

Annual Financial Statements

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

ABN 48 014 914 743

For the year ended 30 June 2022

Prepared by WLF Accounting & Advisory

Contents

3	General Management Committee Report
5	Statement by the General Management Committee
6	Statement of Comprehensive Income
7	Statement of Financial Position
8	Statement of Changes in Equity
9	Statement of Cash Flows
10	Notes to the Financial Statements
24	Audit Report
25	Appendix 1

General Management Committee Report

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA For the year ended 30 June 2022

The General Management Committee submits the special purpose financial report of the Local Government Association of Tasmania (the Association) for the year ended 30 June 2022.

General Management Committee

The names of the committee members in office during 2021/22 financial year are:

President	Mayor Christina Holmdahl	Elected July 2015 Appointed President July 2019
Vice President	Mayor Mick Tucker	Elected July 2017 Re-elected July 2021 Appointed Vice President August 2021
	Mayor Annette Rockliff	Elected July 2019 Re-elected August 2021
	Mayor Peter Freshney	Elected August 2021
	Deputy Mayor Danny Gibson	Elected August 2021
	Mayor Bec Thomas	Elected August 2021
	Mayor Alex Green	Elected August 2021
	Lord Mayor Anna Reynolds	Right of position began July 2019

Principal Activity

The principal activities of the Association during the year were to undertake the responsibilities of the Association as described in the *Local Government Act 1993* and in the rules of the Association. This included participation in intergovernmental relations with the State and Commonwealth Governments to represent the views of Local Government, particularly in areas of structural and legislative reform. Additionally, the Association provided a range of services for Councils to facilitate access to services and achieve better economies of scale. The Association has provided these services at a discounted subscription as part of a fiscal strategy to reduce the Association's cash holdings.

Operating Result

The net surplus from general operations amounted to \$78,270 (2020/21 net deficit \$71,506).

General Management Committee Members' Benefits

No committee member has received or become entitled to receive, during or since the end of the financial period, a benefit because of a contract made by the Association, with a committee member, a firm of which a committee member is a member or an entity in which a committee member has a substantial financial interest.

Signed at Hobart, this 6th day of December 2022, in accordance with a Resolution of the General Management Committee.

A handwritten signature in blue ink, appearing to read 'Christina Holmdahl'. The signature is fluid and cursive.

Mayor Christina Holmdahl

President

Statement by the General Management Committee

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA For the year ended 30 June 2022

In the opinion of the members of the General Management Committee of the Association:

1 (a) the Association is not a reporting entity; and

(b) the financial statements and notes thereto, set out on pages 6 to 23 are drawn up, in accordance with the basis of accounting described in Note 1(a), so as to present fairly the financial position of the Association as at 30 June 2022 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

2 At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the General Management Committee and is signed for and on behalf of the Committee.

A handwritten signature in blue ink, appearing to read 'Christina Holmdahl', positioned above a horizontal line.

Mayor Christina Holmdahl

President

Statement of Comprehensive Income

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

For the year ended 30 June 2022

	NOTES	2022	2021
Income			
Grants and contributions	2	220,032	228,426
Interest income		13,631	16,764
Subscriptions		1,270,856	1,245,937
Other income		521,665	339,676
Total Income	16	2,026,184	1,830,803
Total Income		2,026,184	1,830,803
Expenses			
Employee benefits		1,131,838	1,220,676
Depreciation and amortisation		40,243	46,937
Grant and contribution expenses		182,318	170,906
Other expenses		593,515	463,791
Total Expenses	16	1,947,914	1,902,309
Surplus/(Deficit)		78,270	(71,507)
Other Comprehensive Income			
Asset Revaluation Reserve		343,516	62,500
Total Other Comprehensive Income		343,516	62,500
Comprehensive Result		421,786	(9,007)

The accompanying notes form part of these financial statements.

Statement of Financial Position

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA

As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and cash equivalents	3	309,830	608,625
Trade and other receivables	4	148,185	47,417
Financial assets	5	2,943,082	2,285,000
Other assets	6	41,322	41,386
Total Current Assets		3,442,418	2,982,429
Non-Current Assets			
Property, plant and equipment	7	1,515,312	1,203,116
Intangible assets	8	1,363	2,320
Total Non-Current Assets		1,516,675	1,205,436
Total Assets		4,959,093	4,187,865
Liabilities			
Current Liabilities			
Trade and other payables	9	279,555	195,057
Unexpended grant income	10	586,199	349,680
Provisions	11	214,154	183,532
Total Current Liabilities		1,079,908	728,269
Non-Current Liabilities			
Provisions	11	81,883	84,080
Total Non-Current Liabilities		81,883	84,080
Total Liabilities		1,161,791	812,349
Net Assets		3,797,302	3,375,516
Equity			
Retained Earnings		3,143,089	3,064,819
Asset Revaluation Reserve		654,213	310,697
Total Equity		3,797,302	3,375,516

