

Regional Council of Goyder



Annual Financial Statements

For the financial year

July 1st 2019 – June 30th 2020

Regional Council of Goyder

General Purpose Financial Reports

for the year ended 30 June 2020

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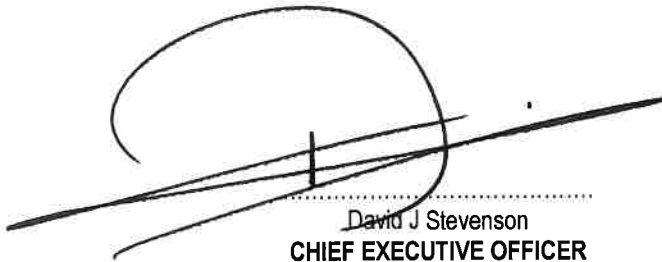
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**Regional Council of Goyder
Annual Financial Statements
for the year ended 30 June 2020**

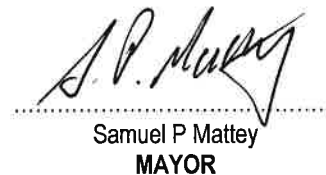
CERTIFICATION OF FINANCIAL STATEMENTS

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.



David J Stevenson
CHIEF EXECUTIVE OFFICER



Samuel P Matthey
MAYOR

Date: 15 September 2020.

Regional Council of Goyder
Statement of Comprehensive Income
for the year ended 30 June 2020

		2020	2019
	Notes	\$	\$
INCOME			
Rates	2	5,805,698	5,764,536
Statutory charges	2	104,409	102,627
User charges	2	816,013	1,005,390
Grants, subsidies and contributions	2	4,550,178	5,307,584
Investment income	2	130,392	133,891
Reimbursements	2	727,607	732,135
Other income	2	248,128	247,771
Total Income		12,382,425	13,293,934
EXPENSES			
Employee costs	3	3,145,720	3,157,963
Materials, contracts & other expenses	3	5,124,377	4,775,720
Depreciation, amortisation & impairment	3	4,121,167	4,136,085
Finance costs	3	52,328	71,236
Total Expenses		12,443,592	12,141,004
OPERATING SURPLUS / (DEFICIT)		(61,167)	1,152,930
Asset disposal & fair value adjustments	4	(449,839)	85,117
Amounts received specifically for new or upgraded assets	2	1,376,144	1,226,785
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		865,138	2,464,832
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	962,162
Total Other Comprehensive Income		-	962,162
TOTAL COMPREHENSIVE INCOME		865,138	3,426,994

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

Regional Council of Goyder
Statement of Financial Position
as at 30 June 2020

		2020	2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	7,678,834	7,360,919
Trade & other receivables	5	2,573,167	1,968,046
Inventories	5	764,505	607,351
Total Current Assets		11,016,506	9,936,316
Non-current Assets			
Financial assets	6	44,416	69,006
Infrastructure, property, plant & equipment	7	96,266,912	95,374,454
Other non-current assets	6	2,456,542	1,986,396
Total Non-current Assets		98,767,870	97,429,856
Total Assets		109,784,376	107,366,172
LIABILITIES			
Current Liabilities			
Trade & other payables	8	2,837,229	1,151,057
Borrowings	8	265,871	190,760
Provisions	8	563,079	560,983
Total Current Liabilities		3,666,179	1,902,800
Non-current Liabilities			
Borrowings	8	963,255	1,230,576
Provisions	8	165,697	108,689
Total Non-current Liabilities		1,128,952	1,339,265
Total Liabilities		4,795,131	3,242,065
NET ASSETS		104,989,245	104,124,107
EQUITY			
Accumulated Surplus		21,542,958	19,702,979
Asset Revaluation Reserves	9	82,518,347	82,518,347
Other Reserves	9	927,940	1,902,781
TOTAL EQUITY		104,989,245	104,124,107

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

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

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
2020	Notes	\$	\$	\$	\$
Balance at end of previous reporting period		19,702,979	82,518,347	1,902,781	104,124,107
Net Surplus / (Deficit) for Year		865,138	-	-	865,138
Other Comprehensive Income					
Transfers between reserves		974,841	-	(974,841)	-
Balance at end of period	9	21,542,958	82,518,347	927,940	104,989,245

2019	Notes	\$	\$	\$	\$
Balance at end of previous reporting period		17,527,823	81,556,185	1,613,105	100,697,113
Net Surplus / (Deficit) for Year		2,464,832	-	-	2,464,832
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	962,162	-	962,162
Transfers between reserves		(289,676)	-	289,676	-
Balance at end of period	9	19,702,979	82,518,347	1,902,781	104,124,107

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

Regional Council of Goyder
Statement of Cash Flows
for the year ended 30 June 2020

