employees and/or family members deal with personal or workplace problems that may adversely affect job performance, health and wellbeing.

Staff profile

As at 30 June 2020, Council had a total of 28 staff members comprised of 22 full time, 4 part time and 2 casual positions. Employee statistics are outlined below:

Status of Employment		
Full time	22	79%
Part time	4	14%
Casual	2	7%
TOTAL STAFF	28	100%

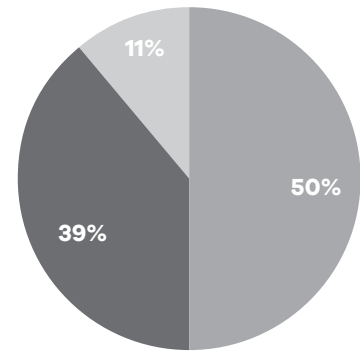
Breakdown of Services		
Corporate Services	16	57%
Infrastructure Services	12	43%
TOTAL STAFF	28	100%

Gender		
Female	12	43%
Male	16	57%
TOTAL STAFF	28	100%

Award coverage

Administration employees are employed under an Enterprise Agreement, Amalgamated State Union and Barunga West Council, which covers a three year period from January 1 2019 to December 31 2022.

The Works employees are covered by an Enterprise Agreement which was negotiated with the Australian Workers Union. The Agreement is current from December 13 2017 to 31 March 2021.



- Municipal Officers Award Senior
- Amalgamated State Union
- Amalgamated Workers Union

FULL STAFF LISTING

Administration

CHIEF EXECUTIVE OFFICER
Maree Wauchope

DEPUTY CEO
Peter Ward

PERSONAL ASSISTANT
Lucy Gale

RISK MANAGEMENT OFFICER
Penny Sternal

HR ADVISOR
Jane Hewett

COMPLIANCE OFFICER
Jodi Russack

FOOD INSPECTOR
Jan Truter

INFRASTRUCTURE & REGULATORY SERVICES OFFICER
Rosalie Milde

SENIOR ADMINISTRATION OFFICER
Tamara Harrison

ADMINISTRATION OFFICER
Carolyn Mildren

ADMINISTRATION OFFICER
Jacky Ritter

ADMINISTRATION OFFICER
Lori Ireland

ADMINISTRATION OFFICER
Sonia Francis

ADMINISTRATION OFFICER - TRAINEE
Mikayla Southam

Development and environmental services

PLANNING OFFICER
Kuol Baak

BUILDING OFFICER
Contracted from Copper Coast Council

ENVIRONMENTAL HEALTH OFFICER
Contracted from Copper Coast Council

Works – construction

MANAGER INFRASTRUCTURE SERVICE
Steven Davey

WORKS SUPERVISOR
Steven Daniel

CONSTRUCTION AND MAINTENANCE OPERATOR
Ben Lowrey

CONSTRUCTION AND MAINTENANCE OPERATOR
John Pridham

CONSTRUCTION AND MAINTENANCE OPERATOR
Bradley Stringer

CONSTRUCTION AND MAINTENANCE OPERATOR
Brett Tancock

CONSTRUCTION AND MAINTENANCE OPERATOR
Todd Martin

CONSTRUCTION WORKER
Marcus Stutley

PATROL GRADER OPERATOR
Robert Edwards

PATROL GRADER OPERATOR
Shane Dyson

Works – Maintenance

TEAM LEADER – PARKS AND GARDENS
Daniel Rowley

MAINTENANCE OFFICER – PARKS AND GARDENS
Michael Krieger

WTS OPERATOR – MAINTENANCE OFFICER – PARKS AND GARDENS
Anthony Kinghan

COMPLIANCE

Statistics

Over the past 12 months there has been 122 non-compliance issues that have been investigated which is an increase from 66 non-compliance issues in the previous year. This does not include the minor complaints or issues solved over the phone and counter.

1 July 2019 - 30 June 2020 compliance statistics

Act/Regulation	Total
Local Nuisance & litter control	39
EPA Water Quality Policy	0
EPA Air Quality Policy	0
Development Act - Section 84 issued	2
Development Act – Illegal change of use	2
Development Act – Illegal Development	5
Development Act – Breach of DA	1
Development Act – Statement of Compliance	2
Local Government – By-laws	19
Dog & Cat Management Act	52
TOTAL	122

Local nuisance and litter control

The *Local Nuisance and Litter Control Act 2016* commenced 1st February 2017. As a requirement of Section 8 of the *Local Nuisance and Litter Control Act 2016* Council is required to report on the functions conferred on Councils under this Act.

Under the Act a Local Nuisance is described as being “any adverse impact on the amenity value of an area, which unreasonably interferes with, or is likely to unreasonably interfere with, the enjoyment of that area by people in that area”. In the past Illegal dumping could only be investigated on Council land but under this Act a person must not dispose of litter onto any land or into any waters.

Animal management

Council registered 663 dogs and 68 cats in 2019-20, and handled the following 89 issues.

Issue	Number
Total number of expiations issued	32
Official barking dog complaints	10
Official wandering dog complaints	10
Dogs collected and returned before impound	4
Total number of dogs impounded	3
Dogs impounded and then returned to owner	3
Reports of dog harassment to humans	0
Reports of dog attacks on humans	2
Reports of dog harassment to animals	4
Reports of dog attacks on animals	1
Number of Cat complaints	10
Number of registered businesses involving dogs	10

2019	Local Nuisance	Litter Control
Number of Complaints	4	31
Number of offences expiated	0	1
Number of offences prosecuted	0	0
Number of abatement notices issued	0	0
Civil penalites negotiated under Section 34	0	0
Applications by Council to the Court for orders for civil penalites under Section 34	0	0
Orders made by the Court on those applications	0	0
Any other functions performed by Council under the Act	3	0

FUTURE DIRECTIONS

Council's future directions and priorities have been outlined in published its 2020/21 Annual Business Plan which can be found on Council's website at www.barungawest.sa.gov.au. The following is a summary of some of the key priorities:

Drought Communities Programme Round 2 projects

Council will fund and deliver \$1 million of projects. Under this programme Bute will receive the following:

- New roof for the Bute Sporting Clubrooms and new rainwater tanks
- New playground equipment
- Work to assess the Bute Soldier's Memorial Hall (Stage 1)

Port Broughton will receive the following:

- New playground equipment on the foreshore
- Upgrades to electrical services at the Port Broughton oval, foreshore and Port Broughton Tourist Park
- Civil works to underground power lines to make way for the new helipad at the Port Broughton hospital

Tickera will receive an upgrade to the Community and Recreational Centre's kitchen.

Roads and Local Communities Program

Council will use \$279,000 of funds to deliver:

- Work to fix the structural issues in the Bute Soldier's Memorial Hall (Stage 2)
- Upgrades to the Mundoora Bowling Club building

Roads to Recovery Program

Council will use \$297,000 of funds to deliver work to improve Mundoora Road which will include reseal works of approximately 3 kilometres.

Operating initiatives

Council's regulatory staff will:

- transition from a manual planning system to the State Government's new E-planning system
- deliver a Heritage Assessment

Council's leadership team will create shovel ready projects including:

- Plans for mainstreets
- Concepts for improved and new caravan parks and RV parks
- Concepts for improved and new boat ramps
- Final designs and costs for coastal protection measures and a foreshore walking trail between Port Broughton and Fisherman Bay

Council's leadership team will focus on ensuring Fisherman Bay public infrastructure is delivered to a quality expected of Council and its ratepayers.



**Barunga West
Council**

Contact us

11 Bay Street
Port Broughton SA 5522
or

Railway Terrace
Bute SA 5522

Phone (08) 8635 2107

Email barunga@barungawest.sa.gov.au

www.barungawest.sa.gov.au



 @ DCBarungaWest

 @ TopoftheYorke

#TopoftheYorke

Barunga West Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Barunga West Council

General Purpose Financial Statements for the year ended 30 June 2020

	Page
Table of Contents	
1. Council Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	8
4. Independent Auditor's Report - Financial Statements	42
5. Independent Auditor's Report - Internal Controls	44
6. Certificates of Audit Independence	
- Audit Certificate of Audit Independence	46
- Council Certificate of Audit Independence	47

Barunga West Council

General Purpose Financial Statements for the year ended 30 June 2020

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 2020 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.



Maree Wauchope
CHIEF EXECUTIVE OFFICER



Leonie Kerley
MAYOR

Date: 24 November 2020

Barunga West Council

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Income			
Rates	2a	4,913	4,731
Statutory Charges	2b	99	132
User Charges	2c	457	478
Grants, Subsidies and Contributions	2g	975	1,250
Investment Income	2d	47	67
Reimbursements	2e	29	52
Other Income	2f	115	129
Total Income		6,635	6,839
Expenses			
Employee Costs	3a	2,194	2,164
Materials, Contracts & Other Expenses	3b	2,724	3,305
Depreciation, Amortisation & Impairment	3c	1,763	1,384
Finance Costs	3d	33	55
Total Expenses		6,714	6,908
Operating Surplus / (Deficit)		(79)	(69)
Asset Disposal & Fair Value Adjustments	4	(74)	(180)
Amounts Received Specifically for New or Upgraded Assets	2g	-	590
Net Surplus / (Deficit) ¹		(153)	341
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	595	(571)
Total Other Comprehensive Income		595	(571)
Total Comprehensive Income		442	(230)

