

Kingston District Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021



General Purpose Financial Statements

for the year ended 30 June 2021

Contents	Page
Council Certificate	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Principal Financial Statements	8
Independent Auditor's Report – Financial Statements	44
Independent Auditor's Report – Internal Controls	45
Certificates of Audit Independence	
Council Certificate of Audit Independence	46
Audit Certificate of Audit Independence	47

General Purpose Financial Statements

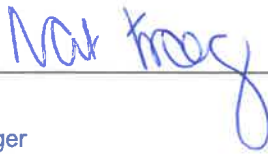
for the year ended 30 June 2021

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 2021 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.



Nat Traeger
Chief Executive Officer

30 November 2021



Kay Rasheed
Mayor

30 November 2021

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Income			
Rates	2a	5,094	4,874
Statutory Charges	2b	126	84
User Charges	2c	641	618
Grants, Subsidies and Contributions	2g	1,640	1,599
Investment Income	2d	61	53
Reimbursements	2e	143	266
Other income	2f	31	39
Total Income		<u>7,736</u>	<u>7,533</u>
Expenses			
Employee costs	3a	2,017	2,004
Materials, Contracts and Other Expenses	3b	3,449	3,741
Depreciation, Amortisation and Impairment	3c	2,085	2,077
Finance Costs	3d	92	98
Total Expenses		<u>7,643</u>	<u>7,920</u>
Operating Surplus / (Deficit)		<u>93</u>	<u>(387)</u>
Physical Resources Received Free of Charge	2i	–	472
Asset Disposal & Fair Value Adjustments	4	(854)	(119)
Amounts Received Specifically for New or Upgraded Assets	2g	334	284
Net Surplus / (Deficit)		<u>(427)</u>	<u>250</u>
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	48,116	–
Total Amounts which will not be reclassified subsequently to operating result		<u>48,116</u>	<u>–</u>
Total Other Comprehensive Income		<u>48,116</u>	<u>–</u>
Total Comprehensive Income		<u>47,689</u>	<u>250</u>

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

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	4,269	3,437
Trade & Other Receivables	5b	563	792
Inventories	5c	74	62
Total current assets		<u>4,906</u>	<u>4,291</u>
Non-current assets			
Financial Assets	6a	2,857	3,172
Other Non-Current Assets	6b	167	848
Infrastructure, Property, Plant & Equipment	7a(i)	134,562	86,013
Total non-current assets		<u>137,586</u>	<u>90,033</u>
TOTAL ASSETS		<u>142,492</u>	<u>94,324</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	1,334	415
Borrowings	8b	394	382
Provisions	8c	292	319
Total Current Liabilities		<u>2,020</u>	<u>1,116</u>
Non-Current Liabilities			
Borrowings	8b	3,927	4,306
Provisions	8c	12	58
Total Non-Current Liabilities		<u>3,939</u>	<u>4,364</u>
TOTAL LIABILITIES		<u>5,959</u>	<u>5,480</u>
Net Assets		<u>136,533</u>	<u>88,844</u>
EQUITY			
Accumulated surplus		26,228	26,713
Asset revaluation reserves	9a	109,013	60,897
Other reserves	9b	1,292	1,234
Total Council Equity		<u>136,533</u>	<u>88,844</u>
Total Equity		<u>136,533</u>	<u>88,844</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2021					
Balance at the end of previous reporting period		26,713	60,897	1,234	88,844
Net Surplus / (Deficit) for Year		(427)	–	–	(427)
Other Comprehensive Income					
- Gain (loss) on revaluation of IPP&E	7a	–	48,116	–	48,116
Other comprehensive income		–	48,116	–	48,116
Total comprehensive income		(427)	48,116	–	47,689
Transfers between Reserves		(58)	–	58	–
Balance at the end of period		26,228	109,013	1,292	136,533
2020					
Balance at the end of previous reporting period		26,562	60,897	1,135	88,594
Net Surplus / (Deficit) for Year		250	–	–	250
Total comprehensive income		250	–	–	250
Transfers between Reserves		(99)	–	99	–
Balance at the end of period		26,713	60,897	1,234	88,844