		2020	2019
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Rates - general & other		5,906,820	5,733,733
Fees & other charges		104,409	110,780
User charges		897,479	1,119,335
Investment receipts		138,548	101,225
Grants utilised for operating purposes		3,700,438	5,403,121
Reimbursements		1,145,525	630,428
Other revenues		2,476,411	1,380,342
<i>Payments:</i>			
Employee costs		(3,073,328)	(3,172,524)
Materials, contracts & other expenses		(6,406,280)	(6,070,910)
Finance payments		(65,784)	(71,236)
Net Cash provided by (or used in) Operating Activities		<u>4,824,238</u>	<u>5,164,294</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		1,376,144	1,226,785
Sale of replaced assets		46,636	210,853
Repayments of loans by community groups		17,754	11,394
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(4,630,305)	(5,360,796)
Expenditure on new/upgraded assets		(1,124,342)	(417,255)
Net Cash provided by (or used in) Investing Activities		<u>(4,314,113)</u>	<u>(4,329,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Payments:</i>			
Repayments of borrowings		(192,210)	(190,610)
Net Cash provided by (or used in) Financing Activities		<u>(192,210)</u>	<u>(190,610)</u>
Net Increase (Decrease) in cash held		317,915	644,665
Cash & cash equivalents at beginning of period	11	7,360,919	6,716,254
Cash & cash equivalents at end of period	11	<u>7,678,834</u>	<u>7,360,919</u>

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

Regional Council of Goyder

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

1.1 Compliance with Australian Accounting Standards

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

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

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 this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Regional Council of Goyder is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1 Market Square, Burra SA. 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

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

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

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

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

	Cash Payment Received	Annual Allocation	Difference	
2016-17	\$5,010,578	\$3,309,047	+	\$1,701,531
2017-18	\$3,668,654	\$3,624,472	+	\$44,182
2018-19	\$4,245,553	\$3,699,628	+	\$545,905
2019-20	\$3,393,895	\$3,304,507	+	\$89,388

Regional Council of Goyder
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

3.1 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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.

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form 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.

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

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

6.2 Initial Recognition

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

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

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

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

6.5 Depreciation of Non-Current Assets

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

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

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

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value 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 assessed for impairment.

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 outflows 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.

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

8 Borrowings

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

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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 on costs) 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 on costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate	0.88% (2019, 4.5%)
Weighted average settlement period	7 years (2019, 7 years)

An accrual is made for sick leave as the Enterprise Agreement No 8-2018 (AWU) and the Municipal Officers Enterprise Agreement No 2-2018 (ASU) provides for payouts of employee accrued sick leave of between 2.5% and 12.5% on termination of employment. The payout % is based on the length of service as at the date of termination.

Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Leases

Accounting Policy applicable for the year ending 30 June 2019 (comparatives):

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries the entire risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

Accounting policy applicable from 01 July 2019:

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.

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 re measurement 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:

- Nil

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

ii) Lease liabilities

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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.

11 Joint Ventures and Associated Entities

Council does not participate in cooperative arrangements with other Councils for the provision of services and facilities.

12 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.

13 New and amended standards and interpretations

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 section 10 of this note. 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 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 no change to liabilities and no change to Accumulated Surplus.

Adoption of AASB 16 Leases (AASB 16)

AASB 16 Leases, which will commence from 1 July 2019, 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 2020, Council has no leases to which this treatment will need to be applied.

Regional Council of Goyder
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 2 - INCOME

	2020 \$	2019 \$
RATES REVENUES		
<u>General Rates</u>	4,735,578	4,736,039
Less: Mandatory rebates	(26,369)	(26,663)
Less: Discretionary rebates, remissions & write offs	(212)	(1,329)
	<u>4,708,997</u>	<u>4,708,047</u>
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	271,107	256,352
Waste collection	410,998	381,607
Community wastewater management systems	355,598	356,967
	<u>1,037,703</u>	<u>994,926</u>
<u>Other Charges</u>		
Penalties for late payment	58,998	61,563
	<u>58,998</u>	<u>61,563</u>
	<u>5,805,698</u>	<u>5,764,536</u>
STATUTORY CHARGES		
Development Act fees	21,008	21,527
Town planning fees	18,272	20,903
Health & Septic Tank Inspection fees	4,885	5,832
Animal registration fees & fines	50,389	43,401
Expiation fees	177	1,775
Search fees	9,678	9,189
	<u>104,409</u>	<u>102,627</u>
USER CHARGES		
Cemetery fees	29,680	23,591
Council House Rent	14,820	14,820
Eudunda Community Centre Rent	3,900	5,200
Passport Product	74,522	91,500
Burra & Goyder Visitor Information Centre	7,055	9,470
Waste Disposal Fees	12,164	6,892
Road Rents	93,820	87,341
Burra Caravan Park Fees	146,394	200,078
Paxton Square Cottages Fees	415,083	549,795
Swimming Pool Fees	9,508	8,015
Sporting Reserves/Halls reimbursement	4,543	5,228
Sundry	4,524	3,460
	<u>816,013</u>	<u>1,005,390</u>
INVESTMENT INCOME		
Interest on investments:		
Local Government Finance Authority	29,205	58,807
Banks & other	86,393	73,086
Loans to community groups	522	1,998
SLUOS Refund interest	14,272	-
	<u>130,392</u>	<u>133,891</u>
REIMBURSEMENTS		
- for roadworks	573,693	657,870
- for private works	33,359	10,078
- for training	-	10,000
- for insurance claims	20,231	4,679
- for Star Club Officer	39,275	36,423
- for Arts & Cultural Facilitator	37,500	-
- other	23,549	13,085
	<u>727,607</u>	<u>732,135</u>

Regional Council of Goyder
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 2 - INCOME

