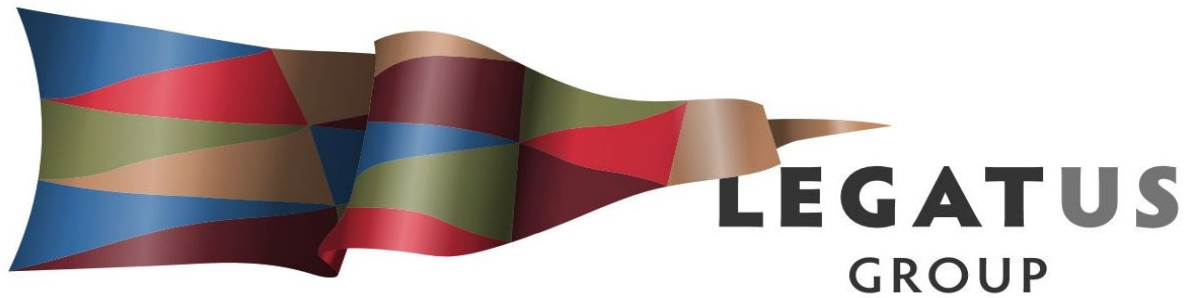


CENTRAL LOCAL GOVERNMENT
REGION of SA
trading as



Annual Financial
Statements

For the financial year

1 July 2021 – 30 June 2022

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2022

TABLE OF CONTENTS

	<u>Page</u>
Certification of Financial Statements	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 - Current Assets	13
Note 5 - Plant & Equipment	14
Note 6 - Liabilities	15
Note 7 - Reserves	15
Note 8 - Reconciliation of Cash Flow Statement	16
Note 9 - Functions	16
Note 10 - Financial Instruments	17
Note 11 - Financial Indicators	18
Note 12 - Uniform Presentation of Finances	19
Note 13 - Related Party Disclosures	20
Note 14 - Contingencies & Assets & Liabilities Not Recognised	21
Note 15 - 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 2022

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Legatus 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 Legatus Group's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Legatus 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 Legatus Group's accounting and other records.

.....
Simon MILLCOCK
CHIEF EXECUTIVE OFFICER

.....
Mayor Phillip HEASLIP
CHAIR

Date:

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
INCOME			
Council Contributions	2	170,400	177,525
Grants, subsidies and contributions	2	93,783	333,151
Investment income	2	7,032	8,188
Reimbursements	2	-	75,400
Other income	2	3,108	15,279
Total Income		<u>274,323</u>	<u>609,543</u>
EXPENSES			
Employee costs	3	263,171	352,082
Materials, contracts & other expenses	3	305,395	555,477
Depreciation, amortisation & impairment	3	7,209	5,489
Total Expenses		<u>575,775</u>	<u>913,048</u>
OPERATING SURPLUS / (DEFICIT)		(301,453)	(303,505)
Other Comprehensive Income		-	-
NET SURPLUS / (DEFICIT)		(301,453)	(303,505)
TOTAL COMPREHENSIVE INCOME		<u><u>(301,453)</u></u>	<u><u>(303,505)</u></u>

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	657,733	929,918
Trade & other receivables	4	<u>2,152</u>	<u>39,970</u>
Total Current Assets		<u>659,885</u>	<u>969,888</u>
Non-current Assets			
Infrastructure, property, plant & equipment	5	<u>13,872</u>	<u>19,361</u>
Total Non-current Assets		<u>13,872</u>	<u>19,361</u>
Total Assets		<u>673,757</u>	<u>989,249</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	6	15,037	37,162
Provisions	6	<u>23,881</u>	<u>19,350</u>
Total Current Liabilities		<u>38,918</u>	<u>56,512</u>
Non-current Liabilities			
Provisions	6	<u>15,667</u>	<u>12,113</u>
Total Non-current Liabilities		<u>15,667</u>	<u>12,113</u>
Total Liabilities		<u>54,585</u>	<u>68,625</u>
NET ASSETS		<u>619,172</u>	<u>920,624</u>
EQUITY			
Accumulated Surplus		349,402	650,854
Other Reserves	7	<u>269,770</u>	<u>269,770</u>
TOTAL EQUITY		<u>619,172</u>	<u>920,624</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 2022