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		5,119	4,873
Statutory Charges		126	84
User Charges		905	679
Grants, Subsidies and Contributions (operating purpose)		1,696	1,641
Investment Receipts		61	53
Reimbursements		157	307
Other Receipts		16	515
<u>Payments</u>			
Finance Payments		(99)	(114)
Payments to Employees		(2,027)	(2,010)
Payments for Materials, Contracts & Other Expenses		(2,715)	(4,199)
Net cash provided by (or used in) Operating Activities	10b	3,239	1,829
Cash flows from investing activities			
Amounts Received Specifically for New/Upgraded Assets		334	284
Sale of Replaced Assets		104	93
Sale of Surplus Assets		120	163
Repayments of Loans by Community Groups		317	332
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(1,585)	(1,222)
Expenditure on New/Upgraded Assets		(1,330)	(301)
Loans Made to Community Groups		(18)	–
Net cash provided (or used in) investing activities		(2,058)	(651)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Other Borrowings		18	–
<u>Payments</u>			
Repayments of Borrowings		(367)	(378)
Net Cash provided by (or used in) Financing Activities		(349)	(378)
Net Increase (Decrease) in Cash Held		832	800
plus: Cash & Cash Equivalents at beginning of period		3,437	2,637
Cash and cash equivalents held at end of period	10a	4,269	3,437

Additional Information:

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Principal Financial Statements for the year ended 30 June 2021

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	16
3	Expenses	19
4	Asset Disposal & Fair Value Adjustments	20
5	Current Assets	21
6	Non-Current Assets	22
7	Infrastructure, Property, Plant & Equipment	23
8	Liabilities	27
9	Reserves	28
10	Reconciliation to Statement of Cash Flows	30
11(a)	Functions	31
11(b)	Components of Functions	32
12	Financial Instruments	33
13	Capital Expenditure and Investment Property Commitments	36
14	Financial Indicators	37
15	Uniform Presentation of Finances	40
16	Superannuation	41
17	Interests in Other Entities	41
18	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	42
19	Related Party Transactions	43

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 30 November 2021

1.2 Critical Accounting Estimates

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Estimates and assumptions

The COVID-19 pandemic has impacted the 2020/21 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

COVID-19 is not expected to have a significant financial impact on Council operations with the Council working to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2021/22 financial year but these have been largely taken into account during the development of the budget process for 2021/22 including, but not limited to reduction in bookings at the Caravan Park. The budget assumptions for 2021/22 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

1.4 Rounding

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

(2) The Local Government Reporting Entity

Kingston District Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 29 Holland Street, Kingston 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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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
2017/18	\$1,207,314	\$782,722	+ \$424,592
2018/19	\$785,677	\$363,769	+ \$421,908
2019/20	\$762,425	\$348,125	+ \$414,300
2020/21	\$698,005	\$311,837	+\$386,168

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.

(4) Cash, Cash Equivalents and other Financial Instruments

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

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(5) Infrastructure, Property, Plant & Equipment**6.1 Initial Recognition**

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

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

6.2 Materiality

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

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Plant, Furniture & Equipment	\$10,000
Buildings	\$10,000
Park Furniture & Ancillary	\$10,000
Civil Infrastructure	\$10,000
Recreational	\$10,000
Stormwater Drainage	\$10,000
Marine Structures	\$10,000
Sewer Mains	\$10,000
Kerbs	\$10,000
Pathways	\$10,000
Roadways	\$10,000
Car Parks	\$10,000
Bridges & Major Culverts	\$10,000
Sewer Pump Station & Treatment Plant	\$10,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

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

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Dredge Hull & Structure	50 years
Dredge mechanical	20 years
Support vessel hull & structure	30 years
Support vessel mechanical	10 years

Building

Structure	80 to 100 years
Sub- Structure	80,85 to 100 years
Roof	65 years
Fitout & Fittings	15 to 20 years
Floor coverings	10 to 20 years
Electrical Services	20 years
Mechanical Services	30 years
Security Services	40 years
Transport Services	20 years

Park Furniture & Ancillary

Bins	10 to 15 years
Benches	15 years
Picnic Sets	30 years
BBQ	20 years

Civil Infrastructure

Structures	40 to 80 years
Lighting	40 years
Miscellaneous Assets	25 to 40 years

Recreational

Play Equipment	25 years
----------------	----------

Stormwater Drainage

Sump Bores	80 years
Pipes	100 years
Pits	80 years
Weir Boards	70 years

Marine Structures

(Piers) Pontoons	30 years
Boat Ramps	60 years
Sea Walls	250 years
Pathways	100 years
Groynes	100 years

Sewer Pump Station & Treatment Plant

Pumps	15 to 20 years
Pipework	50 years
Valves	25 years
Fittings	5 to 80 years
Structure	20 to 80 years
Lagoons	100 years
Irrigation	15 to 80 years