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA For the year ended 30 June 2022

	2022	2021
Equity - Summary		
Equity		
Opening Balance	3,375,516	3,384,523
Accumulated Surpluses	78,270	(71,507)
Asset Revaluation Reserve	343,516	62,500
Total Equity - Summary	3,797,302	3,375,516
	2022	2021
Equity - Detailed		
Accumulated Surpluses		
Opening Balance	3,064,819	3,136,325
Surplus / (Deficit) for the year	78,270	(71,507)
Total Accumulated Surpluses	3,143,089	3,064,819
Asset Revaluation Reserve		
Opening Balance	310,697	248,197
Other Comprehensive Income	343,516	62,500
Total Asset Revaluation Reserve	654,213	310,697
Total Equity - Detailed	3,797,302	3,375,516

The accompanying notes form part of these financial statements.

Statement of Cash Flows

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA For the year ended 30 June 2022

	NOTES	2022	2021
Cash flows from operating activities			
General receipts		1,884,300	1,859,877
Grants	2	456,551	224,240
Interest		13,721	16,317
Payments to suppliers and employees		(1,986,647)	(2,027,965)
Net cash provided by (used in) operating activities	12	367,925	72,469
	NOTES	2022	2021
Cash flows from investing activities			
Purchase of plant and equipment and intangible assets	7	(8,638)	(51,559)
Proceeds from sale of plant and equipment		-	15,891
Proceeds from other financial assets		500,000	-
Payments of other financial assets		(1,158,082)	(300,000)
Net cash provided by (used in) investing activities		(666,720)	(335,668)
	NOTES	2022	2021
Summary of cash flows			
Net increase (decrease) in cash and cash equivalents		(298,795)	(263,199)
Cash and cash equivalents at the beginning of the financial year		608,625	871,824
Cash and cash equivalents at the end of the financial year	3	309,830	608,625

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

LOCAL GOVERNMENT ASSOCIATION OF TASMANIA For the year ended 30 June 2022

Reporting Entity

The Local Government Association of Tasmania (Association or LGAT), originally established in 1911 as the Municipal Association of Tasmania, is an incorporated body under the *Local Government Act 1993 (as amended)*.

The purpose of the Association is to:

- Protect and represent the interests and rights of councils in Tasmania.
- Promote an efficient and effective system of local government in Tasmania.
- Provide services to members, councillors and employees of councils.

All amounts are presented in Australian dollars and have been rounded to the nearest dollar.

LGAT Assist

LGAT Assist is part of the Association, but is managed by a Board appointed by the Association's General Management Committee. The Association provides administrative support to LGAT Assist. LGAT Assist provides loans to employees of local government authorities at a competitive interest rate. The financial statements of LGAT Assist are separately presented in APPENDIX 1 to these financial statements.

1. Statement of Significant Accounting Policies

The following is a summary of the material policies adopted by the Association in the preparation of the Special Purpose Financial Report.

(a) Basis of accounting

In the opinion of the General Management Committee, the Association is a non-reporting entity and prepares a Special Purpose Financial Report to meet the information needs of members and the requirements of the Local Government Act 1993. This Special Purpose Financial Report has been prepared on an accruals basis and is based on historical costs and, except where stated, does not take into account changing money values, or fair values of non-current assets.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

This Special Purpose Financial Report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 15	Revenue from Contracts with Customers
AASB 9	Financial Instruments
AASB 101	Presentation of Financial Statements

AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Balance Sheet Date
AASB 116	Property Plant and Equipment
AASB 119	Employee Benefits
AASB 136	Impairment of Assets
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 138	Intangibles
AASB 1004	Contributions
AASB 1058	Income of Not-for-Profit Entities

Where appropriate, these accounts have applied the not-for-profit exemptions of these standards. No other applicable Accounting Standards, Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(b) Revenue Recognition

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). A provision for impairment is recognised when collection in full is no longer probable.

Non-reciprocal grant revenue is recognised in profit or loss when the Entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Entity and the amount of the grant can be measured reliably.

If the conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Disposal Proceeds

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal. The gross proceeds of asset sales are not recognised as revenue, rather a net gain on disposal is recognised in revenue and a net loss on disposal is recognised in expenditure.

(c) Depreciation and amortisation of property, plant and equipment and intangibles

The depreciable amount of building and improvements is depreciated on a straight line basis over the useful lives of the assets commencing from the time the asset is held ready for use. Motor vehicles are depreciated on a diminishing value basis. Plant

and equipment are depreciated using both straight line and diminishing value methods. Depreciation rates are reviewed annually to ensure they accurately reflect the consumption of the service potential embodied in the assets. Current rates of depreciation are:

	2022	2021
Property	2.50%	2.50%
Motor Vehicles	22.5%	22.5%
Office Furniture and Equipment	10-66%	10-66%

Intangible assets consist of computer software which is amortised on a straight line basis at the rate of 25-50% per annum.

(d) Taxation

The financial report has been prepared on the basis that the Association is a non-taxable entity. In the opinion of the General Management Committee, the Association is exempt from tax because it is an Association of Local Governments which is exempt from tax under the Local Government Act 1993.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows included as receipts from customers or payments to suppliers.

(f) Cash and cash equivalents

Cash and Cash Equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(g) Financial assets

Term Deposits

The investments of the Association comprise term deposits at financial institutions. Term deposits held with financial institutions are stated at nominal value. Term deposits with maturity dates greater than 12 months are recognised as non-current investments. The carrying amount of investments is reviewed annually by the General Management Committee to ensure it is not in excess of the recoverable amount.

(h) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount. An estimate for impairment is made when the collection of the full amount is no longer probable. Receivables are written off when it is determined that repayment is no longer probable. Trade debtors and other receivables are non-interest bearing and generally on 30 day terms.

(i) Property, plant and equipment and intangible assets

Land and Building assets are recorded on a valuation basis, less accumulated depreciation and any impairment losses. The remaining items of property, plant and equipment, in addition to intangibles, are measured at cost less accumulated depreciation and any impairment losses.

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

At each reporting date, the Association reviews the carrying values of its plant and equipment and intangible assets to determine whether there is any indication that those assets have been impaired. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Land and Buildings assets are revalued in accordance with LGAT valuation policy, using an independent professional valuer. Between revaluations, the appropriateness of carrying values are checked and if required, indices are used between formal revaluations, supplied by qualified valuers. In the current year, land and buildings were revalued according to the revaluation provided by the Valuer General as at 1 July 2021.

(j) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the entities become obliged to make future payment in respect of purchases of these goods and services. Payables also include liabilities for wages and salaries and associated employee expenses accrued at the end of the financial year.

Trade and sundry creditors are non-interest bearing and are normally settled on 30 day terms.

(k) Employee Benefits*Wages and salaries*

Liabilities for wages and salaries are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Sick leave

Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. The Association does not accrue sick leave as 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 continue.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

(I) Contingent assets, contingent liabilities and commitments

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value and inclusive of the GST payable.

2. Grants and contributions

Grants and contributions were received in respect of the following:

	2022	2021
Summary of grants received and receivable		
State funded grants	456,551	224,240
Total summary of grants and contributions received	456,551	224,240

	2022	2021
Grants and contributions recognised as revenue		
DPAC - Future of LG Review (a)	5,430	-
CCTV Program (a)	1,042	-
Election Campaign LG (a)	35,000	-
Coastal Adaption (a)	2,714	-
DHHS Health & Wellbeing (a)	-	135,875
DHHS Health & Wellbeing 2 (a)	175,846	5,416
DPAC - STEWE (a)	-	5,000
SES - Disaster Resilience (a)	-	5,460
LG Reform Fund (a)	-	5,105
Royal Flying Doctors Service (a)	-	4,317
Southern Tasmania Waste Management Group (a)	-	67,252
Total Grants and contributions recognised as revenue	220,032	228,426

(a) Conditional grants/contributions recognised as revenue on satisfaction of prescribed conditions

Expenditure relating to grants and contributions recognised as revenue in prior financial years:

The Association did not incur any expenditure on grants and contributions which were recognised as revenue in prior financial years and were expended during the current year.

	2022	2021
3. Cash and Cash Equivalents		
Current		
Cash on hand	400	700
Cash at bank	245,785	169,318
Short term investments at call	63,645	438,607
Total Current	309,830	608,625
Total Cash and Cash Equivalents	309,830	608,625

	2022	2021
4. Trade and Other Receivables		
Trade Debtors	148,185	47,417
Total Trade and Other Receivables	148,185	47,417

	2022	2021
5. Financial assets		
Fixed term investments	2,943,082	2,285,000
Total Financial assets	2,943,082	2,285,000

	2022	2021
6. Other assets		
Current		
Prepayments	29,801	35,895
Accrued interest	4,372	4,462
Other	7,149	1,029
Total Current	41,322	41,386
Total Other assets	41,322	41,386
	2022	2021

7. Property, Plant and Equipment

Buildings		
Buildings at valuation	540,000	365,625
Accumulated depreciation	(13,500)	(9,141)
Total Buildings	526,500	356,484
Land		
Land at valuation	910,000	750,000
Total Land	910,000	750,000
Motor Vehicles		
Motor vehicles at cost	114,417	114,417
Accumulated depreciation	(70,330)	(57,530)
Total Motor Vehicles	44,087	56,887
Office Furniture and Equipment		
Office furniture and equipment at cost	175,424	173,517
Accumulated depreciation	(140,700)	(133,772)
Total Office Furniture and Equipment	34,725	39,745
Total Property, Plant and Equipment	1,515,312	1,203,116
	2022	2021

Property, Plant and Equipment

Building		
Carrying amount at beginning of financial year	356,484	365,625
Gain/(loss) on revaluation	183,516	-
Depreciation expense	(13,500)	(9,141)
Carrying amount at end of financial year	526,500	356,484
Land		
Carrying amount at beginning of financial year	750,000	687,500
Gain/(loss) on revaluation	160,000	62,500
Carrying amount at end of financial year	910,000	750,000

	2022	2021
Motor Vehicles		
Carrying amount at beginning of financial year	56,887	54,875
Acquisitions	-	34,886
Disposals	-	(17,095)
Depreciation Expense	(12,799)	(15,779)
Carrying amount at end of financial year	44,088	56,887
Office Furniture and Equipment		
Carrying amount at beginning of financial year	39,745	43,573
Acquisitions	8,638	16,673
Disposals	(672)	(194)
Depreciation Expense	(12,987)	(20,307)
Carrying amount at end of financial year	34,724	39,745
Total Property Plant and Equipment		
Carrying amount at beginning of financial year	1,203,116	1,151,573
Gain/(loss) on revaluation	343,516	62,500
Acquisitions	8,638	51,559
Disposals	(672)	(17,289)
Depreciation Expense	(39,286)	(45,227)
Carrying amount at end of financial year	1,515,312	1,203,116

	2022	2021
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8. Intangible Assets

Computer Software		
Computer software at cost	29,844	29,844
Accumulated amortisation	(28,481)	(27,524)
Total Computer Software	1,363	2,320
Intangibles		
Carrying amount at beginning of the financial year	2,320	4,030
Amortisation expense	(957)	(1,710)
Total intangibles	1,363	2,320
	2022	2021

9. Trade and other payables

Trade payables	119,270	16,355
Net GST payable	40,076	33,307
Sundry creditors	2,310	2,065
Accrued Expenses	34,869	40,155
Mobile Phone Purchase Plans	476	1,191
Unearned revenue	82,554	101,985
Total Trade and other payables	279,555	195,057

	2022	2021
10. Unexpended grant income		
DPAC - Future of LG Review	94,571	-
DPAC - Workplace Health & Safety Review	60,000	-
CCTV Program	105,492	-
Coastal Adaption	9,232	11,947
Comm & Cultural Development	5,018	-
DHHS - Health & Wellbeing	18,985	18,985
DHHS - Health & Wellbeing Round 2	118,797	144,644
Environmental Dispute Resolution	11,616	11,616
LG Reform Fund	153,169	153,169
RFDS - Obesity & Moving	9,319	9,319
Total Unexpended grant income	586,199	349,680

	2022	2021
11. Provisions		
Current		
Annual leave	125,190	103,268
Long service leave	88,964	80,264
Total Current	214,154	183,532
Non Current		
Long service leave	81,883	84,080
Total Non Current	81,883	84,080
Total Provisions	296,037	267,612

	2022	2021
12. Cash flow statement reconciliation		
Surplus/(Deficit)	78,272	(71,506)
Other adjustments		
Depreciation	40,243	46,937
(Profit)/loss on disposal of plant and equipment	672	1,399
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(100,704)	120,349
Increase/(decrease) in trade and other payables	79,851	(5,986)
Increase/(decrease) in provisions	52,504	(5,435)
Increase/(decrease) in other liabilities	217,087	(13,289)
Net cash provided by/(used in) operating activities	367,925	72,469

13. Financial risk management objectives and policies

The Association's principal financial instruments comprise receivables, payables, cash and short and long term deposits, and financial assets.

The entity manages their exposure to key financial risks, including interest rate and credit risk, by adherence to management policy.

Credit risk

Credit risk arises from the financial assets of the Association, which comprise cash, cash assets, trade and other receivables. The exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the financial assets.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

The Association's exposure to interest rate risks is limited to the extent that interest revenue provides both operations with material revenue. LGAT does not have any external lending.

Term deposits are managed to maximise the interest revenue to LGAT within the confines of the cashflows of the organisation.

As at 30 June 2022 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT General's interest received by approximately \$29,430 (2020/21 \$17,850). An increase in an interest rate of one percent would have the same but opposite impact.

Liquidity risk

Liquidity risk arises from the financial liabilities of LGAT's ability to meet their obligations to repay their financial liabilities as and when they fall due.

LGAT's liabilities are limited to normal trading and operational liabilities. The organisation is highly liquid and therefore has very limited liquidity risk exposure.

14. Superannuation

During the year the Association made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the Superannuation Guarantee (Administration) Act 1992.

15. Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations or the financial position of the organisation.

2022 2021

16. Detailed statement of general account - revenue and expenditure

Revenue		
Government grants	220,032	228,332
Fees and commissions	224,130	186,143
Interest - general account	13,343	16,359
Interest - building proceeds	288	405
Interest - Government grants	-	93
Surplus/(Deficit) on disposal of plant and equipment	(672)	(1,399)
Sponsorship & professional development	218,477	78,132
Cost Recoveries	6	-
Secretarial Support	75,000	75,000
Subscriptions	1,270,856	1,245,937
Media Monitoring	4,725	1,800
Total Revenue	2,026,184	1,830,803

	2022	2021
Expenditure		
Accomm exp - GMC	2,018	2,941
Accounts Administration	13,217	14,746
Advertising	2,649	2,842
ALGA	114,056	117,126
Amortisation - computer software	957	1,710
Annual Conference	77,206	20,732
Auditors Remuneration	12,938	12,555
Catering / Entertainment	4,246	1,672
Cleaning and Supplies	12,015	14,012
Consultancy fees	59,385	16,805
Council Advert/Better Councils	-	18,105
Cost recovery - grant administration	(67,440)	(47,703)
Depreciation - Computers	11,754	18,906
Depreciation - Buildings	13,500	9,141
Depreciation - Furn & Fittings	1,232	1,401
Depreciation - Motor Vehicles	12,800	15,779
Fringe Benefits Tax	8,649	11,574
Insurance	63,654	58,953
Land & Buildings Running Costs	3,833	4,876
Media monitoring	20,398	6,800
Members Emoluments	70,829	67,664
Motor vehicle - repairs and maintenance	3,263	3,158
Motor vehicle - running expenses	9,089	7,466
Network & Internet	26,004	11,089
Other expenses	11,108	9,449
Payroll Tax	291	2,241
Postage	1,586	2,672
Power	8,622	7,088
Printing & Publications	4,442	5,662
Procurement Expenses	33,885	10,031
Professional Development Activities	9,341	24,317
Rates & Land Tax	15,256	15,476
Rentals	1,340	1,330
Salaries, wages and employee benefits (incl. grant staff)	1,059,415	1,086,742
Software	10,385	12,463
Stationery	919	1,177
Subscriptions - general account	6,852	5,491
Superannuation (incl. grant staff)	145,224	133,934
Sponsorship/Research/Donations	-	950
Telephone	6,302	7,565
Travelling expenses	9,461	12,464
Government grants expenditure (excl. wages and superannuation)		
CCTV Program	1,042	-
Coastal Adaption	2,714	-

	2022	2021
DHHS Health & Wellbeing	-	67,379
DHHS Health & Wellbeing 2	103,045	5,416
DPAC- Future of LG Review	5,430	-
DPAC - STEWE	-	5,000
Election Campaign	35,000	-
IT Strategies	-	10,976
LG Reform Fund	-	5,105
Royal Flying Doctors Service	-	4,317
SES - Disaster Resilience	-	5,460
Southern Tasmania Waste Management	-	67,252
Total Expenditure	1,947,914	1,902,309
Operating surplus/(deficit)	78,270	(71,507)

Charges incurred for the administration of both the LGAT Assist account and grant projects have been recharged to LGAT Assist or the specific project. The recovery of these costs is then shown as Cost Recovery so that the expenses on the General Account are more accurately reported.

17. Commitments

At 30 June 2022 the Association had no outstanding commitments.

18. Fair Value Measurements

AASB13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to measure can be categorised into as follows:

Level 1	Measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

The following table provides the fair value of the Association's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
30/06/2021				
Financial assets				
Other financial assets	2,285,000	-	-	2,285,000
Total financial assets recognised as fair value	2,285,000	-	-	2,285,000
Non-financial assets				
Freehold land	-	750,000	-	750,000
Freehold buildings	-	365,625	-	365,625

Total non-financial assets recognised at fair value	-	1,115,625	-	1,115,625
30/06/2022				
Financial assets				
Other financial assets	2,943,082	-	-	2,943,082
Total financial assets recognised as fair value	2,943,082	-	-	2,943,082
	Level 1	Level 2	Level 3	Total
Non-financial assets				
Freehold land	-	910,000	-	910,000
Freehold buildings	-	540,000	-	540,000
Total non-financial assets recognised at fair value	-	1,450,000	-	1,450,000

Amounts disclosed do not include any amortisation, depreciation or impairment and are measured at gross fair value.

19. Related Party Transactions

Key management personnel compensation

The totals of remuneration paid to two key management personnel (KMP) of the Association during the year are as follows:

	2022	2021
Benefits		
Short-term employment benefits	328,041	372,983
Post-employment benefits	41,832	38,464
Other long-term benefits	(1,751)	(19,091)
Total Benefits	368,122	392,356

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, excluding any committee member (whether executive or otherwise) of that entity, is considered key management personnel.

Committee members compensation

The totals of remuneration paid to committee members of the association during the year are as follows:

	2022	2021
Benefits		
Short-term employment benefits	70,829	67,664
Total Benefits	70,829	67,664

Any committee member (whether executive or otherwise) of that entity, is considered a committee member.

Appendix 1

LGAT ASSIST
For the year ended 30 June 2022

Prepared by WLF Accounting & Advisory

General Management Committee Report

LGAT ASSIST

For the year ended 30 June 2022

The General Management Committee submits the special purpose financial report of LGAT Assist for the year ended 30 June 2022.

General Management Committee

The names of the committee members in office during 2021/22 financial year are:

President	Mayor Christina Holmdahl	Elected July 2015 Appointed President July 2019
Vice President	Mayor Mick Tucker	Elected July 2017 Re-elected July 2021 Appointed Vice President August 2021
	Mayor Annette Rockliff	Elected July 2019 Re-elected August 2021
	Mayor Peter Freshney	Elected August 2021
	Deputy Mayor Danny Gibson	Elected August 2021
	Mayor Bec Thomas	Elected August 2021
	Mayor Alex Green	Elected August 2021
	Lord Mayor Anna Reynolds	Right of position began July 2019

Principal Activity

LGAT Assist is part of the Local Government Association of Tasmania and is managed by a Board appointed by the General Management Committee. This Board has engaged Local Government Association of Tasmania to provide administration services to LGAT Assist. LGAT Assist provides loans to employees of local government authorities at a competitive interest rate.

Operating Result

The net deficit from LGAT Assist amounted to \$24,096 (2020/21 \$28,762).

General Management Committee Members' Benefits

No committee member has received or become entitled to receive, during or since the end of the financial period, a benefit because of a contract made by LGAT Assist, with a committee member, a firm of which a committee member is a member or an entity in which a committee member has a substantial financial interest.

Signed at Hobart, this 6th day of December 2022 in accordance with a Resolution of the General Management Committee.



Mayor Christina Halmdahl

President

Statement by the General Management Committee

LGAT ASSIST

For the year ended 30 June 2022

In the opinion of the members of the General Management Committee of LGAT Assist:

1 (a) LGAT Assist is not a reporting entity; and

(b) the financial statements and notes thereto, set out on pages 6 to 16 are drawn up, in accordance with the basis of accounting described in Note 1(a), so as to present fairly the financial position of LGAT Assist as at 30 June 2022 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

2 At the date of this statement, there are reasonable grounds to believe that LGAT Assist will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the General Management Committee and is signed for and on behalf of the Committee.



Mayor Christina Holmdahl

President

Statement of Comprehensive Income

LGAT ASSIST

For the year ended 30 June 2022

	NOTES	2022	2021
Income			
Interest Income	11	23,155	23,202
Total Income		23,155	23,202
Total Income			
		23,155	23,202
Expenses			
Other Expenses	11	47,251	51,964
Total Expenses		47,251	51,964
Surplus/ (Deficit)		(24,096)	(28,762)
Comprehensive result		(24,096)	(28,762)

The accompanying notes form part of these financial statements.

Statement of Financial Position

LGAT ASSIST

As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and cash equivalents	2	141,869	163,934
Financial assets	3	861,795	861,537
Other assets	4	1,359	486
Total Current Assets		1,005,023	1,025,956
Total Assets		1,005,023	1,025,956
Liabilities			
Current Liabilities			
Trade and other payables	5	10,440	7,277
Total Current Liabilities		10,440	7,277
Total Liabilities		10,440	7,277
Net Assets		994,583	1,018,679
Equity			
Accumulated surplus		994,583	1,018,679
Total Equity		994,583	1,018,679

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

LGAT ASSIST

For the year ended 30 June 2022

	2022	2021
Equity		
Accumulated Surpluses		
Opening Balance	1,018,679	1,047,441
Surplus / (Deficit) for the year	(24,096)	(28,762)
Total Accumulated Surpluses	994,583	1,018,679
Total Equity	994,583	1,018,679

The accompanying notes form part of these financial statements.

Statement of Cash Flows

LGAT ASSIST

For the year ended 30 June 2022

		2022	2021
Cash flows from operating activities			
Interest		22,282	22,910
Payments to suppliers and employees		(43,989)	(52,302)
Net cash provided by (used in) operating activities	6	(21,707)	(29,392)
		2022	2021
Cash flows from investing activities			
Loans advanced		(242,414)	(224,237)
Repayment of loans advanced		243,949	255,510
Payments for other financial assets		(1,892)	(2,826)
Net cash provided by (used in) investing activities		(357)	28,447
		2022	2021
Summary of cash flows			
Net increase (decrease) in cash and cash equivalents		(22,064)	(945)
Cash and cash equivalents at the beginning of the financial year		163,934	164,879
Cash and cash equivalents at the end of the financial year	2	141,870	163,934

Notes to the Financial Statements

LGAT ASSIST

For the year ended 30 June 2022

1. Statement of Significant Accounting Policies

The following is a summary of the material policies adopted by LGAT Assist in the preparation of the Special Purpose Financial Report.

(a) Basis of Accounting

In the opinion of the General Management Committee, LGAT Assist is a non-reporting entity and prepares a Special Purpose Financial Report to meet the information needs of members and the requirements of the Local Government Act 1993. This Special Purpose Financial Report has been prepared on an accruals basis and is based on historical costs and, except where stated, does not take into account changing money values, or fair values of non-current assets.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

This Special Purpose Financial Report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 15	Revenue from Contracts with Customers
AASB 9	Financial Instruments
AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Balance Sheet Date
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 138	Intangibles
AASB 1004	Contributions
AASB 1058	Income of Not-for-Profit Entities

Where appropriate, these accounts have applied the not-for-profit exemptions of these standards. No other applicable Accounting Standards, Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(b) Revenue Recognition

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). A provision for impairment is recognised when collection in full is no longer probable.

(c) Taxation

The financial report has been prepared on the basis that LGAT Assist is a non-taxable entity. In the opinion of the General Management Committee, LGAT Assist is exempt from tax because it is an Association of Local Governments which is exempt from tax under the Local Government Act 1993.

(d) GST

LGAT Assist is not registered for Goods and Services Tax (GST). The entity does not remit GST on purchases or collect GST on income.

(e) Cash and Cash Equivalents

Cash and Cash Equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(f) Financial Assets

Term Deposits

The investments of LGAT Assist comprise term deposits at financial institutions. Term deposits held with financial institutions are stated at nominal value. Term deposits with maturity dates greater than 12 months are recognised as non-current investments. The carrying amount of investments is reviewed annually by the General Management Committee to ensure it is not in excess of the recoverable amount.

Financial Assets - LGAT Assist Loans

LGAT Assist loans are made only to local government employees and are repayable on demand. These loans are not secured. The term of the loan and the amount available are limited by the years of service of the employee. The maximum loan is \$7,575 and the maximum term at current interest rates is 4 years. Interest rates can be varied from time to time by the LGAT Assist Board and as at 30 June 2022 are set at 7.5% (2021 8.5%) for general purpose loans. These loans are designated as financial assets held to maturity and are therefore brought to account at cost. An impairment provision is recognised when the Board has determined that there is objective evidence that the loan may not be repaid in full.

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per the previous applicable (ASB 139). To reflect changes in credit risk, this expected credit loss model requires the Entity to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to the 12-month expected credit loss is used. However, a loss allowance is recognised at an amount equal to lifetime expected credit loss if the credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

A simple approach is followed in relation to trade receivables, as the loss allowance is measured at lifetime expected credit loss.

The Entity reviewed and assessed the existing financial assets on 1 July 2022. The assessment was done to test the impairment of these financial assets using reasonable and supportable information that was available to determine the credit risk of the respective items at the date they were initially recognised. The assessment was compared to the credit risk as at 1 July 2021 and 1 July 2022. The assessment was done without undue cost or effort in accordance with AASB 9.

(f) Trade and Other Receivables

Trade and other receivables are recognised and carried at original invoice amount. An estimate for impairment is made when the collection of the full amount is no longer probable. Receivables are written off when it is determined that repayment is no longer probable. Trade debtors and other receivables are non-interest bearing and generally on 30 day terms.

(g) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to LGAT Assist prior to the end of the financial year that are unpaid and arise when the entities become obliged to make future payment in respect of purchases of these goods and services.

Trade and sundry creditors are non-interest bearing and are normally settled on 30 day terms.

(h) Contingent Assets, Contingent Liabilities and Commitments

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value and inclusive of the GST payable.

	2022	2021
2. Cash and Cash Equivalents		
Cash at bank	68,765	90,840
Short term investments at call	73,105	73,094
Total Cash and Cash Equivalents	141,869	163,934
	2022	2021

3. Financial Assets

Current		
Fixed term investments	673,662	671,769
LGAT Assist loans	203,283	204,818
Provision for impairment	(15,150)	(15,050)
Total Current	861,795	861,537
Total Financial Assets	861,795	861,537
	2022	2021

4. Other Assets

Current		
Accrued interest	1,359	486
Total Current	1,359	486
Total Other Assets	1,359	486

	2022	2021
5. Trade and Other Payables		
Current		
Sundry Creditors	10,440	7,277
Total Current	10,440	7,277
Total Trade and Other Payables	10,440	7,277
	2022	2021

6. Cash flow statement reconciliation

Reconciliation of cash flows from operating activities to surplus

Surplus/(Deficit)	(24,096)	(28,762)
Change in assets and liabilities		
Decrease/(increase) in trade and other receivables	(873)	(292)
Increase/(decrease) in provision for doubtful debts	100	(338)
Increase/(decrease) in trade and other payables	3,163	-
Net cash provided by/(used in) operating activities	(21,706)	(29,392)

7. Financial Risk Management Objectives and Policies

LGAT Assist's principal financial instruments comprise receivables, payables, cash and short and long term deposits, and financial assets.

The entity manages their exposure to key financial risks, including interest rate and credit risk, by adherence to management policy.

Credit Risk

Credit risk arises from the financial assets of LGAT Assist, which comprise cash, cash assets, trade and other receivables and LGAT Assist loans. The exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the financial assets.

LGAT Assist does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by LGAT Assist.

LGAT Assists' credit policy of lending only to local government employees with the maximum loan value of \$7,575 and maximum term at current interest rates of 4 years reduces the risk profile of the lending provided. There is no security held against these loans.

LGAT Assist's exposure to interest rate risks is limited to the extent that interest revenue provides both operations with material revenue. LGAT Assist does not have any external lending.

Term deposits are managed to maximise the interest revenue to LGAT Assist within the confines of the cashflows of the organisation.

Interest rates applied to LGAT Assist loans are made with reference to market rates.

As at 30 June 2022 it is estimated that a decrease of one percentage point in interest rates would decrease the LGAT Assist's interest received by approximately \$2,032 (2020/21 \$2,048). An increase in an interest rate of one percent would have the same but opposite impact.

Liquidity risk

Liquidity risk arises from the financial liabilities of LGAT Assist's ability to meet their obligations to repay their financial liabilities as and when they fall due.

LGAT Assist's liabilities are limited to normal trading and operational liabilities. The organisation is highly liquid and therefore has very limited liquidity risk exposure.

8. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations or the financial position of the organisation.

9. Commitments

At 30 June 2022 LGAT Assist had no outstanding commitments.

10. Fair Value Measurements

LGAT Assist measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through profit or loss

Fair value hierarchy

AASB13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to measure can be categorised into as follows:

Level 1	Measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

The following table provides the fair value of LGAT Assist's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
30/06/2021				
Financial Assets				
Other financial assets	671,768	204,818	-	876,586
Total financial assets recognised as fair value	671,768	204,818	-	876,586
30/06/2022				
Financial Assets				
Other financial assets	673,662	203,282	-	876,944
Total financial assets recognised as fair value	673,662	203,282	-	876,944

Amounts disclosed do not include any amortisation, depreciation or impairment and are measured at gross fair value.

2022

2021

11. Detailed Statement of Revenue and Expenditure

Revenue

Interest on Loans	20,377	20,033
Other Interest Revenue	2,777	3,169
Total Revenue	23,155	23,202

Expenditure

LGAT Assist Accounts Administration	40,405	44,079
Auditors Remuneration	4,313	3,645
Bad Debts Written Off/(Recovered)	2,532	(486)
Grants to Members - Welfare	-	3,500
Other Expenses - Welfare	1	1,226
Total Expenditure	47,251	51,964
Operating surplus/(deficit)	(24,096)	(28,762)