Appendix Two

Financial Statements and Subsidiary Annual Reports

The Barossa Council
Consolidated Financial Statements

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.

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.

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

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

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

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.

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

Note 1. Summary of Significant Accounting Policies (continued)

(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 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 ...

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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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

$ '000	2022	2021
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

$ '000	2022	2021
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

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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

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

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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		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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

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

		as at 30/06/21				Asset movements during the reporting period							as at 30/06/22			
$ '000	Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	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)	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

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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

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.

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

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

$ '000	2022	2021
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.		
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

The Barossa Council

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

The Barossa Council

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).

The Barossa Council

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 ...

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

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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				
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				
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				
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				
Net Financial Liabilities	3,157	7%	6%	16%
Total Operating Income	42,171			
3. Asset Renewal Funding Ratio				
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.		
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

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

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

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.

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.

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.

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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

Bentleys
THINKING AHEAD

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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.

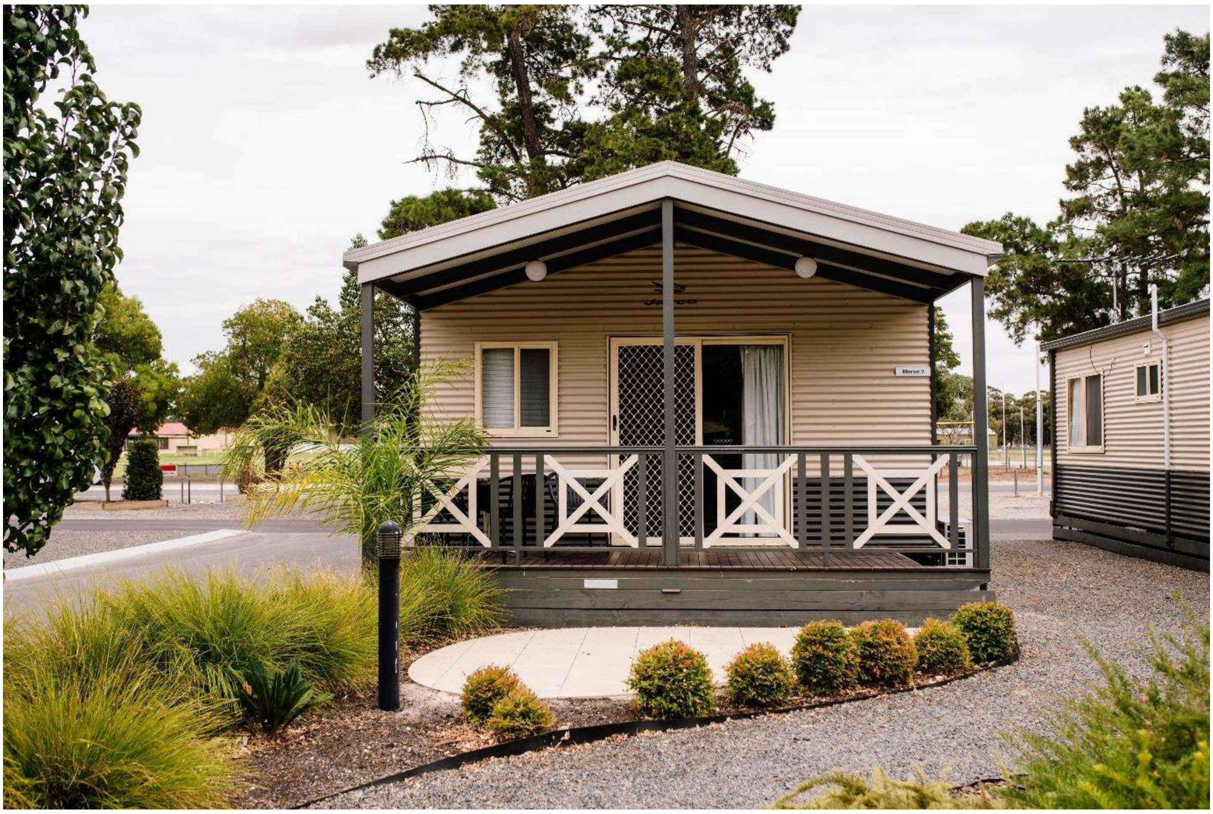
This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 1st day of November 2022

Nuriootpa Centennial Park Authority
Annual Report and
Financial Statements



Nuriootpa Centennial Park Authority

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Nuriootpa Centennial Park Authority

General Purpose Financial Statements
for the year ended 30 June 2022

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Nuriootpa Centennial Park Authority

General Purpose Financial Statements
for the year ended 30 June 2022

Certification of Financial Statements

We have been authorised by the Authority 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.