Sewer Mains

Mains	80 years
-------	----------

Kerbs

Item	80 years
------	----------

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

<i>Pathways</i>	
Surface	100 years
<i>Roadways</i>	
Formation	1000 years
Unsealed Pavement	20 years
Sealed Pavement & Sub Base	250 years
Sealed Pavement Base	100 years
Surface	20 to 30 years
<i>Car Parks</i>	
Pavement	100 years
Surface	20 years
<i>Bridges & Major Culverts</i>	
Structure	80 years
Surface	50 years
Rails	50 years

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

(6) Payables**7.1 Goods & Services**

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

7.2 Payments Received in Advance & Deposits

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

(7) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(8) Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted avg. discount rate -1.015% (2020, 1.024%)

Weighted avg. settlement period 1 years (2020, 1 years)

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

(9) Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

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

(10) Equity Accounted Council Businesses

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

(11) 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.

(12) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the consolidated financial statements of the Group.

(13) Comparative Figures

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

(14) Disclaimer

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income

\$ '000	2021	2020
(a) Rates		
General Rates		
General Rates	4,035	3,904
Less: Mandatory Rebates	(27)	(29)
Less: Discretionary Rebates, Remissions & Write Offs	(18)	(22)
Total General Rates	3,990	3,853
Other Rates (Including Service Charges)		
Community Wastewater Management Systems	421	409
Landscape Board Levy (Previously NRM Levy)	238	235
Waste Collection	428	360
Total Other Rates (Including Service Charges)	1,087	1,004
Other Charges		
Legal & Other Costs Recovered	4	6
Penalties for Late Payment	13	11
Total Other Charges	17	17
Total Rates	5,094	4,874
(b) Statutory Charges		
Animal Registration Fees & Fines	28	26
Development Act Fees	56	13
Health & Septic Tank Inspection Fees	14	12
Other Registration Fees	1	1
Parking Fines / Expiation Fees	6	-
Town Planning Fees	7	26
Other	14	6
Total Statutory Charges	126	84
(c) User Charges		
Aero Fees	1	1
Boat Ramp Fees	28	18
Cemetery/Crematoria Fees	28	26
Hall & Equipment Hire	5	5
Hire Fees	3	4
Kingston Foreshore Caravan Park	524	504
Property Lease	18	16
Sales - General	-	2
Sangarb Dump Fees	15	18
Sundry	5	6
Truck Wash Income	14	18
Total User Charges	641	618

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$ '000	2021	2020
(d) Investment Income		
Interest on Investments		
- Loans to Community Groups	34	35
- Local Government Finance Authority	27	18
Total Investment Income	61	53
(e) Reimbursements		
Diesel Fuel Rebate	18	46
Joint Undertakings	60	100
Private Works	13	64
Resource Sharing Agreements	38	31
Other	14	25
Total Reimbursements	143	266
(f) Other income		
Rebates Received	11	30
Sundry	6	9
Waste Transfer Station	6	-
Community Events	8	-
Total Other income	31	39
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	334	284
Total Amounts Received Specifically for New or Upgraded Assets	334	284
Individually Significant Item - Additional Grants Commission Payment (refer below)	386	414
Other Grants, Subsidies and Contributions	675	544
Roads to Recovery	258	258
Sundry	4	1
Untied - Financial Assistance Grant	312	348
Donations - Bushfire	5	34
Total Other Grants, Subsidies and Contributions	1,640	1,599
Total Grants, Subsidies, Contributions	1,974	1,883
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
State Government	866	961
Other	1,108	922
Total	1,974	1,883
(ii) Individually Significant Items		
Grant Commission (FAG) Grant Recognised as Income	386	414

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

Supplementary Local Roads- received 2 years in advance

\$ '000	2021	2020
---------	------	------

(h) Conditions over Grants & Contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	–	334
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Other	–	(334)
Subtotal	–	(334)
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Unexpended at the close of this reporting period	–	–
Net increase (decrease) in assets subject to conditions in the current reporting period	–	(334)

(i) Physical Resources Received Free of Charge

Roads, Bridges & Footpaths	–	472
Total Physical Resources Received Free of Charge	–	472

