The Barossa Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

The Barossa Council

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for the year ended 30 June 2021

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The Barossa Council

General Purpose Financial Statements
for the year ended 30 June 2021

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999* , *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,

- the financial statements present a true and fair view of the Council's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year,

- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,

- the financial statements accurately reflect the Council's accounting and other records.

Martin McCarthy
CHIEF EXECUTIVE OFFICER

Michael (Bim) Lange OAM
MAYOR

Date: 10 November 2021

The Barossa Council

Statement of Comprehensive Income
for the year ended 30 June 2021

$ '000	Notes	2021	2020
Income			
Rates	2a	32,290	31,415
Statutory Charges	2b	807	701
User Charges	2c	3,053	2,674
Grants, Subsidies and Contributions	2g	3,587	2,971
Investment Income	2d	145	255
Reimbursements	2e	8	13
Other Income	2f	1,066	1,118
Net Gain - Equity Accounted Council Businesses	19	-	28
Total Income		**40,956**	**39,175**
Expenses			
Employee Costs	3a	14,001	13,967
Materials, Contracts and Other Expenses	3b	14,838	14,820
Depreciation, Amortisation and Impairment	3c	8,802	8,197
Finance Costs	3d	557	680
Net loss - Equity Accounted Council Businesses	19	13	-
Total Expenses		**38,211**	**37,664**
Operating Surplus / (Deficit)		2,745	1,511
Asset Disposal and Fair Value Adjustments	4	(343)	(738)
Amounts Received Specifically for New or Upgraded Assets	2g	2,867	2,606
Physical Resources Received Free of Charge	2i	1,651	1,793
Net Surplus / (Deficit) [1]		6,920	5,172
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	(1,995)	(8,286)
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	-	6
Total Other Comprehensive Income		**(1,995)**	**(8,280)**
Total Comprehensive Income		4,925	(3,108)

[1] Transferred to Statement of Changes in Equity

The Barossa Council

Statement of Financial Position
as at 30 June 2021

$ '000	Notes	2021	2020
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	15,802	10,708
Trade and Other Receivables	5b	2,435	2,680
Inventories	5d	219	375
Total Current Assets		**18,456**	**13,763**
Non-Current Assets			
Financial Assets	6a	800	867
Equity Accounted Investments in Council Businesses	6b	2,286	2,299
Infrastructure, Property, Plant and Equipment	7a	375,773	375,542
Other Non-Current Assets	6c	5,503	4,074
Total Non-Current Assets		**384,362**	**382,782**
TOTAL ASSETS		402,818	396,545
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	7,864	4,918
Borrowings	8b	1,465	1,889
Provisions	8c	2,883	2,832
Total Current Liabilities		**12,212**	**9,639**
Non-Current Liabilities			
Borrowings	8b	7,291	8,683
Provisions	8c	1,331	1,164
Total Non-Current Liabilities		**8,622**	**9,847**
TOTAL LIABILITIES		20,834	19,486
Net Assets		381,984	377,059
EQUITY			
Accumulated Surplus		90,827	85,224
Asset Revaluation Reserves	9a	278,019	280,014
Other Reserves	9b	13,138	11,821
Total Council Equity		381,984	377,059

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

The Barossa Council

Statement of Changes in Equity
for the year ended 30 June 2021

$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2021					
Balance at the end of previous reporting period		85,224	280,014	11,821	**377,059**
Restated Opening Balance		**85,224**	**280,014**	**11,821**	**377,059**
Net Surplus / (Deficit) for Year		6,920	-	-	**6,920**
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(1,995)	-	**(1,995)**
Other Comprehensive Income		-	(1,995)	-	**(1,995)**
Total Comprehensive Income		**6,920**	**(1,995)**	**-**	**4,925**
Transfers between Reserves		(1,317)	-	1,317	**-**
Balance at the end of period		**90,827**	**278,019**	**13,138**	**381,984**
2020					
Balance at the end of previous reporting period		80,385	288,294	11,488	**380,167**
Restated Opening Balance		**80,385**	**288,294**	**11,488**	**380,167**
Net Surplus / (Deficit) for Year		5,172	-	-	**5,172**
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(8,286)	-	**(8,286)**
- IPP&E Impairment (Expense) / Recoupments Offset to ARR	7a	-	6	-	**6**
Other Comprehensive Income		-	(8,280)	-	**(8,280)**
Total Comprehensive Income		**5,172**	**(8,280)**	**-**	**(3,108)**
Transfers between Reserves		(333)	-	333	**-**
Balance at the end of period		**85,224**	**280,014**	**11,821**	**377,059**

The Barossa Council

Statement of Cash Flows
for the year ended 30 June 2021

$ '000	Notes	2021	2020
Cash Flows from Operating Activities			
Receipts			
Rates		32,506	31,368
Statutory Charges		808	702
User Charges		3,358	2,941
Grants, Subsidies and Contributions (operating purpose)		3,984	3,284
Investment Receipts		145	267
Reimbursements		9	14
Other Receipts		2,725	3,268
Payments			
Payments to Employees		(13,766)	(13,668)
Payments for Materials, Contracts & Other Expenses		(15,686)	(17,160)
Finance Payments		(582)	(718)
Net Cash provided by (or used in) Operating Activities	11b	**13,501**	**10,298**
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		4,511	2,828
Sale of Replaced Assets		290	210
Sale of Surplus Assets		685	355
Repayments of Loans by Community Groups		75	72
Payments			
Expenditure on Renewal/Replacement of Assets		(4,735)	(4,571)
Expenditure on New/Upgraded Assets		(7,310)	(9,329)
Net Cash provided by (or used in) Investing Activities		**(6,484)**	**(10,435)**
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		-	1,000
Proceeds from Bonds and Deposits		65	165
Payments			
Repayments of Borrowings		(1,829)	(2,988)
Repayment of Principal Portion of Lease Liabilities		(66)	(51)
Repayment of Bonds and Deposits		(93)	(98)
Net Cash provided by (or used in) Financing Activities		**(1,923)**	**(1,972)**
Net Increase (Decrease) in Cash Held		**5,094**	**(2,109)**
plus: **Cash and Cash Equivalents at beginning of period**	11	10,708	12,817
Cash and Cash Equivalents at end of period	11	15,802	10,708

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis 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.

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

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

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 these Notes.

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 South Australian Local Government Act 1999 and has its principal place of business at 43-51 Tanunda Road, Nuriootpa. These consolidated financial statements include the Council’s direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Subsidiary Operation

Pursuant to the Local Government Act 1999, Section 42, The Barossa Council oversees the Nuriootpa Centennial Park Authority which is a subsidiary that operates and maintains both the Barossa Valley Tourist Park and its surrounding parklands. The Authority's information as at the reporting date has been consolidated in the accounts within this report.