Guy Martin
CHIEF EXECUTIVE OFFICER

26 October 2022

Linda Stapleton
ACTING BUSINESS MANAGER

26 October 2022

Statement of Comprehensive Income

for the year ended 30 June 2022

$	Notes	2022	2021
Income			
User Charges	2a	2,013,326	1,876,484
Grants, Subsidies and Contributions	2d	3,000	–
Investment Income	2b	299	1,085
Other income	2c	1,414	5,457
Total Income		2,018,039	1,883,026
Expenses			
Employee costs	3a	801,639	740,844
Materials, Contracts and Other Expenses	3b	705,218	647,370
Depreciation, Amortisation and Impairment	3c	422,938	415,599
Finance Costs	3d	25,849	31,078
Total Expenses		1,955,644	1,834,891
Operating Surplus / (Deficit)		62,395	48,135
Physical Resources Received Free of Charge	2e	–	1,054,999
Asset Disposal & Fair Value Adjustments	4	11,550	1,000
Net Surplus / (Deficit)		73,945	1,104,134
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Increase/(decrease) in asset revaluation surplus	9	–	(564,083)
Total Other Comprehensive Income		–	(564,083)
Total Comprehensive Income		73,945	540,051

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

Statement of Financial Position

as at 30 June 2022

$	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	514,582	429,147
Trade & Other Receivables	5b	18,886	42,345
Inventories	5c	1,593	1,179
Subtotal		535,061	472,671
Total current assets		535,061	472,671
Non-current assets			
Financial Assets	6a	2	2
Other Non-Current Assets	6b	161,555	22,720
Infrastructure, Property, Plant & Equipment	7a(i)	12,603,429	12,861,485
Total non-current assets		12,764,986	12,884,207
TOTAL ASSETS		13,300,047	13,356,878
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	302,553	196,017
Borrowings	8b	231,836	234,982
Provisions	8c	55,260	63,306
Subtotal		589,649	494,305
Total Current Liabilities		589,649	494,305
Non-Current Liabilities			
Borrowings	8b	856,994	1,088,830
Provisions	8c	12,826	7,110
Total Non-Current Liabilities		869,820	1,095,940
TOTAL LIABILITIES		1,459,469	1,590,245
Net Assets		11,840,578	11,766,633
EQUITY			
Accumulated surplus		4,574,465	4,500,520
Asset revaluation reserves	9	7,266,113	7,266,113
Total Council Equity		11,840,578	11,766,633
Total Equity		11,840,578	11,766,633

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

Statement of Changes in Equity

for the year ended 30 June 2022

$	Accumulated surplus	Asset revaluation reserve	Total equity
2022			
Balance as at 1 July	4,500,520	7,266,113	11,766,633
Restated opening balance	4,500,520	7,266,113	11,766,633
Net Surplus / (Deficit) for Year	73,945	–	73,945
Other Comprehensive Income			
- Increase/(decrease) in asset revaluation surplus	–	–	–
Other comprehensive income	–	–	–
Total comprehensive income	73,945	–	73,945
Balance at the end of period	4,574,465	7,266,113	11,840,578
2021			
Balance as at 1 July	3,396,386	7,830,196	11,226,582
Restated opening balance	3,396,386	7,830,196	11,226,582
Net Surplus / (Deficit) for Year	1,104,134	–	1,104,134
Other Comprehensive Income			
- Increase/(decrease) in asset revaluation surplus	–	(564,083)	(564,083)
Other comprehensive income	–	(564,083)	(564,083)
Total comprehensive income	1,104,134	(564,083)	540,051
Balance at the end of period	4,500,520	7,266,113	11,766,633

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

Nuriootpa Centennial Park Authority

Statement of Cash Flows

for the year ended 30 June 2022

$	Notes	2022	2021
Cash flows from operating activities			
Receipts			
User Charges		2,208,934	2,054,285
Grants, Subsidies and Contributions		3,000	–
Investment Receipts		299	1,085
Other Receipts		8,819	–
Payments			
Payments to Employees		(802,765)	(741,137)
Payments for Materials, Contracts & Other Expenses		(784,962)	(777,457)
Finance Payments		(25,933)	(43,101)
Net cash provided by (or used in) Operating Activities	10b	607,392	493,675
Cash flows from investing activities			
Receipts			
Sale of Replaced Assets		35,580	1,000
Repayments of Loans by Community Groups		5,192	9,879
Payments			
Expenditure on Renewal/Replacement of Assets		–	(2,981)
Expenditure on New/Upgraded Assets		(327,747)	(40,206)
Net cash provided (or used in) investing activities		(286,975)	(32,308)
Cash flows from financing activities			
Payments			
Repayments of Loans		(228,143)	(230,953)
Repayment of Lease Liabilities		(6,839)	(1,202)
Net Cash provided by (or used in) Financing Activities		(234,982)	(232,155)
Net Increase (Decrease) in Cash Held		85,435	229,212
plus: Cash & Cash Equivalents at beginning of period		429,147	199,935
Cash and cash equivalents held at end of period	10a	514,582	429,147
Additional Information:			
plus: Investments on hand – end of year	6b	2	2
Total Cash, Cash Equivalents & Investments		514,584	429,149

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

Nuriootpa Centennial Park Authority

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

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 using the historical cost convention (except as stated below) 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, the Authority 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 the Authority'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 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 The Authority'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 dollar.

(2) The Reporting Entity

The Authority is a subsidiary of The Barossa Council (Council) pursuant to Section 42 of the South Australian Local Government Act 1999. The Authority's principal place of business is located at Penrice Road Nuriootpa and it has been established with the following objects and purposes:

- To promote and market The Authority precinct;
- To position The Authority precinct in a way that sustains retail, business and economic growth and supports economic viability for the region;
- To enhance and sustain the commercial aspects of The Authority precinct to ensure ongoing competitiveness;
- To provide positive and productive engagement and partnership with key stakeholders of The Authority and The Authority precinct to achieve ongoing sustainability;
- The development and success for The Authority and The Authority precinct;
- To prepare a strategic management plan for The Authority precinct;
- To refine and redefine the strategic management framework for The Authority precinct in response to changing circumstances;
- To promote The Authority precinct and to encourage its use by sporting bodies, residents, tourists, visitors and the community in general;
- To make recommendations to Council in relation to the maintenance and upgrade of The Authority precinct's existing infrastructure and physical appearance to ensure it is maintained to a high standard;
- To monitor that aspect of the annual budget approved by Council relating to The Authority's financial and general performance;
- Report regularly to Council on The Authority's financial and general performance;
- To promote and co-ordinate strategic management actions in a way that will ensure ongoing participation and commitment from stakeholders and the Council; and
- Ensure that information provided to the Council is accurate and that Council is kept informed of the solvency of The Authority as well as any material developments that may affect the operating capacity and financial affairs of the Authority.