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2022	Notes	\$	\$	\$
Balance at end of previous reporting period		650,854	269,770	920,624
Net Surplus / (Deficit) for Year		(301,453)	-	(301,453)
Other Comprehensive Income				
Transfers between reserves	7	-	-	-
Balance at end of period		349,402	269,770	619,172
2021				
Balance at end of previous reporting period		704,359	519,770	1,224,129
Restated opening balance		704,359	519,770	1,224,129
Net Surplus / (Deficit) for Year		(303,505)	-	(303,505)
Other Comprehensive Income				
Transfers between reserves	7	250,000	(250,000)	-
Balance at end of period		650,854	269,770	920,624

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

LEGATUS GROUP

STATEMENT OF CASH FLOWS for the year ended 30 June 2022

		2022	2021
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Council Contributions		170,400	177,525
Investment receipts		7,032	8,188
Grants utilised for operating purposes		131,599	387,027
Reimbursements		-	75,400
Other revenues		3,108	15,279
<u>Payments</u>			
Employee costs		(255,086)	(338,002)
Materials, contracts & other expenses		(327,520)	(653,504)
Net Cash provided by (or used in) Operating Activities	8	(270,467)	(328,087)
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		(1,720)	-
Purchase of investment property		-	-
Net purchase of investment securities		-	-
Development of real estate for sale		-	-
Loans made to community groups		-	-
Capital contributed to equity accounted Council businesses		-	-
Net Cash provided by (or used in) Investing Activities		(1,720)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	-
Proceeds from aged care facility deposits		-	-
<u>Payments</u>			
Repayments of borrowings		-	-
Repayment of finance lease liabilities		-	-
Repayment of aged care facility deposits		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(272,187)	(328,087)
Cash & cash equivalents at beginning of period	8	929,919	1,258,006
Cash & cash equivalents at end of period	8	657,733	929,919

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 2022

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 2022

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 10.

1.5 Vehicles & Contents

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:

Contents	\$2,000
Motor Vehicles	\$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.

Contents	1 to 5 years
Motor Vehicles	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 2 FTE employees as at the 30 June 2022, a Chief Executive Officer, a part-time Project Officer and a part-time Admin 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 10 year bond rates.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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 10.0% SGC superannuation to the nominated superannuation funds for all staff. This will increase to 10.5% for the 2022-23 financial year.

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 previous 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 2022 reporting period and have not been used in preparing these reports.

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

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

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

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

AASB 17 Insurance Contracts

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.

1.14 Comparative Information

During the financial year, the Group has reviewed the allocation and classification of some transactions which have been updated in the comparative information presented. Changes in classification has resulted in no change to the previously reported financial performance and position of the Group.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 2 - INCOME

	2022 \$	2021 \$
COUNCIL CONTRIBUTIONS		
<u>General Contribution</u>	<u>170,400</u>	<u>177,525</u>
	<u>170,400</u>	<u>177,525</u>
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	7,032	8,185
Banks	-	3
	<u>7,032</u>	<u>8,188</u>
REIMBURSEMENTS		
- for Internships	-	75,400
	<u>-</u>	<u>75,400</u>
OTHER INCOME		
Conference Registrations & Sponsorship	3,108	15,279
	<u>3,108</u>	<u>15,279</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Waste Management	-	60,000
CWMS	28,000	61,000
Coastal Management	-	140,000
Research & Development	-	26,000
Regional Capacity	42,783	-
SA Road Funding	15,000	-
NRM - - Landscape Priority	8,000	-
Sundry	-	46,151
	<u>93,783</u>	<u>333,151</u>
<i>The functions to which these grants relate are shown in Note 10.</i>		
Sources of grants		
State government	8,000	174,000
LGA	85,783	159,151
	<u>93,783</u>	<u>333,151</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 3 - EXPENSES