4 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 occurs first.

The Council recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

4 Income Recognition (continued)

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Council to acquire or construct a recognisable non-financial asset that is to be controlled by the Council. In this case, the Council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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 included in these notes.

In recent years the payment of untied financial assistance/local and supplementary roads grants has varied from the annual allocation as shown in the table below:

Year	*Cash Payment Received*	*Annual Allocation*	*Difference*
2018/19	$2,041,448	$1,451,846	$589,602
2019/20	$1,322,566	$1,555,963	($233,397)
2020/21	$1,536,605	$1,654,037	($117,432)

As these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. The operating results of these periods have therefore been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Adjusted Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grant entitlements allocated.

4.1 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".

5 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 (including community loans) 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.

6 Inventories

Inventories held in respect of Depot stores (Fuel and Rubble) have been valued by using the weighted average cost on a continual basis or at cost for the Barossa Regional Gallery, Barossa Visitor Centre and Nuriootpa Centennial Park Authority, 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.

6.1 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.

7 Infrastructure, Property, Plant and Equipment

7.1 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architect 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 recognised as other non-current assets and transferred to infrastructure, property, plant and equipment when completed ready for use.

7.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Capitalisation thresholds applied during the year are as follows (no capitalisation threshold is applied to the acquisition of land or interests in land). Any new or upgrade work below these threshold amount(s) will be expensed as maintenance.

Buildings *	$
- Buildings (including Toilets)	20,000
- Sheds, Pergolas, Cabins, Carports and Other Structures	10,000
- Buildings at Componentisation	50,000
Sealed Roads *	
- Reconstruction and Renewal Work	20,000
Sheeted Roads	
- Resheeting, Major Patch Repair and Road Shoulders	15,000
Footpaths, Kerbs and Carpark Surfaces	10,000
Community Wastewater Management Systems (CWMS)	5,000
Stormwater and Drainage	5,000
Bridges, Floodways and Major Culverts	15,000
Parks and Reserves Development	5,000
Plant and Equipment	5,000
Furniture and Fittings	5,000
Core Software Programs	15,000
Right-of-use Assets	15,000
Leasehold Improvements	20,000
All Other Assets	5,000

* These assets are capitalised when replacing/renewing assets that are >10% of the Depreciable Replacement Value

7 Infrastructure, Property, Plant and Equipment (continued)

7.3 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.

7.4 Depreciation of Non-Current Assets

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

Major depreciation periods for each class of asset are shown in the following table. 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.

Depreciation Periods per Class of Asset

Buildings	Complete	20 to 100 years
	Substructure	40 to 300 years
	Superstructure	20 to 300 years
	Roof Structure	40 to 60 years
	Internal Fit Out	20 to 25 years
	Services	20 to 100 years
	Town Hall Solid Flooring only	150 years
Transport	Unformed Roads (Earthworks) •	Unlimited
	Sheeted Roads *	12 to 50 years
	Sealed Roads - Pavement *	40 to 200 years
	Sealed Roads - Surface *	10 to 50 years
	Footpaths *	Up to 100 years
	Kerb	50 to 100 years
	Car Park Surfaces *	30 to 50 years
Bridges	Bridges *	Up to 100 years
	Major Culverts *	Up to 100 years
	Floodways *	Up to 100 years
	Footbridges *	Up to 100 years
CWMS	Pump Stations - Components	10 to 50 years
	Lagoons - Components	40 to 100 years
	Waste Water Treatment Plant - Components	5 to 50 years
	Pipes	60 to 100 years
Recreation/	Fences	40 years
Community	Monuments	100 years
Infrastructure	Other	10 to 100 years
Stormwater	Drainage Channels	25 to 150 years
and Drainage	Other	150 years
Plant and Equipment	Plant and Machines	3 to 20 years
	Vehicles	3 to 33 years
	Computer Equipment	5 to 33 years
	Hill and Son Historic Pipe Organ	300 years
Furniture and Fittings		10 to 25 years
Leasehold Improvements	Complete	Term of Lease
Right-of-use Assets	Leased	Term of Lease

* These asset types are made up of two components. The useful lives listed above are for the first component. The second component being a long life asset with lives ranging from 150 to 750 years. Please refer to Council's adopted Asset Accounting Policy for further information.

• Road Earthworks should not be depreciated in line with AASB 1055 (interpretation). Council Policy shows an unlimited useful life for these assets and current practice is not to depreciate them.

7 Infrastructure, Property, Plant and Equipment (continued)

7.5 Impairment

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

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

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

8 Payables

8.1 Goods and 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.

8.2 Payments Received in Advance and 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.

9 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”.

10 Employee Benefits

10.1 Salaries, Wages and 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	0.58% (2020: 0.51%)
Weighted average settlement period	0.25 years (2020: 0.25 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.

10.2 Superannuation

Council makes employer superannuation contributions in respect of its employees to schemes selected by employees under the “choice of fund” legislation. Council uses Statewide Super as its default superannuation fund. This Scheme has two types of membership, each of which is funded differently. Council's subsidiary, Nuriootpa Centennial Park Authority makes contributions to other superannuation schemes. 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.

11 Leases

11.1 Council as a Lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets - refer Item 7.4 for details.

The right-of-use assets are also subject to impairment - refer to item 7.5 for details.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term Leases and Leases of Low-value Assets

The Council applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of plant and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Council is lessee for various pepercorn leases and licenses that have not been included for AASB 16. The function, period(s) to and potential costs are as follows:

Function/Purpose	Period to	$/pa each
Barossa Visitor Centre and Library - Tanunda	30/06/2026	$1 on demand
Kroemer Crossing, Tanunda - Reserve	30/03/2039	$1 on demand
Nuriootpa to Angaston (bike-walking path)	09/04/2035	$1 on demand
Barossa Trail (bike-walking path) - 2 licenses	2034	$1 on demand
Barossa Trail (bike-walking path) - 2 licenses	2035	$1 on demand
Barossa Trail (bike-walking path) - 1 license	31/07/2052	$1 on demand
Barossa Trail (bike-walking path) - numerous licenses	2062	$1 on demand
Barossa Trail (bike-walking path) - 1 license	26/04/2064	$1 on demand
Railway line Barossa Valley Way between Tanunda /Nuriootpa (Rose Hedge)	No lease	$201
Williamstown land used for car park	Lease under negotiation	$460

12 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

13 GST Implications

In accordance with AASB Interpretation UIG Abstract 1031 Accounting for the Goods and 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.

14 Comparative Figures

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

15 Disclaimer

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

16 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period 30 June 2021 and have not been used in preparing these reports.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective. The standards are not expected to have a material impact upon Council's future financial statements.

Effective for annual reporting periods beginning on or after 1 January 2020:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

Effective for annual reporting periods beginning on or after 1 January 2022:

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

Amendments to AASB 101 and AASB 108 Definition of Material

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

17 COVID-19

The COVID-19 pandemic has impacted the 2020/21 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Councils response to the pandemic or due to mandatory shutdowns as directed by the State Government. The costs captured directly for COVID-19 works for 20/21 was $314,875.

COVID-19 is not expected to have a significant financial impact on Council operations. It is expected further financial impacts will flow into the 2021/22 financial year but these have been largely taken into account during the development of the budget process for 2021/22 including, but not limited to $178k. The budget assumptions for 2021/22 assume current policy positions of the State's response to COVID-19.

However, Council has determined that there is no material uncertainty that casts doubt on Council’s ability to continue as a going concern.

Note 2. Income

$ '000	Notes	2021	2020
(a). Rates Revenues			
General Rates			
General Rates		27,193	26,518
Less: Mandatory Rebates		(510)	(493)
Less: Discretionary Rebates, Remissions and Write Offs		(165)	(165)
Total General Rates		26,518	25,860
Other Rates (Including Service Charges)			
Landscape SA Levy		541	542
Waste, Recycling and Green Organics Collection		2,198	2,014
Community Wastewater Management Systems		2,908	2,819
Total Other Rates		5,647	5,375
Other Charges			
Penalties for Late Payment		87	140
Legal and Other Costs Recovered		38	40
Total Other Charges		125	180
Total Rates Revenues		32,290	31,415
(b). Statutory Charges			
Development Act and Town Planning Fees		420	356
Septic Tank Inspection Fees		118	77
Animal Registration Fees and Fines		234	242
Parking Fines / Expiation Fees		6	3
Other Licences, Fees and Fines		29	23
Total Statutory Charges		807	701
(c). User Charges			
Bushgarden Seed/Seedling Sales		25	38
Caravan Park Fees		2,085	1,874
Cemetery Fees		82	70
CWMS Reuse Water Sales		196	164
Hall and Equipment Hire		23	20
Immunisation Fees		27	31
Lease Fees		78	80
Photocopying Fees		18	16
Property Search Fees		54	44
Recreation Park Fees		57	31
Sundry		48	49
Tourism - Souvenir and Other Sales		158	94
Transport Scheme Fees		120	103
Waste Collection Bins		49	41
Waste Disposal/Transfer Station Fees		33	19
Total User Charges		3,053	2,674

Note 2. Income (continued)

$ '000	Notes	2021	2020
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		69	159
- Banks and Other		34	50
- Loans to Community Groups		42	46
Total Investment Income		145	255
(e). Reimbursements			
Employee Costs		6	6
Other		2	7
Total Reimbursements		8	13
(f). Other Income			
Insurance and Other Recoupments-including Infrastructure, Property, Plant and Equipment		90	186
Rebates Received		60	44
Donations Received		24	13
Contributions		291	179
Sundry		601	696
Total Other Income		1,066	1,118
(g). Grants, Subsidies and Contributions			
Amounts Received Specifically for New or Upgraded Assets		2,867	2,606
Total Amounts Received Specifically for New or Upgraded Assets		**2,867**	**2,606**
Other Grants, Subsidies and Contributions		2,261	1,766
Additional Grants Commission Payment	1	843	722
Roads to Recovery		483	483
Total Other Grants, Subsidies and Contributions		**3,587**	**2,971**
Total Grants, Subsidies and Contributions		6,454	5,577

The functions to which these grants relate are shown in Note 12.

(i) Sources of grants		2021	2020
Commonwealth Government		2,105	989
State Government		3,755	3,736
Other		594	852
Total		6,454	5,577

Note 2. Income (continued)

(h). Conditions over Grants and Contributions

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

$ '000	Notes	2021	2020
Unexpended at the close of the previous reporting period		1,579	1,326
Less:			
Expended during the current period from revenues recognised in previous reporting periods			
Roads Infrastructure		-	(80)
Recreation		(759)	(1,099)
Community Services		(21)	(13)
Culture		(6)	(5)
Environment		(48)	(67)
Social Support		(8)	-
Waste		(11)	-
Youth		-	(20)
Subtotal		**(853)**	**(1,284)**
Plus:			
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Recreation		683	1,401
Community Services		-	20
Culture		-	6
Environment		17	65
Social Support		12	20
Waste		14	25
Subtotal		**726**	**1,537**
Unexpended at the close of this reporting period		1,452	1,579
Net increase (decrease) in assets subject to conditions in the current reporting period		**(127)**	**253**

(i). Physical Resources Received Free of Charge

$ '000	Notes	2021	2020
Land and Land Improvements		43	228
Roads, Bridges and Footpaths		-	-
Stormwater and Drainage		332	622
Transport		636	824
Community Wastewater Management Scheme		605	104
Plant and Equipment		35	15
Total Physical Resources Received Free of Charge		1,651	1,793

Note 3. Expenses

$ '000	Notes	2021	2020
(a). Employee Costs			
Salaries and Wages		12,610	12,573
Employee Leave Expense Movement		220	200
Superannuation - Defined Contribution Plan Contributions	18	920	903
Superannuation - Defined Benefit Plan Contributions	18	229	217
Workers Compensation Insurance		323	334
Less: Capitalised and Distributed Costs		(301)	(260)
Total Operating Employee Costs		14,001	13,967
Total Number of Employees (full time equivalent at end of reporting period)		142.95	142.54
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		25	21
Bad and Doubtful Debts		1	-
Elected Members Expenses		286	280
Lease Expense - Low Value Assets / Short Term Leases		139	143
Subtotal - Prescribed Expenses		**451**	**444**
(ii) Other Materials, Contracts and Expenses			
Contractors (2020 - Waste Services $1,938k rellocated)		3,386	3,684
Bank Charges		95	91
Energy (including Fuel)		1,651	1,822
Maintenance		1,520	1,508
Legal Expenses		154	121
Levies Paid to Government - Landscape levy		541	540
Levies - Other		103	75
Parts, Accessories and Consumables		920	900
Professional Services		417	377
Communications and Information Technology		832	733
Contributions and Donations		653	451
Waste Services (previous year in contractors)		2,162	1,938
Water		539	786
Advertising and Printing		171	166
Insurance		703	700
Sundry		656	646
Less: Capitalised and Distributed Costs		(116)	(162)
Subtotal - Other Material, Contracts and Expenses		**14,387**	**14,376**
Total Materials, Contracts and Other Expenses		14,838	14,820

Note 3. Expenses (continued)

$ '000	Notes	2021	2020
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings and Other Structures		2,018	1,862
Infrastructure			
- Transport		3,203	3,136
- Bridges, Floodways and Major Culverts		459	455
- Community Wastewater Management System		1,162	986
- Stormwater and Drainage		362	361
- Recreation		421	312
- Community Infrastructure		15	24
Right-of-use Assets		49	46
Plant and Equipment		1,063	977
Furniture and Fittings		35	24
Leasehold Improvements		15	14
Total Depreciation, Amortisation and Impairment		8,802	8,197
(d). Finance Costs			
Interest on Loans		557	679
Interest on Leases		-	1
Total Finance Costs		557	680

Note 4. Asset Disposal and Fair Value Adjustments

$ '000	Notes	2021	2020
Infrastructure, Property, Plant ad Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		290	210
Less: Carrying Amount of Assets Sold		(907)	(872)
Gain (Loss) on Disposal		**(617)**	**(662)**
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		697	355
Less: Carrying Amount of Assets Sold		(423)	(431)
Gain (Loss) on Disposal		**274**	**(76)**
Net Gain (Loss) on Disposal or Revaluation of Assets		(343)	(738)

Note 5. Current Assets

$ '000	Notes	2021	2020

(a). Cash and Cash Equivalent Assets

Cash on Hand at Bank		7,073	2,768
Deposits at Call		8,701	7,912
Short Term Deposits		28	28
Total Cash and Cash Equivalent Assets		15,802	10,708

(b). Trade and Other Receivables

Rates - General and Other		1,351	1,577
Accrued Revenues		309	251
Debtors - General		316	389
GST Recoupment		317	292
Prepayments		67	95
Loans to Community Organisations		75	76
Total Trade and Other Receivables		2,435	2,680

Amounts included in receivables that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

(c). Inventories

Stores and Materials		135	284
Trading Stock		84	91
Total Inventories		219	375

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

Note 6. Non-Current Assets

$ '000	Notes	2021	2020
(a). Financial Assets			
Receivables			
Council Rates Postponement Scheme		102	92
Prepayments		66	69
Loans to Community Organisations		632	706
Total Financial Assets		**800**	**867**
(b). Equity Accounted Investments in Council Businesses			
Gawler River Floodplain Management Authority	19	2,225	2,217
Central Local Government Association (Legatus)	19	61	82
Total Equity Accounted Investments in Council Businesses		**2,286**	**2,299**
(c). Other Non-Current Assets			
Other			
Capital Works-in-Progress		5,503	4,074
Total Other		5,503	4,074
Total Other Non-Current Assets		**5,503**	**4,074**

Note 7a. Infrastructure, Property, Plant and Equipment

$ '000	Fair Value Level	as at 30/6/2020 At Fair Value	At Cost	Accumulated Depreciation	Carrying Value	Asset Movements during the Reporting Period: Asset Additions New / Upgrade	Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Reversal (via Equity) (Note 9)	Adjustments and Transfers	Revaluation Decrements to Equity (Asset Revaluation Reserve) (Note 9)	Revaluation Increments to Equity (Asset Revaluation Reserve) (Note 9)	as at 30/6/2021 At Fair Value	At Cost	Accumulated Depreciation	Carrying Value
Land - Community	3	54,853	228	-	55,081	710	-	(410)	-	-	-	-	-	54,671	710	-	55,381
Land - Other	2	4,390	-	-	4,390	-	-	-	-	-	-	-	-	4,162	228	-	4,390
Buildings and Other Structures	3	81,507	1,995	42,132	41,370	1,626	147	(114)	(1,957)	-	794	(1,790)	-	89,825	1,773	51,522	40,076
Buildings and Other Structures	2	4,424	949	527	4,846	133	-	(6)	(61)	-	(789)	(1,257)	-	10,894	133	8,161	2,866
Infrastructure																	
- Transport	3	203,690	21,095	63,019	161,766	1,529	2,704	(508)	(3,203)	-	-	-	6	202,268	25,321	65,295	162,294
- Bridges, Floodways and Major Culverts		44,085	1,044	21,506	23,623	13	13	(7)	(459)	-	-	-	-	44,071	1,069	21,957	23,183
- Community Wastewater Management Syster	3	53,455	1,979	24,595	30,839	615	6	(40)	(1,162)	-	-	-	-	53,377	2,600	25,719	30,258
- Stormwater and Drainage	3	44,669	5,268	9,651	40,286	647	22	(13)	(362)	-	-	-	5	44,652	5,942	10,009	40,585
- Recreation	3	8,908	3,466	5,073	7,301	1,841	16	(92)	(421)	-	-	-	882	15,590	1,858	7,921	9,527
- Community Infrastructure	3	996	649	536	1,109	272	104	(13)	(15)	-	(5)		159	973	1,184	546	1,611
Right-of-use Assets	3	-	198	46	152	19	72	(12)	(49)	-	-	-	-	-	260	78	182
Plant and Equipment	3	-	12,862	8,273	4,589	974	764	(115)	(1,063)	-	-	-	-	-	14,041	8,892	5,149
Furniture and Fittings	3	-	1,061	964	97	111	20	-	(35)	-	-	-	-	-	1,192	999	193
Leasehold Improvements	3	-	107	14	93	-	-	-	(15)	-	-	-	-	-	107	29	78
Total Infrastructure, Property, Plant and Equipment		**500,977**	**50,901**	**176,336**	**375,542**	**8,490**	**3,868**	**(1,330)**	**(8,802)**	**-**	**-**	**(3,047)**	**1,052**	**520,483**	**56,418**	**201,128**	**375,773**
Comparatives		511,733	36,861	170,696	**377,898**	10,170	5,056	(1,303)	(8,197)	6	198	(8,324)	38	500,977	50,901	176,336	**375,542**

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment

$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and/or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is normally no known market for Council buildings, infrastructure and other assets (with the exception of properties at level 2 valued using Market Fair Value inputs). These assets are valued at depreciated current replacement cost. This method involves the determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this Council, or on industry construction guides where these are more appropriate.

Other Information

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

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment (continued)

$ '000

Valuation of Assets (continued)

Highest and best use

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

Transition to *AASB 13 - Fair Value Measurement*

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

Land & Land Improvements

- Basis of valuation: Fair Value Level 3, Market Value Level 2; additions are recognised at cost
- Date of valuation: 1 July 2019
- Valuer: JLL Public Sector Valuations

Buildings & Other Structures

- Basis of valuation: Fair Value Level 3, Market Value Level 2; additions are recognised at cost
- Date of valuation: 1 July 2020
- Valuer: JLL Public Sector Valuations and Barossa Council in-house staff expertise using Rawlinsons Australian Construction Handbook Edition 37, 2019

Transport

- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2017
- Valuer: Tonkin Consulting
- Condition Assessment: Council Officers assessed Sealed Roads, Kerb and Gutter in 2017/18
  Sheeted Roads and Car Parks were assessed in 2015/16

Bridges, Floodways and Major Culverts

- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2017
- Valuer: WSP Australia Pty Ltd for Bridges, Footbridges and some Major Culverts
  Council Officers applied LGPI (Local Government Price Index) 3.4% on the previous valuation of 1 July 2015 for Floodways and the remaining Major Culverts in 2017/18
  Condition Assessment: WSP Australia Pty Ltd assessed Bridges, Footbridges and some Major Culverts in 2017/18

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment (continued)

$ '000

Valuation of Assets (continued)

Community Wastewater Management System

- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2017
- Valuer: Council Officers and Tonkin Consulting (pipe network only)
- Condition Assessment: Council Officers assessed CWMS Assets with an expiry date of 30 June 2020 (excluding pipe network)
  Waste Water Treatment Plant and Lagoons were assessed in 2013/14

Stormwater

- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2017
- Valuer: Tonkin Consulting

Recreation Infrastructure

- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2020
- Valuer: JLL Public Sector Valuations and Barossa Council in-house staff expertise using Rawlinsons Australian Construction Handbook Edition 37, 2019

Community Infrastructure

- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2010
- Valuer: Asset and Valuation Consulting Pty Ltd

This asset class is immaterial to the total asset value representing only 0.30% of the total value so revaluations are not necessary and should not occur. Only periodic audits will be conducted to ensure the assets are required for Council business and in the condition needed.

Plant, Equipment, Furniture and Fittings

- Basis of valuation: Cost basis

Leasehold Improvements

- Basis of valuation: Written down current replacement cost; additions are recognised at cost, based on term of lease

This asset class is immaterial to the total asset value representing only 0.02% of the total value so revaluations are not necessary and should not occur. Only periodic audits will be conducted to ensure the assets are required for Council business and in the condition needed.

Right-of-use Assets

- Basis of valuation: Lease and associated costs basis per AASB 16

Note 8. Liabilities

$ '000	Notes	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(a). Trade and Other Payables					
Goods and Services		3,633	-	2,208	-
Payments Received in Advance		3,319	-	1,581	-
Accrued Expenses - Employee Entitlements		476	-	418	-
Accrued Expenses - Other		266	-	513	-
Deposits, Retentions and Bonds		170	-	198	-
Total Trade and Other Payables		7,864	-	4,918	-

Amounts included in trade and other payables that are not expected to be settled within 12 months of reporting date are disclosed in Note 13

$ '000	Notes	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(b). Borrowings					
Loans		1,410	7,166	1,829	8,576
Lease Liabilities	17	55	125	60	107
Total Borrowings		1,465	7,291	1,889	8,683

All interest bearing liabilities are secured over the future revenues of the Council

$ '000	Notes	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(c). Provisions					
Employee Entitlements (including oncosts)		2,883	911	2,782	802
Future Reinstatement - Landfill		-	420	50	362
Total Provisions		2,883	1,331	2,832	1,164

Movements in Provisions

$ '000	Future Reinstatement - Landfill
2021 (current and non-current)	
Opening Balance	412
Additional Amounts Recognised	12
(Less) Payments	(4)
Closing Balance	420

Note 9. Reserves

$ '000	1/7/2020	Increments (Decrements)	Transfers	Impairments	30/6/2021
(a). Asset Revaluation Reserve					
Land - Community	44,562	-	-	-	44,562
Land - Other	478	-		-	478
Buildings and Other Structures	24,964	(3,047)	5	-	21,922
Infrastructure					
- Transport	139,200	6	-	-	139,206
- Bridges, Floodways and Major Culverts	13,978	-	-	-	13,978
- Community Wastewater Management System	19,322	-	-	-	19,322
- Stormwater and Drainage	30,355	5	-	-	30,360
- Recreation	5,824	882	-	-	6,706
- Community Infrastructure	493	159	(5)	-	647
Joint Ventures - Other Comprehensive Income	838	-	-	-	838
Total Asset Revaluation Reserve	280,014	(1,995)	-	-	278,019
Comparatives	288,294	(8,286)	-	6	280,014

$ '000	1/7/2020	Transfers to Reserve	Transfers from Reserve	Other Movements	30/6/2021
(b). Other Reserves					
Community Wastewater Management	9,240	1,833	(278)	-	10,795
Refuse, Recycling and Green Waste	269	18	(39)	-	248
Recreation Facilities	378	66	(7)	-	437
Cultural Services	416	32	-	-	448
Caravan Parks	111	-	(10)	-	101
Economic Development	175	-	(5)	-	170
Environmental Projects	18	-	(11)	-	7
Plant and Equipment Replacement	127	17	(31)	-	113
Building Maintenance	10	-	(10)	-	-
Other Reserves	1,077	84	(342)	-	819
Total Other Reserves	11,821	2,050	(733)	-	13,138
Comparatives	11,488	1,972	(1,639)	-	11,821

Note 9. Reserves (Cont.)

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

Community Wastewater Management

Wastewater Management Scheme services charges raised under Section 155.

Refuse, Recycling and Green Waste

Collection of Refuse, Recycling and Green Waste service charges raised under Section 155.

Recreation Facilities

Recreation Facilities reserves are used to fund Capital Improvements at Council owned Recreation Parks.

Cultural Services

Cultural Facilities reserves are used to fund Capital Improvements at Council owned Community Halls.

Caravan Parks

Caravan Park Reserves are used towards the upgrade of Caravan Park and surrounding Recreation Park Facilities.

Economic Development

Economic Development Reserves are used to fund specific initiatives including Council Main Streets.

Environmental Projects

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

Plant and Equipment Replacement

Plant and Equipment Replacement Reserves are used to fund the replacement of Council's Community Transport cars and buses, funded by grants.

Building Maintenance

Building Maintenance Reserves are used towards funding specific disability access to Council owned 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. Assets Subject to Restrictions

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Grant funding or contributions which were received during the year ended 30 June 2021 (or in previous years) but which remain unspent, are also subject to restrictions - these funds would need to be repaid if the required expenditure does not go ahead in the future.

$ '000	Notes	2021	2020
Cash and Financial Assets			
Open Space Contributions		386	683
Developer Contributions		424	384
Grant Funding - Commonwealth		646	20
Grant Funding - State		2,655	1,468
Total Cash and Financial Assets		**4,111**	**2,555**
Total Assets Subject to Externally Imposed Restrictions		**4,111**	**2,555**

Note 11. Reconciliation to Statement of Cash Flows

$ '000	Notes	2021	2020

(a). Reconciliation of Cash

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

$ '000	Notes	2021	2020
Total Cash and Equivalent Assets	5	15,802	10,708
Balances per Statement of Cash Flows		**15,802**	**10,708**

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

$ '000	Notes	2021	2020
Net Surplus/(Deficit)		**6,920**	**5,172**
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		8,802	8,197
Equity Movements in Equity Accounted Investments (Increase)/Decrease		13	(28)
Non-Cash Asset Acquisitions		(1,651)	(1,793)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(4,511)	(2,828)
Net (Gain) Loss on Disposals		343	738
		9,916	**9,458**
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		237	98
Net (Increase)/Decrease in Inventories		156	(151)
Net Increase/(Decrease) in Trade and Other Payables		2,974	691
Net Increase/(Decrease) in Unpaid Employee Benefits		210	206
Net Increase/(Decrease) in Other Provisions		8	(4)
Net Cash provided by (or used in) operations		**13,501**	**10,298**

(c). Non-Cash Financing and Investing Activities

$ '000	Notes	2021	2020
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	1,651	1,793
Amounts recognised in Income Statement		**1,651**	**1,793**
- Estimated Future Reinstatement - Landfill		11	3
Total Non-Cash Financing and Investing Activities		**1,662**	**1,796**

(d). Financing Arrangements

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

$ '000	Notes	2021	2020
Bank Overdrafts		300	300
Corporate Credit Cards		79	79
LGFA Cash Advance Debenture Facility		5,000	4,260

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

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b)									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		COMMONWEALTH AND STATE GRANTS		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
$ '000	**Actual 2021**	Actual 2020	**Actual 2021**	Actual 2020	**Actual 2021**	Actual 2020	**Actual 2021**	Actual 2020	**Actual 2021**	Actual 2020
Business Undertakings	**5,397**	5,051	**4,869**	4,758	**528**	293	**-**	10	**39,047**	41,194
Community Services	**1,098**	1,080	**2,823**	2,536	**(1,725)**	(1,456)	**1,025**	768	**8,879**	8,868
Culture	**291**	287	**2,502**	2,420	**(2,211)**	(2,133)	**181**	194	**14,052**	14,689
Economic Development	**212**	141	**986**	1,025	**(774)**	(884)	**-**	19	**-**	-
Environment	**3,273**	3,202	**5,685**	5,574	**(2,412)**	(2,372)	**258**	253	**56,910**	56,277
Recreation	**511**	423	**5,559**	5,873	**(5,048)**	(5,450)	**1,088**	1,675	**71,397**	68,509
Regulatory Services	**664**	601	**2,405**	2,455	**(1,741)**	(1,854)	**-**	-	**146**	555
Transport	**1,482**	921	**6,241**	6,001	**(4,759)**	(5,080)	**2,324**	916	**185,217**	183,223
Plant Hire and Depot/Indirect	**94**	120	**333**	391	**(239)**	(271)	**-**	-	**3,989**	3,716
Council Administration	**27,934**	27,321	**6,795**	6,631	**21,139**	20,690	**983**	890	**20,895**	17,215
Joint Ventures	**-**	28	**13**	-	**(13)**	28	**-**	-	**2,286**	2,299
Total Functions/Activities	**40,956**	**39,175**	**38,211**	**37,664**	**2,745**	**1,511**	**5,859**	**4,725**	**402,818**	**396,545**

Income and expenses exclude amounts received specifically for new or upgraded assets and physical resources received free of charge. 'Council Administration' includes all rates income.

Note 12b. Components of Functions

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Gravel Pits/Quarries, Private Works and 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, Bus Shelters, Cemeteries, 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, Streetscaping, Northern and Yorke Landscape 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 AND DEPOT

Plant, Machinery and Depot.

COUNCIL ADMINISTRATION

Governance, Administration, 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, Separate and Special Rates.

JOINT VENTURES

Gawler River Floodplain Management Authority and Central Local Government Association (Legatus).

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:
Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms and Conditions:
Deposits returned fixed interest rates between 0.30% and 2.20% (2020: 0.65% and 2.20%). Short term deposits returned interest rates between 0.25% and 1.75% (2020: 0.25% and 1.75%).

Carrying Amount:
Approximates fair value due to the short term to maturity.

Receivables
Rates and Associated Charges

Accounting Policy:
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.

Terms and Conditions:
Secured over the subject land, arrears attract interest of 5.2% (2020: 6.35%). Council is not materially exposed to any individual debtor; credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables
Fees and Other Charges

Accounting Policy:
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.

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

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Note 13. Financial Instruments (continued)

Recognised Financial Instruments

Receivables
Other Levels of Government

Accounting Policy:
Carried at nominal value.

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

Carrying Amount:
Approximates fair value.

Liabilities
Creditors and Accruals

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

Terms and Conditions:
Liabilities are normally settled on 30 day terms.

Carrying Amount:
Approximates fair value.

Liabilities
Interest Bearing Borrowings

Accounting Policy:
Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms and Conditions:
Secured over future revenues, fixed borrowings are repayable by equal half yearly instalments of principal and interest; interest is charged at fixed rates between 2.05% and 7.02% (2020: 2.05% and 7.02%). Variable borrowings were available but not accessed during 2020/21 from the Local Government Finance Authority cash advance debenture rates (2020: 2.20% and 3.12%).

Carrying Amount:
Approximates fair value.

Liabilities
Leases

Accounting Policy:
Accounted for in accordance with AASB 16 as stated in Note 17.

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

Note 13. Financial Instruments (continued)

$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2021					
Financial Assets					
Cash and Cash Equivalents	15,802	-	-	15,802	15,802
Receivables	2,089	372	466	2,927	2,785
Total Financial Assets	**17,891**	**372**	**466**	**18,729**	**18,587**
Financial Liabilities					
Payables	7,122	-	-	7,122	7,122
Current Borrowings	1,881	-	-	1,881	1,410
Non-Current Borrowings	-	6,883	1,428	8,311	7,166
Lease Liabilites	58	130	-	188	180
Total Financial Liabilities	**9,061**	**7,013**	**1,428**	**17,502**	**15,878**

$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
Financial Assets					
Cash and Cash Equivalents	10,708	-	-	10,708	10,708
Receivables	2,335	391	651	3,377	3,091
Total Financial Assets	**13,043**	**391**	**651**	**14,085**	**13,799**
Financial Liabilities					
Payables	3,987	-	-	3,987	3,987
Current Borrowings	2,411	-	-	2,411	1,829
Non-Current Borrowings	-	8,138	2,054	10,192	8,576
Lease Liabilites	60	107	-	167	167
Total Financial Liabilities	**6,458**	**8,245**	**2,054**	**16,757**	**14,559**

The following interest rates were applicable to Council's Borrowings at balance date:	**30 June 2021** Weighted Avg Interest Rate	**30 June 2021** Carrying Value	**30 June 2020** Weighted Avg Interest Rate	**30 June 2020** Carrying Value
Fixed Interest Rates	5.68%	8,576	6.32%	10,405
		8,576		**10,405**

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.

Note 13. Financial Instruments (continued)

Risk Exposures

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

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

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 14. Capital Expenditure Commitments

$ '000	Notes	2021	2020

Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Bridges		431	-
Buildings		389	1,171
Culture		-	6
Community Services		41	-
Community Wastewater Management Scheme		583	123
Environment		-	9
Footpaths		109	300
Information Technology		344	245
Plant and Equipment		426	10
Recreation		1,426	2,561
Roads		8,806	9,482
Stormwater and Drainage		168	100
Streetscape		206	-
Tourism		631	-
		13,560	**14,007**

These expenditures are payable:			
Not later than one year		5,946	6,470
Later than one year and not later than 5 years		7,614	7,537
		13,560	**14,007**

Note 15. Financial Indicators

$ '000	Amounts 2021	Indicator 2021	Prior Periods 2020	Prior Periods 2019

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.

1. Operating Surplus Ratio

	Amounts 2021	Indicator 2021	2020	2019
Operating Surplus	2,745	6.70%	3.86%	4.74%
Total Operating Income	40,956			

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

2. Net Financial Liabilities Ratio

	Amounts 2021	Indicator 2021	2020	2019
Net Financial Liabilities	1,797	4%	13%	10%
Total Operating Income	40,956			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30 June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

	Indicator 2021	2020	2019
Adjusted Operating Surplus Ratio	6.97%	4.43%	3.28%
Adjusted Net Financial Liabilities Ratio	6%	16%	13%

3. Asset Renewal Funding Ratio

	Amounts 2021	Indicator 2021	2020	2019
Asset Renewals	4,735	216%	92%	443%
Infrastructure and Asset Management Plan required expenditure	2,195			

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.

A substantial amount of 'Upgraded' asset work completed each year (and for this financial year includes capital work on Springton roads and district wide footpaths) are partly renewing components of existing assets. For normal work cycles, components of these assets would need to be replaced when the depreciation or consumption of them had reduced their remaining life to zero, but as they are being upgraded to a better service level, they are effectively replacing asset components that would normally need to be replaced as/when due.

Note 15. Financial Indicators (cont.)

3. Asset Renewal Funding Ratio (cont.)

The calculation to compile the Asset Sustainability Ratio does not include any upgrade costs as it is not considered to be 'renewal/replacement'. This is then effectively understating the expenditure for asset replacement and the ratio is not then reflecting the true actual net asset renewals.

Infrastructure and Asset Management Plan (IAMP) required expenditure is sourced from the Authority's adopted plan. IAMP's were reviewed in 2020 and adopted in 2021. It is expected the renewal spend information will be more accurate when the four year review of the IAMP's is undertaken and the improvement plans from that work provides these projections pa.

The required IAMP renewal expenditure relies on the Authority asset lives and replacement intervals as they are due each year. The Authority's asset base is relatively small and does not have the benefit of vast ranging assets with continual overlapping replacement interval periods. Some high value renewed assets could be purchased and grouped together in a year causing an unusual spike in renewal expenditure, whereas depreciation is the flattened average consumption/use of all assets. Depreciation is not used in the calculation of the asset Renewal Funding Ratio. Therefore this indicator is not necessarily relevant for the Authority.

For the purposes of this KPI in the adopted Long Term Financial Plan - asset renewal spend for 2020/21 was calculated at $6,607k, the annual budget asset renewal was approved at $7,690k a spend rate of 116%.

With asset works carried forward to next year the 2020/21 revised budget at year end is $5,911k and the actual spend at $4,735k a spend rate of 80%.

Note 16. Uniform Presentation of Finances

$ '000	2021	2020

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 Council's finances.

	2021	2020
Income	40,956	39,175
less Expenses	(38,211)	(37,664)
Operating Surplus / (Deficit)	**2,745**	**1,511**
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(4,735)	(4,571)
add back Depreciation, Amortisation and Impairment	8,802	8,197
add back Proceeds from Sale of Replaced Assets	290	210
Subtotal	**4,357**	**3,836**
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(7,310)	(9,329)
add back Amounts Received Specifically for New and Upgraded Assets	4,511	2,828
add back Proceeds from Sale of Surplus Assets	685	355
Subtotal	**(2,114)**	**(6,146)**
Net Lending / (Borrowing) for Financial Year	**4,988**	**(799)**

Note 17. Leases

Council as a Lessee

Terms and conditions of leases
Refer to Note 1 for further details.

Land
Right-of-use Assets leased include land at Angaston that is a radio transmission site.

Plant and Equipment
Right-of-use Assets leased include Photocopiers, Mower and Computer Servers.

Right-of-use Assets
Set out below are the carrying amounts of Right-of-use Assets recognised within the above asset categories and the movements during the period:

$ '000		Notes	Land	Plant and Equipment	Total
2021					
Opening balance			1	151	152
Additions to right-of-use assets			-	91	91
Depreciation charge			-	(49)	(49)
Disposal Carrrying Value			-	(12)	(12)
Balance at 30 June 2021	-	7a	1	181	182
2020					
Adoption of AASB 16 at 1 July 2019			1	216	217
Less: Short-term Value Lease			-	(19)	(19)
Depreciation charge			-	(46)	(46)
Balance at 30 June 2020		7a	1	151	152

Leases
Set out below are the carrying amounts of lease liabilites (included under interest-bearing loans and borrowings) and the movements during the period:

$ '000	Notes	2021	2020
Balance at 1 July		167	217
Additions		88	-
Accretion of interest		3	6
Payments		(66)	(56)
Disposal Liability due		(12)	-
Balance at 30 June		**180**	**167**

Note 17. Leases (Cont.)

Classified as:			
Current	8b	55	60
Non-Current	8b	125	107
		180	**167**

The maturity analysis of lease liabilites is included in Note 13

The following are the amounts recognised in profit or loss for leases:

Depreciation expense of Right-of-Use Assets	7a	49	46
Interest expense on lease liabilities		3	6
Expense relating to short term leases		-	33
Expense relating to leases of low-value assets		137	111
Total amount recognised in profit or loss		**189**	**196**

The Group had total cash outflows for leases of $203,024 (2020: $88,143)

Council as a Lessor

Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are included in Note 2 as Lease Fees, Hall or Equipment Hire and Recreation Park Fees.