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses

\$ '000	Notes	2021	2020
(a) Employee costs			
Employee Leave Expense		234	174
Less: Capitalised and Distributed Costs		(91)	(33)
Salaries and Wages		1,639	1,636
Superannuation - Defined Benefit Plan Contributions	16	23	22
Superannuation - Defined Contribution Plan Contributions	16	145	140
Other Employee Related Costs		17	20
Workers' Compensation Insurance		50	45
<u>Total Operating Employee Costs</u>		<u>2,017</u>	<u>2,004</u>
Total Number of Employees (full time equivalent at end of reporting period)		19	22
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		18	21
Elected Members' Expenses		92	109
Election Expenses		1	1
<u>Subtotal - Prescribed Expenses</u>		<u>111</u>	<u>131</u>
(ii) Other Materials, Contracts and Expenses			
Contractors		1,661	1,862
Contributions		116	95
Energy		122	130
Fringe Benefit Tax		37	34
Fuel		107	178
Insurance		167	162
Joint Undertakings		60	100
Legal Expenses		90	47
Levies - Other		9	15
Levies Paid to Government - Landscape Board Levy (Previously NRM Levy)		237	230
Maintenance		82	89
Other		1	2
Parts, Accessories & Consumables		124	86
Professional Services		179	207
Sundry		287	310
Other		16	13
Water		43	50
<u>Subtotal - Other Material, Contracts & Expenses</u>		<u>3,338</u>	<u>3,610</u>
<u>Total Materials, Contracts and Other Expenses</u>		<u>3,449</u>	<u>3,741</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses (continued)

\$ '000	2021	2020
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	387	387
Infrastructure	1,097	1,090
- CWMS	131	132
- Marine	140	140
Plant & Equipment	323	319
Office Equipment	7	9
Subtotal	2,085	2,077
Total Depreciation, Amortisation and Impairment	2,085	2,077
(d) Finance Costs		
Interest on Borrowings	83	91
Other	9	7
Total Finance Costs	92	98

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2021	2020
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	104	93
Less: Carrying Amount of Assets Sold	(1,062)	(91)
Gain (Loss) on Disposal	(958)	2
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	120	163
Less: Carrying Amount of Assets Sold	(16)	(284)
Gain (Loss) on Disposal	104	(121)
Net Gain (Loss) on Disposal or Revaluation of Assets	(854)	(119)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Current Assets

\$ '000	2021	2020
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	587	98
Deposits at Call	3,682	3,339
<u>Total Cash & Cash Equivalent Assets</u>	<u>4,269</u>	<u>3,437</u>
 (b) Trade & Other Receivables		
Rates - General & Other	126	151
Accrued Revenues	41	15
Debtors - General	54	254
Prepayments	12	40
Loans to Community Organisations	330	332
Subtotal	<u>563</u>	<u>792</u>
<u>Total Trade & Other Receivables</u>	<u>563</u>	<u>792</u>
 (c) Inventories		
Stores & Materials	68	54
Trading Stock	6	8
<u>Total Inventories</u>	<u>74</u>	<u>62</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 6. Non-Current Assets

<u>\$ '000</u>	<u>2021</u>	<u>2020</u>
(a) Financial Assets		
Receivables		
Loans to Community Organisations and Other External Organisations	2,857	3,172
Subtotal	<u>2,857</u>	<u>3,172</u>
Total Receivables	<u>2,857</u>	<u>3,172</u>
<u>Total Financial Assets</u>	<u>2,857</u>	<u>3,172</u>
(b) Other Non-Current Assets		
Other		
Capital Works-in-Progress	167	848
Total Other	<u>167</u>	<u>848</u>
<u>Total Other Non-Current Assets</u>	<u>167</u>	<u>848</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment

(a(i)) Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/06/20				Asset movements during the reporting period					as at 30/06/21			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land	2	9,104	–	–	9,104	–	–	–	–	–	9,104	–	–	9,104
Buildings & Other Structures	3	16,262	661	(6,687)	10,236	201	103	(98)	(387)	–	16,031	965	(6,941)	10,055
Infrastructure	3	45,752	2,294	(9,765)	38,281	1,642	1,338	(879)	(1,097)	46,249	95,857	2,980	(13,303)	85,534
- CWMS		8,131	140	(1,973)	6,298	–	22	(1)	(131)	–	8,118	162	(2,092)	6,188
- Marine		17,724	1,449	(1,986)	17,187	–	103	–	(140)	1,867	21,806	103	(2,892)	19,017
Plant & Equipment		–	6,613	(1,713)	4,900	168	20	(101)	(323)	–	–	6,517	(1,853)	4,664
Office Equipment		–	37	(30)	7	–	–	–	(7)	–	–	37	(37)	–
Total Infrastructure, Property, Plant & Equipment		96,973	11,194	(22,154)	86,013	2,011	1,586	(1,079)	(2,085)	48,116	150,916	10,764	(27,118)	134,562
Comparatives		90,756	16,520	(20,272)	87,004	301	1,160	(375)	(2,077)	–	96,973	11,194	(22,154)	86,013

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are restated 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.