¹ Transferred to Statement of Changes in Equity

Barunga West Council

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	3,813	2,454
Trade & Other Receivables	5b	340	821
Inventories	5c	12	158
Total Current Assets		4,165	3,433
Non-Current Assets			
Financial Assets	6a	5	8
Infrastructure, Property, Plant & Equipment	7a	49,216	49,544
Total Non-Current Assets		49,221	49,552
TOTAL ASSETS		53,386	52,985
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	823	692
Borrowings	8b	134	150
Provisions	8c	593	629
Total Current Liabilities		1,550	1,471
Non-Current Liabilities			
Borrowings	8b	361	495
Provisions	8c	41	27
Total Non-Current Liabilities		402	522
TOTAL LIABILITIES		1,952	1,993
Net Assets		51,434	50,992
EQUITY			
Accumulated Surplus		(775)	(301)
Asset Revaluation Reserves	9a	50,794	50,199
Other Reserves	9b	1,415	1,094
Total Council Equity		51,434	50,992

Barunga West Council

Statement of Changes in Equity
for the year ended 30 June 2020

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
2020					
Balance at the end of previous reporting period		(301)	50,199	1,094	50,992
Net Surplus / (Deficit) for Year		(153)	-	-	(153)
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	595	-	595
Other Comprehensive Income		-	595	-	595
Total Comprehensive Income		(153)	595	-	442
Transfers between Reserves		(321)	-	321	-
Balance at the end of period		(775)	50,794	1,415	51,434
2019					
Balance at the end of previous reporting period		(406)	50,770	858	51,222
Net Surplus / (Deficit) for Year		341	-	-	341
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(571)	-	(571)
Other Comprehensive Income		-	(571)	-	(571)
Total Comprehensive Income		341	(571)	-	(230)
Transfers between Reserves		(236)	-	236	-
Balance at the end of period		(301)	50,199	1,094	50,992

Barunga West Council

Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates		4,891	4,707
Statutory Charges		99	145
User Charges		457	526
Grants, Subsidies and Contributions (operating purpose)		975	768
Investment Receipts		47	67
Reimbursements		29	53
Other Receipts		358	452
<u>Payments</u>			
Payments to Employees		(2,202)	(2,114)
Payments for Materials, Contracts & Other Expenses		(3,202)	(3,266)
Finance Payments		(35)	(59)
Net Cash provided by (or used in) Operating Activities	11b	1,417	1,279
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,003	590
Sale of Replaced Assets		176	29
Repayments of Loans by Community Groups		3	67
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(779)	(752)
Expenditure on New/Upgraded Assets		(311)	(654)
Net Cash provided by (or used in) Investing Activities		92	(720)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayments of Borrowings		(150)	(273)
Net Cash provided by (or used in) Financing Activities		(150)	(273)
Net Increase (Decrease) in Cash Held		1,359	286
plus: Cash & Cash Equivalents at beginning of period	11	2,454	2,168
Cash & Cash Equivalents at end of period	11	3,813	2,454
plus: Investments on hand - end of year	5a	-	-
Total Cash, Cash Equivalents & Investments		3,813	2,454

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	15
3	Expenses	17
4	Asset Disposal & Fair Value Adjustments	18
	Current Assets	
5a	Cash & Cash Equivalent Assets	19
5b	Trade & Other Receivables	19
5c	Inventories	19
	Non-Current Assets	
6a	Financial Assets	19
	Fixed Assets	
7a (i)	Infrastructure, Property, Plant & Equipment	20
7a (ii)	Investment Property	20
7b	Valuation of Infrastructure, Property, Plant & Equipment	21
	Liabilities	
8a	Trade & Other Payables	24
8b	Borrowings	24
8c	Provisions	24
	Reserves	
9a	Asset Revaluation Reserve	25
9b	Other Reserves	25
10	Assets Subject to Restrictions	26
11	Reconciliation to Statement of Cashflows	26
12a	Functions	27
12b	Components of Functions	28
13	Financial Instruments	29
14	Financial Indicators	34
15	Uniform Presentation of Finances	36
16	Leases	36
17	Superannuation	37
18	Interests in Other Entities	38
19	Non Current Assets Held for Sale & Discontinued Operations	38
20	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	38
21	Events After the Statement of Financial Position Date	39
22	Related Party Transactions	40
	Additional Council Disclosures	
23	Equity - Retained Earnings and Revaluation Reserves Adjustments	41

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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*.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Barunga West Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 11 Bay St Port Broughton SA 5522. These 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.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$551,724	\$535,460	+ \$16,264
2018/19	\$537,973	\$534,635	+ \$ 3,338
2019/20	\$561,647	\$547,987	+ \$13,660

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.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

The Operating Surplus Ratio disclosed in Note 15 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. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

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.

5.1 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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.

6.2 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. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000
Land Improvement	\$10,000
Buildings	\$10,000
Buildings – Other Structures	\$20,000
Infrastructure – Roads	\$10,000
Infrastructure – Footpaths	\$10,000
Infrastructure – Stormwater	\$10,000
Infrastructure – CWMS	\$10,000

6.3 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.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

6.4 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 listed below. 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.

Plant, Furniture & Equipment

Office Equipment	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equip	4 to 25 years
Other Plant & Equipment	4 to 20 years

Building & Other Structures

Buildings – masonry	7 to 100 years
Buildings – other construction	7 to 100 years
Park Structures – masonry	7 to 100 years
Park Structures – other construction	7 to 100 years
Playground equipment	7 to 100 years
Benches, seats, etc	7 to 100 years

Infrastructure

Sealed Roads – Surface	22 to 30 years
Sealed Roads – Structure	20 to 150 years
Unsealed Roads	20 to 100 years
Paving & Footpaths, Kerb & Gutter	5 to 100 years
Drains	5 to 100 years
Culverts	5 to 100 years
Reticulation Pipes – PVC	10 to 70 years
Reticulation Pipes – other	10 to 70 years
Pumps & Telemetry	10 to 70 years

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

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

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

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

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income

Barunga West Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

statement over the period of the borrowings using the effective interest method.

Borrowings 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.

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 makes 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 17.

10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and

rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11 Leases

Accounting policy applicable from 01 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

11.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i.) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and equipment	3 to 10 years
Computers	3 to 10 years
Other	4 to 20 years

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii.) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

12 Construction Contracts

Council did not perform any third party construction work in 2019/20.

13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 18.

14 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.

15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

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

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

The Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed. The impact of adopting the new standards as at 1 July 2019 was an increase to liabilities of XX and a decrease to Accumulated Surplus of XX.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058.

The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

	Amounts prepared under	
	AASB 15/1058	Previous AASB
Grants, subsidies and contributions	\$0	\$475,000
	\$0	\$475,000

AASB 16 Leases

The Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council has no leases to which this treatment will need to be applied."

Adoption of AASB 16 Leases (AASB 16)

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to

recognise most leases on the balance sheet under a single on-balance sheet model. The Council has no lease contracts for various items of plant, equipment, and computers.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, 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 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

Effective for NFP annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts

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

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

Barunga West Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

16 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

17 COVID -19

The COVID-19 pandemic has impacted the 2019/20 financial statements, which may impact on the comparability of some line items and amounts reported in this financial report.

The financial impacts are a direct result of either Councils response to the pandemic or due to the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

The impacts on the Council's financial performance and financial position were not material however they are outlined below:

- Decrease in users charges of approx. \$2,500 due to the closures of sporting facilities, venues that are hired to the community, boat ramp fees etc
- Costs of approx. \$10,000 related to business support in the form of waiving of rates and temporary suspension of fines, penalties, interest, rent (including licence fees and debt recovery actions)
- Additional costs of \$2,500 associated with public health activities (e.g. cleaning, preparing Council's facilities to respond to COVID-19, health and safety initiatives, etc)

Council estimates that the reduction in revenue and increase in expenditure resulted in a decrease of approximately \$15,000 in the 2019/20 net surplus. There will be further financial impacts in the 2020/21 financial year primarily due to the reduction in rates and the temporary suspension of fines and interest.

Council has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Council's ability to continue as a going concern.

18 Disclaimer

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

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 2. Income

\$ '000	Notes	2020	2019
(a). Rates Revenues			
General Rates			
General Rates		4,365	4,165
Less: Mandatory Rebates		(47)	(34)
Less: Discretionary Rebates, Remissions & Write Offs		(64)	(58)
Total General Rates		<u>4,254</u>	<u>4,073</u>
Other Rates (Including Service Charges)			
Natural Resource Management Levy		219	213
Community Wastewater Management Systems		424	423
Total Other Rates		<u>643</u>	<u>636</u>
Other Charges			
Penalties for Late Payment		16	22
Total Other Charges		<u>16</u>	<u>22</u>
Total Rates Revenues		<u>4,913</u>	<u>4,731</u>
(b). Statutory Charges			
Development Act Fees		18	41
Town Planning Fees		53	57
Health & Septic Tank Inspection Fees		1	3
Animal Registration Fees & Fines		27	31
Total Statutory Charges		<u>99</u>	<u>132</u>
(c). User Charges			
Cemetery/Crematoria Fees		24	25
Hall & Equipment Hire		19	33
Sundry		1	6
Caravan Parks		263	280
Post Office, RTC & Other		88	81
CWMS Sub-Division Fees		19	1
Boat Ramp Fees & Permits		23	23
Sanitation & Garbage		20	29
Total User Charges		<u>457</u>	<u>478</u>

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(d). Investment Income			
- Local Government Finance Authority		11	16
- Banks & Other		35	36
- Loans to Community Groups		1	15
Total Investment Income		47	67
(e). Reimbursements			
Private Works		6	6
Other		23	46
Total Reimbursements		29	52
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		17	41
Rebates Received		87	82
Sundry		11	6
Total Other Income		115	129
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		-	590
Total Amounts Received Specifically for New or Upgraded Assets		-	590
Other Grants, Subsidies and Contributions		412	419
Untied - Financial Assistance Grant		562	830
Library and Communications		1	1
Total Other Grants, Subsidies and Contributions		975	1,250
Total Grants, Subsidies, Contributions		975	1,840
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		361	994
State Government		614	846
Total		975	1,840
(ii) Individually Significant Items			
Grants Commission (FAG) - Payment Brought Forward		307	291