	2020 \$	2019 \$
OTHER INCOME		
Diesel fuel rebate	109,190	103,658
Rebates received	77,098	110,236
SLUOS Refund	23,654	-
Sundry	38,186	33,877
	<u>248,128</u>	<u>247,771</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	1,376,144	1,226,785
Other grants, subsidies and contributions		
Untied - Financial Assistance Grant	3,393,895	4,245,533
Roads to Recovery	1,027,709	771,385
Star Club Officer	50,000	50,000
Conservation Management Plan	20,564	96,000
Drought Communities	39,323	128,042
Library & Communications	1,698	1,624
Sundry	16,989	15,000
	<u>4,550,178</u>	<u>5,307,584</u>
	<u>5,926,322</u>	<u>6,534,369</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	1,087,596	995,427
State government	3,462,582	4,312,157
Other	1,376,144	1,226,785
	<u>5,926,322</u>	<u>6,534,369</u>

Individually Significant Item

<i>In June 2019 Council received payment for the 2019/20 and 2020/21 Local Roads Supplementary funding of \$676,140. This has materially increased Council's operating results in the 2018/19 year as these amounts are recognised as income upon receipt.</i>	-	676,140
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Conditions over grants & contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a

<i>Unexpended at the close of the previous reporting period</i>	788,253	447,467
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>		
Flood Damage Remediation funding	(301,931)	(101,389)
Roads to recovery funding	(442,175)	-
<i>Subtotal</i>	<u>(744,106)</u>	<u>(101,389)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Roads to recovery funding	-	442,175
<i>Subtotal</i>	<u>-</u>	<u>442,175</u>
<i>Unexpended at the close of this reporting period</i>	<u>44,147</u>	<u>788,253</u>
<i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>	<u>(744,106)</u>	<u>340,786</u>

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

Note 3 - EXPENSE

	Notes	2020 \$	2019 \$
EMPLOYEE COSTS			
Salaries and Wages		2,548,957	2,609,694
Employee leave expense		361,124	358,298
Superannuation - defined contribution plan contributions	17	303,962	289,572
Superannuation - defined benefit plan contributions	17	40,203	38,722
Workers' Compensation Insurance		142,049	143,792
Other		89,366	77,134
Less: Capitalised and distributed costs		(339,941)	(359,249)
Total Operating Employee Costs		3,145,720	3,157,963
Total Number of Employees		40	41
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		12,000	12,000
Elected members' expenses		135,334	144,652
Election expenses		2,268	22,085
Subtotal - Prescribed Expenses		149,602	178,737
<u>Other Materials, Contracts & Expenses</u>			
Contractors - General		832,523	912,814
Contractors - Raising & Crushing Rubble		442,758	376,797
Contractors - Maintenance Transport Infrastructure		228,890	237,429
Contractors - Roadworks		437,099	240,621
Contractors - PSC, BCP, Heritage Sites		259,495	267,424
Contractors - Insurance Claim		23,760	-
Contractors - CWMS		265,646	-
Materials		717,104	751,837
Electricity		229,641	252,335
Rubble		24,098	18,292
Water		104,032	88,497
Insurances - General		327,672	318,074
Contributions (Capital Projects, Ward Funds)		46,987	58,992
Levies paid to government - NRM levy		270,884	265,437
Machinery - Registration & Insurance		141,176	144,677
IT & Communications		147,073	158,641
Sundry		475,937	505,116
Subtotal - Other Materials, Contracts & Expenses		4,974,775	4,596,983
		5,124,377	4,775,720

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

Note 3 - EXPENSE

	Notes	2020 \$	2019 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings		370,213	384,742
Infrastructure : Sport & Recreation		146,178	149,214
Infrastructure : Transport		3,047,960	3,051,718
Infrastructure : CWMS		145,406	143,302
Infrastructure : Housing & Community Amenity		61,307	58,849
Plant & Machinery		753,675	713,583
Furniture & Fittings		90,593	89,970
		<u>4,615,332</u>	<u>4,591,377</u>
Less: Capitalised and distributed costs		<u>(494,165)</u>	<u>(455,292)</u>
		<u>4,121,167</u>	<u>4,136,085</u>
FINANCE COSTS			
Interest on Loans		52,328	71,236
		<u>52,328</u>	<u>71,236</u>

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

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2020	2019
	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	46,636	210,853
Less: Carrying amount of assets sold	<u>496,475</u>	<u>125,736</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(449,839)</u>	<u>85,117</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	12,941	113,688
Deposits at Call	<u>7,665,893</u>	<u>7,247,231</u>
	<u>7,678,834</u>	<u>7,360,919</u>

TRADE & OTHER RECEIVABLES

Rates - General & Other	631,006	733,373
Rates postponed for State Seniors	1,245	-
Accrued Revenues	89,638	183,633
Debtors - general	50,613	301,046
Deed of Gift - Robertstown Solar Project	1,100,000	-
GST Recoupment	143,542	221,250
Prepayments	541,874	522,022
Loans to community organisations	9,673	2,837
Sundry	<u>5,576</u>	<u>3,885</u>
	<u>2,573,167</u>	<u>1,968,046</u>

INVENTORIES

Stores & Materials	<u>764,505</u>	<u>607,351</u>
	<u>764,505</u>	<u>607,351</u>

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS

Receivables

Loans to community organisations	<u>44,416</u>	<u>69,006</u>
TOTAL FINANCIAL ASSETS	<u>44,416</u>	<u>69,006</u>