(3) Income Recognition

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

continued on next page ...

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

Note 1. Summary of Significant Accounting Policies (continued)

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.

(4) Cash, Cash Equivalents and other Financial Instruments

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

(5) Inventories

Inventories held in respect of stores have been valued at cost 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) Infrastructure, Property, Plant & Equipment

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architect and engineering design fees and all other costs incurred. The cost of non-current assets constructed by The Authority 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.

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

Buildings *
- Buildings (including Toilets) $20,000
- Sheds, Pergolas, Cabins, Carports and Other Structures $10,000
- Buildings at Componentisation $50,000

Infrastructure $5,000
Plant and Equipment $5,000
Right-of-Use Assets $15,000
All Other Assets $5,000

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

6.3 Subsequent Recognition
All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. 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.

continued on next page ...

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

Note 1. Summary of Significant Accounting Policies (continued)

6.4 Depreciation of Non-Current Assets
Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of The Authority, 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 The Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Depreciation periods per class of asset

Buildings	Complete	20 to 100 years
	Substructure	40 to 300 years
	Superstructure	20 to 300 years
	Roof structure	40 to 60 years
	Internal fit out	20 to 25 years
	Services	20 to 100 years
Infrastructure	Other	15 to 100 years
Plant and equipment	Plant and machines	3 to 20 years
	Right of use assets	Term of lease
	Vehicles	3 to 33 years
	Computer equipment	5 to 33 years

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

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

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

(7) Payables

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

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

(8) 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”.

(9) Employee Benefits

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

continued on next page ...

Note 1. Summary of Significant Accounting Policies (continued)

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: 3.04% (2021: 0.58%)
Weighted average settlement period: 0.79 years (2021: 0.76 years)

No accrual is made for sick leave as The Authority's 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. The Authority does not make payment for untaken sick leave.

9.2 Superannuation
The Authority makes employer superannuation contributions in respect of its employees to the default fund Statewide Superannuation Scheme and also 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 Authority.

(10) Leases

The Authority applied AASB 16 for the first time from 1 July 2020. AASB 16 supersedes AASB 117 'Leases, Interpretation 4 Determining whether an Arrangement contains a Lease' and other related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Authority has lease contracts for various items of land, plant, equipment and computers. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

10.1 The Authority as a lessee

The Authority 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 Authority 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 6.4 for details.

The right-of-use assets are also subject to impairment - refer to item 6.5 for details.

ii) Lease Liabilities

At the commencement date of the lease, the Authority 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 Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Authority 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 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.

(11) GST Implications

In accordance with AASB Interpretation UIG Abstract 1031 "Accounting for the Goods and Services Tax":

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.

continued on next page ...

Note 1. Summary of Significant Accounting Policies (continued)

- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(12) New accounting standards and UIG interpretations

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

(13) COVID-19 impact

The Authority continues to monitor the impact of COVID-19 pandemic on our activities and accommodation provision service delivery. Demand for some accommodation has steadily returned since the lifting of restrictions and re-opening of services, however some have yet to return to pre COVID-19 levels of demand. This will impact on The Authority revenue projections in the short term, some of this being off-set by a reduction of variable costs. The Authority also has a number of additional costs due to COVID-19. These include cleaning, personal protective equipment and ICT related costs. The Authority has worked to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. The Authority will continue to monitor and to strategise and make adjustments to operations in an effort reduce the impact of COVID-19 and remain sustainable. The Authority has determined that there is no material uncertainty that casts doubt on the Authority’s ability to continue as a going concern.

(14) Comparative Figures

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

(15) Disclaimer

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

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

Note 2. Income

$	2022	2021

(a) User Charges

Caravan Park Cabin Fees	971,391	992,631
Caravan Park Permanent Van Fees	64,454	64,122
Caravan Park Site Fees	854,699	722,820
Caravan Park Other User Charges	87,229	51,442
Recreation Park Fees	12,718	17,199
Lease Fees	18,680	20,520
Sports Function Centre Fees	4,155	7,750
Total User Charges	2,013,326	1,876,484

(b) Investment Income

- Banks & Other	299	225
- Loans to Community Groups	–	860
Total Investment Income	299	1,085

(c) Other income

Insurance and Other Recoupments-Infrastructure,Property,Plant and Equipment	1,414	5,457
Total Other income	1,414	5,457

(d) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	–	–
Total Amounts Received Specifically for New or Upgraded Assets	–	–
Other Grants, Subsidies and Contributions	3,000	–
Total Other Grants, Subsidies and Contributions	3,000	–
Total Grants, Subsidies, Contributions	3,000	–

The functions to which these grants relate are shown in Note 11.