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 3. Expenses

\$ '000	Notes	2020	2019
(a). Employee Costs			
Salaries and Wages		1,709	1,686
Employee Leave Expense		290	254
Superannuation - Defined Contribution Plan Contributions	18	148	140
Superannuation - Defined Benefit Plan Contributions	18	36	36
Workers' Compensation Insurance		88	84
Other		75	81
Less: Capitalised and Distributed Costs		(152)	(117)
Total Operating Employee Costs		2,194	2,164
Total Number of Employees (full time equivalent at end of reporting period)		24	24
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		16	15
Elected Members' Expenses		110	107
Election Expenses		-	14
Subtotal - Prescribed Expenses		126	136
(ii) Other Materials, Contracts and Expenses			
Contractors		803	1,388
Maintenance		267	379
Legal Expenses		70	56
Levies Paid to Government - NRM levy		217	211
Levies - Other		22	25
Parts, Accessories & Consumables		485	315
Professional Services		255	201
Sundry		244	271
Utilities		264	260
Insurance		171	163
Telecommunications		136	136
Less: Capitalised and Distributed Costs		(336)	(236)
Subtotal - Other Material, Contracts & Expenses		2,598	3,169
Total Materials, Contracts and Other Expenses		2,724	3,305

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		275	240
Infrastructure			
- Sealed Roads		328	188
- Unsealed Roads		726	578
- Stormwater Drainage		44	34
- CWMS		132	109
- Footpaths, Kerb & Gutter		97	73
Plant & Equipment		149	145
Furniture & Fittings		12	17
Subtotal		1,763	1,384
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		1,763	1,384
(d). Finance Costs			
Interest on Loans		33	55
Total Finance Costs		33	55

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	Notes	2020	2019
Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		176	29
Less: Carrying Amount of Assets Sold		(250)	(209)
Gain (Loss) on Disposal		(74)	(180)
Net Gain (Loss) on Disposal or Revaluation of Assets		(74)	(180)

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5. Current Assets

\$ '000	Notes	2020	2019
(a). Cash & Cash Equivalent Assets			
Cash on Hand at Bank		25	63
Deposits at Call		3,788	2,391
Total Cash & Cash Equivalent Assets		<u>3,813</u>	<u>2,454</u>
(b). Trade & Other Receivables			
Rates - General & Other		267	245
Accrued Revenues		-	484
Debtors - General		35	37
Other Levels of Government		-	-
GST Recoupment		35	48
Prepayments		1	5
Loans to Community Organisations		2	2
Total Trade & Other Receivables		<u>340</u>	<u>821</u>
(c). Inventories			
Stores & Materials		12	158
Total Inventories		<u>12</u>	<u>158</u>

Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
(a). Financial Assets			
Receivables			
Loans to Community Organisations		5	8
Total Receivables		<u>5</u>	<u>8</u>
Total Financial Assets		<u>5</u>	<u>8</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7a (i). Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/6/2019				Asset Movements during the Reporting Period						as at 30/6/2020					
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals							Dep'n	Impairment	
\$ '000																	
Land - Community	3	8,123	-	-	8,123	-	-	-	-	-	-	8,123	-	-	-	8,123	-
Land - Other	2	3,922	-	-	3,922	-	-	(170)	-	-	-	3,752	-	-	-	3,752	-
Buildings & Other Structures	3	15,994	37	5,862	10,169	176	-	(71)	(275)	-	-	15,919	210	6,133	-	9,996	-
- Sealed Roads	3	12,004	471	4,918	7,557	45	62	-	(328)	-	315	16,032	107	8,485	-	7,654	-
- Unsealed Roads	3	15,924	1,391	9,739	7,576	-	667	-	(726)	(569)	-	18,097	667	11,816	-	6,948	-
- Stormwater Drainage	3	2,949	-	1,223	1,726	-	-	-	(44)	-	334	2,986	-	970	-	2,016	-
- CWMS	3	7,666	53	1,991	5,728	-	-	-	(132)	-	294	8,513	-	2,623	-	5,890	-
- Footpaths, Kerb & Gutter	3	4,893	155	1,423	3,625	70	-	-	(97)	-	221	4,767	69	1,018	-	3,818	-
Plant & Equipment	2	-	2,769	1,679	1,090	-	61	-	(149)	-	-	-	2,787	1,794	-	993	-
Furniture & Fittings	2	-	122	94	28	9	-	-	(12)	-	-	-	131	105	-	26	-
Total Infrastructure, Property, Plant & Equipment		71,475	4,998	26,929	49,544	300	790	(250)	(1,763)	(569)	1,164	78,189	3,971	32,944	-	49,216	-
Comparatives		71,126	4,380	25,204	50,302	627	780	(208)	(1,384)	(571)	-	71,475	4,998	26,929	-	49,544	-

Note 7a (ii). Investment Property

Nil

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & 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 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

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 these assets and they 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. Accordingly, formal sensitivity analysis does not provide useful information.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

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.

Land & Land Improvements

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 30 June 2017.
- Valuer: Office of the Valuer General

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.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost.

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 30 June 2019.
- Valuer: Australian Property Valuers

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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

Valuation of Assets (continued)

Infrastructure

Transportation assets were revalued as at 1 July 2019 by Tonkin Consulting.

All acquisitions made after the respective dates of valuation are recorded at cost. All acquisitions made after the date of valuation are recorded at cost.

Stormwater drainage infrastructure was revalued as at 1 July 2019 by Tonkin Consulting. All acquisitions made after the date of valuation are recorded at cost.

Community wastewater management system infrastructure was revalued as at 1 July 2019 by Tonkin Consulting. All acquisitions made after the date of valuation are recorded at cost.

Roads, Kerb and Gutter, Footpaths

- Basis of valuation: Fair Value / Written down current replacement cost
- Date of valuation: 1 July 2019.
- Valuer: Tonkin Consulting, Rod Ellis, FIEAust CPEng

Stormwater Drainage & CWMS

- Basis of valuation: Fair Value / Written down current replacement cost
- Date of valuation: 1 July 2019
- Valuer: Tonkin Consulting, Rod Ellis, FIEAust CPEng

All other Assets

These assets are recognised at cost.

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8. Liabilities

\$ '000	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(a). Trade and Other Payables					
Goods & Services		320	-	651	-
Payments Received in Advance		482	-	32	-
Accrued Expenses - Employee Entitlements		14	-	-	-
Accrued Expenses - Finance Costs		7	-	9	-
Total Trade and Other Payables		823	-	692	-
(b). Borrowings					
Loans		134	361	150	495
Total Borrowings		134	361	150	495
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements (including oncosts)		467	41	503	27
Future Reinstatement / Restoration, etc		126	-	126	-
Total Provisions		593	41	629	27

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 9. Reserves

\$ '000	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
(a). Asset Revaluation Reserve					
Land - Community	8,123	-	-	-	8,123
Land - Other	3,912	-	-	-	3,912
Buildings & Other Structures	11,640	-	-	-	11,640
- Roads, Footpaths, Kerbs & Gutters	17,916	(33)	-	-	17,883
- Stormwater Drainage	1,978	334	-	-	2,312
- CWMS	6,630	294	-	-	6,924
Total Asset Revaluation Reserve	50,199	595	-	-	50,794
Comparatives	50,770	(571)	-	-	50,199

\$ '000	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
(b). Other Reserves					
CWMS	1,055	321	-	-	1,376
Open Space	39	-	-	-	39
Total Other Reserves	1,094	321	-	-	1,415
Comparatives	858	236	-	-	1,094

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

This reserve records the net difference between CWMS Rate income and the cash costs of maintaining the CWMS asset and operating systems. Depreciation expense is not factored into this reserve.

Open Space Reserve

Developer Open Space contributions for Council to expend in any manner it deems fit to improve Council's opens spaces.

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2020	2019
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.			
Cash & Financial Assets			
Unexpended amounts received from Federal Government			
Open Space Contributions		39	39
CWMS Reserve		1,376	1,055
Total Cash & Financial Assets		1,415	1,094

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
(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 Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	3,813	2,454
Balances per Statement of Cash Flows		3,813	2,454
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(153)	341
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,763	1,384
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		-	(590)
Net (Gain) Loss on Disposals		74	180
		1,684	1,315
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(22)	(532)
Net (Increase)/Decrease in Inventories		146	17
Net Increase/(Decrease) in Trade & Other Payables		(369)	421
Net Increase/(Decrease) in Unpaid Employee Benefits		(22)	58
Net Cash provided by (or used in) operations		1,417	1,279

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).												
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)				
	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019			
\$ '000													
Business Undertakings	265	478	370	261	(105)	217	-	118	4,903	4,939			
Community Services	20	91	32	270	(12)	(179)	21	66	2,028	2,028			
Culture	1	-	42	19	(41)	(19)	-	-	-	-			
Economic Affairs	39	104	215	159	(176)	(55)	-	104	-	-			
Protection of the Environment	77	-	820	50	(743)	(50)	32	-	1,475	1,448			
Sport and Recreation	24	159	626	801	(602)	(642)	-	117	13,533	13,544			
Regulatory Services	30	50	85	119	(55)	(69)	-	-	238	240			
Transport & Communication	523	507	2,464	2,145	(1,941)	(1,638)	543	501	20,837	20,725			
Plant Hire & Depot/Indirect	81	57	116	202	(35)	(145)	-	-	1,434	1,583			
Council Administration	5,341	4,566	1,051	981	4,290	3,585	334	329	3,015	2,501			
Public Order & Safety	-	-	36	13	(36)	(13)	-	-	-	-			
Health	29	5	47	9	(18)	(4)	25	-	-	-			
Housing & Community	182	606	460	1,642	(278)	(1,036)	20	15	5,923	5,977			
Other Purposes	23	216	350	237	(327)	(21)	-	-	-	-			
Total Functions/Activities	6,635	6,839	6,714	6,908	(79)	(69)	975	1,250	53,386	52,985			

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.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 12b. Components of Functions

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Gravel Pits/Quarries, Off-street Car Parks – fee paying, Private Works, Sewerage/CWMS, Rural Transaction Centres, Post Offices.