OTHER NON-CURRENT ASSETS

Capital Works-in-Progress	<u>2,456,542</u>	<u>1,986,396</u>
	<u>2,456,542</u>	<u>1,986,396</u>

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

	Fair Value Level	2019				2020			
		\$				\$			
		Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land - CT - MV	2	927,000	-	-	927,000	927,000	-	-	927,000
Land - CT - DRC	3	2,550,551	37,093	-	2,587,644	2,550,551	37,093	-	2,587,644
Buildings - DRC	3	14,510,336	210,856	(8,194,587)	6,526,605	13,220,336	1,266,010	(7,380,604)	7,105,742
Buildings - MV	2	7,486,000	17,461	(793,271)	6,710,190	7,486,000	506,049	(957,725)	7,034,324
Infra : Sport & Recreation	3	7,395,500	570,128	(3,060,660)	4,904,968	7,395,500	687,042	(3,206,838)	4,875,704
Infra : Bridges	3	3,695,456	207,995	(1,503,840)	2,399,611	3,366,753	208,279	(1,373,929)	2,201,103
Infra : Footpaths	3	2,419,855	58,186	(971,247)	1,506,794	2,419,855	147,323	(1,028,675)	1,538,503
Infra : Kerbing & Gutter	3	11,657,639	116,416	(5,512,711)	6,261,344	11,657,639	159,547	(5,677,948)	6,139,238
Infra : Pavement	3	30,667,144	461,655	(9,204,164)	21,924,635	30,667,144	461,655	(9,547,744)	21,581,055
Infra : Drainage	3	15,863,422	20,000	(5,363,117)	10,520,305	15,863,422	249,244	(5,614,903)	10,497,763
Infra : Signs	3	1,415,912	-	(1,052,518)	363,394	1,415,912	132,047	(1,123,380)	424,579
Infra : Sealed Roads	3	10,191,726	501,414	(5,333,374)	5,359,766	10,191,725	878,138	(5,846,584)	5,223,279
Infra : Sheeted Roads	3	26,946,364	1,593,230	(15,175,453)	13,364,141	26,946,364	3,213,489	(16,772,098)	13,387,755
Infra : CWMS	3	6,261,415	-	(3,600,593)	2,660,822	6,261,415	164,797	(3,745,999)	2,680,213
Infra : Housing & Community Amenity		-	2,405,603	(386,153)	2,019,450	-	3,162,888	(444,378)	2,718,510
Plant & Equipment		-	11,433,886	(5,177,389)	6,256,497	-	11,802,827	(5,661,716)	6,141,111
Minor Plant		-	345,674	(191,897)	153,777	-	406,323	(211,074)	195,249
Furniture & Fittings		-	1,592,527	(665,016)	927,511	-	1,762,583	(754,443)	1,008,140
Total IPP&E		141,988,320	19,572,124	(66,185,990)	95,374,454	140,369,616	25,245,334	(69,348,038)	96,266,912
Comparatives		131,150,213	29,728,936	(67,151,293)	93,727,856	141,988,320	19,572,124	(66,185,990)	95,374,454

This Note continues on the following pages.

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2019 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$						2020 \$
	Carrying Amount	Additions		Disposals	Dep'n	Transfers		Carrying Amount
		New / Upgrade	Renewals			In	Out	
Land - CT - MV	927,000	-	-	-	-	-	-	927,000
Land - CT - DRC	2,587,644	-	-	-	-	-	-	2,587,644
Buildings - DRC	6,526,605	-	1,055,154	(270,258)	(205,759)	-	-	7,105,742
Buildings - MV	6,710,190	-	488,588	-	(164,454)	-	-	7,034,324
Infra : Sport & Recreation	4,904,968	-	116,914	-	(146,178)	-	-	4,875,704
Infra : Bridges	2,399,611	-	284	(149,581)	(49,211)	-	-	2,201,103
Infra : Footpaths	1,506,794	-	89,137	-	(57,428)	-	-	1,538,503
Infra : Kerbing & Gutter	6,261,344	-	43,131	-	(165,237)	-	-	6,139,238
Infra : Pavement	21,924,635	-	-	-	(343,580)	-	-	21,581,055
Infra : Drainage	10,520,305	103,651	125,593	-	(251,786)	-	-	10,497,763
Infra : Signs	363,394	-	132,047	-	(70,862)	-	-	424,579
Infra : Sealed Roads	5,359,766	-	376,724	-	(513,211)	-	-	5,223,279
Infra : Sheeted Roads	13,364,141	-	1,620,259	-	(1,596,645)	-	-	13,387,755
Infra : CWMS	2,660,822	131,478	33,319	-	(145,406)	-	-	2,680,213
Infra : Housing & Community Amenity	2,019,450	709,722	56,124	(5,479)	(61,307)	-	-	2,718,510
Plant & Equipment	6,256,497	90,482	592,954	(64,324)	(734,498)	-	-	6,141,111
Minor Plant	153,777	60,649	-	-	(19,177)	-	-	195,249
Furniture & Fittings	927,511	95,543	82,512	(6,833)	(90,593)	-	-	1,008,140
Total IPP&E	95,374,454	1,191,525	4,812,740	(496,475)	(4,615,332)	-	-	96,266,912
Comparatives	93,727,856	446,416	4,955,134	(125,736)	(4,591,378)	856,020	(856,020)	95,374,454

This note continues on the following pages.