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.

Buildings previously classified as level 3 have been reclassified as level 2 as the latest revaluation has used unobservable inputs, such as estimates of quantities of materials and labour, residual values and useful lives, in determining the valuation..

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other Information

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

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

Highest and best use

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

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.

Transition to AASB 13 - Fair Value Measurement

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

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 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.

Land & Land Improvements

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

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land, including bulk earthworks with an assessed unlimited useful life, was valued at the current replacement cost as at 30 June 2017 using Valuer General Assessment by Assetic Australia Pty Ltd. Additions are recognised at cost.

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2017 by Assetic Australia Pty Ltd.

Infrastructure

Transportation Assets

Transport Assets were revalued as at 30 June 2021 by Assetic Australia Pty Ltd.

Civil Assets (Marine Structures)

Civil Assets were revalued as at 30 June 2021 by Assetic Australia Pty Ltd.

Stormwater Drainage

Stormwater Assets were revalued as at 30 June 2017 by Assetic Australia Pty Ltd.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

Community Wastewater Management System Infrastructure

Community Wastewater Management System Assets were revalued as at 30 June 2017 by Assetic Australia Pty Ltd.

Plant & Equipment

These assets are recognised on the cost basis.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Liabilities

\$ '000	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(a) Trade and Other Payables				
Goods & Services	742	–	295	–
Payments Received in Advance	435	–	22	–
Accrued Expenses - Employee Entitlements	29	–	26	–
Accrued Expenses - Finance Costs	37	–	44	–
Accrued Expenses - Other	91	–	28	–
<u>TOTAL Trade and Other Payables</u>	<u>1,334</u>	<u>–</u>	<u>415</u>	<u>–</u>
(b) Borrowings				
Borrowings	394	3,927	382	4,306
<u>TOTAL Borrowings</u>	<u>394</u>	<u>3,927</u>	<u>382</u>	<u>4,306</u>
All interest bearing liabilities are secured over the future revenues of the Council				
(c) Provisions				
Employee Entitlements (including oncosts)	292	12	319	58
<u>TOTAL Provisions</u>	<u>292</u>	<u>12</u>	<u>319</u>	<u>58</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves

\$ '000	as at 30/06/20				as at 30/06/21
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land	5,894	–	–	–	5,894
Buildings & Other Structures	12,542	–	–	–	12,542
Infrastructure	10,407	46,249	–	–	56,656
- CWMS	1,460	–	–	–	1,460
- Marine	–	1,867	–	–	1,867
Plant & Equipment	356	–	–	–	356
Furniture & Fittings	1,777	–	–	–	1,777
Minor Plant & Equipment	3,783	–	–	–	3,783
Office Equipment	8,544	–	–	–	8,544
Marine Structures	16,134	–	–	–	16,134
Total Asset Revaluation Reserve	60,897	48,116	–	–	109,013
Comparatives	60,897	–	–	–	60,897

\$ '000	as at 30/06/20				as at 30/06/21
	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Open Space Reserve	6	–	–	–	6
Kingston CWMS	836	50	–	–	886
Cape Jaffa Maintenance Reserve	392	8	–	–	400
Total Other Reserves	1,234	58	–	–	1,292
Comparatives	1,135	99	–	–	1,234

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Open Space Reserve

Open Space Contributions received as required under the Development Act 1993.

Kingston CWMS

Kingston CWMS is for future asset replacement and capital maintenance.

Cape Jaffa Maintenance Reserve

Cape Jaffa Maintenance Reserve is for future maintenance activities associated with Cape Jaffa Anchorage.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2021	2020
---------	-------	------	------

(a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	4,269	3,437
Balances per Statement of Cash Flows		4,269	3,437

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

Net Surplus/(Deficit)		(427)	250
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		2,085	2,077
Non-Cash Asset Acquisitions		–	(472)
Grants for capital acquisitions treated as Investing Activity		(334)	(284)
Net (Gain) Loss on Disposals		854	119
		2,178	1,690
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		227	123
Net (Increase)/Decrease in Inventories		(12)	36
Net Increase/(Decrease) in Trade & Other Payables		919	(8)
Net Increase/(Decrease) in Unpaid Employee Benefits		(73)	(12)
Net Cash provided by (or used in) operations		3,239	1,829

(c) Financing Arrangements

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

Bank Overdrafts	100	100
Corporate Credit Cards	24	24
LGFA Cash Advance Debenture Facility	1,200	1,200