(i) Sources of grants		
State Government	–	–
Other	3,000	–
Total	3,000	–

(e) Physical Resources Received Free of Charge

Buildings	–	1,054,999
Total Physical Resources Received Free of Charge	–	1,054,999

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

Note 3. Expenses

$	2022	2021
(a) Employee costs		
Salaries and Wages	708,287	663,088
Employee Leave Expense	(2,330)	(5,966)
Superannuation - Defined Contribution Plan Contributions	64,539	57,200
Workers' Compensation Insurance	31,143	26,522
Total Operating Employee Costs	**801,639**	**740,844**
Total Number of Employees (full time equivalent at end of reporting period)	11.3	8.3
(b) Materials, Contracts and Other Expenses		
(i) Prescribed Expenses		
Auditor's Remuneration		
- Auditing the Financial Reports	1,928	2,419
Lease Expense - Low Value Assets / Short Term Leases	5,986	6,612
Subtotal - Prescribed Expenses	**7,914**	**9,031**
(ii) Other Materials, Contracts and Expenses		
Contractors	195,019	151,203
Energy	135,270	134,251
Legal Expenses	871	–
Levies - Other	5,325	5,094
Parts, Accessories & Consumables	102,462	82,947
Professional Services	–	10,545
Sundry	63,657	50,752
Bank Charges	16,475	16,185
Communications and Information Technology	7,451	7,782
Water	52,852	56,556
Advertising	22,437	29,024
Insurance	47,879	40,444
Subscriptions and Memberships	47,606	44,465
Contributions and Donations	–	9,091
Subtotal - Other Material, Contracts & Expenses	**697,304**	**638,339**
Total Materials, Contracts and Other Expenses	**705,218**	**647,370**
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	319,548	320,767
Infrastructure	82,467	82,070
Right-of-use Assets	7,959	1,326
Plant & Equipment	12,964	11,436
Subtotal	**422,938**	**415,599**
Total Depreciation, Amortisation and Impairment	**422,938**	**415,599**

continued on next page ...

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

Note 3. Expenses (continued)

$	2022	2021
(d) Finance Costs		
Interest on Loans	25,849	31,078
Total Finance Costs	**25,849**	**31,078**

Note 4. Asset Disposal & Fair Value Adjustments

$	2022	2021
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	35,580	1,000
Less: Carrying Amount of Assets Sold	(24,030)	–
Gain (Loss) on Disposal	**11,550**	**1,000**
Net Gain (Loss) on Disposal or Revaluation of Assets	**11,550**	**1,000**

Note 5. Current Assets

$	2022	2021
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	44,533	114,601
Deposits at Call	470,049	314,546
Total Cash & Cash Equivalent Assets	**514,582**	**429,147**
(b) Trade & Other Receivables		
Accrued Revenues	13,662	18,264
Debtors - General	2,206	5,369
Prepayments	2,947	13,449
Loans to Community Organisations	–	5,192
Community Store Bonus	71	71
Subtotal	**18,886**	**42,345**
Total Trade & Other Receivables	**18,886**	**42,345**
(c) Inventories		
Stores & Materials	1,593	1,179
Total Inventories	**1,593**	**1,179**

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

Note 6. Non-Current Assets

$	2022	2021
(a) Financial Assets		
Other Financial Assets (Investments)		
Community Store Shares	2	2
Total Other Financial Assets (Investments)	2	2
Total Financial Assets	2	2
(b) Other Non-Current Assets		
Other		
Capital Works-in-Progress	161,555	22,720
Total Other	161,555	22,720
Total Other Non-Current Assets	161,555	22,720

Nuriootpa Centennial Park Authority

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

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

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

		as at 30/06/21					Asset movements during the reporting period						as at 30/06/22				
$	Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount
Land - Community	3	3,340,000	–	–	–	3,340,000	–	–	–	–	–	–	3,340,000	–	–	–	3,340,000
Land - Other	2	220,000	–	–	–	220,000	–	–	–	–	–	–	220,000	–	–	–	220,000
Buildings & Other Structures	3	11,731,598	1,054,999	(5,623,951)	–	7,162,646	165,624	–	(24,030)	(309,555)	–	–	11,515,600	1,220,622	(5,741,536)	–	6,994,686
Buildings & Other Structures	2	500,000	–	(29,965)	–	470,035	–	–	–	(9,993)	–	–	500,000	–	(39,959)	–	460,041
Infrastructure	3	3,190,953	24,911	(1,624,980)	–	1,590,884	–	–	–	(82,467)	–	–	3,190,954	24,911	(1,707,446)	–	1,508,419
Right-of-Use Assets		–	23,877	(1,326)	–	22,551	–	–	–	(7,959)	–	–	–	23,877	(9,285)	–	14,592
Plant & Equipment		–	385,106	(329,737)	–	55,369	23,287	–	–	(12,964)	–	–	–	408,392	(342,701)	–	65,691
Total Infrastructure, Property, Plant & Equipment		18,982,551	1,488,893	(7,609,959)	–	12,861,485	188,911	–	(24,030)	(422,938)	–	–	18,766,554	1,677,802	(7,840,927)	–	12,603,429
Comparatives		17,577,794	1,112,559	(5,952,973)	–	12,737,380	1,079,910	23,877	–	(415,599)	(901,067)	336,984	18,982,551	1,488,893	(7,609,959)	–	12,861,485

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 with Level 1 that are observable for the asset or liability, directly or indirectly.