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

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

General Valuation Principles

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

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

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

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

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

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for 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.

Capitalisation thresholds used for Council's computers is \$1,000 and a threshold of \$2,000 is utilised for remaining assets. No capitalisation threshold is applied to the acquisition of land or interests in land.

Regional Council of Goyder

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

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

Plant, Furniture & Equipment		
	Office Equipment & Furniture	5 to 10 years
	Vehicles and Road-making Equipment	5 to 20 years
	Other Plant & Equipment	5 to 10 years
Building & Other Structures		
	Buildings	20 to 100 years
	Park Structures	20 to 40 years
	Playground equipment	10 to 50 years
Infrastructure		
	Bridges	42 to 83 years
	Footpaths & Paving	43 years
	Kerbing & Guttering	71 years
	Pavement	77 to 100 years
	Drainage	50 to 100 years
	Floodways	20 to 45 years
	Signs	20 years
	Sealed Roads – Surface	19 to 25 years
	Unsealed Roads - Surface	18 to 20 years
	Reticulation Pipes	50 to 70 years
	Pumps & Telemetry	15 to 20 years
	Dams	100 years
	Bores	20 to 40 years

Land & Land Improvements

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

The following asset categories were valued by Mid North Valuations as at 1st July 2018 at market value cost and current written down value. All subsequent additions have been recognised at cost.

As at 1st July 2018 Council have recognised assets such as buildings and structures that exist on Council land yet are funded by external bodies such as Sporting Organisations, CFS and SA Ambulance. All subsequent additions have been recognised at cost. The next revaluation is scheduled to occur as at 1st July 2023.

1. Land CT – MV
2. Land CT – DRC
3. Buildings – DRC
4. Buildings – MV
5. Infrastructure – Sport and Recreation

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

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Infrastructure

The following asset categories were revalued as at 1st July 2018 by Tonkin Consulting. All subsequent additions have been recognised at cost.

The next revaluation is scheduled to occur as at 1st July 2023.

1. Infrastructure – Footpaths
2. Infrastructure – Kerbing and Gutters
3. Infrastructure – Pavement
4. Infrastructure – Drainage
5. Infrastructure – Signs
6. Infrastructure – Sealed Roads
7. Infrastructure – Sheeted Roads
8. Infrastructure – Bridges

The asset category Infrastructure CWMS (Community Wastewater Management System) was revalued by Alano Water as at 1st July 2018 at depreciated current replacement cost. All subsequent additions have been recognised at cost.

The next revaluation is scheduled to occur as at 1st July 2023.

The asset category Infrastructure Housing & Community Amenity is recorded at cost.

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

Plant & Machinery, Minor Plant and Furniture & Fittings

These asset categories are recorded at cost.

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

Note 8 - LIABILITIES

	2020		2019	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	1,058,862	-	932,608	-
Accrued expenses - employee entitlements	136,749	-	90,713	-
Accrued expenses - other	68,212	-	78,549	-
Trusts	39,302	-	39,287	-
Deed of Gift, Drought Community Funding	1,525,000	-	-	-
Other Payables	9,104	-	9,900	-
	<u>2,837,229</u>	<u>-</u>	<u>1,151,057</u>	<u>-</u>
 BORROWINGS				
Loans	265,871	963,255	190,760	1,230,576
	<u>265,871</u>	<u>963,255</u>	<u>190,760</u>	<u>1,230,576</u>
 <i>All interest bearing liabilities are secured over the future revenues of the Council.</i>				
 PROVISIONS				
Annual Leave	250,132	111,830	231,002	66,608
Long Service Leave	312,947	53,867	329,981	42,081
	<u>563,079</u>	<u>165,697</u>	<u>560,983</u>	<u>108,689</u>

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2019	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2020
	\$	\$	\$	\$
Land	3,261,005	-	-	3,261,005
Buildings	18,749,719	-	-	18,749,719
Infra : Sport & Recreation	4,077,235	-	-	4,077,235
Infra : Bridges	1,922,186	-	-	1,922,186
Infra : Footpaths	1,625,150	-	-	1,625,150
Infra : Kerbing & Gutter	7,544,704	-	-	7,544,704
Infra : Pavement	20,948,184	-	-	20,948,184
Infra : Drainage	6,765,531	-	-	6,765,531
Infra : Signs	605,882	-	-	605,882
Infra : Sealed Roads	3,924,111	-	-	3,924,111
Infra : Sheeted Roads	11,553,800	-	-	11,553,800
Infra : CWMS	1,540,840	-	-	1,540,840
TOTAL	82,518,347	-	-	82,518,347
Comparatives	81,556,185	962,162	-	82,518,347

OTHER RESERVES	1/7/2019	Transfers to Reserve	Transfers from Reserve	30/6/2020
Ward Recreation Funds	43,824	-	(43,824)	-
Ward Capital Project Funds	132,453	-	(40,335)	92,118
Burra CWMS	505,187	-	(94,022)	411,165
Waste Management	68,202	9,696	-	77,898
Burra Caravan Park	158,051	-	(45,278)	112,773
Paxton Square Cottages	33,467	-	(28,835)	4,632
Burra Passport Product	-	32,084	-	32,084
Development Fees	149,531	-	(8,419)	141,112
Roads to Recovery	442,175	-	(442,175)	-
Special Local Roads	9,375	-	(9,375)	-
Burra Cemetery Headstone	2,287	-	-	2,287
Flood Damage Grants 2010/11	301,931	-	(301,931)	-
Dog Control	6,298	10,032	-	16,330
Warranty - Copperhouse Road	50,000	-	(12,459)	37,541
TOTAL OTHER RESERVES	1,902,781	51,812	(1,026,653)	927,940
Comparatives	1,613,105	622,111	(332,435)	1,902,781

Regional Council of Goyder
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 9 - RESERVES (con't)

PURPOSES OF RESERVES

Asset Revaluation Reserve

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).