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 11(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions/Activities										
Business Undertakings	1,035	1,098	1,207	1,264	(172)	(166)	6	1	55,440	7,315
Administration	4,916	4,707	341	195	4,575	4,512	1,015	752	6,607	6,603
Community Services/ Amenities	52	68	340	223	(288)	(155)	–	34	11,322	11,316
Library	–	1	29	43	(29)	(42)	30	–	–	–
Economic Development	30	18	263	93	(233)	(75)	–	17	–	–
Environment	459	481	681	611	(222)	(130)	152	246	–	–
Health	22	21	11	11	11	10	–	1	855	855
Public Order & Safety	–	–	37	89	(37)	(89)	–	–	328	328
Recreation	62	80	1,229	2,026	(1,167)	(1,946)	68	27	15,098	15,090
Regulatory Services	146	106	207	179	(61)	(73)	–	–	–	–
Transport	565	573	2,671	2,641	(2,106)	(2,068)	369	521	52,842	52,817
Waste Management	449	380	625	545	(176)	(165)	–	–	–	–
Total Functions/Activities	7,736	7,533	7,641	7,920	95	(387)	1,640	1,599	142,492	94,324

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11(b). Components of Functions

The activities relating to Council functions are as follows:

ADMINISTRATION

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

LIBRARY

Library Services

PUBLIC ORDER & SAFETY

Supervision of various by-laws, fire prevention, CFS and animal control, emergency services

HEALTH

Food Control, operation of community health programs and health centre

COMMUNITY SERVICES/ AMENITIES

Maintenance of halls, Senior Citizens centre, Other community support, public toilets, maintenance of cemeteries

ENVIRONMENT

Street cleaning and lighting, Stormwater drainage

ECONOMIC DEVELOPMENT

Tourism, private works

REGULATORY SERVICES

Building Act requirements, dog control, health inspection, other regulatory services

BUSINESS UNDERTAKINGS

Effluent drainage, Land Development, Caravan parks, Truckwash

WASTE MANAGEMENT

Rubbish Collection Services, Green waste, Waste Transfer Station operation

TRANSPORT

Construction and maintenance of roads, bridges, footpaths, parking and signs, aerodromes, plant & depot operations

RECREATION

Parks and gardens, recreation and sporting venues, Foreshore/ Marine operations, museum, sport and recreation

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.3% (2020: 0.25% and 2.2%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.25% (2020: 0.5292%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Liabilities - Creditors and Accruals

Accounting Policy:

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Financial Instruments (continued)

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (varied terms); interest is charged at fixed and variable rates between 2.05% and 5.4% (2020: 2.2% and 5.4%).

Carrying Amount:

Approximates fair value.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
2021					
Cash & Cash Equivalents	4,269	–	–	4,269	4,269
Receivables	551	–	2,846	3,397	3,408
Total Financial Assets	4,820	–	2,846	7,666	7,677
Financial Liabilities					
Payables	900	–	–	900	899
Current Borrowings	555	–	–	555	394
Non-Current Borrowings	–	505	3,737	4,242	3,927
Total Financial Liabilities	1,455	505	3,737	5,697	5,220
2020					
Cash & Cash Equivalents	3,437	–	–	3,437	3,437
Receivables	750	–	3,173	3,923	3,924
Total Financial Assets	4,187	–	3,173	7,360	7,361
Financial Liabilities					
Payables	393	–	–	393	393
Current Borrowings	558	–	–	558	382
Non-Current Borrowings	–	4,344	293	4,637	4,306
Total Financial Liabilities	951	4,344	293	5,588	5,081

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

\$ '000	2021		2020	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	4.44%	1,475	4.39%	1,842
Fixed Interest Rates	2.05%	2,846	2.20%	2,846
		4,321		4,688

Net Fair Value

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 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.

Note 13. Capital Expenditure and Investment Property Commitments

\$ '000	2021	2020
Other Expenditure Commitments		
Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Accounting Services	7	12
Asset Management Services	–	32
Audit Services	57	76
Caravan Park Management	229	339
Employee Remuneration Contracts	704	1,275
Lawn Mowing	580	610
Main Street upgrade contract	–	745
Recyclable Collection	14	100
Rubbish Collection	38	270
Waste Transfer Station	–	7
	1,629	3,466
These expenditures are payable:		
Not later than one year	644	1,959
Later than one year and not later than 5 years	985	1,507
	1,629	3,466