Level 3:
Inputs for the asset or liability that are not based on observable market data (unobservable inputs).
Refer to the previous page 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 the Authority's buildings, infrastructure and other assets (with the exception of the 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 Authority, 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 Authority'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

Infrastructure
- Basis of valuation: Written down current replacement cost; additions are recognised at cost

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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)

- 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

Plant & Equipment
- Basis of valuation: At cost

Note 8. Liabilities

$	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables				
Goods & Services	241,642	–	112,571	–
Payments Received in Advance	–	–	360	–
Accrued Expenses - Employee Entitlements	18,637	–	14,319	–
Accrued Expenses - Finance Costs	731	–	815	–
Accrued Expenses - Other	17,951	–	31,686	–
Other (including GST payable)	23,592	–	36,266	–
Total Trade and Other Payables	302,553	–	196,017	–

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

$	Notes	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(b) Borrowings					
Loans		224,866	851,109	228,143	1,075,975
Lease Liabilities	16b	6,970	5,885	6,839	12,855
Total Borrowings		231,836	856,994	234,982	1,088,830

All interest bearing liabilities are secured over the future revenues of the Authority as a subsidiary of Council

$	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(c) Provisions				
Employee Entitlements (including oncosts)	55,260	12,826	63,306	7,110
Total Provisions	55,260	12,826	63,306	7,110

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

Note 9. Reserves

$	as at 30/06/21 Opening Balance	Increments (Decrements)	Transfers	Impairments	as at 30/06/22 Closing Balance
Asset Revaluation Reserve					
Land - Community	2,516,000	–	–	–	2,516,000
Buildings & Other Structures	3,909,688	–	–	–	3,909,688
Infrastructure	840,425	–	–	–	840,425
Total Asset Revaluation Reserve	7,266,113	–	–	–	7,266,113
Comparatives	7,830,196	(564,083)	–	–	7,266,113

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).

Note 10. Reconciliation to Statement of Cash Flows

(a) Reconciliation of Cash

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

$	Notes	2022	2021
Total Cash & Equivalent Assets	5	514,582	429,147
Balances per Statement of Cash Flows		514,582	429,147

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

$	Notes	2022	2021
Net Surplus/(Deficit)		73,945	1,104,134
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		422,938	415,599
Non-Cash Asset Acquisitions		–	(1,054,999)
Net (Gain) Loss on Disposals		(11,550)	(1,000)
		485,333	463,734
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		18,267	(10,521)
Net (Increase)/Decrease in Inventories		(414)	223
Net Increase/(Decrease) in Trade & Other Payables		106,536	46,205
Net Increase/(Decrease) in Unpaid Employee Benefits		(2,330)	(5,966)
Net Cash provided by (or used in) operations		607,392	493,675

continued on next page ...

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

Note 10. Reconciliation to Statement of Cash Flows (continued)

$	Notes	2022	2021
(c) Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
Physical Resources Received Free of Charge	2e	–	1,054,999
Amounts recognised in Income Statement		–	1,054,999
Total Non-Cash Financing and Investing Activities		–	1,054,999

(d) Financing Arrangements

		2022	2021
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		50,000	50,000
Corporate Credit Cards		4,000	4,000

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

Note 11(a). Functions

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

$	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions/Activities										
Business Undertakings - Caravan Park	1,999,547	1,857,064	1,501,477	1,396,755	498,070	460,309	3,000	–	5,668,994	5,077,435
Recreation - Sporting Reserve	12,895	18,059	301,393	306,204	(288,498)	(288,145)	–	–	6,161,259	6,774,976
Recreation - Coulthard Reserve	–	–	67,580	53,284	(67,580)	(53,284)	–	–	638,079	643,488
Recreation - Sports Function Centre	5,597	7,903	85,194	78,648	(79,597)	(70,745)	–	–	831,715	860,979
Total Functions/Activities	2,018,039	1,883,026	1,955,644	1,834,891	62,395	48,135	3,000	–	13,300,047	13,356,878

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

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

Note 11(b). Components of Functions

The activities relating to Council functions are as follows:

Business Undertakings
Caravan Parks

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

Note 12. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

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

Terms & Conditions:
Deposits are returning fixed interest rates between 0.01% and 0.01% (2021: 0.01% and 0.01%).

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

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. Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.

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

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 Authority.

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

Carrying Amount:
Approximates fair value.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12. Financial Instruments (continued)

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 6 monthly instalments of principal and interest; variable borrowings are payable on a quarterly basis for interest only at the current Local Government Finance Authority cash advance debenture rate; interest is charged at fixed or variable rates between 2.05% and 2.8% (2021: 2.05% and 2.8%).

Carrying Amount:
Approximates fair value.

Liabilities - Leases

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

$	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	514,582	–	–	514,582	514,582
Receivables	15,870	–	–	15,870	15,939
Other Financial Assets	–	2	–	2	2
Total Financial Assets	530,452	2	–	530,454	530,523
Financial Liabilities					
Payables	265,234	–	–	265,234	265,234
Current Borrowings	248,390	–	–	248,390	224,866
Non-Current Borrowings	–	578,079	333,329	911,408	851,109
Leases	7,214	6,012	–	13,226	12,855
Total Financial Liabilities	520,838	584,091	333,329	1,438,258	1,354,064
2021					
Financial Assets					
Cash & Cash Equivalents	429,147	–	–	429,147	429,147
Receivables	29,073	–	–	29,073	28,896
Other Financial Assets	–	–	2	2	2
Total Financial Assets	458,220	–	2	458,222	458,045
Financial Liabilities					
Payables	113,352	–	–	113,352	113,352
Current Borrowings	254,474	–	–	254,474	228,143
Non-Current Borrowings	–	712,343	444,439	1,156,782	1,075,975
Leases	7,214	13,225	–	20,439	19,694
Total Financial Liabilities	375,040	725,568	444,439	1,545,047	1,437,164

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

Note 12. Financial Instruments (continued)

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

	2022		2021	
$	**Weighted Avg Interest Rate**	**Carrying Value**	**Weighted Avg Interest Rate**	**Carrying Value**
Other Variable Rates	2.80%	260,000	2.10%	390,000
Fixed Interest Rates	2.05%	828,830	2.05%	914,118
		1,088,830		1,304,118

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 Authority.

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 Authority is the carrying amount, net of any allowance for doubtful debts. All the Authority investments are made with the National Australia Bank. Except as detailed in Notes 5 and 6 in relation to individual classes of receivables, exposure is concentrated within the Authority'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 the Authority'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 the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority 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. The Authority 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)

The Authority uses an allowance matrix to measure expected credit losses. Due to the operational activity and setup of the bookings arrangements, no credit losses are expected.

Note 13. Capital Expenditure and Investment Property Commitments

$	Notes	2022	2021
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Infrastructure	13	191,674	–
		191,674	–
These expenditures are payable:			
Not later than one year		191,674	–
		191,674	–

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

Note 14. Financial Indicators

$	Amounts 2022	Indicator 2022	2021	Indicators 2020	2019
These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.					
1. Operating Surplus Ratio					
Operating Surplus	**62,395**				
Total Operating Income	**2,018,039**	**3.1%**	2.6%	(3.2)%	(8.6)%
This ratio expresses the operating surplus as a percentage of total operating revenue.					
2. Net Financial Liabilities Ratio					
Net Financial Liabilities	**925,999**				
Total Operating Income	**2,018,039**	**46%**	59%	89%	107%
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.					
3. Asset Renewal Funding Ratio					
Asset Renewals	**–**				
Infrastructure & Asset Management Plan required expenditure	**–**	**0**	0	0	0

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

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

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

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

Note 15. Uniform Presentation of Finances (continued)

$	2022	2021

The following is a high level summary of both operating and capital investment activities of the Authority 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.

Income	2,018,039	1,883,026
less Expenses	(1,955,644)	(1,834,891)
Operating Surplus / (Deficit)	62,395	48,135
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	–	(2,981)
add back Depreciation, Amortisation and Impairment	422,938	415,599
add back Proceeds from Sale of Replaced Assets	35,580	1,000
	458,518	413,618
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(327,747)	(40,206)
	(327,747)	(40,206)
Net Lending / (Borrowing) for Financial Year	193,166	421,547

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

Note 16. Leases

(i) Council as a lessee

Terms and conditions of leases

Refer to Note 1 for further details.

Plant and Equipment
Right-of-use Asset leased is a Mower.

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

(a) Right of use assets

$	Plant and Equipment	Total
2022		
Opening balance	22,551	22,551
Additions to right-of-use assets	–	–
Depreciation charge	(7,959)	(7,959)
Balance at 30 June	14,592	14,592
2021		
Additions to right-of-use assets	23,877	23,877
Depreciation charge	(1,326)	(1,326)
Balance at 30 June	22,551	22,551

(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:

$	2022	2021
Balance at 1 July	19,694	–
Additions	–	20,896
Accretion of interest	374	–
Payments	(7,214)	(1,202)
Balance at 30 June	12,854	19,694
Classified as:		
Current	6,969	6,839
Non Current	5,885	12,855

The maturity analysis of lease liabilities is included in Note 12.

The Group had total cash outflows for leases of $12,716.
The following are the amounts recognised in profit or loss:

	2022	2021
Depreciation expense of Right-of-Use Assets	7,959	1,326
Interest expense on lease liabilities	374	–
Expense relating to leases of low-value assets	5,502	6,612
Total amount recognised in profit or loss	13,835	7,938

continued on next page ...

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

Note 16. Leases (continued)

$	2022	2021
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	12,715	9,045
Later than one year and not later than 5 years	19,785	17,719
	32,500	26,764

Note 17. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Authority are the ten Board Members and one Employee.

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

$	2022	2021
The compensation paid to Key Management Personnel comprises:		
Employee Benefits	72,992	60,699
Total	72,992	60,699

Amounts paid as direct reimbursement of expenses incurred on behalf of the Authority have not been included.

No compensation was paid to Board Members.

Other Related Party Transactions

The Barossa 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. The Authority maintains a Council Recreation Park at Nuriootpa for community benefit purposes including various sporting activities.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NURIOOTPA CENTENNIAL PARK AUTHORITY

Opinion

We have audited the accompanying financial report of the Nuriootpa Centennial Park Authority, 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 Nuriootpa Centennial Park Authority 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 2nd day of November 2022

Nuriootpa Centennial Park Authority

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 Nuriootpa Centennial Park Authority for the year ended 30 June 2022, the Authority's Auditor, Bentleys SA Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

CHIEF EXECUTIVE OFFICER

PRESIDING MEMBER, AUDIT COMMITTEE

Guy Martin
Chief Executive Offiver

Date 26 October 2022.