Council has a number of financial reserves which are maintained for specific purposes. Details are as follows:

Ward Recreation Reserve	for financial assistance to community groups for Sports and Recreation projects
Capital Projects Reserve	for financial assistance to community groups for capital projects and major maintenance of council owned buildings
Community Wastewater Management Reserve (STEDS)	to account for surplus from operations of the schemes to fund future expansion and upgrade of Councils CWM systems (STEDS) in the towns of Eudunda and Burra
Waste Management Reserve	to account for surplus funds from operation of the Waste Collection system, for future upgrades and capital costs
Burra Caravan Park	to account for surplus funds from operations of the Burra Caravan park for future upgrades, capital costs and maintenance
Paxton Square Cottages	to account for surplus funds from operations of the Paxton Square Cottages for future upgrades, capital costs and maintenance
Development Fees Reserve	to account for any surplus of development application fees for development projects with a value over \$5 million, over and above the cost of processing the development proposal
Roads To Recovery	to account for income received during the reporting period which relates to expenditure in future years
Special Local Roads	to account for income received during the reporting period which relates to expenditure in future years
Burra Cemetery Headstone	to account for income received for the restoration of headstones at the Burra Cemetery
Flood Damage Grants 2010/11	to account for unspent grant funds from the Local Government Disaster fund 2012 and 2013. Allocation for repairs to flood damaged roads and infrastructure in future years
Dog Control	to account for excess income over expenditure for the Dog control function - to be allocated to capital projects future years
Warranty - Copperhouse Rd	to account for potential warranty claims against Council work undertaken on the Barrier Hwy/Copperhouse Rd intersection

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

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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.

	2020	2019
	\$	\$
CASH & FINANCIAL ASSETS		
Flood Damage Remediation	-	301,931
Roads to Recovery	-	442,175
Special Local Roads	-	9,375
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	-	753,481

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

Note 11 - 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>7,678,834</u>	<u>7,360,919</u>
Balances per Cash Flow Statement		<u>7,678,834</u>	<u>7,360,919</u>

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

Net Surplus (Deficit)	865,138	2,464,832
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	4,121,167	4,136,086
Net increase (decrease) in unpaid employee benefits	105,140	122,534
Grants for capital acquisitions treated as Investing Activity	(1,376,144)	(1,226,785)
Net (Gain) Loss on Disposals	449,839	(85,117)
	<u>4,165,140</u>	<u>5,411,549</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(598,285)	(860,823)
Net (increase) decrease in inventories	(157,154)	(38,302)
Net increase (decrease) in trade & other payables	1,414,537	651,870
Net Cash provided by (or used in) operations	<u>4,824,238</u>	<u>5,164,294</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	12,000	12,000
LGFA Cash Advance Debenture facility	2,051,256	1,910,138

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

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$				
Administration	4,853,915	4,871,739	2,264,362	2,196,624	2,589,553	2,675,115	-	-	7,678,834	7,360,919
Public Order & Safety	51,693	47,328	100,760	127,205	(49,067)	(79,877)	-	-	-	-
Health	8,379	1,816	31,203	24,449	(22,824)	(22,633)	-	-	-	-
Social Security & Welfare	29,963	33,654	43,829	56,221	(13,866)	(22,567)	15,000	15,000	-	-
Housing & Community Services	884,869	821,524	1,680,987	1,379,039	(796,118)	(557,515)	1,989	-	5,598,723	4,680,270
Sport Recreation & Culture	144,562	102,266	1,317,866	1,237,571	(1,173,304)	(1,135,305)	642,218	54,574	18,224,523	18,141,763
Agricultural Services	313,423	272,533	318,226	305,760	(4,803)	(33,227)	-	-	-	-
Mining & Manufacture	13,482	15,182	628,836	549,536	(615,354)	(534,354)	-	-	910,301	1,011,446
Transport & Communication	2,443,805	3,266,189	4,805,247	4,639,090	(2,361,442)	(1,372,901)	1,833,165	3,090,041	63,387,710	60,721,998
Economic Affairs	664,504	946,843	929,289	1,148,036	(264,785)	(201,193)	530,564	96,000	3,338,609	3,514,643
NEC - Other Purposes	2,973,830	2,914,860	322,987	477,473	2,650,843	2,437,387	2,903,386	3,278,754	10,645,676	11,935,133
TOTALS	12,382,425	13,293,934	12,443,592	12,141,004	(61,167)	1,152,930	5,926,322	6,534,369	109,784,376	107,366,172

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

Note 12 (continued) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

1. Council Administration

Governance, Administration, Elected Members, Organisational support services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records Management, Contract Management, Customer Service, Other Support Services