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Financial Indicators

\$ '000	Indicator 2021	Indicators 2020 2019	
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating Surplus	1.2%	(5.1)%	(7.2)%
Total Operating Income			
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities	(23)%	(26)%	(17)%
Total Operating Income			
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
Adjustments to Ratios			
<i>In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.</i>			
Adjusted Operating Surplus Ratio			
Operating Surplus	(4.0)%	(11.3)%	(18.5)%
Total Operating Income			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities	(24)%	(27)%	(19)%
Total Operating Income			
3. Asset Renewal Funding Ratio			
Net Asset Renewals	103%	71%	90%
Infrastructure & Asset Management Plan required expenditure			
<i>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.</i>			

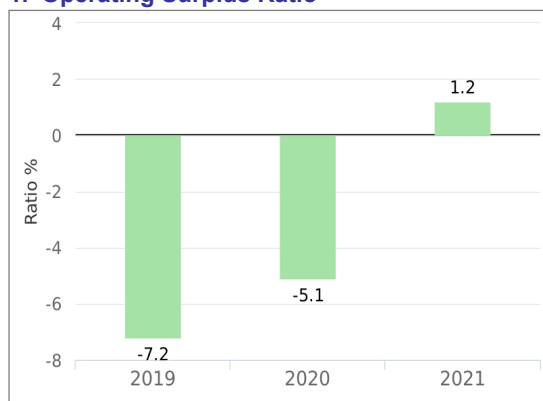
Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Financial Indicators (continued)

Financial Indicators - Graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

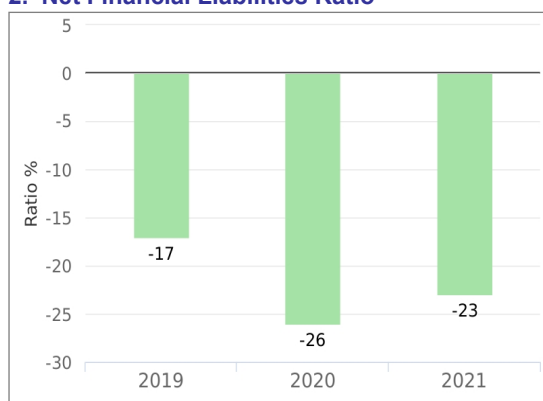
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2020/21 result

2020/21 ratio 1.2%

2020/21 Council received Financial Assistance Grants in advance.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

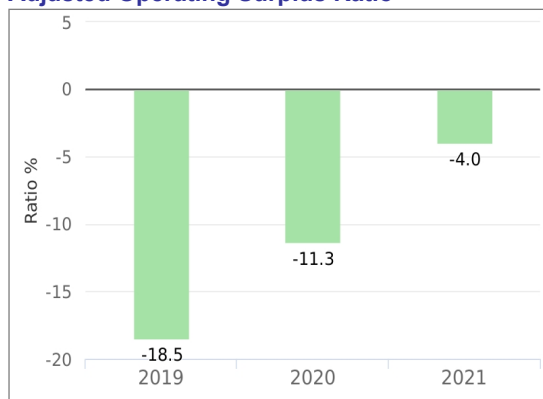
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2020/21 result

2020/21 ratio (23)%

2020/21 Council received Financial Assistance Grants in advance.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2020/21 result

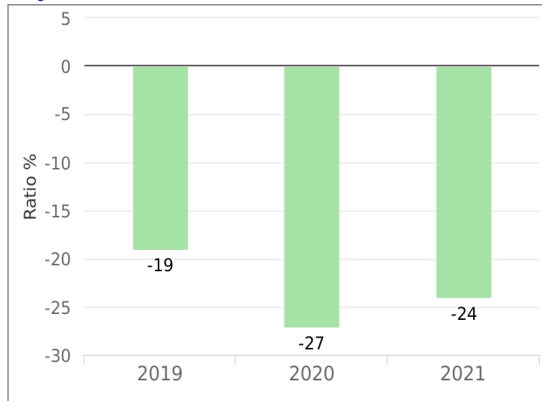
2020/21 ratio (4.0)%

This ratio removed the affect from the advance payment of the Financial Assistance Grant. The trend of operational deficit is included in the Long Term Financial Plan.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 14. Financial Indicators (continued)