COMMUNITY SERVICES

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Community Support, Elderly Citizens Facilities, Other Services for the Aged and Disabled, Community Assistance, Community Transport, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

ECONOMIC AFFAIRS

Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

PROTECTION OF THE ENVIRONMENT

Coastal Protection, Agricultural Services, Agricultural Water, Landcare, Other Agricultural Services, Natural Resource Management Levy, and Other Environment.

SPORT AND RECREATION

Boat Ramps, Other Marine Facilities, Parks and Gardens, Sports Facilities – Outdoor and Other Recreation.

REGULATORY SERVICES

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

TRANSPORT AND COMMUNICATION

Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

COUNCIL ADMINISTRATION

Governance, Administration not elsewhere classified, Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

PUBLIC ORDER AND SAFETY

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control, Car Parking – non-fee-paying, and Other Community Amenities.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 12b. Components of Functions (continued)

The activities relating to Council functions are as follows:

HEALTH

Health, Preventive Health Services, Other Health Services, Community Support, Other Services for the Aged and Disabled, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities.

HOUSING AND COMMUNITY

Dog and Cat Control, Clean Air/Pollution Control, Litter Control, Health Inspection, Waste Management, Domestic Waste, Green Waste, Waste Disposal Facility, Other Waste Management, Other Environment, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping Parking Control and Other Regulatory Services, Post Office Services, Sewerage/CWMS, Cemeteries, Public Conveniences, Library Services, Heritage, Museums, and Other Cultural Services.

MINING AND CONSTRUCTION

Building Control, Town Planning, Land Development, Land Management.

OTHER PURPOSES

Private works.

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at the lower of cost and net realisable value. Interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.45% pa and 1.49% pa (2019: 1.28% pa and 2.56% pa). Short term deposits have an average an average interest rate of 1.30% pa (2019: 2.56% pa).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

Recognised Financial Instruments

Receivables

Rates & Associated Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.35% pa (2019: 6.60 pa). 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:

Carried at nominal value less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

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.

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

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.

Barunga West Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

Recognised Financial Instruments

Receivables

Retirement Home Contributions

Accounting Policy:

Carried at nominal value less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable semi annually; interest is charged at fixed rates between 3.6% and 8.07% (2019: 3.60% and 8.07%).

Carrying Amount:

Approximates fair value.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
Financial Assets					
Cash & Equivalents	3,816	-	-	3,816	3,813
Receivables	76	-	-	76	77
Total Financial Assets	3,892	-	-	3,892	3,890
Financial Liabilities					
Payables	537	-	-	537	341
Current Borrowings	134	-	-	134	134
Non-Current Borrowings	-	361	-	361	361
Total Financial Liabilities	671	361	-	1,032	836

\$ '000	Due < 1 year	Due > 1 year & ≤5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash & Equivalents	2,454	-	-	2,454	2,454
Receivables	579	-	-	579	579
Total Financial Assets	3,033	-	-	3,033	3,033
Financial Liabilities					
Payables	693	-	-	693	660
Current Borrowings	185	-	-	185	150
Non-Current Borrowings	-	445	120	565	495
Total Financial Liabilities	878	445	120	1,443	1,305

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	5.88%	495	5.78%	645
		495		645

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.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. 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.

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 14. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2020	2020	2019	2018

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.

1. Operating Surplus Ratio

Operating Surplus	(79)	(1%)	(1%)	3%
Total Operating Income	6,635			

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(2,206)	(33%)	(19%)	(12%)
Total Operating Income	6,635			

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.

Adjustments to Ratios

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.

Adjusted Operating Surplus Ratio	(1%)	(1%)	3%
---	------	------	----

Adjusted Net Financial Liabilities Ratio	(33%)	(19%)	(12%)
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3. Asset Renewal Funding Ratio

Net Asset Renewals	603	47%	52%	36%
Infrastructure & Asset Management Plan required expenditure	1,281			

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

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 14. Financial Indicators - Graphs (continued)

<p>1. Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>3%</td> </tr> <tr> <td>2019</td> <td>-1%</td> </tr> <tr> <td>2020</td> <td>-1%</td> </tr> </tbody> </table>	Year	Ratio %	2018	3%	2019	-1%	2020	-1%	<p>Purpose of Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p>Commentary on 2019/20 Result</p> <p>2019/20 Ratio -1%</p> <p>The operating deficit is within the acceptable range according to Council's 2020 - 2030 Long Term Financial Plan (LTFP). Council has a LTFP target range of +/- 10%.</p>
Year	Ratio %									
2018	3%									
2019	-1%									
2020	-1%									
<p>2. Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>-12%</td> </tr> <tr> <td>2019</td> <td>-19%</td> </tr> <tr> <td>2020</td> <td>-33%</td> </tr> </tbody> </table>	Year	Ratio %	2018	-12%	2019	-19%	2020	-33%	<p>Purpose of Net Financial Liabilities Ratio</p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p>Commentary on 2019/20 Result</p> <p>2019/20 Ratio -33%</p> <p>A negative value indicates that Council is holding more cash and investments (current assets) than payables and provisions (current liabilities). Council's LTFP target range is 0% to 100%.</p>
Year	Ratio %									
2018	-12%									
2019	-19%									
2020	-33%									
<p>Adjusted Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>3%</td> </tr> <tr> <td>2019</td> <td>-1%</td> </tr> <tr> <td>2020</td> <td>-1%</td> </tr> </tbody> </table>	Year	Ratio %	2018	3%	2019	-1%	2020	-1%	<p>Purpose of Adjusted Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p>Commentary on 2019/20 Result</p> <p>2019/20 Ratio -1%</p> <p>This chart adjusts the Operating Surplus Ratio for the Grants Commission prepayments.</p>
Year	Ratio %									
2018	3%									
2019	-1%									
2020	-1%									
<p>Adjusted Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>-12%</td> </tr> <tr> <td>2019</td> <td>-19%</td> </tr> <tr> <td>2020</td> <td>-33%</td> </tr> </tbody> </table>	Year	Ratio %	2018	-12%	2019	-19%	2020	-33%	<p>Purpose of Adjusted Net Financial Liabilities Ratio</p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p>Commentary on 2019/20 Result</p> <p>2019/20 Ratio -33%</p> <p>This chart adjusts the Net Financial Liabilities Ratio for the Grants Commission prepayments.</p>
Year	Ratio %									
2018	-12%									
2019	-19%									
2020	-33%									
<p>3. Asset Renewal Funding Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>36%</td> </tr> <tr> <td>2019</td> <td>52%</td> </tr> <tr> <td>2020</td> <td>47%</td> </tr> </tbody> </table>	Year	Ratio %	2018	36%	2019	52%	2020	47%	<p>Purpose of Asset Renewal Funding Ratio</p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p>Commentary on 2019/20 Result</p> <p>2019/20 Ratio 47%</p> <p>The Council is planning to increase their asset renewal expenditure over future years in line with the LTFP. Council has a LTFP target range of 90% to 110%</p>
Year	Ratio %									
2018	36%									
2019	52%									
2020	47%									

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 15. Uniform Presentation of Finances

\$ '000	2020	2019
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.		
Income	6,635	6,839
less Expenses	(6,714)	(6,908)
Operating Surplus / (Deficit)	(79)	(69)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(779)	(752)
<i>add back</i> Depreciation, Amortisation and Impairment	1,763	1,384
<i>add back</i> Proceeds from Sale of Replaced Assets	176	29
Subtotal	1,160	661
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(311)	(654)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,003	590
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	-	-
Subtotal	692	(64)
Net Lending / (Borrowing) for Financial Year	1,773	528

Note 16. Leases

Council does not have any Leases.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 17. 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 (9.50% in 2019/20; 9.50% in 2018/19). 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 2018/19) 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 119.32(b), 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 Willie Towers Watson as at 30 June 2020. 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.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 18. Interests in Other Entities

Council has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

Note 19. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, 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.

At reporting date, Council controlled 928 km of road reserves of average width 8 metres.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$7,603 (2019: \$9,761) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

4. LEGAL MATTERS

Council is the planning consent authority for its area under the Planning, Development and Infrastructure Act 2016 (the Act). Pursuant to the Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further cost cannot be known until the appeals are determined.

Barunga West Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 21. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2020, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 10/11/20.

COVID-19 has been classified as a global pandemic by the World Health Organisation and has developed rapidly in 2020. Measures taken by the Federal and State governments have affected South Australia's economic activity and Council's operations.

At this stage, the financial impacts on Council's operations have not been significant and Council does not expect that further financial impacts to flow into the 2020/21 financial year to be significant. We refer to Note 1 providing details of the financial impacts caused by COVID-19.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 22. Related Party Transactions

\$ '000	2020	2019
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Key Management Personnel

Transactions with Key Management Personnel

Summary on who Key Management Personnel are here...

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, **14** persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	543	399
Allowances	82	78
Rent Allowance	4	8
Total	629	485

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

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	3	5
Total	3	5

Barunga West Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 23. Equity - Retained Earnings and Revaluation Reserves Adjustments

(a). Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective

(i) Adoption of accounting standards other than AASB 15, AASB 1058 and AASB 16

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

(ii) AASB 15 and AASB 1058

The adoption of AASB 15 and AASB 1058 has not materially changed the Statement of Cash flows for the year ended 30 June 2020.

(iii) AASB 16 Leases

Council as a lessee

Council does not have any operating or finance leases.

(c). Changes in Accounting Policies due to Adoption of New Accounting Standards - Retrospective

Council made no changes in accounting policies due to adoption of new accounting standards – retrospective

(d). Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

(e) Changes in accounting estimates

Council made no changes in accounting estimates during the year.