Dafydd Llewelyn
Presiding Member, Audit Committee

Bentleys
THINKING AHEAD

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Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Nuriootpa Centennial Park Authority 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 21st of October 2022

Central Local Government Region of Councils (Legatus Group) Annual Report and Financial Statements

2021/2022 ANNUAL REPORT

The Legatus Group Charter requires that the AGM receive the Legatus Group Annual Report which may incorporate reports from committees and any representatives reports from other organisations. The Legatus Group AGM held on Friday 9 September 2022 adopted this report.

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

The Legatus Group is a regional subsidiary of:

- Adelaide Plains Council
- Barunga West Council
- Clare & Gilbert Valleys Council
- Copper Coast Council
- District Council of Mount Remarkable
- District Council of Orroroo/Carrieton
- District Council of Peterborough
- Light Regional Council
- Northern Areas Council
- Port Pirie Regional Council
- Regional Council of Goyder
- The Barossa Council
- The Flinders Ranges Council
- Wakefield Regional Council
- Yorke Peninsula Council

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999.

In 2016 the Central Local Government Region of South Australia adopted the trading name of Legatus Group to which it is referred. The Legatus Group is established to:

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- undertake projects and activities that benefit the region and its communities
- associate collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Legatus Group is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the group and ensure that they act in accordance with its Charter.

Contact Details: Address: 20 King Street Mintaro SA 5415 PO Box 1 Mintaro SA 5415 Telephone: 0407819000 Email: ceo@legatus.sa.gov.au Website: www.legatus.sa.gov.au

Legatus Group Board of Management: The Board consists of all principal members (Mayors) of the Constituent Councils which for 2020/2021 were:

Council	Delegate
Adelaide Plains Council	Mayor Mark Wasley
Barunga West Council	Mayor Leonie Kerley
Clare & Gilbert Valleys Council	Mayor Wayne Thomas
Copper Coast Council	Mayor Roslyn Talbot
District Council of Mount Remarkable	Mayor Phillip Heaslip
District Council of Orroroo Carrieton	Mayor Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Ben Browne
Port Pirie Regional Council	Mayor Leon Stephens
Regional Council of Goyder	Mayor Peter Mattey OAM

The Barossa Council	Mayor Bim Lange OAM
The Flinders Ranges Council	Mayor Greg Flint
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Darren Braund

<u>Office Bearers for 2021/22</u>

Chairman	Mayor Phillip Heaslip
Deputy Chairs	Mayor Bill O'Brien Mayor Rodney Reid
South Australian Regional Organisation of Councils	Mayor Peter Mattey Mayor Bill O'Brien
Chief Executive Officer	Mr Simon Millcock
Auditor	Dean Newberry and Associates

The following meetings of the Board of Management were held during the 2021/22 year:

- 3 September 2021 Annual General Meeting Orroroo
- 3 September 2021 Ordinary General Meeting Orroroo
- 3 December 2021 Special Meeting online
- 10 December 2021 Ordinary General Meeting Kadina
- 14 February 2022 Special Meeting online
- 21 February 2022 Special Meeting online
- 11 March 2022 Ordinary General Meeting Nuriootpa
- 10 June 2022 Ordinary General Meeting Melrose

There were four advisory committees in 2021/2022 and all agendas and minutes from the Board meetings and these committees are published on the Legatus Group Website. All advisory committee minutes were provided with the agendas to the Legatus Group meetings. The Constituent Councils are provided during the year with Board Agendas, Minutes, Annual Report, Business Plan, Budget and Financial Reports.

Committee	Members
Audit Committee	• Mayor Kathie Bowman (Chair) • Mayor Rodney Reid • Mr Peter Ackland • Mr Colin Byles • Mr Ian McDonald
Management Group (Council CEOs)	• Mr Sam Johnson OAM (Mt Remarkable) (Chair) • Mr James Miller (Adelaide Plains) • Mr Martin McCarthy (Barossa) • Ms Maree Wauchope (Barunga West) • Dr Helen Macdonald (Clare & Gilbert Valleys) • Mr Russell Peate (Copper Coast) • Mr Eric Brown (Flinders Ranges) • Mr David Stevenson (Goyder) • Mr Brian Carr (Light) • Mr Colin Byles (Northern Areas) • Mr Dylan Strong (Orroroo/Carrieton) replaced by Mr Paul Simpson • Mr Stephen Rufus • Mr Peter Ackland (Pirie Regional) • Mr Andrew MacDonald (Wakefield) • Mr Andrew Cameron (Yorke Peninsula)
Road & Transport Infrastructure Advisory Committee:	• Dr Helen Macdonald Chair (CEO Clare & Gilbert Valleys Council) • Lee Wallis (Goyder) • Steve Kaesler (Barossa) • Tom Jones (Adelaide Plains) • Mike Wilde (Department of Planning, Transport and Infrastructure)

	• Kelly-Anne Saffin (CEO RDA YMN) • Dylan Strong (CEO Orroroo Carrieton) • Michael McCauley (Yorke Peninsula) • Stuart Roberts (Wakefield) • Mitchell Foote (Flinders Ranges)
Community Wastewater Management Advisory Committee	• Andrew MacDonald Chair (CEO Wakefield) • Gary Easthope (Clare and Gilbert Valleys) • Adam Broadbent (Light) • Matthew McRae (Copper Coast) • Riaz Uddin (Goyder) • Hayden Battle (Wakefield)

Chairs Report – Mayor Phillip Heaslip

It has been my pleasure to serve in this my inaugural year as Chair and I take this opportunity to report on some of the highlights of the past year.