2. Public Order & Safety

Dog and Cat Management, Emergency Services, Fire Prevention/protection, Citizenship Ceremonies, Australia Day celebrations, Littering, abandoned vehicles

3. Health

Health services, Immunisation, Preventive Health Services, Community Health Programmes

4. Social Security & Welfare

Community Transport Network, Services for the Aged and Disabled, Children and youth services, Family and Neighbourhood Support, Community Centres, Other Community Support

5. Housing & Community Services

Planning Services, Cemetery Administration, Public Conveniences, Sanitation & Garbage collection, Waste transfer stations, Sewerage/CWMS, support for Goyder Community Management Committees, Housing – Council Houses, Street lighting, health

6. Sport, Recreation & Culture

Burra Community School Library, Eudunda and Robertstown Community Library, Halls, Parks & gardens, Reserves, Sporting Grounds, Swimming Pools, Heritage assets, Burra Art Gallery, Burra and Eudunda TV facilities, Heritage, Museums, Star Club Field Officer, Arts and Cultural Facilitator.

7. Agricultural Services

Agricultural Water, Landcare, Natural Resources Management Levy, Drum Muster Programme, Pest Control

8. Mining & Manufacture

Building Assessment, Rubble raising and quarrying

9. Transport

Bridges, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and other transport

10. Economic Development & Business Undertakings

Burra & Goyder Visitor Information Centre, Regional Development, Support to Local Businesses, Tourism, Burra Caravan Park, Paxton Square Cottages

11. NEC – Other Purposes

Donations, community engagement, community newsletters, LGGC – general purpose, plant hire & depots, drought communities projects, drought recovery co-ordinator, COVID-19 activities

Regional Council of Goyder
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.6% and 1.7% (2019: 2.35% and 2.52%). Short term deposits are with the LGFA at an interest rate of 0.45% (2019: 1.25%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 3.45% (2019: 5.35%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable principal and interest ; interest is charged at fixed rate of 6.75% (2019: 6.75%)</p> <p>Carrying amount: approximates fair value.</p>

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

Note 13 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2020	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	7,678,834	-	-	7,678,834	7,678,834
Receivables	2,031,716	44,416	-	2,076,132	2,075,709
Total	9,710,550	44,416	-	9,754,966	9,754,543
<u>Financial Liabilities</u>					
Payables	2,633,000	-	-	2,633,000	2,632,268
Current Borrowings	311,533	-	-	311,533	265,871
Lease Liabilities	17,952	16,456	-	34,408	-
Non-Current Borrowings	-	902,470	165,325	1,067,795	963,255
Total	2,962,485	918,926	165,325	4,046,736	3,861,394

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	7,360,919	-	-	7,360,919	7,360,919
Receivables	1,969,964	34,957	-	2,004,921	2,037,052
Total	9,330,883	34,957	-	9,365,840	9,397,971
<u>Financial Liabilities</u>					
Payables	966,772	-	-	966,772	981,795
Current Borrowings	253,942	-	-	253,942	190,760
Non-Current Borrowings	-	940,173	494,489	1,434,662	1,230,576
Total	1,220,714	940,173	494,489	2,655,376	2,403,131

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

	30 June 2020		30 June 2019	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Other Variable Rates	2.20	799,930	3.35	941,048
Fixed Interest Rates	6.75	429,196	6.75	480,287
		<u>1,229,126</u>		<u>1,421,335</u>

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

Note 13 - FINANCIAL INSTRUMENTS (con't)

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.

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.

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

Note 14 - COMMITMENTS FOR EXPENDITURE

	2020	2019
	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Roads & Footpaths	25,000	86,508
Plant & Equipment	46,000	-
Bridges	81,085	-
Drainage & Floodways	650,000	-
	<u>802,085</u>	<u>86,508</u>
These expenditures are payable:		
Not later than one year	<u>802,085</u>	<u>86,508</u>
	<u>802,085</u>	<u>86,508</u>
Other Expenditure Commitments		
Other non-capital expenditure commitments		
Audit Services	24,000	36,000
Chief Executive Officer Employment Contract	462,264	660,000
Photocopiers (5)	147,114	117,168

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

Note 15 - FINANCIAL INDICATORS

	2020	2019	2018
Operating Surplus Ratio			
<u>Operating Surplus</u>	(0.5%)	8.7%	9.5%
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>	(44%)	(46%)	(44%)
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. 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 between years.

Adjusted Operating Surplus Ratio	3.9%	5.1%	9.2%
Adjusted Net Financial Liabilities Ratio	(29%)	(36%)	(30%)

Asset Renewal Funding Ratio

<u>Net Outlays on Existing Assets</u>	80%	89%	80%
Net Asset Renewals - IAMP			

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.

Ratio Analysis:

The adjusted Operating Surplus is greater than Council's minimum benchmark of 0% highlighting the solid operating result of Council in 2019/20.

The adjusted Net Financial Liabilities ratio is greater than the Council minimum benchmark of 20% due to Council's financial assets being far greater than Council's financial liabilities.

The Asset Renewal Funding Ratio is 20% less than the ratio established in the Long Term Financial Plan primarily due to capital expenditure work in progress being \$1.3M greater than the adopted 2019/20 budget. Capital work in progress will be capitalised in future financial years.