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INDEPENDENT AUDITOR'S REPORT

To the members of the Barunga West Council

Opinion

We have audited the accompanying financial report of the Barunga West Council (the Council), which comprises the statement of financial position as at 30 June 2020, 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 Barunga West Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2020, 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.

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

30 / 11 / 2020

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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INDEPENDENT AUDITOR'S REPORT

To the Members of the Barunga West Council

Independent Assurance report on the Internal Controls of the Barunga West Council

Opinion

We have audited the compliance of the Barunga West Council (the Council) 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 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, the Barunga West Council 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 2019 to 30 June 2020.

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 2019 to 30 June 2020. 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.

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.

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.

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 2019 to 30 June 2020. 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

30 / 11 / 2020

District Council of Barunga West

General Purpose Financial Statements

For the year ended 30 June 2020

Statement by Auditor

I confirm that, for the audit of the financial statements of District Council of Barunga West for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, 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*.

A handwritten signature in blue ink, appearing to read 'Luke Williams', with a long, sweeping flourish extending to the right.

Luke Williams CA, CPA, Registered Company Auditor
Galpins

19 / 11 / 2020

Barunga West Council

General Purpose Financial Statements

for the year ended 30 June 2020

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Barunga West Council for the year ended 30 June 2020, the Council's Auditor, Galpins 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*.

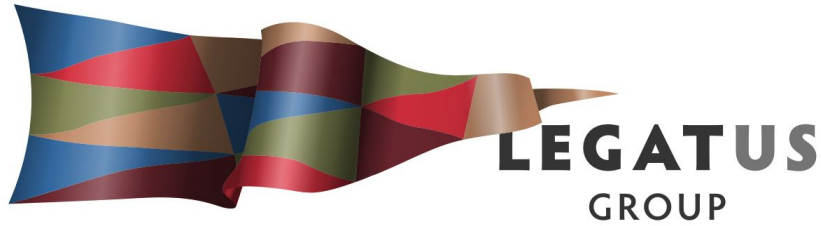


Maree Wauchope
CHIEF EXECUTIVE OFFICER



Emma Hinchey
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 19 November 2020



2019/2020 ANNUAL REPORT

The Legatus Group AGM held on Friday 4 September 2019 adopted the annual report.

The Legatus Group Charter requires that the AGM receive the Legatus Group's Annual Report which may incorporate reports from committees and any representatives reports from other organisations.

2019/2020 ANNUAL REPORT

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

The Legatus Group is a regional subsidiary of:

- Adelaide Plains Council
- Barunga West Council
- Clare & Gilbert Valleys Council
- Copper Coast Council
- District Council of Mount Remarkable
- District Council of Orroroo/Carrieton
- District Council of Peterborough
- Light Regional Council
- Northern Areas Council
- Port Pirie Regional Council
- Regional Council of Goyder
- The Barossa Council
- The Flinders Ranges Council
- Wakefield Regional Council
- Yorke Peninsula Council

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the

Central Local Government Region of South Australia adopted the trading name of Legatus Group to which it is referred. The Legatus Group is established to:

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- undertake projects and activities that benefit the region and its communities
- associate collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Legatus Group is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the group and ensure that they act in accordance with its Charter.

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Legatus Group Board of Management: The Board consists of all principal members (Mayors) of the Constituent Councils which for 2019/2020 were:

Council	Delegate
Adelaide Plains Council	Mayor Mark Wasley
Barunga West Council	Mayor Leonie Kerley
Clare & Gilbert Valleys Council	Mayor Wayne Thomas
Copper Coast Council	Mayor Roslyn Talbot
District Council of Mount Remarkable	Mayor Phillip Heaslip
District Council of Orroroo Carrieton	Mayor Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Denis Clark
Port Pirie Regional Council	Mayor Leon Stephens

Regional Council of Goyder	Mayor Peter Matthey OAM
The Barossa Council	Mayor Bim Lange OAM
The Flinders Ranges Council	Mayor Peter Slattery
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Darren Braund

Office Bearers for 2019/20

Chairman:	Mayor Peter Matthey OAM
Deputy Chairs:	Mayor Kathie Bowman Mayor Bill O'Brien
South Australian Regional Organisation of Councils	Mayor Peter Matthey Mayor Bill O'Brien
Chief Executive Officer:	Mr Simon Millcock
Auditor:	Dean Newbery and Associates

Chairman's Report

It has been my pleasure to serve as Chairman in 2019/20 and take this opportunity to report on some highlights of the past year.

The Legatus Group provides a pivotal role in supporting member councils and advocating state-wide in the areas of Rating Equity for major energy producers, Community Wastewater Management Schemes, regional roads and coastal management. It is also taking a leadership role in the Regional Waste Management Strategy for the South Australian Regional Organisation of Councils (SAROC).

The organisation assisted all member councils in their successful efforts to access the Drought Communities Programme. The commitment by the Legatus Group on issues such as wellbeing, were a contributing factor for the State Government increasing resources to the Family and Business Support program, where two extra positions were made available. The drought continues to have a significant impact to regional SA, and our advocacy around inconsistencies re needs, assistance and funding are continued to be raised as appropriate.

The impacts of COVID-19 have been wide reaching, and I wish to recognise all councils in their efforts to support their communities. The disruptions to local government and Legatus will have an ongoing impact. Future implications are yet to be known, however as an organisation, strategic planning will assist in developing a way forward. As a broader region we escaped the devastating impact of bush fires in the summer of 2020. However, we acknowledge that there were significant impacts on the Yorke Peninsula, where member councils played a pivotal role in supporting communities.

Local government have been operating under the new LGA structure and this has meant a heavy load on our resources, for example, the new Planning and Design Code and consultation on the Local Government Reform Bill.

Announcements made by the state and federal government regarding funding for both the Horrocks and Barrier Highways are yet to result in any tangible results. The Road and Transport Infrastructure Advisory Committee have been active this year, and resulted in the renewed Deficiency Action Plan, a robust assessment of this year's Special Local Roads Program funding applications; and the release of the 2030 Industry Engagement report on the Legatus Group Regional Transport Plan. The Legatus Group 2019 Road and Transport Forum held in early July 2019 represented a very successful outcome by the committee, and future events are planned.

The region has been proactive in supporting the challenges and changing environment through the management of the Sector Agreement for the Climate Change Adaptation Plan, the release of a second report on a Regional Sustainability Hub, and the commencement of the Sustainability Hub Concept Plan (a Legatus Group funded project). The Legatus Group also managed the Yorke Mid North Coastal Management Action Plan which was released in early 2020 and have commenced (through funding from the Landscape Board) the implementation of the plan. In line with these initiatives the Legatus Group delivered a Regional Climate Ready webinar series throughout June due to COVID-19 restrictions.

We continue to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards. Legatus Group was to have hosted the Yorke Regional Planning Forum in Clare, (impacted by COVID-19) a series of successful webinars took its place.

Legatus Group CEO committed large amounts of time to the development of the Conference and Forum and Mr Simon Millcock demonstrated immeasurable flexibility in changing these events to webinars at short notice. These events are available on our website as a result and provide a great resource. I also note with positivity his efforts to support regional councils through his role with the Functional Support Group re Waste and as the Chair of the Regional LGA Executive Officers Forum. On these collaborations, and his input, I again commend his work.

Collaborations have continued with regional organisations through the delivery of the Creative Industries report, Visitor Information Services report and Youth into Volunteering report. The collaboration and establishment of MoUs and partnerships with South Australian Universities, the City of Prospect and the Smarter Regions CRC are fruitful associations with long term benefit. The board through its CEO continues to position the Legatus Group as a proactive force in the region for engagement with all tiers of government. These advocacy and collaborative activities have enabled the securing of valuable and cost-effective research in areas that are of significance to local government, stakeholders and community.

The Audit and Risk Management Group Committee have ensured that the work plan has assisted us in improving our governance, and recommendations around variations to our policies and charter.

There has been valuable feedback gained from the Legatus Group Management Group meetings and information sharing opportunities by and for the CEO group. I note with interest their involvement with the Planning Commission and the ongoing discussions on Local Government Risk.

The Community Wastewater Management Advisory Committee assisted in the extension of the Joint CWMS program, staging of a successful SA conference and overseeing the release of the regional sludge viability report. Their continued work on issues around training and reduction in red tape is to be commended.

Whilst still in its infancy the Legatus Group Visitor Information Services Advisory Committee, are a great support via recent webinar, on the reopening of tourism in our region.

It has been pleasing to see the continued dialogue with the six State Government Members of Parliament, and our Federal Member. We are particularly enthused by their attendance at our board meetings.

In closing I would like to thank everyone who has taken a proactive role in progressing the strategic initiatives of the region. I thank Mayors Bill O'Brien (and also in his role on SAROC) and Kathie Bowman for your roles as Deputy Chairs.

Feedback tells that the reports prepared by Legatus Group CEO are progressed to the South Australian Regional Organisation of Councils (SAROC), and to other stakeholders and partners in all tiers of government. The organisation strives to continue to provide and improve upon strong partnerships and a collaborative approach, with our other regional local government associations, stakeholders and tiers of government. These activities are coordinated and managed by our CEO Mr Simon Millcock. I wish to thank him for his committed, dedicated and consistent approach in the development and delivery of the of the goals and directions of the board.

I would like to acknowledge all the Board members and those who have committed time to the Advisory Committees in what has been a tumultuous year. Your valuable service to the communities and the region continues to provide much needed leadership into the future.

Mayor Peter Matthey OAM
Chairman Legatus Group

CEO Report

In 2019-2020 the Legatus Group undertook a series of research papers and completed or commenced projects associated with the Legatus Groups Strategic and Business Plans, Yorke Mid North Regional Plan, Regional Climate Change Sector Agreement and the SAROC Strategic and Business Plans. The effort this year was to identify key projects in these plans and ensure that engagement and data were to be the drivers for ongoing programs. This was designed to increase the level of interest from other possible partners and to secure increased funding for the region by ensuring alignment with grant programs.