Adjusted Net Financial Liabilities Ratio



Purpose of adjusted net financial liabilities ratio

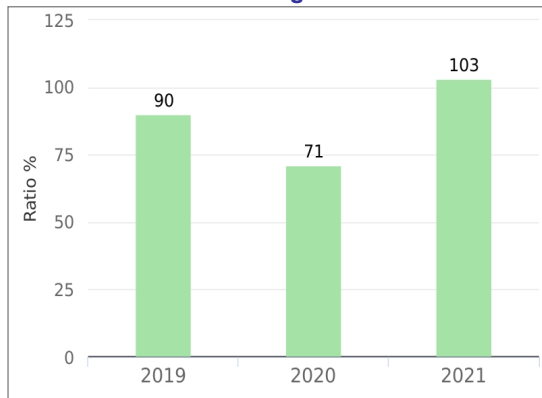
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2020/21 result

2020/21 ratio (24)%

The ratio removed the affect from the advance payment the Financial Assistance Grant. A negative Net Financial Liabilities Ratio shows, Council has more cash and financial assets in bank than is owed in borrowing.

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Commentary on 2020/21 result

2020/21 ratio 103%

Local Roads and Community Infrastructure Program grants allowed Council to address some delayed renewal programs and bring forward others. This means that Council spent more on asset renewal than the amount required in the Infrastructure Asset Management Plans.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 15. Uniform Presentation of Finances

\$ '000	2021	2020
<p>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.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	7,736	7,533
less Expenses	(7,643)	(7,920)
Operating Surplus / (Deficit)	93	(387)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(1,235)	(1,222)
add back Depreciation, Amortisation and Impairment	2,085	2,077
add back Proceeds from Sale of Replaced Assets	104	93
	954	948
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,341)	(301)
add back Amounts Received Specifically for New and Upgraded Assets	334	284
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	120	163
	(2,887)	146
Net Lending / (Borrowing) for Financial Year	(1,840)	707

Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2020/21; 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 2019/20) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 17. Interests in Other Entities

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to **\$2,281,146** (2020:\$2,281,146) at reporting date.

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

5. 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 Nil 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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 19. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 12 persons were paid the following total compensation:

\$ '000	2021	2020
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	580	565
Post-Employment Benefits	47	46
Total	627	611

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

Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	4	1
Total	4	1

Key Management Personnel or close family members (including related parties) received Discretionary rate rebates during the year, for a Community Group that they are a member of. In accordance with the Local Government Act 1999, these person's declared conflicts of interest and took no part in the assessment or approval process for this rebate. Total rebates amounted to \$7,150.

Close family members of Key Management Personnel (including related parties) own a retail business from which various supplies were purchased as required on a 30-day account. Total purchases amounted to \$29,716.

Three (3) close family members of Key Management Personnel are employed by Council in accordance with the terms of the Awards, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the Local Government Act 1999.

Key Management Personnel or close family members (including related parties) lodged a total of three (3) planning & building applications during the year. Total fees for this application (all of which are payable of lodgement) amounted to \$3,615.

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



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

Liability limited by a scheme approved
under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT

To the Members of the Kingston District Council

Independent Assurance report on the Internal Controls of the Kingston District Council

Opinion

We have audited the compliance of the Kingston District 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 2020 to 30 June 2021 have been conducted properly and in accordance with law.

In our opinion, the Kingston District 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 2020 to 30 June 2021.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2020 to 30 June 2021. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's Responsibility for Internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2020 to 30 June 2021. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis based on the assessed risks.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of Use

This report has been prepared for the members of the Council in Accordance with Section 129 of the Local Government Act 1999 in relation to the Internal Controls Specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than which it was prepared

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Luke Williams CA, CPA, Registered Company Auditor
Partner

30 / 11 / 2021

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



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

Liability limited by a scheme approved
under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT

To the members of the Kingston District Council

Opinion

We have audited the accompanying financial report of the Kingston District Council, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the Kingston District Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



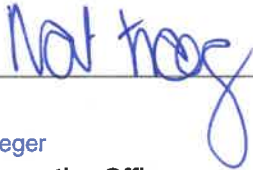
Luke Williams CA, CPA, Registered Company Auditor
Partner

General Purpose Financial Statements
for the year ended 30 June 2021

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Kingston District Council for the year ended 30 June 2021, the Council's Auditor, Galpins Accountants, Auditors & Business Consultants has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Nat Traeger
Chief Executive Officer



Kay Rasheed
Presiding Member, Audit & Risk Committee

Date: 23 November 2021

General Purpose Financial Statements

for the year ended 30 June 2021

Statement by Auditor

I confirm that, for the audit of the financial statements of Kingston District Council for the year ended 30 June 2021, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants (including Independence Standards) Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Luke Williams

**Galpins Accountants, Auditors & Business
Consultants**

Date: 30 November 2021