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

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2020	2019
	\$	\$
Income	12,382,425	13,293,934
Expenses	<u>(12,443,592)</u>	<u>(12,141,004)</u>
Operating Surplus / (Deficit)	(61,167)	1,152,930
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(4,630,305)	(5,360,796)
Add back Depreciation, Amortisation and Impairment	4,121,167	4,136,085
Proceeds from Sale of Replaced Assets	<u>46,636</u>	<u>210,853</u>
	(462,502)	(1,013,858)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(1,124,342)	(417,255)
Amounts received specifically for New and Upgraded Assets	1,376,144	1,226,785
	<u>251,802</u>	<u>809,530</u>
Net Lending / (Borrowing) for Financial Year	<u>(271,867)</u>	<u>948,602</u>

Regional Council of Goyder
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 to Statewide Super, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). 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.

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

Note 18 – INTERESTS IN OTHER ENTITIES

REGIONAL SUBSIDIARIES

Council is one of 15 Councils that are members of the Legatus Group (Central Local Government Region of SA) incorporated under the Local Government Act 1999. The financials of the group have not been included into Council's Annual Financial Statements as they are not considered to be material.

Note 19 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

1. LAND UNDER ROADS

As reported elsewhere in these 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 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.

At reporting date, Council controlled 3,467 km of road reserves of average width 20 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 a deductible "insurance excess", 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. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that 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 notice of no appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Note 20 – EVENTS OCCURRING AFTER STATEMENT OF FINANCIAL POSITION DATE

On 14 August 2020, Council was advised by the Minister of Planning and Local Government of a reduction in General Purpose and Roads Formula funding of \$475,418 per annum. This was due to a reassessment of road length undertaken in 2017/18.

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

Note 21 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 10 persons were paid the following total compensation:

	2020	2019
	\$	\$
Salaries, allowances & other short term benefits (inc FBT)	618,746	605,860
Post-employment benefits	54,484	50,251
Long term benefits	-	-
Termination benefits	-	-
TOTAL	673,230	656,111

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

	2020	2019
	\$	\$
Contributions for fringe benefits tax purposes	-	-
Planning and building applications fees	1,842	724
Rentals for Council property	-	-
TOTAL	1,842	724

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Key management personnel or close family members (including related parties) lodged a total of eight planning and building application during the year. In accordance with the Local Government Act 1999, these persons took no part in the assessment or approval processes for these applications. Total fees for the applications paid in 2019/20 was \$1,391 and \$393 was outstanding as at 30th June 2020.

One elected member has three close family members on the board of the Burra Sports and Community Club. Council made payments of \$17,255 to the club during the 2019/20 financial year. There is no outstanding payments as at 30th June 2020.

One elected member has a financial interest in properties from which Council raised rubble and extracted water for road making purposes paying compensation for disruption and royalties at the rate applicable to third parties. The properties from which the rubble was raised and water extracted were selected by Council Staff based on the distance to the work site and the quality of the rubble for the required purpose. The total amount calculated on normal commercial terms in 2019/20 amounted to \$819 and was paid in July 2020.

Two close family members of an elected member are employed by Council under the Regional Council of Goyder Enterprise Agreement No 8-2018. The total amount paid to these employees including termination and superannuation benefits in 2019/20 is \$183,511 which was paid in full as at 30th June 2020.

Regional Council of Goyder Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of the Regional Council of Goyder (Council) for the year ended 30 June 2020.

Opinion

In our opinion, the financial statements of the Council are properly drawn up:

- a) to present fairly the financial position of the Council as at the 30 June 2020 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the council to meet the requirements of the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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



Ian G McDonald FCA
Registered Company Auditor 16458

Signed at Grange this 17th day of September 2020

Independent Assurance Report on the Internal Controls of the Regional Council of Goyder

We have audited the compliance of the Regional Council of Goyder (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.

Opinion

In our opinion, the 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

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limitation on 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 that for which it was prepared.

Inherent Limitations

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The Council's Responsibility for the 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* in relation to Internal Controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our 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.

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



Ian G McDonald FCA

Chartered Accountant

Registered Company Auditor 16458

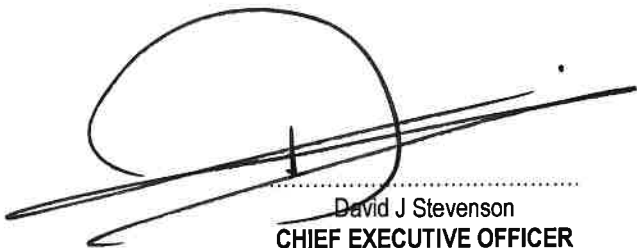
Signed at Grange this 17th day of September 2020

Regional Council of Goyder
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 Regional Council of Goyder for the year ended 30th June 2020, the Council's Auditor, Ian G. McDonald has maintained his 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*.



David J Stevenson
CHIEF EXECUTIVE OFFICER



Dafydd Llewellyn
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 15-9-2020

REGIONAL COUNCIL OF GOYDER

Annual Financial Statement

For the year ended 30 June 2020

Audit Certificate of Audit Independence

We confirm that, for the audit of the financial statements of the Regional Council of Goyder for the year ended 30 June 2020, we have maintained our 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*.



Ian G McDonald FCA

Dated this 24th day of August 2020