There was a significant increase in interest in partnering with the Legatus Group which has seen the Legatus Group become one of only 2 South Australian Showcase regions for both the Smarter Regions Cooperative Research Centre submission and for the Hub and Spoke Regional Innovation Hub project. Coupled with the Legatus Group support has been securing for the region the 2020 Parks and Leisure SA/NT and Mainstreet SA Conferences.

This year included a number of successful grant applications which have been acquitted or reporting on accordingly with \$550,340 (75%) of the Legatus Group's income coming from outside membership fees. This has placed the Legatus Group in a solid financial position which is reflected in the forthcoming 2020 – 2021 business plan and budget.

This year saw my attendance and deliver of the agendas, minutes and reports to over 30 Legatus Group Board / Committee, Yorke Mid North Alliance and SAROC meetings whilst managing the delivery of several regional forums, workshops and webinars. Administration responsibilities included the added roles of Chairing the Regional LGA Executive Officers, Secretariat to the Murray Darling Association Region 8 and a member of LGA Functional Support Groups associated with COVID-19 reference groups.

There were a series of forums and workshops including the 2019 Legatus Group Road and Transport Forum (plus a further information session on the progress of Major Road works by DPTI) and the 2019 SA Community Wastewater Management Conference. These provided a valuable opportunity for increased knowledge for both Elected Members and Operational Staff for member councils.

In response to COVID-19 there was a digital preparedness webinar which included topics such as cyber security and a Tourism Recovery webinar. Both were developed specifically for the Legatus Group councils recognising the competing demands on operational staff and programs being run by the LGA and others.

Due to COVID-19 restrictions the planned Yorke Mid North Forum and SA Climate Ready Conference were cancelled after the planning had been completed. In their place were the successful 7 week series of webinars which included 23 presenters and over 250 people registered. These are a great resource for councils and can be found at: <https://legatus.sa.gov.au/regional-learnings/>

The Drought played a significant role with input into the Future Drought Fund Consultative Committee and efforts to develop and identify a strategic approach to funding opportunities for the region. A working group was established and the delivery of a gap analysis on emerging themes for drought response and climate change resilience report <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Drought-resilient-region-Gap-analysis-and-emerging-themes-report-v2.pdf> was completed. This is being used to position Legatus Group projects such as the Smart Irrigation for Public Spaces, Stormwater Harvesting and Reuse of Wastewater along with support for Wellbeing projects at a broader strategic level.

Whilst unsuccessful for funding of one of the two regional wellbeing officer roles via the LGA the Legatus Group was successful in securing a Local Government Information Linkages and Capacity Building Program for an Inclusive and Accessible Tourism Experiences for the Yorke Peninsula project for 20/21.

Support has been provided to the Legatus Management Group for key presenters at their meetings and their dialogue around Local Government Risk Management and changes to Planning.

Partnerships have been strengthened in the year with regional and state-based State Govt agencies including: SA Water, DIPT, PIRSA, DIS and DHS. This has led to new programs and forums / workshops being held and or supported for our region. Further work is required in the health sector and offers to assist continue.

The following is a list of 2019/2020 Legatus Group reports and projects:

1. Rating Equity report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/03/Rating-Equity-Impact-Assessment-Final-Report-03Feb20.pdf> Note that the Legatus Group supports the approach by SAROC seeking a commitment from the State Government in working with local government on amendments to rating policy with regards to electricity generators.
2. Visitor Information Services report (completed and formation of advisory group) <https://legatus.sa.gov.au/wp-content/uploads/2019/08/Legatus-Group-Tourism-Visitor-Information-Services-Report-July-2019-Final.pdf>
3. Regional Transport Industry Engagement report (complete) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Industry-Engagement-Document-.pdf>
4. Regional Sludge viability report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2019/08/Final-Report-Draft-Legatus-Group-Sludge-Viability-Project-.pdf>
5. Local Roads updated deficiency report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Regional-Transport-Plan-Road-Deficiency-Action-Plans-Apr-20-endorsed.pdf>

6. Coastal Management Action Plan (completed and implementation project commenced) https://landscape.sa.gov.au/files/sharedassets/northern_and_yorke/coast_and_marine/ny_coastactionplan_final_050520.pdf
7. Creative Industries report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Final-Creative-Industries-Report-April-2020.pdf>
8. Youth in Music (commenced) <https://legatus.sa.gov.au/yim/>
9. Youth into Volunteering (report completed and projects commenced) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Final-Report-Youth-Volunteering-20-April-2020.pdf>
10. Brighter Futures – Project completed in Yongala, Mundoora, Balaklava, Crystal Brook and Jamestown and commenced with Orreroo Carrieton and Flinders Ranges.
11. CWMS (ongoing) with significant communication with CWMS staff, at the annual conference and in a series of communications sessions. The work has grown to have a state-wide scope and involves close collaboration with the LGA CWMS Manager. The work has focused on addressing the training needs, including for regulatory compliance; developing applications of new technology to equipment monitoring (in cooperation with UniSA); undertaking research into equipment selection and design criteria for new Schemes; and, advancing the concept of a biosolids composting plant to deal with CWMS sludge. More generally, the work is addressing the broader strategic aim of enhancing the governance of CWMS.
12. SA Regional Waste Management Strategy (commenced)
13. MoU and Strategic Research Action Plan established with University of SA and MoU established with the University of Adelaide
14. Reconciliation Action Research project (commenced)
15. Pit and Quarry Management report to SAROC (completed)
16. Restricted Access Vehicle Route Assessment Tool (completed and progressed to SAROC)

Benefits to constituent councils:

- Identify training needs for the Legatus Region Constituent Councils.
- Regional collaboration and priority setting and sharing of knowledge and resources in the areas outlined above.
- Delivery of regional strategic and business plans and annual work plans.
- Operate Legatus Group in accordance with legislative requirements and board policies and procedures.
- Well regarded by members and stakeholders as valid and relevant through regional collaboration and undertaking or supporting actions on identified priorities.
- Identify regional priorities through collaboration with members and stakeholders and develop agreed actions and/or support.
- Advocate with a single and united voice and in partnership with other Regional LGA's.
- Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

Benefits across the local government sector:

- Assistance with coordinating workshops and consultation sessions and improved regional delivery of LGA services.
- Identified and aided with regional and longer-term outcomes for Constituent Councils.
- Facilitates stronger regional collaboration on projects and areas for sharing of knowledge and services.
- Being able to undertake research projects on the needs specific to regional councils.

Observation:

This has been an extremely difficult year for all sectors of the community which is replicated in the local government sector. Working in isolation with increased workloads has been compounded with increased levels of anxiety and, as organisations we need to ensure the wellbeing occurs internally as well as with the support being provided to our communities.

The focus on securing data to assist in decision making and to assist with raising policy issues has seen continued constructive dialogue with Constituent Councils, Members of Parliament, Ministers, the Local Government Association SA, public servants and other regional stakeholders. The platform is in place to now expand on these reports and projects via tangible and constructive programs.

Simon Millcock
CEO Legatus Group

The Legatus Group Audit and Risk Committee summary of activities undertaken, and recommendations made during 2019-2020. The committee met on 4 occasions during 2019-2020 with the following attendance.

Date	No of Members Attending
22 Aug 2019	4
1 Nov 2019	3
13 March 2020	3
22 May 2020	4

Committee Member	No of Meetings Attended
Chairman Kathie Bowman	4
Mayor Denis Clark	2
Peter Ackland	4
Colin Byles	3
Ian McDonald	4

The following table sets out the principal issues addressed by the Committee for 2019-20 year.

Principal Issues Examined	Recommendations to Board
Financial Report	No issues, unqualified audit, adopted for the 18/19 financial year.
Review of budget against actuals	Noted no issues and supported the allocation of the expenditure identified of carry over reserves and accumulated surplus for 20/21 business plan and budget.

Review of work plan, internal controls	Work planned maintained and review undertaken of policies including 3 new policies (1) Working from Home (2) Agenda items and Meeting Presentations (3) Board Members Code of Conduct being adopted
Charter	Variations to charter supported re the 5.1 budget via report on ways to assist with streamlining the current charter and the process for seeking approval of the budget and its reviews.
Business, Budget and Strategic Plan	Noted the development of the 2019-2020 business plan and budget and recommended streamlining of the presentation of current budget when reviewed.
Membership	Recommendations to Board re membership of Audit Committee
Equity / reserves	Recommendations to Board on levels to be held

Chairman Kathy Bowman

Chairman Legatus Group Audit and Risk Management Committee

Financial Statement

The financial statement for the year ending 30 June 2019 was presented at the 4 September 2020 Legatus Group AGM. The Legatus Group Charter requires that the AGM receive the audited financial statement for the preceding financial year.

The 2019/2020 Legatus Group audited annual financial report was undertaken by Dean Newberry and Partners. This report was prepared by Mr Sean Cheriton The Flinders Ranges Council Acting Finance and Administration Manager and was an agenda item at the Legatus Group Audit and Risk Committee meeting held on 21 August 2020. This meeting endorsed the Legatus Group annual financial statement for the year ending 30 June 2019 as presenting a fair view of the state of the financial affairs of the Legatus Group and that the board adopt the annual financial statement. The meeting also recommended that the Legatus Group retain Dean Newberry and Partners as Auditors for the year end 30 June 2021.

The reports and statements form part of the Legatus Group Annual Report and will be distributed to Constituent Councils for inclusion with their own annual reporting requirements.

The regulations also require that on an annual basis, the Chief Executive Officer of each Constituent Council, the Legatus Group Chair and the Chair of the Audit Committee provide a statement of certification that the auditor is independent of the subsidiary. This has been completed.

CENTRAL LOCAL GOVERNMENT
REGION of SA
trading as



Annual Financial
Statements

For the financial year

1 July 2019 – 30 June 2020

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2020

TABLE OF CONTENTS

	<u>Page</u>
Group Certificate	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	8
Note 2 - Income	11
Note 3 - Expenses	12
Note 4 - Asset Disposal & Fair Value Adjustments	13
Note 5 - Current Assets	13
Note 6 - Plant & Equipment	14
Note 7 - Liabilities	15
Note 8 - Reserves	15
Note 9 - Reconciliation of Cash Flow Statement	16
Note 10 - Functions	16
Note 11 - Financial Instruments	17
Note 12 - Financial Indicators	18
Note 13 - Uniform Presentation of Finances	19
Note 14 - Related Party Disclosures	20
Note 15 - Contingencies & Assets & Liabilities Not Recognised	21
Note 16 - Events Occurring After Reporting Date	21
Audit Report - Financial Statements	
Audit Report - Internal Controls	
Group Certificate of Audit Independence	
Audit Certificate of Audit Independence	

LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Group 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 Group's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.

.....
Simon Francis MILLCOCK
CHIEF EXECUTIVE OFFICER

.....
Mayor Samuel Peter MATTEY
PRESIDENT

Date:

LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
INCOME			
Grants, subsidies and contributions	2	485,336	509,232
Investment income	2	10,845	16,573
Reimbursements	2	37,787	37,664
Other income	2	193,397	169,431
Total Income		<u>727,366</u>	<u>732,899</u>
EXPENSES			
Employee costs	3	221,194	191,317
Materials, contracts & other expenses	3	273,479	355,899
Depreciation, amortisation & impairment	3	5,695	6,311
Total Expenses		<u>500,368</u>	<u>553,527</u>
OPERATING SURPLUS / (DEFICIT)		226,998	179,372
Asset disposal & fair value adjustments	4	<u>(3,690)</u>	-
NET SURPLUS / (DEFICIT)		223,308	179,372
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		<u>223,308</u>	<u>179,372</u>

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,258,006	972,087
Trade & other receivables	5	<u>93,845</u>	<u>69,801</u>
Total Current Assets		<u>1,351,851</u>	<u>1,041,888</u>
Non-current Assets			
Infrastructure, property, plant & equipment	6	<u>24,850</u>	<u>11,177</u>
Total Non-current Assets		<u>24,850</u>	<u>11,177</u>
Total Assets		<u>1,376,701</u>	<u>1,053,065</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	7	135,189	46,729
Provisions	7	<u>10,314</u>	<u>2,568</u>
Total Current Liabilities		<u>145,503</u>	<u>49,297</u>
Non-current Liabilities			
Provisions	7	<u>7,069</u>	<u>2,947</u>
Total Non-current Liabilities		<u>7,069</u>	<u>2,947</u>
Total Liabilities		<u>152,572</u>	<u>52,244</u>
NET ASSETS		<u>1,224,129</u>	<u>1,000,821</u>
EQUITY			
Accumulated Surplus		704,359	166,358
Other Reserves	8	<u>519,770</u>	<u>834,463</u>
TOTAL EQUITY		<u>1,224,129</u>	<u>1,000,821</u>

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

LEGATUS GROUP

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2020

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2020	Notes	\$	\$	\$
Balance at end of previous reporting period		166,358	834,463	1,000,821
Net Surplus / (Deficit) for Year		223,308	-	223,308
Other Comprehensive Income				
Transfers between reserves	8	314,693	(314,693)	-
Balance at end of period		704,359	519,770	1,224,129
2019				
Balance at end of previous reporting period		55,336	766,113	821,449
Net Surplus / (Deficit) for Year		179,372	-	179,372
Other Comprehensive Income				
Transfers between reserves	8	(68,350)	68,350	-
Balance at end of period		166,358	834,463	1,000,821

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

LEGATUS GROUP

STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

		2020	2019
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		11,352	18,714
Grants utilised for operating purposes		561,336	454,232
Reimbursements		37,787	37,664
Other revenues		193,398	161,248
<u>Payments</u>			
Employee costs		(210,531)	(186,562)
Materials, contracts & other expenses		(284,365)	(322,084)
Net Cash provided by (or used in) Operating Activities	9	308,977	163,211
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		5,909	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(28,967)	-
Net Cash provided by (or used in) Investing Activities		(23,058)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
		-	-
<u>Payments</u>			
		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		285,919	163,211
Cash & cash equivalents at beginning of period	9	972,087	808,876
Cash & cash equivalents at end of period	9	1,258,006	972,087

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of Preparation

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

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

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

All amounts in the financial statements have been rounded to the nearest dollar (\$).

1.1 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.2 The Local Government Reporting Entity

The Legatus Group ("the Group") is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

- | | |
|--------------------------------------|--|
| 1. The Barossa Council | 2. District Council of Mount Remarkable |
| 3. Barunga West Council | 4. Northern Areas Council |
| 5. Clare and Gilbert Valleys Council | 6. District Council of Orroroo/Carrieton |
| 7. Copper Coast Council | 8. District Council of Peterborough |
| 9. The Flinders Ranges Council | 10. Port Pirie Regional Council |
| 11. Regional Council of Goyder | 12. Wakefield Regional Council |
| 13. Light Regional Council | 14. Yorke Peninsula Council, and |
| 15. Adelaide Plains Council. | |

All funds received and expended by the Group have been included in the Financial Statements forming part of this Financial Report.

1.3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Group obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Group's operations for the current reporting period.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Group'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 generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 11.

1.5 Property, Plant & Equipment

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Group 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 as follows:

Office Furniture & Equipment	\$5,000
Motor Vehicles, Other Plant & Equipment	\$5,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Group, 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 below.

Office Furniture & Equipment	5 to 10 years
Motor Vehicles, Other Plant & Equipment	3 to 5 years

1.6 Payables

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.

Amounts received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

1.7 Employee Benefits

Salaries, Wages & Compensated Absences

The Group has two employees as at the 30th June 2020, a Chief Executive Officer and a Project Officer. 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.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

No accrual is made for sick leave as the Group's 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. The Group does not make payment for untaken sick leave.

1.8 Superannuation

The Group contributes the statutory 9.5% SGC superannuation to the nominated superannuation funds for the Chief Executive Officer and Project Officer.

1.9 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.

1.10 Leases

In the current year, the Group performed an assessment of the potential impact of AASB 16 *Leases*. The Group is only engaged in a short-term lease as per Section 5 of AASB 16 and therefore the lease is recognised as an operating expense on a straight-line basis over the term of the lease.

1.11 New Accounting Standards

In the current year, the Group adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies.

The Group has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2020 reporting period and have not been used in preparing these reports.

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

AASB 17 Insurance Contracts

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

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

1.12 Economic Dependencies

The Group is aware of its current dependence on Grants Revenue received from the Commonwealth Government, State Government and the Local Government Association for the ongoing operations of the Group. Should the Group not secure funding or a significantly reduced level of funding in future years, it may impact on the ability of the Group to continue operating as a going concern.

1.13 Disclaimer

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 2 - INCOME

	2020	2019
	\$	\$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	10,807	16,507
Banks	39	65
	<u>10,845</u>	<u>16,573</u>
REIMBURSEMENTS		
- for Legal, Climate Change, USGRPG	<u>37,787</u>	<u>37,664</u>
	<u>37,787</u>	<u>37,664</u>
OTHER INCOME		
Council Contributions	177,025	165,225
Sundry	16,372	4,206
	<u>193,397</u>	<u>169,431</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Sundry	<u>485,336</u>	<u>509,232</u>
	<u>485,336</u>	<u>509,232</u>
Sources of grants		
Commonwealth government	17,000	-
State government	70,500	115,000
LGA	397,836	394,232
	<u>485,336</u>	<u>509,232</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 3 - EXPENSES

	2020	2019
	\$	\$
EMPLOYEE COSTS		
Salaries and Wages	166,435	141,645
Employee leave expense	27,745	23,815
Superannuation	17,828	15,217
Workers' Compensation Insurance	2,087	1,333
Professional Development	400	664
FBT	6,699	8,644
Total Operating Employee Costs	221,194	191,317
Total Number of Employees	1.5	1.3
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,100	2,000
Subtotal - Prescribed Expenses	<u>2,100</u>	<u>2,000</u>
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	210,349	303,167
Legal Expenses	-	-
Unleaded Fuel	3,003	4,734
Other Motor Vehicle Costs	362	3,540
Members Allowances & Support	5,500	4,600
Meetings & Conferences	14,517	6,937
Insurance	7,934	7,735
Rental - Premises	10,126	9,009
Advertising	28	1,650
Accommodation	1,022	768
Airfares	338	-
Travel - Reimbursement	834	425
Catering & Meals	3,293	1,040
Telephone & Internet	3,432	4,894
Postage/Stationery/IT	3,792	3,575
Sundry	6,849	1,826
Subtotal - Other Materials, Contracts & Expenses	<u>271,379</u>	<u>353,899</u>
	273,479	355,899
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	5,695	6,311
	<u>5,695</u>	<u>6,311</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2020	2019
	\$	\$
PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	5,909	-
Less: Carrying amount of assets sold	<u>9,599</u>	<u>-</u>
Gain (Loss) on disposal	<u>(3,690)</u>	<u>-</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(3,690)</u>	<u>-</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS		
Cash at Bank	77,756	78,151
Deposits at Call	<u>1,180,250</u>	<u>893,936</u>
	<u>1,258,006</u>	<u>972,087</u>
TRADE & OTHER RECEIVABLES		
Accrued Revenues	436	944
Debtors - General	93,409	55,000
GST Recoupment	<u>-</u>	<u>13,857</u>
	<u>93,845</u>	<u>69,801</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 6 - PLANT & EQUIPMENT

	Fair Value Level	2019 \$				2020 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Motor Vehicles		-	33,353	(22,176)	11,177	-	28,967	(4,117)	24,850
Computers & Software		-	3,948	(3,948)	-	-	3,948	(3,948)	-
TOTAL PLANT & EQUIPMENT		-	37,301	(26,124)	11,177	-	32,915	(8,065)	24,850
<i>Comparatives</i>		-	37,301	(19,813)	17,488	-	37,301	(26,124)	11,177

	2019	CARRYING AMOUNT MOVEMENTS DURING YEAR							2020	
	\$	\$							\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Motor Vehicles	11,177	-	28,967	(9,599)	(5,695)	-	-	-	-	24,850
Computers & Software	-	-	-	-	-	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	11,177	-	28,967	(9,599)	(5,695)	-	-	-	-	24,850
<i>Comparatives</i>	<i>17,488</i>	-	-	-	<i>(6,311)</i>	-	-	-	-	<i>11,177</i>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 7 - LIABILITIES

	2020		2019	
	\$		\$	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	2,143	-	24,196	-
Payments received in advance	110,500	-	-	-
Accrued expenses - employee entitlements	5,890	-	6,637	-
GST & PAYG	16,656	-	15,896	-
	<u>135,189</u>	<u>-</u>	<u>46,729</u>	<u>-</u>
PROVISIONS				
Employee entitlements - Annual Leave	10,314	-	2,568	-
Employee entitlements - Long Service Leave	-	7,069	-	2,947
	<u>10,314</u>	<u>7,069</u>	<u>2,568</u>	<u>2,947</u>

Note 8 - RESERVES

OTHER RESERVES	1/7/2019	Transfers to Reserve	Transfers from Reserve	30/6/2020
General Reserve	66,093	466,677	(263,000)	269,770
Rubble Royalties Projects	-	250,000	-	250,000
1 A009-Special Projects	9,825	-	(9,825)	-
2 P003-Waste Management	16,273	-	(16,273)	-
3 P022-Roads & Transport	46,087	377,570	(423,657)	-
4 P024-Climate Change Co-Ordinator 2015-17	11,694	-	(11,694)	-
5 P025-LG Outreach Phase 2	132,922	-	(132,922)	-
6 P027-LG Reform - Incentive Risk	144,000	-	(144,000)	-
7 P028-Regional Capacity Building	407,569	-	(407,569)	-
TOTAL OTHER RESERVES	<u>834,463</u>	<u>1,094,247</u>	<u>(1,408,940)</u>	<u>519,770</u>
Comparatives	<u>766,113</u>	<u>75,000</u>	<u>(6,650)</u>	<u>834,463</u>

PURPOSES OF RESERVES

(Other Reserves)

Rubble Royalties / Projects Reserve

This reserve was established from the Region's rubble royalty payments, with a percentage returned for allocation towards projects that provide a benefit to Member Councils

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2020 \$	2019 \$
Total cash & equivalent assets	5	<u>1,258,006</u>	<u>972,087</u>
Balances per Cash Flow Statement		<u>1,258,006</u>	<u>972,087</u>

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

Net Surplus (Deficit)		223,308	179,372
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		5,695	6,311
Net increase (decrease) in unpaid employee benefits		10,663	4,755
Net (Gain) Loss on Disposals		3,690	-
		<u>243,356</u>	<u>190,438</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(33,993)	33,815
Net increase (decrease) in trade & other payables		(10,886)	(61,042)
Net increase (decrease) in other liabilities		110,500	-
Net Cash provided by (or used in) operations		<u>308,977</u>	<u>163,211</u>

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

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

1,000

-

Note 10 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 Corporate Function
- 2 P003 - Regional Waste Management
- 3 P015-Local Government Reform
- 4 P022-Roads & Transport
- 5 P024-Climate Change Co-Ordinator
- 6 P027-LG Reform - Incentive Risk
- 7 P028-Regional Capacity Building
- 8 P029 - LGA R&D Projects
- 9 P030 - Emerging Leaders Project
- 10 P031 - Digital Maturity Index Project
- 11 P032 - Sustainability Hub
- 12 P033 - Coastal Strategic Priorities
- 13 P034 - N&Y Coastal Management Action Plan
- 14 P037 - Creative Industries Project
- 15 P038 - Regional Waste Strategy

Income and expenses have been attributed to the functions/activities throughout the financial year.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 11 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 0.45% as at 30 June 2020</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Trade & other debtors	<p>Accounting Policy: Carried at nominal value.</p> <p>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.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

2020	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	1,258,006	-	-	1,258,006	1,258,006
Receivables	93,845	-	-	93,845	93,845
Total	1,351,851	-	-	1,351,851	1,351,851
Financial Liabilities					
Payables	129,299	-	-	129,299	129,299
Total	129,299	-	-	129,299	129,299
2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	972,087	-	-	972,087	972,087
Receivables	69,801	-	-	69,801	69,801
Total	1,041,888	-	-	1,041,888	1,041,888
Financial Liabilities					
Payables	24,196	-	-	24,196	24,196
Total	24,196	-	-	24,196	24,196

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 Group.

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 Group is the carrying amount, net of any allowance for doubtful debts. All Group 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 Group'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 the Group'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 the Group 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.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 12 - FINANCIAL INDICATORS

	2020	2019	2018
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

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

Operating Surplus Ratio

<u>Operating Surplus</u>	31.2%	24.5%	18.8%
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(165%)	(135%)	(143%)
Total Operating Income			

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

Asset Renewal Funding Ratio

<u>Net Asset Renewals</u>	305%	0%	0%
Depreciation Expenditure			

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Group 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

	2020 \$	2019 \$
Income	727,366	732,899
Expenses	<u>(500,368)</u>	<u>(553,527)</u>
Operating Surplus / (Deficit)	226,998	179,372
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(28,967)	-
Add back Depreciation, Amortisation and Impairment	5,695	6,311
Proceeds from Sale of Replaced Assets	<u>5,909</u>	<u>-</u>
	(17,363)	6,311
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	-	-
Amounts received spec. for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net Lending / (Borrowing) for Financial Year	<u>209,635</u>	<u>185,683</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 14 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 2 persons were paid the following total compensation:

	2020 \$	2019 \$
Salaries, allowances & other short term benefits	194,180	165,460
Member Allowance	5,500	4,600
Post-employment benefits	17,828	15,217
FBT	6,699	8,644
TOTAL	224,208	193,921

The Group received the following amounts in total:

	2020 \$	2019 \$
Contributions for fringe benefits tax purposes	-	-
TOTAL	-	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

During the reporting period, no Key Management Personnel or parties related to them had any transactions on more favourable terms than those available to the general public.

OTHER RELATED PARTIES

Amounts received from Related Parties during the financial year and owed by Related Parties at the end of the financial year.	Received 2020 \$	Outstanding 2020 \$
The Barossa Council	11,135	-
Barunga West Council	12,635	1,500
Clare and Gilbert Valleys Council	11,135	-
Copper Coast Council	12,635	1,500
The Flinders Ranges Council	16,135	-
Regional Council of Goyder	11,135	-
Light Regional Council	11,135	-
Adelaide Plains Council	11,135	-
District Council of Mount Remarkable	11,135	-
Northern Areas Council	11,135	-
District Council of Orroroo / Carrieton	16,135	-
District Council of Peterborough	11,135	-
Port Pirie Regional Council	11,135	-
Wakefield Regional Council	11,135	-
Yorke Peninsula Council	12,635	1,500
TOTAL	181,525	4,500

Description of Services provided to all Related Parties above:

The Legatus Group is the peak regional local government organisation that is focused on the interests of its communities. The Legatus Group's primary purpose focuses on the wealth, wellbeing and social cohesion of these communities via a sustainable approach of productive landscapes and natural environment. Its focus is on the key roles of local government.

The Group has Five Primary Goals and numerous strategies to achieve these are outlined in the Group's Strategic Plan 2018-2028 which is available on the Group's website.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 15 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

There are no contingencies, assets or liabilities not recognised in the financial statements for the year ended 30 June 2020.

Note 16 - EVENTS OCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2020 that need to be disclosed in the financial statements.

LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Legatus Group for the year ended 30 June 2020, the Council's Auditor, Dean Newbery & Partners, 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*.

.....
CHIEF EXECUTIVE OFFICER
The Barossa Council

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CHIEF EXECUTIVE OFFICER
District Council of Barunga West

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CHIEF EXECUTIVE OFFICER
Clare & Gilbert Valleys Council

.....
CHIEF EXECUTIVE OFFICER
District Council of the Copper Coast

.....
CHIEF EXECUTIVE OFFICER
The Flinders Ranges Council

.....
CHIEF EXECUTIVE OFFICER
Regional Council of Goyder

.....
CHIEF EXECUTIVE OFFICER
Light Regional Council

.....
CHIEF EXECUTIVE OFFICER
Adelaide Plains Council

.....
CHIEF EXECUTIVE OFFICER
District Council of Mount Remarkable

.....
CHIEF EXECUTIVE OFFICER
Northern Areas Council

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CHIEF EXECUTIVE OFFICER
Port Pirie Regional Council

.....
CHIEF EXECUTIVE OFFICER
District Council of Orroroo Carrieton

.....
CHIEF EXECUTIVE OFFICER
York Peninsula Council

.....
CHIEF EXECUTIVE OFFICER
District Council of Peterborough

.....
CHIEF EXECUTIVE OFFICER
Wakefield Regional Council

.....
CHAIRMAN
Legatus Group
Board of Management

Date:

LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of the Legatus Group for the year ended 30 June 2020, 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*.

John Jovicevic

Partner

Dean Newbery & Partners

Dated this day of 2020