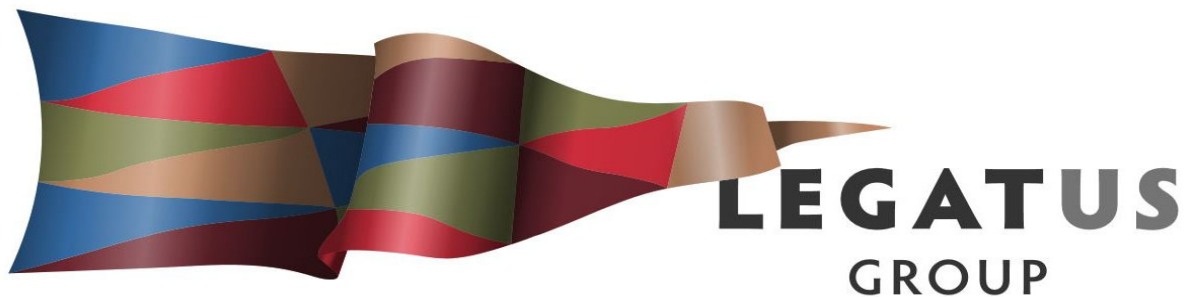


CENTRAL LOCAL GOVERNMENT
REGION of SA
trading as



Annual Financial
Statements

For the financial year

1 July 2019 – 30 June 2020

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2020

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LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Group to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Group's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.

.....
Simon Francis MILLCOCK
CHIEF EXECUTIVE OFFICER

.....
Mayor Samuel Peter MATTEY
PRESIDENT

Date:

LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2020

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

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2020

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

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

LEGATUS GROUP

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

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

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

LEGATUS GROUP

STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

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

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

LEGATUS GROUP

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of Preparation

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

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

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

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

The Constituent Councils are:

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

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

1.3 Income recognition

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

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

LEGATUS GROUP

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables for generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

1.5 Property, Plant & Equipment

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

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

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

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually. Major depreciation periods for each class of asset are shown below.

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

1.6 Payables

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

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

1.7 Employee Benefits

Salaries, Wages & Compensated Absences

The Group has two employees as at the 30th June 2020, a Chief Executive Officer and a Project Officer. Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

LEGATUS GROUP

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1.8 Superannuation

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

1.9 GST Implications

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

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

1.10 Leases

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

1.11 New Accounting Standards

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

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

AASB 1059 Service Concession Arrangements: Grantors

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

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

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

AASB 17 Insurance Contracts

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

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

1.12 Economic Dependencies

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

1.13 Disclaimer

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

LEGATUS GROUP

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

Note 2 - INCOME

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

LEGATUS GROUP

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

Note 3 - EXPENSES

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

LEGATUS GROUP

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

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

Note 5 - CURRENT ASSETS

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

LEGATUS GROUP

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

Note 6 - PLANT & EQUIPMENT

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

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

LEGATUS GROUP

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

Note 7 - LIABILITIES

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

Note 8 - RESERVES

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

PURPOSES OF RESERVES

(Other Reserves)

Rubble Royalties / Projects Reserve

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

LEGATUS GROUP

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

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

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

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

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

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

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

1,000

-

Note 10 - FUNCTIONS

The activities of the Region are categorised into the following programmes

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

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

LEGATUS GROUP

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

Note 11 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

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

Liquidity Analysis

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

Net Fair Value

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

Risk Exposures

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

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

Liquidity Risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

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

LEGATUS GROUP

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

Note 12 - FINANCIAL INDICATORS

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

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

Operating Surplus Ratio

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

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

Net Financial Liabilities Ratio

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

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

Asset Renewal Funding Ratio

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

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

LEGATUS GROUP

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

Note 13 - UNIFORM PRESENTATION OF FINANCES

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

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

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

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

LEGATUS GROUP

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

Note 14 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

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

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

The Group received the following amounts in total:

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

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

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

OTHER RELATED PARTIES

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

Description of Services provided to all Related Parties above:

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

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

LEGATUS GROUP

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

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

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

Note 16 - EVENTS OCURRING AFTER REPORTING DATE

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

LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Legatus Group for the year ended 30 June 2020, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

.....
CHIEF EXECUTIVE OFFICER
The Barossa Council

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CHIEF EXECUTIVE OFFICER
District Council of Barunga West

.....
CHIEF EXECUTIVE OFFICER
Clare & Gilbert Valleys Council

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

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

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

.....
CHIEF EXECUTIVE OFFICER
Light Regional Council

.....
CHIEF EXECUTIVE OFFICER
Adelaide Plains Council

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

.....
CHIEF EXECUTIVE OFFICER
Northern Areas Council

.....
CHIEF EXECUTIVE OFFICER
Port Pirie Regional Council

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

.....
CHIEF EXECUTIVE OFFICER
York Peninsula Council

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

.....
CHIEF EXECUTIVE OFFICER
Wakefield Regional Council

.....
CHAIRMAN
Legatus Group
Board of Management

Date:

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

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of the Legatus Group for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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

John Jovicevic

Partner

Dean Newbery & Partners

Dated this day of 2020