	2022 \$	2021 \$
EMPLOYEE COSTS		
Salaries and Wages	198,882	281,829
Employee leave expense	31,768	33,226
Superannuation	22,064	28,510
Workers' Compensation Insurance	4,232	2,012
Professional Development	127	400
FBT	6,098	6,106
Total Operating Employee Costs	263,171	352,082
Total Number of Employees	2.0	1.4
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,338	2,238
Subtotal - Prescribed Expenses	<u>2,338</u>	<u>2,238</u>
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	241,380	461,067
Legal Expenses	80	-
Unleaded Fuel	4,075	3,053
Other Motor Vehicle Costs	2,752	2,754
Members Allowances & Support	4,125	5,500
Meetings & Conferences	4,807	23,692
Insurance	8,921	7,980
Rental - Premises	9,603	9,442
Advertising	704	3,905
Accommodation	1,932	3,587
Airfares, Taxi Fares & Parking	263	2,790
Travel - Reimbursement	1,124	2,086
Catering & Meals	7,372	17,142
Telephone & Internet	3,871	5,797
IT & Web	10,963	-
Postage/Stationery	784	594
Sundry	300	3,849
Subtotal - Other Materials, Contracts & Expenses	<u>303,057</u>	<u>553,239</u>
	305,395	555,477
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	5,489	5,489
Contents	1,720	-
	<u>7,209</u>	<u>5,489</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash at Bank	12,324	91,271
Deposits at Call	645,409	838,647
	<u>657,733</u>	<u>929,918</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	495	224
Debtors - General	-	39,270
GST / FBT Recoupment	1,657	476
	<u>2,152</u>	<u>39,970</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 5 - NON-CURRENT ASSETS - VEHICLES & CONTENTS

	2021				2022			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Motor Vehicles	-	28,967	(9,606)	19,361	-	28,967	(15,095)	13,872
Contents	-	3,948	(3,948)	-	-	3,678	(3,678)	-
TOTAL PLANT & EQUIPMENT	-	32,915	(13,554)	19,361	-	32,645	(18,773)	13,872
<i>Comparatives</i>	-	32,915	(8,065)	24,850	-	32,915	(13,554)	19,361

	2021	CARRYING AMOUNT MOVEMENTS DURING YEAR							2022	
	\$	\$							\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Motor Vehicles	19,361	-	-	-	(5,489)	-	-	-	-	13,872
Contents	-	1,720	-	-	(1,720)	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	19,361	1,720	-	-	(7,209)	-	-	-	-	13,872
<i>Comparatives</i>	24,850	-	-	-	(5,489)	-	-	-	-	19,361

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 6 - LIABILITIES

	2022		2021	
	\$		\$	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	2,205	-	32,740	-
Payments received in advance	7,500	-	-	-
Accrued expenses - employee entitlements	4,082	-	2,160	-
Accrued expenses - other	1,250	-	1,759	-
GST & PAYG	-	-	503	-
	15,037	-	37,162	-
PROVISIONS				
Employee entitlements - Annual Leave	23,881	-	19,350	-
Employee entitlements - Long Service Leave	-	15,667	-	12,113
Future reinstatement / restoration, etc				
Other				
	23,881	15,667	19,350	12,113

Note 7 - RESERVES

	1/7/2021	Transfers to Reserve	Transfers from Reserve	30/6/2022
OTHER RESERVES				
General Reserve	269,770	-	-	269,770
TOTAL OTHER RESERVES	269,770	-	-	269,770
<i>Comparatives</i>	<i>519,770</i>		<i>(250,000)</i>	<i>269,770</i>

PURPOSES OF RESERVES

Other Reserves

This reserve was established to provide for one year of basic operation (employee costs, vehicle costs, insurance, materials), should no revenue be received.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 8 - 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	2022 \$	2021 \$
Total cash & equivalent assets	4	<u>657,733</u>	<u>929,918</u>
Balances per Cash Flow Statement		<u>657,733</u>	<u>929,918</u>

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

Net Surplus (Deficit)		(301,453)	(303,505)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		7,209	5,489
Net increase (decrease) in unpaid employee benefits		8,085	14,080
		(286,159)	(283,936)
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		37,818	53,875
Net increase (decrease) in trade & other payables		(22,125)	(98,027)
Net increase (decrease) in other liabilities		-	-
Net Cash provided by (or used in) operations		<u>(270,466)</u>	<u>(328,088)</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	1,000
------------------------	-------	-------

Note 9 - FUNCTIONS

The activities of the Region are categorised into the following programs, projects & activities:

- 1 Corporate Function
- 2 P001 - Regional & Community Sustainability
- 3 P003 - Regional Waste Management
- 4 P005 - Natural resources Management
- 5 P007 - LGA R&D projects
- 6 P009 - CWMS & Climate Change Co-ordinator
- 7 P017 - Waste Management Composting
- 8 P019 - Coastal Adaptation
- 9 P022 - Roads & Transport
- 10 P027 - Community Capacity Building
- 11 P028 - Regional Capacity Building
- 12 P029 - LGA R&D Projects
- 13 P032 - Sustainability Hub
- 14 P031 - Digital Maturity Index
- 15 P034 - N&Y Coastal Management Action Plan
- 16 P036 - LGA - R&D Regional Youth Volunteering
- 17 P037 - Creative Industries Project
- 18 P038 - Regional Waste Strategy
- 19 P040 - Disability Inclusion Action Plan
- 20 P042 - Drought Wellbeing Project
- 21 P043 - Stormwater Harvesting Trial
- 22 P044 - IT Data Gathering & Digital Research
- 23 P045 - Aboriginal Engagement Committee

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 2022

Note 10 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits **Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.05% as at 30 June 2022

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Trade & other debtors

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.

Carrying amount: approximates fair value.

Liabilities - Creditors and Accruals

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

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Liquidity Analysis

2022	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	657,733	-	-	657,733	657,733
Receivables	2,152	-	-	2,152	2,152
Other Financial Assets	-	-	-	-	-
Total	659,885	-	-	659,885	659,885
Financial Liabilities					
Payables	1,250	-	-	1,250	1,250
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-
Total	1,250	-	-	1,250	1,250
2021	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	929,918	-	-	929,918	929,918
Receivables	39,970	-	-	39,970	39,970
Other Financial Assets	-	-	-	-	-
Total	969,888	-	-	969,888	969,888
Financial Liabilities					
Payables	35,002	-	-	35,002	35,002
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-
Total	35,002	-	-	35,002	35,002

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 2022

Note 11 - FINANCIAL INDICATORS

	2022	2021	2020
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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>	(109.9%)	(49.8%)	31.2%
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>	(221%)	(148%)	(165%)
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>	0%	0%	305%
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 2022

Note 12 - 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

	2022 \$	2021 \$
Income	274,323	609,543
Expenses	<u>(575,775)</u>	<u>(913,048)</u>
Operating Surplus / (Deficit)	(301,453)	(303,505)
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	7,209	5,489
Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	7,209	5,489
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(1,720)	-
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>
	(1,720)	-
Net Lending / (Borrowing) for Financial Year	<u>(295,964)</u>	<u>(298,016)</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 13 - 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, 1 person was paid the following total compensation:

	2022	2021
	\$	\$
Salaries, allowances & other short term benefits	158,801	154,050
Member Allowance	4,125	5,500
Post-employment benefits	15,880	14,635
FBT	6,098	6,106
TOTAL	184,904	180,291

The Group received the following amounts in total:

	2022	2021
	\$	\$
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 (inclusive of GST).	Received 2022	Outstanding 2022
	\$	\$
The Barossa Council	12,496	-
Barunga West Council	12,496	-
Clare and Gilbert Valleys Council	12,496	-
Copper Coast Council	12,496	-
The Flinders Ranges Council	12,496	-
Regional Council of Goyder	12,496	-
Light Regional Council	12,496	-
Adelaide Plains Council	12,496	-
District Council of Mount Remarkable	12,496	-
Northern Areas Council	12,496	-
District Council of Orroroo / Carrieton	12,496	-
District Council of Peterborough	12,496	-
Port Pirie Regional Council	12,496	-
Wakefield Regional Council	12,496	-
Yorke Peninsula Council	12,496	-
TOTAL	187,440	-

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 2022

Note 14 - 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 2022.

Note 15 - EVENTS OCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2022 that need to be disclosed in the financial statements.

LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Legatus Group for the year ended 30 June 2022, 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*.

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CHIEF EXECUTIVE OFFICER
The Barossa Council

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CHIEF EXECUTIVE OFFICER
Barunga West Council

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CHIEF EXECUTIVE OFFICER
Clare & Gilbert Valleys Council

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CHIEF EXECUTIVE OFFICER
Copper Coast Council

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Port Pirie Regional Council

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CHIEF EXECUTIVE OFFICER
District Council of Orroroo Carrieton

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CHIEF EXECUTIVE OFFICER
York Peninsula Council

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CHIEF EXECUTIVE OFFICER
District Council of Peterborough

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CHIEF EXECUTIVE OFFICER
Wakefield Regional Council

.....
CHAIR, Legatus Group
Audit & Risk Management Committee

.....
CHIEF EXECUTIVE OFFICER
Legatus Group

.....
CHAIR
Legatus Group

Date: