# The Barossa Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2022

# The Barossa Council

## General Purpose Financial Statements
for the year ended 30 June 2022

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# The Barossa Council

## General Purpose Financial Statements
for the year ended 30 June 2022

## Council Certificate

### 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 2022 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 Offiver**

03 November 2022

Michael (BIM) Lange OAM
**Mayor**

03 November 2022

# Statement of Comprehensive Income
for the year ended 30 June 2022

| $ '000 | Notes | 2022 | 2021 |
|---|---|---|---|
| **Income** | | | |
| Rates | 2a | 33,700 | 32,290 |
| Statutory Charges | 2b | 833 | 807 |
| User Charges | 2c | 3,140 | 3,053 |
| Grants, Subsidies and Contributions | 2g | 4,227 | 3,587 |
| Investment Income | 2d | 146 | 145 |
| Reimbursements | 2e | 8 | 8 |
| Other income | 2f | 658 | 1,066 |
| **Total Income** | | 42,712 | 40,956 |
| **Expenses** | | | |
| Employee costs | 3a | 14,118 | 14,001 |
| Materials, Contracts and Other Expenses | 3b | 15,951 | 14,838 |
| Depreciation, Amortisation and Impairment | 3c | 9,425 | 8,802 |
| Finance Costs | 3d | 464 | 557 |
| Net loss - Equity Accounted Council Businesses | 19(a) | 5 | 13 |
| **Total Expenses** | | 39,963 | 38,211 |
| Operating Surplus / (Deficit) | | 2,749 | 2,745 |
| Physical Resources Received Free of Charge | 2i | 2,009 | 1,651 |
| Asset Disposal & Fair Value Adjustments | 4 | (874) | (343) |
| Amounts Received Specifically for New or Upgraded Assets | 2g | 4,346 | 2,867 |
| Net Surplus / (Deficit) | | 8,230 | 6,920 |
| **Other Comprehensive Income** | | | |
| **Amounts which will not be reclassified subsequently to operating result** | | | |
| Increase/(decrease) in asset revaluation surplus | 9a | 9,604 | (1,995) |
| **Total Amounts which will not be reclassified subsequently to operating result** | | 9,604 | (1,995) |
| **Total Other Comprehensive Income** | | 9,604 | (1,995) |
| Total Comprehensive Income | | 17,834 | 4,925 |

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

# The Barossa Council

## Statement of Financial Position
as at 30 June 2022

| $ '000 | Notes | 2022 | 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash & Cash Equivalent Assets | 5a | 13,264 | 15,802 |
| Trade & Other Receivables | 5b | 2,671 | 2,435 |
| Inventories | 5c | 391 | 219 |
| Subtotal | | 16,326 | 18,456 |
| **Total current assets** | | 16,326 | 18,456 |
| **Non-current assets** | | | |
| Financial Assets | 6a | 1,162 | 800 |
| Equity Accounted Investments in Council Businesses | 6b | 2,281 | 2,286 |
| Other Non-Current Assets | 6c | 6,103 | 5,503 |
| Infrastructure, Property, Plant & Equipment | 7a(i) | 392,816 | 375,773 |
| **Total non-current assets** | | 402,362 | 384,362 |
| TOTAL ASSETS | | 418,688 | 402,818 |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade & Other Payables | 8a | 7,118 | 7,864 |
| Borrowings | 8b | 1,080 | 1,465 |
| Provisions | 8c | 2,911 | 2,883 |
| Subtotal | | 11,109 | 12,212 |
| **Total Current Liabilities** | | 11,109 | 12,212 |
| **Non-Current Liabilities** | | | |
| Borrowings | 8b | 6,688 | 7,291 |
| Provisions | 8c | 1,073 | 1,331 |
| **Total Non-Current Liabilities** | | 7,761 | 8,622 |
| TOTAL LIABILITIES | | 18,870 | 20,834 |
| Net Assets | | 399,818 | 381,984 |
| **EQUITY** | | | |
| Accumulated surplus | | 98,215 | 90,827 |
| Asset revaluation reserves | 9a | 287,623 | 278,019 |
| Other reserves | 9b | 13,980 | 13,138 |
| Total Council Equity | | 399,818 | 381,984 |
| Total Equity | | 399,818 | 381,984 |

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

# The Barossa Council

## Statement of Changes in Equity
for the year ended 30 June 2022

| $ '000 | Notes | Accumulated surplus | Asset revaluation reserve | Other reserves | Total equity |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Balance as at 1 July | | 90,827 | 278,019 | 13,138 | 381,984 |
| Restated opening balance | | 90,827 | 278,019 | 13,138 | 381,984 |
| Net Surplus / (Deficit) for Year | | 8,230 | – | – | 8,230 |
| **Other Comprehensive Income** | | | | | |
| - Increase/(decrease) in asset revaluation surplus | 7a | – | 9,604 | – | 9,604 |
| **Other comprehensive income** | | – | 9,604 | – | 9,604 |
| Total comprehensive income | | 8,230 | 9,604 | – | 17,834 |
| Transfers to reserves | | (842) | – | 842 | – |
| Balance at the end of period | | 98,215 | 287,623 | 13,980 | 399,818 |
| **2021** | | | | | |
| Balance as at 1 July | | 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** | | | | | |
| - Increase/(decrease) in asset revaluation surplus | 7a | – | (1,995) | – | (1,995) |
| **Other comprehensive income** | | – | (1,995) | – | (1,995) |
| Total comprehensive income | | 6,920 | (1,995) | – | 4,925 |
| Transfers to reserves | | (1,317) | – | 1,317 | – |
| Balance at the end of period | | 90,827 | 278,019 | 13,138 | 381,984 |

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

# Statement of Cash Flows
for the year ended 30 June 2022

| $ '000 | Notes | 2022 | 2021 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts | | | |
| Rates Receipts | | 33,673 | 32,506 |
| Statutory Charges | | 833 | 808 |
| User Charges | | 3,454 | 3,358 |
| Grants, Subsidies and Contributions | | 3,987 | 3,984 |
| Investment Receipts | | 146 | 145 |
| Reimbursements | | 8 | 9 |
| Other Receipts | | 2,964 | 2,725 |
| Payments | | | |
| Payments to Employees | | (14,275) | (13,766) |
| Payments for Materials, Contracts & Other Expenses | | (19,375) | (15,686) |
| Finance Payments | | (464) | (582) |
| **Net cash provided by (or used in) Operating Activities** | 11b | 10,951 | 13,501 |
| **Cash flows from investing activities** | | | |
| Receipts | | | |
| Amounts Received Specifically for New/Upgraded Assets | | 4,095 | 4,511 |
| Sale of Replaced Assets | | 448 | 290 |
| Sale of Surplus Assets | | – | 685 |
| Repayments of Loans by Community Groups | | 75 | 75 |
| Distributions received from associated entities | | 5 | – |
| Payments | | | |
| Expenditure on Renewal/Replacement of Assets | | (5,842) | (4,735) |
| Expenditure on New/Upgraded Assets | | (10,880) | (7,310) |
| Loans Made to Community Groups | | (430) | – |
| Capital contributed to Equity Accounted Council Businesses | | (5) | – |
| **Net cash provided (or used in) investing activities** | | (12,534) | (6,484) |
| **Cash flows from financing activities** | | | |
| Receipts | | | |
| Proceeds from Loans | | 430 | – |
| Proceeds from Bonds & Deposits | | 952 | 65 |
| Payments | | | |
| Repayments of Loans | | (1,411) | (1,829) |
| Repayment of Lease Liabilities | | (62) | (66) |
| Repayment of Bonds & Deposits | | (864) | (93) |
| **Net Cash provided by (or used in) Financing Activities** | | (955) | (1,923) |
| **Net Increase (Decrease) in Cash Held** | | (2,538) | 5,094 |
| plus: Cash & Cash Equivalents at beginning of period | | 15,802 | 10,708 |
| Cash and cash equivalents held at end of period | 11a | 13,264 | 15,802 |
| Additional Information: | | | |
| Total Cash, Cash Equivalents & Investments | | 13,264 | 15,802 |

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

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Contents of the Notes accompanying the General Purpose Financial Statements

# The Barossa Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

## 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.

#### 1.3 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 park lands. 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.

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

continued on next page ...

# Note 1. Summary of Significant Accounting Policies (continued)

is to be controlled by the Council. In this case, the Council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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*** |
|---|---|---|---|
| 2019/20 | $1,322,566 | $1,555,963 | ($233,397) |
| 2020/21 | $1,536,605 | $1,654,037 | ($117,432) |
| 2021/22 | $2,435,662 | $1,894,550 | $541,112 |

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.

### 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 & 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 and 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

### 7.3 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

## Note 1. Summary of Significant Accounting Policies (continued)

life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

| | |
|---|---|
| *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 / Community Infrastructure* | |
| Fences | 40 years |
| Monuments | 100 years |
| Other | 10 to 100 years |
| *Stormwater and Drainage* | |
| Drainage Channels | 20 to 150 years |
| 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 |

continued on next page ...

*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.

#### 7.5 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 & 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 & 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 & 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: 3.90% (2021: 0.58%)
Weighted average settlement period: 0.21 years (2021: 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

continued on next page ...

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 peppercorn 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.

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# Note 1. Summary of Significant Accounting Policies (continued)

- 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) New accounting standards and UIG interpretations

The Council has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## (15) 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.

## (16) Disclaimer

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

## (17) COVID-19

The COVID-19 pandemic has impacted the 2021/22 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 21/22 was $94,133.

COVID-19 is not expected to have a significant financial impact on Council operations in 2022/23 financial year and so the budget for 2022/23 does not provide for direct financial expenditure.

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

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 2. Income

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(a) Rates** | | |
| **General Rates** | | |
| General Rates | 28,635 | 27,193 |
| Less: Mandatory Rebates | (518) | (510) |
| Less: Discretionary Rebates, Remissions and Write Offs | (566) | (165) |
| **Total General Rates** | 27,551 | 26,518 |
| **Other Rates (Including Service Charges)** | | |
| Landscape SA Levy | 547 | 541 |
| Waste, Recycling and Green Organics Collection | 2,491 | 2,198 |
| Community Wastewater Management Systems | 2,981 | 2,908 |
| **Total Other Rates (Including Service Charges)** | 6,019 | 5,647 |
| **Other Charges** | | |
| Penalties for Late Payment | 96 | 87 |
| Legal and Other Costs Recovered | 34 | 38 |
| **Total Other Charges** | 130 | 125 |
| Total Rates | 33,700 | 32,290 |
| **(b) Statutory Charges** | | |
| Development Act and Town Planning Fees | 485 | 420 |
| Septic Tank Inspection Fees | 64 | 118 |
| Animal Registration Fees and Fines | 253 | 234 |
| Parking Fines / Expiation Fees | 2 | 6 |
| Other Licences, Fees and Fines | 29 | 29 |
| Total Statutory Charges | 833 | 807 |
| **(c) User Charges** | | |
| Bushgarden Seed/Seedling Sales | 37 | 25 |
| Caravan Park Fees | 2,145 | 2,085 |
| Cemetery Fees | 109 | 82 |
| CWMS Reuse Water Sales | 223 | 196 |
| Hall and Equipment Hire | 22 | 23 |
| Immunisation Fees | 27 | 27 |
| Lease Fees | 97 | 78 |
| Photocopying Fees | 18 | 18 |
| Property Search Fees | 50 | 54 |
| Recreation Park Fees | 38 | 57 |
| Sundry | 51 | 48 |
| Tourism - Souvenir and Other Sales | 147 | 158 |
| Transport Scheme Fees | 122 | 120 |
| Waste Collection Bins | 31 | 49 |
| Waste Disposal/Transfer Station Fees | 23 | 33 |
| Total User Charges | 3,140 | 3,053 |

continued on next page ...

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

## Note 2. Income (continued)

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(d) Investment Income** | | |
| Interest on Investments | | |
| - Local Government Finance Authority | 77 | 69 |
| - Banks and Other | 29 | 34 |
| - Loans to Community Groups | 40 | 42 |
| **Total Investment Income** | 146 | 145 |
| **(e) Reimbursements** | | |
| Employee Costs | 5 | 6 |
| Other | 3 | 2 |
| **Total Reimbursements** | 8 | 8 |
| **(f) Other income** | | |
| Insurance and Other Recoupments-including Infrastructure, Property, Plant and Equipment | 96 | 90 |
| Rebates Received | 54 | 60 |
| Donations Received | 13 | 24 |
| Contributions | 71 | 291 |
| Sundry | 424 | 601 |
| **Total Other income** | 658 | 1,066 |
| **(g) Grants, Subsidies, Contributions** | | |
| Amounts Received Specifically for New or Upgraded Assets | 4,346 | 2,867 |
| **Total Amounts Received Specifically for New or Upgraded Assets** | 4,346 | 2,867 |
| Roads to Recovery | 483 | 483 |
| Other Grants, Subsidies and Contributions | 2,360 | 2,261 |
| Additional Grants Commission Payment | 1,384 | 843 |
| **Total Other Grants, Subsidies and Contributions** | 4,227 | 3,587 |
| **Total Grants, Subsidies, Contributions** | 8,573 | 6,454 |

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

| **(i) Sources of grants** | 2022 | 2021 |
|---|---|---|
| Commonwealth Government | 2,310 | 2,105 |
| State Government | 5,969 | 3,755 |
| Other | 294 | 594 |
| **Total** | 8,573 | 6,454 |

continued on next page ...

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 2. Income (continued)

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(h) Conditions over Grants & Contributions** | | |
| Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows: | | |
| **Unexpended at the close of the previous reporting period** | 3,319 | 1,579 |
| **Less:** | | |
| *Expended during the current period from revenues recognised in previous reporting periods* | | |
| Roads Infrastructure | (619) | – |
| Recreation | (1,699) | (759) |
| Community Services | (26) | (21) |
| Culture | (5) | (6) |
| Environment | (37) | (48) |
| Social Support | (23) | (8) |
| Waste | (13) | (11) |
| **Subtotal** | (2,422) | (853) |
| **Plus:** | | |
| *Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions* | | |
| Roads Infrastructure | 564 | 619 |
| Recreation | 1,343 | 1,906 |
| Community Services | – | 27 |
| Culture | 15 | 7 |
| Environment | 9 | 24 |
| Social Support | – | 10 |
| **Subtotal** | 1,931 | 2,593 |
| **Unexpended at the close of this reporting period** | 2,828 | 3,319 |
| **Net increase (decrease) in assets subject to conditions in the current reporting period** | (491) | 1,740 |

### (i) Physical Resources Received Free of Charge

| | 2022 | 2021 |
|---|---|---|
| Land and Land Improvements | 15 | 43 |
| Buildings | 200 | – |
| Transport | 527 | 636 |
| Community Wastewater Management Scheme | 104 | 605 |
| Stormwater and Drainage | 1,115 | 332 |
| Plant and Equipment | – | 35 |
| Recreation | 48 | – |
| Total Physical Resources Received Free of Charge | 2,009 | 1,651 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 3. Expenses

| $ '000 | Notes | 2022 | 2021 |
|---|---|---|---|
| **(a) Employee costs** | | | |
| Salaries and Wages | | 12,843 | 12,610 |
| Employee Leave Expense Movement | | (301) | 220 |
| Superannuation - Defined Contribution Plan Contributions | 18 | 1,051 | 920 |
| Superannuation - Defined Benefit Plan Contributions | 18 | 211 | 229 |
| Workers Compensation Insurance | | 410 | 323 |
| Less: Capitalised and Distributed Costs | | (96) | (301) |
| **Total Operating Employee Costs** | | **14,118** | **14,001** |
| Total Number of Employees (full time equivalent at end of reporting period) | | 139.3 | 143.0 |
| **(b) Materials, Contracts and Other Expenses** | | | |
| **(i) Prescribed Expenses** | | | |
| Auditor's Remuneration | | | |
| - Auditing the Financial Reports | | 24 | 25 |
| Bad and Doubtful Debts | | – | 1 |
| Elected Members Expenses | | 286 | 286 |
| Lease Expense - Low Value Assets / Short Term Leases | | 188 | 139 |
| **Subtotal - Prescribed Expenses** | | 498 | 451 |
| **(ii) Other Materials, Contracts and Expenses** | | | |
| Contractors | | 3,854 | 3,386 |
| Bank Charges | | 97 | 95 |
| Energy (including Fuel) | | 1,641 | 1,651 |
| Maintenance | | 1,451 | 1,520 |
| Legal Expenses | | 205 | 154 |
| Levies Paid to Government - Landscape Levy | | 607 | 541 |
| Levies - Other | | 15 | 103 |
| Parts, Accessories and Consumables | | 1,004 | 920 |
| Professional Services | | 449 | 417 |
| Communications and Information Technology | | 1,061 | 832 |
| Contributions and Donations | | 463 | 653 |
| Water | | 490 | 539 |
| Advertising and Printing | | 173 | 171 |
| Insurance | | 806 | 703 |
| Sundry | | 706 | 656 |
| Waste Services | | 2,501 | 2,162 |
| Less: Capitalised and Distributed Costs | | (70) | (116) |
| **Subtotal - Other Material, Contracts & Expenses** | | 15,453 | 14,387 |
| **Total Materials, Contracts and Other Expenses** | | **15,951** | **14,838** |

continued on next page ...

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 3. Expenses (continued)

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(c) Depreciation, Amortisation and Impairment** | | |
| **(i) Depreciation and Amortisation** | | |
| Buildings and Other Structures | 2,051 | 2,018 |
| Infrastructure | | |
| - Bridges, Floodways and Major Culverts | 462 | 459 |
| - Stormwater Drainage | 405 | 362 |
| - Community Wastewater Management System | 1,049 | 1,162 |
| - Transport | 3,761 | 3,203 |
| - Recreation | 465 | 421 |
| - Community Infrastructure | 20 | 15 |
| Right-of-use Assets | 65 | 49 |
| Plant and Equipment | 1,106 | 1,063 |
| Furniture and Fittings | 26 | 35 |
| Leasehold Improvements | 15 | 15 |
| **Total Depreciation, Amortisation and Impairment** | **9,425** | **8,802** |

### (d) Finance Costs

| $ '000 | 2022 | 2021 |
|---|---|---|
| Interest on Loans | 464 | 557 |
| **Total Finance Costs** | **464** | **557** |

## Note 4. Asset Disposal & Fair Value Adjustments

| $ '000 | 2022 | 2021 |
|---|---|---|
| **Infrastructure, Property, Plant & Equipment** | | |
| **(i) Assets Renewed or Directly Replaced** | | |
| Proceeds from Disposal | 448 | 290 |
| Less: Carrying Amount of Assets Sold | (1,294) | (907) |
| **Gain (Loss) on Disposal** | **(846)** | **(617)** |
| **(ii) Assets Surplus to Requirements** | | |
| Proceeds from Disposal | – | 697 |
| Less: Carrying Amount of Assets Sold | (28) | (423) |
| **Gain (Loss) on Disposal** | **(28)** | **274** |
| **Net Gain (Loss) on Disposal or Revaluation of Assets** | **(874)** | **(343)** |

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

## Note 5. Current Assets

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(a) Cash & Cash Equivalent Assets** | | |
| Cash on Hand at Bank | 3,366 | 7,073 |
| Deposits at Call | 9,898 | 8,701 |
| Short Term Deposits | – | 28 |
| Total Cash & Cash Equivalent Assets | 13,264 | 15,802 |

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(b) Trade & Other Receivables** | | |
| Rates - General and Other | 1,347 | 1,351 |
| Accrued Revenues | 299 | 309 |
| Debtors - General | 502 | 316 |
| GST Recoupment | 394 | 317 |
| Prepayments | 54 | 67 |
| Loans to Community Organisations | 75 | 75 |
| **Subtotal** | 2,671 | 2,435 |
| Total Trade & Other Receivables | 2,671 | 2,435 |

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

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(c) Inventories** | | |
| Stores and Materials | 303 | 135 |
| Trading Stock | 88 | 84 |
| Total Inventories | 391 | 219 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 6. Non-Current Assets

| $ '000 | Notes | 2022 | 2021 |
|---|---|---|---|
| **(a) Financial Assets** | | | |
| **Receivables** | | | |
| Council Rates Postponement Scheme | | 133 | 102 |
| Prepayments | | 42 | 66 |
| Loans to Community Organisations | | 987 | 632 |
| Total Financial Assets | | 1,162 | 800 |
| **(b) Equity Accounted Investments in Council Businesses** | | | |
| Gawler River Floodplain Management Authority | 19 | 2,240 | 2,225 |
| Central Local Government Association (Legatus) | | 41 | 61 |
| Total Equity Accounted Investments in Council Businesses | | 2,281 | 2,286 |
| **(c) Other Non-Current Assets** | | | |
| Capital Works-in-Progress | | 6,103 | 5,503 |
| Total Other Non-Current Assets | | 6,103 | 5,503 |

# Note 7. Infrastructure, Property, Plant & Equipment & Investment Property

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

| $ '000 | Fair Value Level | as at 30/06/21 At Fair Value | At Cost | Accumulated Depreciation | Carrying amount | Asset movements during the reporting period Asset Additions New / Upgrade | Asset Additions Renewals | WDV of Asset Disposals | Depreciation Expense (Note 3c) | WIP Transfers | Revaluation Decrements to Equity (ARR) (Note 9) | Revaluation Increments to Equity (ARR) (Note 9) | as at 30/06/22 At Fair Value | At Cost | Accumulated Depreciation | Carrying amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Land - Community | 3 | 54,671 | 710 | – | 55,381 | 15 | – | – | – | – | – | – | 54,671 | 725 | – | 55,396 |
| Land - Other | 2 | 4,162 | 228 | – | 4,390 | – | – | – | – | – | – | – | 4,162 | 228 | – | 4,390 |
| Buildings & Other Structures | 3 | 89,825 | 1,773 | (51,522) | 40,076 | 2,994 | 523 | (399) | (1,989) | (24) | – | – | 89,146 | 5,072 | (53,037) | 41,181 |
| Buildings & Other Structures | 2 | 10,894 | 133 | (8,161) | 2,866 | 12 | 41 | – | (62) | – | – | – | 10,894 | 186 | (8,223) | 2,857 |
| Leasehold Improvements | 3 | – | 107 | (29) | 78 | – | – | – | (15) | – | – | – | – | 107 | (45) | 62 |
| - Bridges, Footpaths, Kerb & Guttering | | 44,071 | 1,069 | (21,957) | 23,183 | 688 | – | (33) | (462) | – | – | – | 44,006 | 1,757 | (22,388) | 23,375 |
| - Stormwater and Drainage | | 44,652 | 5,942 | (10,009) | 40,585 | 1,932 | 20 | (18) | (405) | – | – | 3,303 | 54,797 | 1,952 | (11,333) | 45,416 |
| - Community Wastewater Management System | | 53,377 | 2,600 | (25,719) | 30,258 | 727 | 197 | (61) | (1,049) | – | – | – | 53,221 | 3,523 | (26,673) | 30,071 |
| - Transport | | 202,268 | 25,321 | (65,295) | 162,294 | 2,728 | 4,672 | (663) | (3,761) | – | – | 6,301 | 238,458 | 7,400 | (74,286) | 171,572 |
| - Recreation | | 15,590 | 1,858 | (7,921) | 9,527 | 1,488 | 105 | (74) | (465) | – | – | – | 15,379 | 3,451 | (8,249) | 10,581 |
| - Community Infrastructure | | 973 | 1,184 | (546) | 1,611 | 86 | 199 | – | (20) | – | – | – | 973 | 1,470 | (567) | 1,876 |
| Right-of-Use Assets | | – | 260 | (78) | 182 | 56 | – | – | (65) | – | – | – | – | 315 | (143) | 172 |
| Plant & Equipment | 3 | – | 14,041 | (8,892) | 5,149 | 907 | 774 | (74) | (1,106) | – | – | – | – | 14,855 | (9,205) | 5,650 |
| Furniture & Fittings | 3 | – | 1,192 | (999) | 193 | 20 | 29 | – | (26) | – | – | – | – | 1,241 | (1,024) | 217 |
| **Total Infrastructure, Property, Plant & Equipment** | | 520,483 | 56,418 | (201,128) | 375,773 | 11,653 | 6,560 | (1,322) | (9,425) | (24) | – | 9,604 | 565,707 | 42,282 | (215,173) | 392,816 |
| Comparatives | | 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 |

continued on next page ...

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

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

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

**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.

**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

continued on next page ...

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

**Transport**
- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2021
- 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

**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 2021
- 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

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 8. Liabilities

| $ '000 | | 2022 Current | 2022 Non Current | 2021 Current | 2021 Non Current |
|---|---|---|---|---|---|
| **(a) Trade and Other Payables** | | | | | |
| Goods and Services | | 2,981 | – | 3,633 | – |
| Payments Received in Advance | | 2,827 | – | 3,319 | – |
| Accrued Expenses - Employee Entitlements | | 575 | – | 476 | – |
| Accrued Expenses - Other | | 477 | – | 266 | – |
| Deposits, Retentions and Bonds | | 258 | – | 170 | – |
| **Total Trade and Other Payables** | | 7,118 | – | 7,864 | – |

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

### (b) Borrowings

| | | | | | |
|---|---|---|---|---|---|
| Loans | | 1,006 | 6,589 | 1,410 | 7,166 |
| Lease Liabilities | 17b | 74 | 99 | 55 | 125 |
| **Total Borrowings** | | 1,080 | 6,688 | 1,465 | 7,291 |

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

### (c) Provisions

| | | | | |
|---|---|---|---|---|
| Employee Entitlements (including oncosts) | 2,911 | 627 | 2,883 | 911 |
| Future Reinstatement - Landfill | – | 446 | – | 420 |
| **Total Provisions** | 2,911 | 1,073 | 2,883 | 1,331 |

#### Movements in Provisions

| 2022 (current & non-current) $ '000 | Future Reinstatement 2022 |
|---|---|
| **Opening Balance** | 420 |
| Additional Amounts Recognised | 26 |
| (Less): Payments | – |
| **Closing Balance** | 446 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 9. Reserves

| $ '000 | as at 30/06/21 Opening Balance | Increments (Decrements) | Transfers | Impairments | as at 30/06/22 Closing Balance |
|---|---|---|---|---|---|
| **(a) Asset Revaluation Reserve** | | | | | |
| Land - Community | 44,562 | – | – | – | 44,562 |
| Land - Other | 478 | – | – | – | 478 |
| Buildings & Other Structures | 21,922 | – | – | – | 21,922 |
| Infrastructure | | | | | |
| - Bridges, Floodways & Major Culverts | 13,978 | – | – | – | 13,978 |
| - Stormwater and Drainage | 30,360 | 3,303 | – | – | 33,663 |
| - Community Wastewater Management System | 19,322 | – | – | – | 19,322 |
| - Transport | 139,206 | 6,301 | – | – | 145,507 |
| - Recreation | 6,706 | – | – | – | 6,706 |
| - Community Infrastructure | 647 | – | – | – | 647 |
| JV's / Associates - Other Comprehensive Income | 838 | – | – | – | 838 |
| **Total Asset Revaluation Reserve** | 278,019 | 9,604 | – | – | 287,623 |
| Comparatives | 280,014 | (1,995) | – | – | 278,019 |

| $ '000 | as at 30/06/21 Opening Balance | Tfrs to Reserve | Tfrs from Reserve | Other Movements | as at 30/06/22 Closing Balance |
|---|---|---|---|---|---|
| **(b) Other Reserves** | | | | | |
| Community Wastewater Management | 10,795 | 1,566 | (279) | – | 12,082 |
| Refuse, Recycling and Green Waste | 248 | 89 | (120) | – | 217 |
| Recreation Facilities | 437 | 39 | (134) | – | 342 |
| Cultural Services | 448 | 16 | – | – | 464 |
| Caravan Parks | 101 | – | (38) | – | 63 |
| Economic Development | 170 | – | – | – | 170 |
| Environmental Projects | 7 | – | (5) | – | 2 |
| Plant and Equipment Replacement | 113 | 29 | (2) | – | 140 |
| Building Maintenance | – | – | – | – | – |
| Other Reserves | 819 | 68 | (387) | – | 500 |
| **Total Other Reserves** | 13,138 | 1,807 | (965) | – | 13,980 |
| Comparatives | 11,821 | 2,050 | (733) | – | 13,138 |

### 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.

continued on next page ...

## Note 9. Reserves (continued)

**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 | 2022 | 2021 |
|---|---|---|
| **Cash & Financial Assets** | | |
| Open Space Contributions | 1 | 386 |
| Developer Contributions | 490 | 424 |
| Grant Funding - Commonwealth | 564 | 646 |
| Grant Funding - State | 2,264 | 2,655 |
| Total Cash & Financial Assets | 3,319 | 4,111 |
| Total Assets Subject to Externally Imposed Restrictions | 3,319 | 4,111 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 11. Reconciliation to Statement of Cash Flows

| $ '000 | Notes | 2022 | 2021 |
|---|---|---|---|

### (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 Statement of Financial Position as follows:

| | | | |
|---|---|---|---|
| Total Cash & Equivalent Assets | 5 | 13,264 | 15,802 |
| **Balances per Statement of Cash Flows** | | 13,264 | 15,802 |

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

| | | | |
|---|---|---|---|
| **Net Surplus/(Deficit)** | | 8,230 | 6,920 |
| **Non-Cash Items in Income Statements** | | | |
| Depreciation, Amortisation & Impairment | | 9,425 | 8,802 |
| Equity Movements in Equity Accounted Investments (Increase)/Decrease | | 5 | 13 |
| Non-Cash Asset Acquisitions | | (2,009) | (1,651) |
| Grants for capital acquisitions treated as Investing Activity | | (4,095) | (4,511) |
| Net (Gain) Loss on Disposals | | 874 | 343 |
| | | 12,430 | 9,916 |
| **Add (Less): Changes in Net Current Assets** | | | |
| Net (Increase)/Decrease in Receivables | | (243) | 237 |
| Net (Increase)/Decrease in Inventories | | (172) | 156 |
| Net Increase/(Decrease) in Trade & Other Payables | | (834) | 2,974 |
| Net Increase/(Decrease) in Unpaid Employee Benefits | | (256) | 210 |
| Net Increase/(Decrease) in Other Provisions | | 26 | 8 |
| **Net Cash provided by (or used in) operations** | | 10,951 | 13,501 |

| $ '000 | Notes | 2022 | 2021 |
|---|---|---|---|

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

| | | | |
|---|---|---|---|
| **Acquisition of assets by means of:** | | | |
| Physical Resources Received Free of Charge | 2i | 2,009 | 1,651 |
| Amounts recognised in Income Statement | | 2,009 | 1,651 |
| Estimated Future Reinstatement - Landfill | | – | 11 |
| **Total Non-Cash Financing and Investing Activities** | | 2,009 | 1,662 |

### (d) Financing Arrangements

| | | | |
|---|---|---|---|
| **Unrestricted access was available at balance date to the following lines of credit:** | | | |
| Bank Overdrafts | | 300 | 300 |
| Corporate Credit Cards | | 79 | 79 |
| LGFA Cash Advance Debenture Facility | | 5,000 | 5,000 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 12(a). Functions

**Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).**

| $ '000 | INCOME 2022 | INCOME 2021 | EXPENSES 2022 | EXPENSES 2021 | OPERATING SURPLUS (DEFICIT) 2022 | OPERATING SURPLUS (DEFICIT) 2021 | GRANTS INCLUDED IN INCOME 2022 | GRANTS INCLUDED IN INCOME 2021 | TOTAL ASSETS HELD (CURRENT & NON-CURRENT) 2022 | TOTAL ASSETS HELD (CURRENT & NON-CURRENT) 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Functions/Activities** | | | | | | | | | | |
| Business Undertakings | 5,487 | 5,397 | 4,920 | 4,869 | 567 | 528 | 3 | – | 46,250 | 39,047 |
| Community Services | 1,108 | 1,098 | 2,966 | 2,823 | (1,858) | (1,725) | 775 | 766 | 9,238 | 8,879 |
| Culture | 306 | 291 | 2,709 | 2,502 | (2,403) | (2,211) | 181 | 183 | 13,862 | 14,052 |
| Economic Development | 189 | 212 | 1,015 | 986 | (826) | (774) | – | – | – | – |
| Environment | 3,534 | 3,273 | 6,371 | 5,685 | (2,837) | (2,412) | 300 | 213 | 57,119 | 56,910 |
| Recreation | 357 | 511 | 6,149 | 5,559 | (5,792) | (5,048) | – | – | 74,567 | 71,397 |
| Regulatory Services | 773 | 664 | 2,424 | 2,405 | (1,651) | (1,741) | – | – | 170 | 146 |
| Transport | 1,449 | 1,482 | 6,690 | 6,241 | (5,241) | (4,759) | 1,437 | 1,442 | 192,811 | 185,217 |
| Plant Hire and Depot/Indirect | 125 | 94 | 592 | 333 | (467) | (239) | – | – | 3,747 | 3,989 |
| Council Administration | 29,384 | 27,934 | 6,122 | 6,795 | 23,262 | 21,139 | 1,531 | 983 | 18,750 | 20,895 |
| Joint Ventures | – | – | 5 | 13 | (5) | (13) | – | – | 2,281 | 2,286 |
| Total Functions/Activities | 42,712 | 40,956 | 39,963 | 38,211 | 2,749 | 2,745 | 4,227 | 3,587 | 418,688 | 402,818 |

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.

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 12(b). 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 & 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).

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 13. Financial Instruments

**Recognised Financial Instruments**

### Bank, Deposits at Call, Short Term Deposits

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

**Terms & Conditions:**
Deposits are returning fixed interest rates between 1.05% and 1.76% (2021: 0.30% and 2.20). Short term deposits returned interest rates between 0.25% and 1.75% (2021: 0.25% and 1.75%).

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

### Receivables - Rates & Associated Charges

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

**Terms & Conditions:**
Secured over the subject land, arrears attract interest of 5.04% (2021:5.2%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

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

### Receivables - Fees & Other Charges

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

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

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

### Receivables - Other Levels of Government

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

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

**Carrying Amount:**
Approximates fair value.

### Liabilities - Creditors and Accruals

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

continued on next page ...

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 13. Financial Instruments (continued)

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

**Carrying Amount:**
Approximates fair value.

### Liabilities - Interest Bearing Borrowings

**Accounting Policy:**
Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

**Terms & Conditions:**
Secured over future revenues, 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% (2021: 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 (2021: 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.

continued on next page ...

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 13. Financial Instruments (continued)

| $ '000 | Due < 1 year | Due > 1 year & ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|---|---|---|---|---|---|
| **Financial Assets and Liabilities** | | | | | |
| **2022** | | | | | |
| **Financial Assets** | | | | | |
| Cash & Cash Equivalents | 13,263 | – | – | 13,263 | 13,264 |
| Receivables | 2,271 | 588 | 663 | 3,522 | 3,343 |
| Total Financial Assets | 15,534 | 588 | 663 | 16,785 | 16,607 |
| **Financial Liabilities** | | | | | |
| Payables | 6,066 | – | – | 6,066 | 6,066 |
| Current Borrowings | 1,318 | – | – | 1,318 | 1,006 |
| Non-Current Borrowings | – | 6,119 | 1,306 | 7,425 | 6,589 |
| Lease Liabilities | 78 | 102 | – | 180 | 173 |
| Total Financial Liabilities | 7,462 | 6,221 | 1,306 | 14,989 | 13,834 |
| **2021** | | | | | |
| **Financial Assets** | | | | | |
| Cash & 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 Liabilities | 58 | 130 | – | 188 | 180 |
| Total Financial Liabilities | 9,061 | 7,013 | 1,428 | 17,502 | 15,878 |

continued on next page ...

# Note 13. Financial Instruments (continued)

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

| | 2022 | | 2021 | |
|---|---|---|---|---|
| **$ '000** | **Weighted Avg Interest Rate** | **Carrying Value** | **Weighted Avg Interest Rate** | **Carrying Value** |
| Fixed Interest Rates | 6.32% | 7,496 | 5.68% | 8,576 |
| | | 7,496 | | 8,576 |

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

## Risk Exposures

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

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

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Mangement 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.

**Expected Credit Losses (ECL)**

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 14. Capital Expenditure and Investment Property Commitments

| $ '000 | 2022 | 2021 |
|---|---|---|

### Capital Commitments

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

| | | |
|---|---|---|
| Bridges | – | 431 |
| Buildings | 1,191 | 389 |
| Community Services | 28 | 41 |
| Community Wastewater Management Scheme | – | 583 |
| Footpaths | 50 | 109 |
| Information Technology | – | 344 |
| Plant and Equipment | 699 | 426 |
| Recreation | 1,698 | 1,426 |
| Roads | 6,889 | 8,806 |
| Stormwater and Drainage | 62 | 168 |
| Streetscape | – | 206 |
| Tourism | 475 | 631 |
| | 11,092 | 13,560 |

**These expenditures are payable:**

| | | |
|---|---|---|
| Not later than one year | 4,435 | 5,946 |
| Later than one year and not later than 5 years | 6,657 | 7,614 |
| | 11,092 | 13,560 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 15. Financial Indicators

| $ '000 | Amounts 2022 | Indicator 2022 | Indicators 2021 | 2020 |
|---|---|---|---|---|

*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 2022 | Indicator 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Operating Surplus | 2,749 | 6.4% | 6.7% | 3.9% |
| Total Operating Income | 42,712 | | | |

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

### 2. Net Financial Liabilities Ratio

| | Amounts 2022 | Indicator 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Net Financial Liabilities | 1,773 | 4% | 4% | 13% |
| Total Operating Income | 42,712 | | | |

*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.*

### Adjusted Operating Surplus Ratio

| | Amounts 2022 | Indicator 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Operating Surplus | 2,208 | 5.2% | 7.0% | 4.4% |
| Total Operating Income | 42,171 | | | |

### Adjustments to Ratios

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

### Adjusted Net Financial Liabilities Ratio

| | Amounts 2022 | Indicator 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Net Financial Liabilities | 3,157 | 7% | 6% | 16% |
| Total Operating Income | 42,171 | | | |

### 3. Asset Renewal Funding Ratio

| | Amounts 2022 | Indicator 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Asset Renewals | 5,842 | 89% | 216% | 92% |
| Infrastructure & Asset Management Plan required expenditure | 6,566 | | | |

*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.*

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## Note 15. Financial Indicators (continued)

*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.*

*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 Council'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 Council asset lives and replacement intervals as they are due each year. The Council'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 Financial Indicator the 2021 Infrastructure Asset Management Plan (IAMP) did not contain renewal spend information for 2021/22. The Long Term Financial Plan (LTFP) required an annual spend for the major asset classes at $6,566k, the adopted 21/22 adopted renewal spend is $6,490k that calculates a budget Asset Renewal Funding Ratio (ARFR) of 99%. The actual asset renewal spend for 21/22 was $5,842K using the LTFP annual spend of $6,566 the ARFR is 89%, this is less than the original budgeted ARFR at 99% but within the adopted target greater than 80% but less than 110%.*

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 16. Uniform Presentation of Finances

| $ '000 | 2022 | 2021 |
|---|---|---|

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.

| | 2022 | 2021 |
|---|---|---|
| Income | 42,712 | 40,956 |
| less Expenses | (39,963) | (38,211) |
| **Operating Surplus / (Deficit)** | 2,749 | 2,745 |
| **Net Outlays on Existing Assets** | | |
| Capital Expenditure on Renewal and Replacement of Existing Assets | (5,842) | (4,735) |
| add back Depreciation, Amortisation and Impairment | 9,425 | 8,802 |
| add back Proceeds from Sale of Replaced Assets | 448 | 290 |
| | 4,031 | 4,357 |
| **Net Outlays on New and Upgraded Assets** | | |
| Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments) | (10,880) | (7,310) |
| add back Amounts Received Specifically for New and Upgraded Assets | 4,095 | 4,511 |
| add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale) | – | 685 |
| | (6,785) | (2,114) |
| Net Lending / (Borrowing) for Financial Year | (5) | 4,988 |

# Note 17. Leases

## (i) Council as a lessee

## Terms and conditions of leases

**Asset Class here**
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.

## (a) Right of use assets

| $ '000 | Land | Plant and Equipment | Total |
|---|---|---|---|
| **2022** | | | |
| Set out below are the carrying amounts of Right-of-use Assets recognised within the above asset categories and the movements during the period: | | | |
| Opening balance | 1 | 181 | 182 |
| Additions to right-of-use assets | – | 56 | 56 |
| Depreciation charge | – | (65) | (65) |
| Disposal carrying value | – | – | – |
| Balance at 30 June | 1 | 172 | 173 |
| **2021** | | | |
| Opening balance | 1 | 151 | 152 |
| Additions to right-of-use assets | – | 91 | 91 |
| Depreciation charge | – | (49) | (49) |
| Disposal carrying value | – | (12) | (12) |
| Balance at 30 June | 1 | 181 | 182 |

## (b) Lease liabilities

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

| $ '000 | 2022 | 2021 |
|---|---|---|
| Balance at 1 July | 180 | 167 |
| Additions | 56 | 88 |
| Accretion of interest | 4 | 3 |
| Payments | (67) | (66) |
| Disposal liability due | – | (12) |
| **Balance at 30 June** | 173 | 180 |
| **Classified as:** | | |
| Current | 74 | 55 |
| Non Current | 99 | 125 |

The maturity analysis of lease liabilities is included in Note 13.

continued on next page ...

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 17. Leases (continued)

| $ '000 | 2022 | 2021 |
|---|---|---|
| The Group had total cash outflows for leases of $232k (2021: $203k). | | |
| The following are the amounts recognised in profit or loss: | | |
| Depreciation expense of Right-of-Use Assets | 65 | 49 |
| Interest expense on lease liabilities | 4 | 3 |
| Expense relating to leases of low-value assets | 165 | 137 |
| Total amount recognised in profit or loss | 234 | 189 |

### (ii) Council as a lessor

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 | 2022 | 2021 |
|---|---|---|
| **Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:** | | |
| Not later than one year | 63 | 76 |
| Later than one year and not later than 5 years | 107 | 122 |
| Later than 5 years | 194 | 197 |
| | 364 | 395 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## 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

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 (10.0% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

### Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member’s contribution rate, number of years, 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 2020/21) 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.

# The Barossa Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

## Note 19. Interests in Other Entities

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

| $ '000 | Council's Share of Net Income 2022 | Council's Share of Net Income 2021 | Council's Share of Net Assets 2022 | Council's Share of Net Assets 2021 |
|---|---|---|---|---|
| **Council's Share of Net Income** | | | | |
| Joint Ventures | – | – | 2,281 | 2,286 |
| Associates | (5) | (13) | – | – |
| Total Council's Share of Net Income | (5) | (13) | 2,281 | 2,286 |

### ((a)i) Joint Ventures, Associates and Joint Operations

#### (a) Carrying Amounts

| $ '000 | Principal Activity | 2022 | 2021 |
|---|---|---|---|
| Gawler River Floodplain Management Authority | Flood Mitigation | 2,240 | 2,224 |
| Central Local Government Association (Legatus) | Local Government Regional Collaboratoin | 41 | 62 |
| **Total Carrying Amounts - Joint Ventures & Associates** | | 2,281 | 2,286 |

***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 2022 | Interest in Operating Result 2021 | Ownership Share of Equity 2022 | Ownership Share of Equity 2021 | Proportion of Voting Power 2022 | Proportion of Voting Power 2021 |
|---|---|---|---|---|---|---|
| Gawler River Floodplain Management Authority | 10.36% | 10.17% | 10.36% | 10.17% | 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

| $ '000 | Gawler River Floodplain Management Authority 2022 | Gawler River Floodplain Management Authority 2021 | Central Local Government Association (Legatus) 2022 | Central Local Government Association (Legatus) 2021 |
|---|---|---|---|---|
| Opening Balance | 2,224 | 2,217 | 62 | 82 |
| Share in Operating Result | (26) | (28) | (20) | (20) |
| Adjustments to Equity | 42 | 35 | – | – |
| **Council's Equity Share in the Joint Venture or Associate** | 2,240 | 2,224 | 42 | 62 |

continued on next page ...

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 19. Interests in Other Entities (continued)

### (d) Summarised Financial Information of the Equity Accounted Business

| $ '000 | Gawler River Floodplain Management Authority 2022 | 2021 | Central Local Government Association (Legatus) 2022 | 2021 |
|---|---|---|---|---|
| **Statement of Financial Position** | | | | |
| Cash and Cash Equivalents | 126 | 169 | 658 | 930 |
| Other Current Assets | 99 | 49 | 2 | 40 |
| Non-Current Assets | 21,959 | 21,690 | 14 | 19 |
| **Total Assets** | 22,184 | 21,908 | 674 | 989 |
| Current Trade and Other Payables | 61 | 36 | 15 | 37 |
| Current Financial Liabilities | 502 | – | – | – |
| Current Provisions | – | – | 24 | 19 |
| Non-Current Provisions | – | – | 16 | 12 |
| **Total Liabilities** | 563 | 36 | 55 | 68 |
| **Net Assets** | 21,621 | 21,872 | 619 | 921 |
| **Statement of Comprehensive Income** | | | | |
| Other Income | – | – | 173 | 193 |
| Subscriptions, Grants, Subsidies and Other Contributions | 332 | 216 | 94 | 333 |
| Reimbursements | – | – | – | 75 |
| Investment Income | 1 | 1 | 7 | 8 |
| **Total Income** | 333 | 217 | 274 | 609 |
| Employee Costs | – | – | 263 | 353 |
| Materials, Contracts & Other Expenses | 236 | 156 | 305 | 555 |
| Depreciation, Amortisation and Impairment | 322 | 321 | 7 | 5 |
| Other | 26 | 21 | – | – |
| **Total Expenses** | 584 | 498 | 575 | 913 |
| **Operating Result** | (251) | (281) | (301) | (304) |

### (e) Share of Joint Operations Expenditure Commitments

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

| $ '000 | 2022 | 2021 |
|---|---|---|
| **(i) Capital Expenditures Payable** | | |
| Not later than one year | – | 28 |
| | – | 28 |

### (f). Transactions with Council

| | | |
|---|---|---|
| Aggregate amount of transactions with Council | | |
| - receipts from Council | – | 40 |

# Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## 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 deductible "insurance excesses", the amount of which varies according to the class of insurance.

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

### 3. Legal expenses
Council's Assessment Panel is the planning consent authority for its area under the Planning, Development and Infrastructure Act (as amended). Pursuant to the Act, certain persons aggrieved by a planning decision of the Assessment Panel 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 the panel, 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 three appeals lodged within the 2021/22 financial year, two of which had been resolved. The other appeal was not finalised as at 30 June 2022. A Judicial Review in the Supreme Court also remains ongoing.

The Barossa Council is a party to a supreme court challenge seeking damages from Council under a contract with the company TTEG related to street lighting charges. Councils potential exposure is estimated to be $114,793 in damages plus costs and interest if the court rules against the Councils defence, this exposure is not disclosed in the financial accounts of Council as there is no liability that has or at 30 June is likely to arise to any certainty that meets the relevant accounting standard. Payment of $10,043 for legal services for this matter have been recorded in the financial accounts of Council as at 30 June.

## Note 21. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2022, 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 Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 8/11/22.

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

# The Barossa Council

## Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

## Note 22. Related Party Transactions

### Key Management Personnel

**Transactions with 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 (2021 35). This includes employees temporarily acting as CEO or Executive Management during periods of leave.

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 139.31 (FTE) staff of which only 2 are close family members of Key Management Personnel.

| $'000 | 2022 | 2021 |
|---|---|---|
| Key Management Personnel Employee Expenses for Close Family Members | 170 | 157 |
| Total | 170 | 157 |

| $ '000 | 2022 | 2021 |
|---|---|---|
| **The compensation paid to Key Management Personnel comprises:** | | |
| Employee Benefits | 2,048 | 1,575 |
| Total | 2,048 | 1,575 |

**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.

Bentleys
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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 2022, 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 2022, 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.

**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 3rd day of November 2022

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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 2021 to 30 June 2022 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 2021 to 30 June 2022.

## 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 2021 to 30 June 2022. 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 3rd day of November 2022

# The Barossa Council

## General Purpose Financial Statements
for the year ended 30 June 2022

### 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 2022, the Council's Auditor, Bentleys SA 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: 03 November 2022

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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 2022, 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 1st day of November 2022**