

# Audited Financial Statements 2009-10

General Purpose Financial Reports  
For the year ended 30 June 2010

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# Statement of Comprehensive Income

for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Income</b>			
Rates	2	19,919	17,734
Statutory charges	2	588	521
User charges	2	1,775	1,822
Grants, subsidies and contributions	2	2,964	2,769
Investment income	2	607	606
Reimbursements	2	359	338
Other income	2	447	513
Net gain - joint ventures & associates	19	8	14
<b>Total Income</b>		<b>26,667</b>	<b>24,317</b>
<b>Expenses</b>			
Employee costs	3	8,322	7,636
Materials, contracts & other expenses	3	10,202	10,384
Finance costs	3	1,344	1,141
Depreciation, amortisation & impairment	3	5,190	4,917
Net loss - joint ventures & associates	19	10	12
<b>Total Expenses</b>		<b>25,068</b>	<b>24,090</b>
<b>Operating Surplus / (Deficit)</b>		<b>1,599</b>	<b>227</b>
Asset disposal & fair value adjustments	4	(550)	(133)
Amounts received specifically for new or upgraded assets	2	1,124	2,237
Physical resources received free of charge	2	1,596	2,847
<b>Net Surplus / (Deficit)</b>		<b>3,769</b>	<b>5,178</b>
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	55,805	-
<b>Total Other Comprehensive Income</b>		<b>55,805</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>59,574</b>	<b>5,178</b>

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

# Balance Sheet

as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	16,209	9,292
Trade & other receivables	5	2,061	2,328
Other financial assets	5	107	7
Inventories	5	40	33
		18,417	11,660
Non-current Assets held for Sale	20	3,881	2,235
<b>Total Current Assets</b>		<b>22,298</b>	<b>13,895</b>
<b>Non-current Assets</b>			
Financial Assets	6	137	158
Equity accounted investments in Council businesses	6	1,541	1,543
Infrastructure, Property, Plant & Equipment	7	242,796	187,921
Other Non-current Assets	6	2,141	-
<b>Total Non-current Assets</b>		<b>246,615</b>	<b>189,622</b>
<b>Total Assets</b>		<b>268,913</b>	<b>203,517</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8	3,270	2,955
Borrowings	8	1,534	1,622
Provisions	8	1,449	1,333
<b>Total Current Liabilities</b>		<b>6,253</b>	<b>5,910</b>
<b>Non-current Liabilities</b>			
Borrowings	8	20,429	14,972
Provisions	8	136	114
<b>Total Non-current Liabilities</b>		<b>20,565</b>	<b>15,086</b>
<b>Total Liabilities</b>		<b>26,818</b>	<b>20,996</b>
<b>Net Assets</b>		<b>242,095</b>	<b>182,521</b>
<b>Equity</b>			
Accumulated Surplus		45,920	42,061
Asset Revaluation Reserves	9	188,380	132,704
Other Reserves	9	7,795	7,756
<b>Total Equity</b>		<b>242,095</b>	<b>182,521</b>

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

# Statement of Changes in Equity

for the year ended 30 June 2010

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2010	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	42,061	132,704	7,756	182,521
Restated opening balance	42,061	132,704	7,756	182,521
<b>Net Surplus / (Deficit) for Year</b>	<b>3,769</b>			<b>3,769</b>
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure,, property, plant & equipment	-	55,805	-	55,805
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment	129	(129)	-	-
Transfers between reserves	39		(39)	-
<b>Balance at end of period</b>	<b>45,920</b>	<b>188,380</b>	<b>7,795</b>	<b>242,095</b>
<b>2009</b>				
Balance at end of previous reporting period	34,672	133,000	9,671	177,343
Restated opening balance	34,672	133,000	9,671	177,343
<b>Net Surplus / (Deficit) for Year</b>	<b>5,178</b>			<b>5,178</b>
<b>Other Comprehensive Income</b>				
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment	296	(296)	-	-
Transfers between reserves	1,915	-	(1,915)	-
<b>Balance at end of period</b>	<b>42,061</b>	<b>132,704</b>	<b>7,756</b>	<b>182,521</b>

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

# Cash Flow Statement

for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Operating receipts		26,521	25,021
Investment receipts		469	663
<b>Payments</b>			
Operating payments to suppliers & employees		(18,151)	(19,677)
Finance payments		(1,334)	(1,178)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>7,505</b>	<b>4,829</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Amounts specifically for new or upgraded assets		1,124	2,237
Sale of replaced assets		954	749
Sale of surplus assets		-	234
Repayments of loans by community groups		20	18
<b>Payments</b>			
Expenditure on renewal/replacement of assets		(4,964)	(2,988)
Expenditure on new/upgraded assets		(2,991)	(7,053)
Net purchase of investment securities		(100)	
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(5,957)</b>	<b>(6,803)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Proceeds from Borrowings		7,000	-
<b>Payments</b>			
Repayments of Borrowings		(1,561)	(1,565)
Repayment of Finance Lease Liabilities		(70)	(26)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>5,369</b>	<b>(1,591)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>6,917</b>	<b>(3,565)</b>
Cash & cash equivalents at beginning of period	11	9,292	12,857
<b>Cash &amp; cash equivalents at end of period</b>	<b>11</b>	<b>16,209</b>	<b>9,292</b>

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

# Notes to and forming part of the Financial Statements

## for the year ended 30 June 2010

### Note 1

#### SIGNIFICANT ACCOUNTING POLICIES

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

#### 1. Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

##### 1.4 Rounding

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

#### 2. The Local Government Reporting Entity

The Barossa Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 43-51 Tanunda Road, Nuriootpa. These financial statements include the consolidated fund 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.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

#### 3. Subsidiary Operations

Pursuant to the Local Government Act Section 42 The Barossa Council operates a subsidiary of the Nuriootpa Centennial Park Authority to operate & maintain both the Barossa Valley Tourist Park and its surrounding parklands. The Authorities financial information as at the reporting date have been consolidated into the accounts of The Barossa Council.

#### 4. Changes in Accounting Policies

In accordance with the adopted model financial statements treatment of the Workers Compensation Rebate has been reflected as Insurance Rebate Income in the 2009-10 year. Previously this rebate has been offset against the Workers Compensation Premium. Comparative figures for 2009 have been amended to reflect this change.

Prepaid rates have previously offset rates debtors. This has been amended to show under income received in advance with comparative figures for 2008-09 amended to reflect the change. Non-Current Asset classes have been reviewed and expanded in 2009-10. Opening balances have been shown in their new classes.

Prior to 1 July 2009 Fixed Assets partially completed as at the reporting date had been capitalised as is. As at 30 June 2010 these have been reflected as Work In Progress in Note 6.

#### 5. Income recognition

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

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

#### 6. 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. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

## 7 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

### 7.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

### 7.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

## 8 Infrastructure, Property, Plant & Equipment

### 8.1 Initial Recognition

All assets are initially recognised at cost.

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

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

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

### 8.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality threshold of \$5,000 established by Council. No capitalisation threshold is applied to the acquisition of land or interests in land.

### 8.3 Subsequent Recognition

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

### 8.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown 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.

<b>Building &amp; Other Structures</b>	
	20 to 100 years
<b>Transport</b>	
Unformed Roads	100 years
Sheeted Roads	15 to 35 years
Sealed Roads - Pavement	45 to 84 years
Sealed Roads - Surface	15 to 28 years
Footpaths	20 to 100 years
Kerb	70 years
Bridges, Culverts & Concrete	
Floodways	80 years
Car Park Surfaces	20 to 40 years
Footbridges	50 to 80 years
<b>CWMS</b>	
CWMS Pump Stations	5 to 40 years
CWMS Waste Water Treatment Plant	5 to 40 years
CWMS Lagoons	5 to 80 years
CWMS Pipes – PVC/UPVC	60 years
CWMS Pipes - Earthenware	50 years
<b>Recreation</b>	
	20 to 150 years
<b>Stormwater &amp; Drainage</b>	
	100 years
<b>Other Infrastructure</b>	
	10 to 100 years
<b>Office Equipment</b>	
	4 to 10 years
<b>Furniture &amp; Fittings</b>	
	10 years

### 8.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For 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, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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.

### 8.6 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.

### 8.7 Bad and Doubtful Debts

The Provision held for Bad and Doubtful Debts has been reduced to reflect the payment received for a debt previously considered Doubtful. This has been reflected in Note 3 and Note 5.

## 9. Payables

### 9.1 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.

### 9.2 Payments Received in Advance & Deposits

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

## 10. Borrowings

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

## 11. Employee Benefits

### 11.1 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 average discount rate - 4.7% (2009, 4.7%)  
Weighted average settlement period - 0.33 years (2009, 0.28 years).

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each



reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

### 11.2 Superannuation

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

### 12. Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

### 13. Joint Ventures and Associated Entities

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 19.

### 14. Leases

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

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

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

### 15. 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.

### 16. New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2010 reporting period.

AASB 1	<i>First-time Adoption of Australian Accounting Standards</i>
AASB 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
AASB 7	<i>Financial Instruments: Disclosures</i>
AASB 9	<i>Financial Instruments</i>
AASB 101	<i>Presentation of Financial Statements</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 110	<i>Events after the Reporting Period</i>
AASB 117	<i>Leases</i>
AASB 118	<i>Revenue</i>
AASB 119	<i>Employee Benefits</i>
AASB 132	<i>Financial Instruments: Presentation</i>
AASB 136	<i>Impairment of Assets</i>
AASB 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>
AASB 139	<i>Financial Instruments: Recognition and Measurement</i>
AASB 1031	<i>Financial Instruments: Recognition and Measurement</i>
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12]</i>
AASB 2009-12	<i>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and Interpretations 2, 4, 16, 1039 &amp; 1052]</i>
AASB 2009-13	<i>Amendments to Australian Accounting Standards arising from</i>

- AASB 2010-1 *interpretation 19[AASB 1] Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters [AASB 1 & AASB 7]*
- Interpretation 4* Determining whether an Arrangement contains a Lease
- Interpretation 14* AASB 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

(Standards not affecting local government have been excluded from the above list.)

## Note 2

### Income

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Rates Revenue</b>			
General Rates		15,676	14,476
Less: Mandatory rebates		(235)	(210)
		<u>15,441</u>	<u>14,266</u>
Other Rates (including service charges)			
Natural Resource Management levy		324	296
Waste collection		1,391	1,224
Aquatic & Fitness Centre Separate Rate		822	-
Community wastewater management systems		2,112	2,069
		<u>4,649</u>	<u>3,589</u>
Other Charges			
Penalties for late payment		71	86
Legal & other costs recovered		23	32
		<u>94</u>	<u>118</u>
Less: Discretionary rebates, remissions & write offs		(265)	(239)
		<u>19,919</u>	<u>17,734</u>
<b>STATUTORY CHARGES</b>			
Development Act fees		76	82
Town planning fees		271	209
Animal registration fees & fines		136	131
Septic Tank Application Fees		89	79
Parking fines / expiation fees		6	8
Sundry		10	12
		<u>588</u>	<u>521</u>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		92	91
Caravan Park Fees		1,187	1,118
CWMS Reuse Water Sales		35	39
Lease Fees		22	44
Waste Disposal / Transfer Station Fees		13	29
Waste Collection Bins		13	12
Bushgarden Seed / Seedling Sales		38	48
Swimming Pool Fees		23	25
Property Search Fees		29	27
Transport Scheme Fees		59	71
Recreation Park Fees		69	63
Hall and Equipment Fees		30	36
Road Rentals		9	9
Community Information Directory Advertising		8	8
Immunisation Fees		14	10
Photocopying Fees		18	13
Tourism Souvenir Sales		89	36
Sundry		27	143
		<u>1,775</u>	<u>1,822</u>

Note 2 – Income (Continued)		2010	2009
Notes to and forming part of the Financial Statements for the year ended 30 June 2010	Notes	\$'000	\$'000
<b>Investment Income</b>			
Interest on investments			
Local Government Finance Authority		578	564
Banks & other		29	42
		<u>607</u>	<u>606</u>
<b>REIMBURSEMENTS</b>			
- for roadworks		-	166
- for private works		9	14
- for employee costs		76	-
- by joint undertakings		101	69
-other		173	89
		<u>359</u>	<u>338</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equip		128	88
Donations & Fundraising		151	192
Sundry		168	233
		<u>447</u>	<u>513</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		1,124	2,237
Other grants, subsidies and contributions		2,739	2,557
Individually significant item - additional Grants Commission payment	See below	225	212
<i>The functions to which these grants relate are shown in Note 2.</i>		<u>4,088</u>	<u>5,006</u>
Sources of grants			
Commonwealth government		349	314
State government		2,063	3,028
Other		1,676	1,664
		<u>4,088</u>	<u>5,006</u>
Individually Significant Item			
On 30 June 2010, Council received payment of the first quarter instalment of the 2010/11 Grant Commission (FAG) grant. This represents a significant increase in income from this source for 2009/10, with an equivalent reduction in 2010/11. This also occurred in 2008/09 as early payment for 2009/10		225	212
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>			
Land & Improvements		257	204
Infrastructure		1,339	2,643
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>		<u>1,596</u>	<u>2,847</u>

## Note 3

### Expenses

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Employee Costs</b>			
Salaries and Wages		7,269	6,668
Employee leave expense		208	235
Superannuation - defined contribution plan contributions	18	327	328
Superannuation - defined benefit plan contributions	18	280	219
Workers' Compensation Insurance		313	294
Less: Capitalised and distributed costs		(75)	(108)
Total Operating Employee Costs		8,322	7,636

Total Number of Employees		116	113
(Full time equivalent at end of reporting period)			

#### MATERIALS, CONTRACTS & OTHER EXPENSES

##### Prescribed Expenses

Auditor's Remuneration - Auditing the financial reports		13	11
Bad and Doubtful Debts		(29)	33
Elected members' expenses		199	266
Election expenses		7	5
Operating Lease Rentals — non-cancellable leases	18		
- minimum lease payments		157	148
Subtotal - Prescribed Expenses		347	463

##### Other Materials, Contracts & Expenses

Contractors		4,424	4,269
Provision for Closure of Angaston Landfill Site		14	50
Bank Charges		83	68
Energy		694	575
Maintenance		1,613	1,613
Legal Expenses		135	133
Levies paid to government - NRM levy		322	296
- Other Levies		42	42
Parts, accessories & consumables		222	137
Professional services		281	411
Communications		232	224
Advertising & Printing		155	190
Insurance		475	433
Sundry		1,243	1,557
Less: Capitalised and distributed costs		(80)	(77)
Subtotal - Other Materials, Contracts & Expenses		9,855	9,921
		10,202	10,384

Note 3 – Expenses (Continued)		2010	2009
Notes to and forming part of the Financial Statements for the year ended 30 June 2010	Notes	\$'000	\$'000
<b>FINANCE COSTS</b>			
Interest on Loans		1,336	1,131
Charges on Finance Leases		8	10
		<u>1,344</u>	<u>1,141</u>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
Depreciation			
Buildings & Other Structures		800	730
Transport		2,131	2,552
CWMS		673	340
Stormwater & Drainage		232	171
Recreation		158	65
Other Infrastructure		5	7
Plant & Equipment		1,157	1,041
Furniture & Fittings		54	52
		<u>5,210</u>	<u>4,958</u>
Less: Capitalised and distributed costs		<u>(20)</u>	<u>(41)</u>
		<u>5,190</u>	<u>4,917</u>

## Note 4

### Asset Disposal & Fair Value Adjustments

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		954	749
Less: Carrying amount of assets sold		1,504	806
Gain (Loss) on disposal		<u>(550)</u>	<u>(57)</u>
<i>Assets surplus to requirements</i>			
Proceeds from disposal		-	234
Less: Carrying amount of assets sold		-	310
Gain (Loss) on disposal		<u>-</u>	<u>(76)</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<u>(550)</u>	<u>(133)</u>

## Note 5

### Current Assets

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		952	1,181
Deposits at Call		15,257	8,111
		<u>16,209</u>	<u>9,292</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates General & Other		701	655
Accrued Revenues		342	204
Debtors general		610	1,202
GST Recoupment		296	217
Prepayments		120	89
Loans to community organisations		21	20
Community Store Bonuses		6	5
Total		<u>2,096</u>	<u>2,392</u>
Less: Allowance for Doubtful Debts		<u>35</u>	<u>64</u>
		<u>2,061</u>	<u>2,328</u>
<b>OTHER FINANCIAL ASSETS</b>			
Community Store Shares		7	7
Term Deposits		100	-
		<u>107</u>	<u>7</u>
<b>INVENTORIES</b>			
Stores & Materials		17	14
Trading Stock		23	19
		<u>40</u>	<u>33</u>



## Note 6

### Non-Current Assets

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>FINANCIAL ASSETS</b>			
Receivables			
Loans to community organisations		137	158
<b>TOTAL FINANCIAL ASSETS</b>		<b>137</b>	<b>158</b>
<b>EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES</b>			
Gawler River Floodplain Management Authority	19	1,507	1,500
Central Local Government Association	19	29	39
Southern & Hills Local Government Association	19	5	4
		<b>1,541</b>	<b>1,543</b>
<b>OTHER NON-CURRENT ASSETS</b>			
Inventories			
Capital Works-in-Progress		2,141	-
		<b>2,141</b>	<b>-</b>

## Note 7

### Infrastructure, Property, Plant & Equipment

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	2009 \$'000				2010 \$'000			
	At Fair Value	At Cost	Accum Dep'n	Carrying Amount	At Fair Value	At Cost	Accum Dep'n	Carrying Amount
Land	51,839	1,145	-	52,984	57,496	-	-	57,496
Buildings & Other Structures	39,719	2,192	(20,441)	21,470	44,475	373	(22,352)	22,496
Transport	114,447	19,071	(57,581)	75,937	147,647	1,736	(37,790)	111,593
CWMS	12,663	10,804	(2,994)	20,473	30,076	1,236	(11,037)	20,275
Stormwater & Drainage	13,437	3,846	(7,606)	9,677	23,712	163	(5,870)	18,005
Recreation	3,456	-	(2,240)	1,216	9,814	347	(3,265)	6,896
Other Infrastructure	-	336	(166)	170	-	349	(171)	178
Plant & Equipment	-	10,456	(4,818)	5,638	-	10,532	(4,977)	5,555
Furniture & Fittings	-	921	(565)	356	-	921	(619)	302
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>235,561</b>	<b>48,771</b>	<b>(96,411)</b>	<b>187,921</b>	<b>313,220</b>	<b>15,657</b>	<b>(86,081)</b>	<b>242,796</b>
2009 Totals	239,080	38,391	(94,207)	183,264	235,561	48,771	(96,411)	187,921

	2009 \$'000						2010 \$'000	
	Carrying Amount	Additions		Disposals	Depreciation	Transfers	Net Revaluation	Carrying Amount
		New / Upgrad	Renewals					
Land	52,984	257	-	(20)	-	(882)	5,157	57,496
Buildings & Other Structures	21,470	341	32	(133)	(800)	(765)	2,351	22,496
Transport	75,937	1,228	1,201	(394)	(2,131)	0	35,752	111,593
CWMS	20,473	160	1,236	(9)	(673)	55	(967)	20,275
Stormwater & Drainage	9,677	648	-	(70)	(232)	0	7,982	18,005
Recreation	1,216	311	35	(38)	(158)	0	5,530	6,896
Other Infrastructure	-	13	-	-	(5)	0	-	178
Plant & Equipment	5,638	280	1,688	(840)	(1,157)	(54)	-	5,555
Furniture & Fittings	356	-	-	-	(54)	-	-	302
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>187,921</b>	<b>3,238</b>	<b>4,192</b>	<b>(1,504)</b>	<b>(5,210)</b>	<b>(1,646)</b>	<b>55,805</b>	<b>242,796</b>
2009 Totals	183,264	9,900	3,066	(1,116)	(4,958)	(2,235)	-	187,921

## Note 7 – Infrastructure, Property, Plant & Equipment (Continued)

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

### Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

#### 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 is shown at Fair Value based on periodic revaluations. Land assets valuations were increased by 9.94% as at 30 June 2010 based on sample valuations undertaken by Asset Valuation & Consulting Pty Ltd.

No capitalisation threshold is applied to the acquisition of land or interests in land.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciation over the estimated remaining life of the relevant asset.

#### Building and Other Structures

Buildings valuations were increased by 10.04% as at 1 July 2009 based on a sample valuation undertaken by Asset Valuation & Consulting Pty Ltd using written down replacement costs. This has had an increase of \$69,822 to depreciation in the 2009-2010 year.

Acquisitions made after this date are held at cost.

### Infrastructure

The following Infrastructure assets were valued as at 1 July 2009 by Council Officers using rates detailed below relevant to their class. All assets acquired since 1 July 2009 are held at cost.

- **Transport** assets were valued using unit rates provided by GHD Pty Ltd. An increase to replacement cost of \$14,195,006 has decreased annual depreciation by \$420,408.
- **CWMS** Pipe Work was valued using unit rates provided by GHD Pty Ltd. CWMS Pump Stations and lagoons were valued using desktop components supplied by Council Officers. Combined CWMS assets replacement cost increased in value by \$6,397,298 with an annual increase of \$332,190 to depreciation.
- **Stormwater** assets were valued using unit rates prepared by Council Officers and independently assessed by GHD Pty Ltd. Collectively Stormwater assets replacement costs increased in value by \$6,050,288 with an annual increase in depreciation of \$61,351.
- **Recreation** infrastructure assets were valued using desktop components supplied by Council Officers. Asset replacement cost subsequently increased by \$6,711,488 with an annual increase of depreciation by \$92,000.

#### Other Infrastructure

Other infrastructure assets include assets such as TV towers, Fire Service Structure and Monuments. All assets in this class are held at cost.

#### Plant, Furniture & Equipment

Pursuant to Council election, these assets are recognised on the cost basis.

## Note 8

### Liabilities

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	2010 \$'000		2009 \$'000	
		Current	Non-Current	Current	Non-Current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		1,747	-	1,607	-
Payments received in advance		54	-	52	-
Accrued expenses - employee entitlements		990	-	839	-
Accrued expenses other		413	-	403	-
Deposits, Retentions & Bonds		66	-	54	-
		<u>3,270</u>	<u>-</u>	<u>2,955</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		1,517	20,373	1,535	14,972
Finance Leases	15	17	56	87	-
		<u>1,534</u>	<u>20,429</u>	<u>1,622</u>	<u>14,972</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		1,160	136	1,058	114
Other		289	-	275	-
		<u>1,449</u>	<u>136</u>	<u>1,333</u>	<u>114</u>

	Employee Entitlements	Other Provisions
	\$'000	\$'000

#### Movements in Provisions – 2010 year only

(current and non-current)

Opening Balance	1,172	275
(Less) payments	54	0
Add (Less) Remeasurement Adjustments	70	14
Closing Balance	1,296	289

## Note 9

### Reserves

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	1/7/2009 \$'000	Net Increments (Decrements) \$'000	Transfers, Impairments \$'000	30/6/2010 \$'000
<b>Asset Revaluation Reserve</b>					
Land		39,401	5,157	(18)	<b>44,540</b>
Buildings & Other Structures		10,547	2,351	(102)	<b>12,823</b>
Transport		58,547	35,752	-	<b>94,299</b>
CWMS		15,784	(967)	-	<b>14,817</b>
Stormwater & Drainage		7,461	7,982	-	<b>15,443</b>
Recreation		937	5,530	(9)	<b>6,458</b>
<b>TOTAL</b>		<b>132,704</b>	<b>55,805</b>	<b>(129)</b>	<b>188,380</b>
2009 Totals		133,000		(296)	132,704

		1/7/2009	Transfers to Reserve	Transfers, from Reserve	30/6/2010
<b>OTHER RESERVES</b>					
Community Wastewater Management		4,904	1,974	(2,278)	<b>4,600</b>
Barossa Aquatic & Fitness Centre		-	822	(328)	<b>494</b>
Refuse & Recycling		10	420	(287)	<b>143</b>
Recreation Facilities		157	141	(45)	<b>253</b>
Cultural Facilities		455	343	(196)	<b>602</b>
Caravan Parks		34	69	(33)	<b>70</b>
Economic Development		150	45	(10)	<b>185</b>
Environmental Projects		536	3	(282)	<b>257</b>
Plant & Equipment Replacement		775	409	(561)	<b>623</b>
Infrastructure Replacement		343	-	(343)	<b>0</b>
Building Maintenance		18	-	-	<b>18</b>
Other Reserves		374	237	(61)	<b>550</b>
<b>TOTAL OTHER RESERVES</b>		<b>7,756</b>	<b>4,463</b>	<b>(4,425)</b>	<b>7,795</b>
2009 Totals		9,671	5,705	(7,620)	7,756

### PURPOSES OF RESERVES

#### Asset Revaluation Reserve

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

#### Community Wastewater Management Scheme

Waste Water Management Scheme service charges raised under Section 155.

#### Barossa Aquatic & Fitness Centre

Collection of Separate Rate raised under Section 154 used to fund repayments of borrowings.

#### Refuse & Recycling

Collection of Refuse & Recycling service charges raised under Section 155.

#### Recreation Facilities

Recreation Facilities reserves are used to fund Capital Improvements at Council's Recreational Parks.

#### Cultural Facilities

Cultural Facilities Reserves are used to fund Capital Improvements at Council's Community Halls.

## Note 9: Reserves (Continued)

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

### Caravan Parks

Caravan Park Reserves accumulate operating surpluses from Council's Caravan Parks in Williamstown, Mount Pleasant and Eden Valley. These funds are subsequently used towards the upgrade of Caravan Park facilities.

### Economic Development

Economic Development Reserves are used to fund specific initiatives administered by Council's Main Street Management Committee's.

### Environmental Projects

Environmental Project Reserves are used towards funding specific environmental projects and programs.

### Plant & Equipment Reserve

Plant & Equipment Reserves are used to fund the replacement of Council's Plant & Machinery.

### Infrastructure Replacement

Infrastructure Replacement Reserves are used towards funding the programmed replacement and renewal of infrastructure assets such as road infrastructure

### Building Maintenance

Building Maintenance Reserves are used towards funding specific maintenance of Council's Buildings.

### Other Reserves

Other Reserves are used to account for developer contributions received towards future Capital Works, Funds held in Trust and Other Minor Reserves not elsewhere allocated.

## Note 10

### Reconciliation of Original Budget

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

Reconciliation of material differences between adopted budget and actual revenues and expenses for 2009/2010.

	Notes	Actual \$'000	Budget \$'000	% Variance
<b>Income</b>				
Rates		19,919	19,858	0%
Statutory Charges		588	466	26%
User Charges		1,775	1,828	-3%
Grants, Subsidies and contributions	(1)	2,964	2,555	16%
Investment Income		607	407	49%
Reimbursements	(2)	359	144	149%
Other Income	(3)	447	207	116%
Net Gain - Joint Ventures & Associates	(4)	8	200	-96%
<b>TOTAL INCOME</b>		<b>26,667</b>	<b>25,665</b>	
<b>Expenses</b>				
Employee Costs		8,322	8,200	1%
Materials, Contracts & Other Expenses		10,202	10,086	1%
Finance Costs	(5)	1,344	1,480	-9%
Depreciation, amortisation & impairment		5,190	5,227	-1%
Net Loss - Joint Ventures & Associates		10	-	
<b>TOTAL EXPENSES</b>		<b>25,068</b>	<b>24,993</b>	
Operating Surplus / (Deficit)		1,599	672	
Net gain (loss) on disposal or revaluation of assets		(550)	(61)	802%
Amounts Received specifically for new or upgraded assets		1,124	1,606	-30%
Physical resources received free of charge		1,596	775	106%
<b>NET SURPLUS I (DEFICIT)</b>		<b>3,769</b>	<b>2,992</b>	

The major reasons for the variation to the 2009/2010 adopted budget are:

- (1) Financial Assistance Grants Scheme received in 2009/2010 as an early payment, Early Payment of Grant for Bike Path Project
- (2) Library Link Project Income not Budget for in 2009/2010, Nor Reimbursements for Employee Costs
- (3) Donations & Fundraising activities not budgeted.
- (4) Asset Revaluation undertaken by Joint Venture Gawler River Floodplain resulted in a reduced surplus.
- (5) Delay in draw down of new loans providing savings in interest paid

## Note 11

### Reconciliation to Cash Flow Statement

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

#### (a) Reconciliation of Cash

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

	Notes	2010 \$'000	2009 \$'000
Total cash & equivalent assets	5	16,209	9,292
Balances per Cash Flow Statement		<u>16,209</u>	<u>9,292</u>

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

Net Surplus (Deficit)		3,769	5,178
Non-cash items in Income Statement			
Depreciation, amortisation & Impairment		5,190	4,917
Equity movements in equity accounted investments (increase) decrease		2	(2)
Net increase (decrease) in unpaid employee benefits		275	241
Change in allowances for under-recovery		(29)	33
Non-cash asset acquisitions		(1,596)	(2,847)
Grants for capital acquisitions treated as Investing Activity		(1,124)	(2,237)
Net (Gain) Loss on Disposals		550	133
		<u>7,037</u>	<u>5,416</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		297	123
Net (increase) decrease in inventories		(7)	(7)
Net increase (decrease) in trade & other payables		164	(728)
Net increase (decrease) in other provisions		14	25
Net Cash provided by (or used in) operations		<u>7,505</u>	<u>4,829</u>

#### (c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	2	1,596	2,847
<i>Amounts recognised in Income Statement</i>		<u>1,596</u>	<u>2,847</u>
- Finance Leases		-	37
		<u>1,596</u>	<u>2,884</u>

#### (d) Financing Arrangements

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

Bank Overdraft		250	250
Cash Advance Facility		1,000	1,000
Corporate Credit Cards		18	18

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.



## Note 12

### Functions

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

Incomes, Expenses and Assets have been directly attributed to the following Functions & Activities

	Income		Expenses		Operating Surplus (Deficit)		Grants Included in Income		Total Assets Held (Current & Non- Current)	
	Actual	Actual	Actual	Actual	Actual	Actual	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Undertakings	3,525	3,631	2,524	1,947	1,001	1,684	-	-	28,993	27,585
Community Services	857	1,067	1,638	2,939	(781)	(1,872)	579	738	8,407	9,273
Culture	107	103	1,824	424	(1,717)	(321)	120	4	8,472	6,272
Economic Development	213	98	674	481	(461)	(383)	1	-	2	3
Environment	2,477	2,331	3,914	3,950	(1,437)	(1,619)	473	521	21,999	13,229
Recreation	1,179	261	2,448	2,349	(1,269)	(2,088)	81	-	57,249	45,896
Regulatory Services	500	429	1,629	1,632	(1,129)	(1,203)	3	5	246	230
Transport & Communication	1,294	1,117	3,854	4,326	(2,560)	(3,209)	1,256	969	111,593	75,896
Plant Hire & Depot/Indirect	46	24	779	684	(733)	(660)	20	19	3,958	3,774
Unclassified Activities	12	17	57	197	(45)	(180)	-	-	-	-
Council Administration	16,449	15,225	5,717	5,149	10,732	10,076	431	513	26,453	21,359
Joint Venture & Associates	8	14	10	12	(2)	2	-	-	1,541	-
					-	-				
<b>TOTALS</b>	<b>26,667</b>	<b>24,317</b>	<b>25,068</b>	<b>24,090</b>	<b>1,599</b>	<b>227</b>	<b>2,964</b>	<b>2,769</b>	<b>268,913</b>	<b>203,517</b>

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

### Components of Functions

The activities relating to Council functions are as follows:

#### Business Undertakings

Caravan Parks, Gravel Pits/Quarries, Development of Land for Resale, Private Works, Sewerage/CWMS

#### Community Services

Public Order and Safety, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control — Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, Other Community Support, Community Amenities, Cemeteries / Crematoria, Public Conveniences, Car Parking — non-fee-paying, and Other Community Amenities.

#### Culture

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

#### Economic Development

Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

#### Environment

Agricultural Services, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment,

Stormwater and Drainage, Street Cleaning, Street Lighting, Street scaping, Natural Resource Management Levy, and Other Environment.

#### Recreation

Parks and Gardens, Sports Facilities — Indoor, Sports Facilities — Outdoor, Swimming Centres — Indoor, Swimming Centres — Outdoor, and Other Recreation.

#### Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

#### Transport

Bridges, Footpaths and Kerbing, Roads - sealed, Roads — formed, Roads — natural formed, Roads — unformed, Traffic Management, LGGC — roads (formula funded), and Other Transport.

#### Plant Hire & Depot

Plant & Machinery, Depot.

#### Unclassified Activities

Activities not elsewhere classified

#### Council 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.

## Note 13

### Financial Instruments

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

#### Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 4.5% and 5.0% (2009: 2.75% and 3.0%). Short term deposits have an average maturity of 28 days and average interest rates of 5.0% (2009: 17 days, 3.0%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment)	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 7% (2009: 11.75%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Councils boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Councils boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
Receivables: other levels of government	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> 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 the Governments of the Commonwealth &amp; State.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
Liabilities- Creditors and Accruals	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.65% and 7.05% (2009: 5.65% and 7.85%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
Liabilities - Finance Leases	<p><b>Accounting Policy:</b> accounted for in accordance with AAS8 117.</p>

Note 13: Financial Instruments (Continued) Liquidity Analysis Notes to and forming part of the Financial Statements for the year ended 30 June 2010		Due < 1 Year	Due > 1 Year; ≤ % Years	Due > 5 Years	Total Contractual Cash Flows	Carrying Values
2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Liabilities</b>						
Payables	1,867				1,867	<b>1,867</b>
Current Borrowings					-	-
Non-Current Borrowings	1,534	5,986	14,443		21,963	<b>21,963</b>
Total	3,401	5,986	14,443		21,963	<b>23,830</b>
<hr/>						
2009	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Liabilities</b>						
Payables	1,713				1,713	<b>1,713</b>
Current Borrowings					-	-
Non-Current Borrowings	1,622	5,101	9,871		16,594	<b>16,594</b>
Total	3,335	5,101	9,871		18,307	<b>18,307</b>
<hr/>						
	30 June 2010		30 June 2009			
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value		
	%	\$'000	%	\$'000		
Overdraft		-		-		
Other Variable Rates		-		-		
Fixed Interest Rates	6.69	23,830	5.89	18,307		
		<u>23,830</u>		<u>18,307</u>		

### Net Fair Value

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

### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. 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 Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down 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 14

### Commitments for Expenditure

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Capital Commitments</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		12,417	103
Infrastructure		900	1,301
Plant & Equipment		-	73
		<u>13,317</u>	<u>1,477</u>
These expenditures are payable:			
Not later than one year		<u>13,317</u>	<u>1,477</u>
		<u>13,317</u>	<u>1,477</u>

#### Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services		12	12
Business Continuity Plans		-	2
Works Operating Projects		204	33
Waste Management Services		4,415	-
Employee Remuneration Contracts		1,303	-
Other		222	-
		<u>6,156</u>	<u>47</u>
These expenditures are payable:			
Not later than one year		<u>1,871</u>	<u>47</u>
Later than one year and not later than 5 years		<u>4,285</u>	<u>-</u>
		<u>6,156</u>	<u>47</u>

#### Financial Lease Commitments

Council leases various plant and equipment with a carrying amount of \$24,000 (2009 - \$61,000) under finance leases expiring within 1 year. At expiry, Council may re-lease, or return or acquire the leased assets.

Some leases provide for the payment of contingent rentals depending on actual use of the equipment. Contingent rental payments made are disclosed in Note 4.

Commitments under finance leases at the reporting date are as follows:

Not later than one year		24	61
Later than one year and not later than 5 years		<u>59</u>	<u>26</u>
Minimum lease payments		83	87
Less: future finance charges		<u>(10)</u>	<u>-</u>
Net Lease Liability		<u>73</u>	<u>87</u>
Representing lease liabilities:			
Current	9	17	87
Non-Current	10	<u>56</u>	<u>-</u>
		<u>73</u>	<u>87</u>

## Note 15

### Financial Indicators

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

2010

2009

2008

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

Operating Surplus			
Being the operating surplus (deficit) before capital amounts.	1,599	227	635
<i>Council Adopted Target: To achieve an operating breakeven position, or better, over any five year period.</i>			
Adjusted Operating Surplus			
	1,586	15	635
<i>In June 2009 &amp; June 2010 the Commonwealth Government made an advance payment approximately equal to one quarter of the 2009/10 &amp; 2010/11 respectively Financial Assistance Grant (see Note 3). This income has materially distorted the amount of the Operating Result for the 2008/09, 2009/10 and 2010/11 reporting periods, <b>The Adjusted Operating Surplus and Adjusted Operating Surplus Ratio</b> adjust for this distortion.</i>			
Operating Surplus Ratio			
<u>Operating Surplus</u>	8%	1%	4%
Rates – general and other less NRM Levy			
Adjusted Surplus Ratio			
	8%	0%	4%
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM Levy.</i>			
<i>Council Adopted Target: To achieve an operating surplus ratio between – 2% to 10%</i>			
Net Financial Liabilities			
	8,304	9,211	7,488
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i>			
<i>Council Adopted Target: Council's level of net financial liabilities is no greater than its annual operating revenue and not less than zero.</i>			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	32%	38%	33%
Total Operating Revenue less NRM Levy			
<i>Council Adopted Target: Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.</i>			
Interest Cover Ratio			
<u>Net Interest Expense</u>	2.9%	2.3%	1.3%
Total Operating Revenue less NRM Levy less Investment Income			
<i>Council Adopted Target: Net interest is greater than 0% and less than 8% of operating revenue.</i>			
Asset Sustainability Ratio			
<u>Net Asset Renewals</u>	77%	46%	38%
Depreciation Expense			
<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>			
<i>Council Adopted Target: Capital Outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of depreciation over a rolling 3 year period.</i>			
Asset Consumption Ratio			
<u>Carrying Value of Depreciable Assets</u>	68%	58%	58%
Gross Value of Depreciable Assets			
<i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.</i>			

## Note 16

### Uniform Presentation of Finances

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

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

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

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

	2010 \$'000	2009 \$'000
Income	26,667	24,317
Less Expenses	<u>25,068</u>	<u>24,090</u>
	1,599	227
<b>Less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of existing assets	4,964	2,988
Less Depreciation, Amortisation and Impairment	5,190	4,917
Less Proceeds from Sale of Replaced Assets	<u>954</u>	<u>749</u>
	(1,180)	(2,678)
<b>Less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property and real estate developments)</i>	2,991	7,053
Less Amounts received specifically for New and Upgraded Assets	1,124	2,237
Less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	234
	<u>1,867</u>	<u>4,582</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u><b>912</b></u>	<u><b>(1,677)</b></u>

## Note 17

### Operating Leases

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

#### Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

Contingent rental payments exist in relation to the lease of one grader if utilisation exceeds 250 hours during any month. No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2010 \$'000	2009 \$'000
<b>Operating Leases</b>		
Not later than one year	131	83
Later than one year and not later than 5 years	129	57
	<u>260</u>	<u>140</u>

## Note 18

### Superannuation

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

#### Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2009/10 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2008/09). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### Salarylink (Defined Benefit) 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 of contribution and final average salary. Council makes

employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6% (6% in 2008/2009) of 'superannuation' salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2009, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.



## Note 19

### Joint Ventures & Associated Entities

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

All joint ventures and associated entities are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

#### Gawler River Floodplain Management Authority

Established in 2002, this organisation is responsible for the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area.

	2010	2009
<b>Gawler River Floodplain Management Authority</b>		
Councils respective interests are:		
- interest in outputs of the joint operation	9%	9%
- ownership interest in the joint operation	9%	9%
- the proportion of voting power in the joint operation	16%	16%
<u>Movements in Investment in Joint Operation</u>	\$'000	\$'000
Opening Balance	1,500	1,509
Share in Operating Result	7	(9)
<b>Share in Equity of Joint Operation</b>	<u>1,507</u>	<u>1,500</u>

#### Central Local Government Association

Established in 1998, this organisation is formed under Section 43 of the Local Government Act to allow membership Councils to approach regional issues in a collaborative manner.

	2010	2009
<b>Central Local Government Association</b>		
Councils respective interests are:		
- interest in outputs of the joint operation	7%	7%
- ownership interest in the joint operation	7%	7%
- the proportion of voting power in the joint operation	7%	7%
<u>Movements in Investment in Joint Operation</u>	\$'000	\$'000
Opening Balance	39	25
Share in Operating Result	(10)	14
<b>Share in Equity of Joint Operation</b>	<u>29</u>	<u>39</u>

#### Southern and Hills Local Government Association

Established in 1998, this organisation is formed under Section 43 of the Local Government Act to allow membership Councils to approach regional issues in a collaborative manner.

	2010	2009
<b>Southern and Hills Local Government Association</b>		
Councils respective interests are:		
- interest in outputs of the joint operation	13%	13%
- ownership interest in the joint operation	13%	13%
- the proportion of voting power in the joint operation	13%	13%
<u>Movements in Investment in Joint Operation</u>	\$'000	\$'000
Opening Balance	4	7
Share in Operating Result	1	(3)
<b>Share in Equity of Joint Operation</b>	<u>5</u>	<u>4</u>

## Note 20

### Non-Current Assets Held for Sale & Discontinued Operations

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

#### Land & Buildings

Council has resolved to sell a number of Land and Building Assets to reduce the burden on rate payers in relation to the construction of the New Barossa Aquatic and Fitness Centre. These include:

- Old Council Office, Washington St Angaston
- Old Primary School, MacDonnell St Tanunda
- Vacant Land, Daly St Springton
- Vacant Land, Newcastle St Angaston

Assets are currently either held under contract for sale or available on the open market for sale.

Financial information relating to the discontinued operation is shown below:

	2010 \$'000	2009 \$'000
<b>Carrying Amount of Assets and Liabilities</b>		
Infrastructure, property, plant and equipment	3,881	2,235
<b>Total Assets</b>	<b>3,881</b>	<b>2,235</b>
Total Liabilities	-	-
<b>Net Assets</b>	<b>3,881</b>	<b>2,235</b>

This disposal group was previously classified as part of council administration in Note 12.

As the consideration expected to be received exceeds the carrying amount, these assets have been recognised at the carrying amount.

## Note 21

### Contingencies & Assets & Liabilities Not Recognised in the Statement of Financial Position

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

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

#### 1. LAND UNDER ROADS

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

At reporting date, Council controlled 963 km of road reserves of average width 20 metres.

#### 2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is

likely that claims will have been made against Council that remain unsettled.

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

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

#### 3. LEGAL EXPENSES

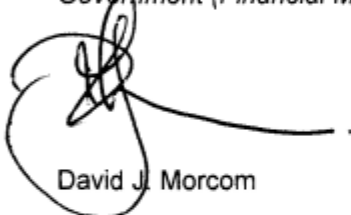
Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of two 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.

# THE BAROSSA COUNCIL

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010

### STATEMENT BY CHIEF EXECUTIVE OFFICER

I, David J. Morcom, the person for the time being occupying the position of Chief Executive Officer of The Barossa Council, do hereby state that the Financial Statements of the Council for the year ended 30 June 2010 are to the best of my knowledge presented fairly, and in accordance with accounting procedures which have been maintained in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.



David J. Morcom

**CHIEF EXECUTIVE OFFICER**

Dated this 27 day of OCTOBER 2010

### ADOPTION STATEMENT

Laid before The Barossa Council and adopted on the 9 day of November 2010.



Brian Hurn

**MAYOR**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BAROSSA COUNCIL**

We have audited the accompanying financial report of The Barossa Council, which comprises the balance sheet as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Chief Executive Officer's Statement.

***The Responsibility of the Chief Executive Officer for the Financial Report***

The Chief Executive Officer of The Barossa 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 Local Government (Financial Management) Regulations 1999. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

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

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

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

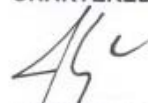
**Independence**

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999 and the Australian professional ethical pronouncements.

**Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Barossa Council as of 30 June 2010, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and the Australian Accounting Standards (including Australian Accounting Interpretations).

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**



**JIM KEOGH  
PARTNER**

Signed on the 28th day of October 2010,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

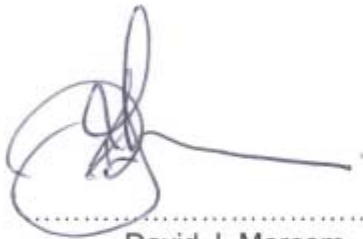
# THE BAROSSA COUNCIL

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of SA Model Council for the year ended 30 June 2010, the Council's Auditor, Dean Newbery & Associates, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



David J. Morcom  
CHIEF EXECUTIVE OFFICER



Peter Brass  
CHAIRMAN  
AUDIT COMMITTEE

Date: 27<sup>TH</sup> OCTOBER 2010

**Auditor's Independence Declaration Under Section 16A of the Local Government (Financial Management) Regulations 1999 to The Barossa Council.**

I confirm that, for the audit of the financial statements of The Barossa Council for the year ended 30 June 2010, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (4) *Local Government (Financial Management) Regulations 1999*.



**JIM KEOGH**

**Partner**

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS  
214 MELBOURNE STREET  
NORTH ADELAIDE SA 5006**

**NORTH ADELAIDE, this 12th day of July 2010**

# Annual Reports of Subsidiaries and Joint Ventures

**Nuriootpa Centennial Park Authority** is a subsidiary under Section 42 of the Local Government Act 1999. The Authority manages the Caravan Park, and sporting facilities within the Park, on behalf of Council.

**Gawler River Floodplain Management Authority** was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999, and includes the Councils of Mallala, Adelaide Hills, Gawler, Barossa, Light and Playford. The Authority coordinates the construction, operation and maintenance of flood mitigation in the Gawler River area.

**The Central Local Government Region** was incorporated under provisions of the Local Government Act 1999. A regional subsidiary of its member Councils: Barossa, Barunga West, Clare & Gilbert Valleys, Copper Coast, Flinders Ranges, Light, Mallala, Mount Remarkable, Northern Areas, Orroroo/Carrieton, Peterborough, Port Pirie, Wakefield and Yorke Peninsula. The Central Region is established to undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level.

**The Southern & Hills Local Government Association** was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Constituent Councils comprise Adelaide Hills, Alexandrina, Barossa, Kangaroo Island, Mount Barker, Murray Bridge, Victor Harbor and Yankalilla.