$ '000	2021	2020
Lease commitments under lease agreements as at 30 June 2021 are as follows:		
Not later than one year	76	48
Later than one year and not later than 5 years	122	109
Later than 5 years	197	212
	395	**369**

Note 18. Superannuation

Council makes employer superannuation contributions in respect of its employees to schemes selected by employees under "choice of fund" legislation. Council uses Statewide Super as its default superannuation fund. With Statewide Super, there are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees who are Statewide Super members (including casuals) have all contributions allocated to the Accumulation section (Marketlink).

Accumulation only Members (including Statewide Marketlink)

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with Superannuation Guarantee legislation (9.50% in 2020/21; 9.50% in 2019/20). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Statewide Super Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years, level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2019/20) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 1 April 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

Note 19. Interests in Other Entities

$ '000

All Joint Ventures are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Assets	
	2021	**2020**
Joint Ventures	2,286	2,299
Total	**2,286**	**2,299**

JOINT VENTURES

(a) Carrying Amounts

Name of Entity	Principal Activity	2021	2020
Gawler River Floodplain Management Authority	Flood Mitigation	2,224	2,217
Central Local Government Association (Legatus)	Local Government Regional Collaboration	62	82
Total Carrying Amounts - Joint Ventures		**2,286**	**2,299**

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.

Central Local Government Association (Legatus)

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.

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
Name of Entity	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Gawler River Floodplain Management Authority	10.17%	10.01%	10.17%	10.01%	15.38%	15.38%
Central Local Government Association (Legatus)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%

(c) Movement in Investment in Joint Venture or Associate

	Gawler River Floodplain Management Authority		Central Local Government Association (Legatus)	
	2021	**2020**	**2021**	**2020**
Opening Balance	2,217	2,204	82	67
Share in Operating Result	(28)	(25)	(20)	15
Adjustments to Equity	35	38		-
Council's Equity Share in the Joint Venture or Associate	**2,224**	**2,217**	**62**	**82**

Note 19. Interests in Other Entities (Cont.)

$ '000

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Gawler River Floodplain Management Authority		Central Local Government Association (Legatus)	
	2021	2020	2021	2020
Cash and Cash Equivalents and Investments	169	152	930	1,258
Other Current Assets	49	32	40	94
Non-Current Assets	21,690	22,011	19	25
Total Assets	21,908	22,195	989	1,377
Current Trade and Other Payables	36	42	37	135
Current Provisions		-	19	11
Non-Current Provisions		-	12	7
Total Liabilities	36	42	68	153
Net Assets	**21,872**	**22,153**	**921**	**1,224**

Statement of Comprehensive Income	Gawler River Floodplain Management Authority		Central Local Government Association (Legatus)	
	2021	2020	2021	2020
Other Income		-	193	193
Subscriptions, Grants, Subsidies and Other Contributions	216	329	333	485
Reimbursements		-	75	38
Investment Income	1	1	8	11
Total Income	217	330	609	727
Employee Costs		-	353	221
Materials, Contracts & Other Expenses	156	236	555	273
Depreciation, Amortisation and Impairment	321	321	5	6
Other	21	21		-
Total Expenses	498	578	913	500
Other Revenue / Expense Items		-		-
Operating Result	**(281)**	**(248)**	**(304)**	**227**

(e). Share of Joint Venture Expenditure Commitments

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

Operating Expenditures Payable		
Not later than one year	28	29
	28	**29**

(f). Transactions with Council

Aggregate amount of transactions with Council	2021	2020
- payments to Council	-	-
- receipts from Council	40	32

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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 the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

Council has elected not to recognise land under roads as an asset in accordance with AASB 1051 Land Under Roads. 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 989km of road reserves of average width of 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 deductable "insurance excesses", the amount of which varies according to the class of insurance.

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

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended) and Planning, Development and Infrastructure Act (as amended) as of 19 March 2021. Pursuant to the Acts, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. A number of appeals were conducted during the year by persons aggrieved as a result of decisions by Council, or by Council on behalf of residents in relation to enforcement of use conditions, or by Council acting on behalf of the community in relation to proposed development that would adversely affect the region. There were two appeals lodged within the 2020/21 financial year, one of which was withdrawn. The other appeal was not finalised as at 30 June 2021.

Note 21. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2021, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 10/11/21.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 22. Related Party Transactions

$ '000	2021	2020

Key Management Personnel

The Key Management Personnel of the Council includes the Mayor, 11 Councillors, CEO, 14 Employees of the Executive Management Team and Board Members and employees of Nuriootpa Centennial Park Authority - Total 35 (2020 35). This includes employees temporarily acting as CEO or Executive Management during periods of leave.

Transactions with Key Management Personel

All close family members of Key Management Personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The Council employs 142.95 (FTE) staff of which only 2 are close family members of Key Management Personnel.

	2021	2020
Key Management Personnel Employee Expenses for Close Family Members	157	160
Total	157	160

One person included in Key Management Personnel are on the board or committee of a separate business that received rate rebates to the value of $5,377 and other expenditure funded by Council for this business for $5,290.

One person included in Key Management Personnel has a close family member who was employed through an agency to provide Council subsidary with social marketing services. The total amount invoiced to Council by this business during this financial year totalled $26,400 (excluding GST).

Compensation paid to Key Management Personnel

35 Key Management Personnel (2021: 35) were paid the following total compensation:

	2021	2020
Short-Term Employee Benefits	1,575	1,537
Long-Term Benefits	-	10
Termination Benefits	-	19
Total	1,575	1,566

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

Other Related Party Transactions

Council provides work and support in-kind for accounting, governance, asset management and executive services, along with being the conduit for electricity, insurance, loans, CWMS and other services for its subsidiary Nuriootpa Centennial Park Authority. The Authority maintains a Council Recreation Park at Nuriootpa for community benefit purposes including various sporting activities. The Authority's information as at the reporting date has been included in the accounts within this report and any inter-company transactions have been consolidated.

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

Opinion

We have audited the accompanying financial report of the Barossa Council, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Barossa Council as of 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

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

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA
PARTNER

Dated at Adelaide this 11th day of November 2021

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INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF THE BAROSSA COUNCIL

Opinion

We have audited the compliance of the Barossa Council (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2020 to 30 June 2021 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2020 to 30 June 2021.

Limitation on Use

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

Limitations of Controls

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

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

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ASAE 3150 Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the *Council* has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2020 to 30 June 2021. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA
PARTNER

Dated at Adelaide this 11th day of November 2021

General Purpose Financial Statements
for the year ended 30 June 2021

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Barossa Council for the year ended 30 June 2021, the Council's Auditor, Bentleys SA Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Martin McCarthy
CHIEF EXECUTIVE OFFICER

Peter Brass
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 10-November-2021

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Certification of Auditor Independence

I confirm that, for the audit of the financial statements of the Barossa Council for the year ended 30 June 2021, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 4th day of November 2021