Internally we have undertaken workshops and surveys to update our Strategic Plan which has been distributed to member councils for their consideration. This will be the subject of a report at the 9 September 2022 Legatus Group Ordinary meeting. We extended the contract of our CEO Mr Simon Millcock until 30 June 2024.

The board has taken an approach over the past three years to not significantly increase members fees whilst using the reserves to undertake both administration and project work including the appointment of an Administration Officer. The board has noted this will need reviewing in the coming year, we plan to have met the targets for our reserves as previously agreed to by June 2023.

The board has focused this year on the key areas of:

- Roads and Transport Infrastructure
- Waste Management – including Wastewater
- Community Capacity Wellbeing
- Environmental Stainability

The Legatus Group provides a pivotal role to member councils in advocating on regional and state-wide issues and this has included:

- Rating equity associated with major energy producers that resulted in Hon Geoff Brock MP introducing a Private Members Bill in December 2021 which was not able to progress as time ran out to pass the Bill during that Parliament. The Legatus Group continued to lobby prior to the State election and then with all Local Members of the new Parliament to reintroduce and support the Bill.

- Wellbeing and Mental Health via a Memorandum of Understanding with Lifeline Country to Coast to support the existing and develop new Connect Centres within the region. This has gained traction with Hon Geoff Brock MP, Fraser Ellis MP and Penny Pratt MP co-signing a letter to the Minister for Health to support the Legatus Group – Lifeline recommendations. This included support for the extension of the two Family and Business Support Mentors through Dept Primary Industries and Regions within our northern councils.
- Assisted with matters relating to Community Wastewater Management Schemes (CWMS) which has seen a review and CWMS reform program.
- Delivered the SA Regional Organisation of Councils a SA Regional Road Priority Project.
- Assisted with the Northern and Yorke Drought Resilience Plan in partnership with Regional Development Australia Organisations and the Northern and Yorke Landscape Board.

The Legatus Group provided support at a regional and state level with forums, workshops and webinars including:

- SA CWMS Conference
- Legatus Group Waste Forum
- Yorke Mid North Alliance Regional Planning Forum
- Legatus Group Regional Roads Forum
- Accessible Tourism Forum
- Ageing and Disability Lifestyle Expo
- Community Development Forum
- Aboriginal self-determination Webinar
- Native Foods Cultural Awareness Forum

Key reports and projects supported this year by the Legatus Group were:

- Smart Irrigation (Copper Coast & Orroroo Carrieton)
- Stormwater Harvesting (Copper Coast, Light & Adelaide Plains)
- CWMS Pump Monitoring and Management (Copper Coast)
- South Flinders Storytelling Brighter Futures Podcast project
- Legatus Group Regional Local Roads Plan database updates
- CWMS on-line training project
- Handling Customer Request processes
- Assessment of Bridge and Culverts report
- Legatus Group Waste and Resource Recovery Strategy and Action Plan 2021-2026
- Northern and Yorke Climate Change Sector Agreement
- Opportunities for the Development of Accessible Tourism on the Yorke Peninsula
- Remarkable Southern Flinders Ranges Tourism report

Whilst we have commenced the Regional Workforce Attraction, Development & Retention Action Plan for the Legatus Group LGAs in collaboration with Torrens University Australia.

Direct support has been provided to successful grant applications for the region:

- 2021 SLRP grants resulting in over $3.8m for local roads.
- Resilient Coastal Ecosystems for Environment and Tourism works in coastal areas adjacent to the Walk the Yorke trail with just under $1m awarded as part of a $1.6m, 3-year project.

Current grant applications that the Legatus Group are involved with are:

- Pilot Organics Processing Plant at Peterborough
- Carbon Offsetting for Local Government
- Climate Resilient Asset Capacity Augmentation for Community Wastewater Management
- with Constructed Floating Wetland Systems
- Caravan / RV Dump Point Project
- LG Career Pathways & Workforce Toolkit for Regional SA Councils

The Legatus Group continued to support the South Australia Drought Resilience Adoption and Innovation Hub as a Local Government project partner and it was pleasing to see its head office open in Roseworthy and one of the nodes in Orroroo.

Roadworks on National and State Highways continues to progress whilst the Road and Transport Infrastructure Advisory Committee have been active this year via updates to our Regional Roads Plan and renewed Deficiency Action Plan.

There has been significant support for equity associated with the Special Local Roads Program funding and we look forward to positive outcomes especially for the Yorke Peninsula Council application in the upcoming announcements.

The 2021 Legatus Group Road and Transport Forum provided the opportunity for member councils to come together and discuss and be more informed on issues around areas such as heavy vehicle access.

Whilst not relevant to all member councils the Assessment on Bridge and Culverts report is a valuable step in identifying the regions priorities.

The release of the Legatus Group Waste and Resource Recovery Strategy and Action Plan 2021-2026 has been of major interest to members in the area of waste and recycling. Local Government needs to work cooperatively with the SA Government including both Green Industries SA and the EPA in making a significant contribution to positive reforms currently taking place in South Australia.

The South Australian Government released the South Australia's Waste Strategy 2020-25, showing that Regional Waste Management Plans are to be in place for all SA regional local government areas and/or regional city clusters by 2023. The Plans are required to set regionally appropriate and progressive waste diversion targets. The 20-Year State Infrastructure Strategy identifies opportunities for development in regional areas, including in investment in:

- equipment and facilities for waste compaction and bulk hauling to reduce costs of transporting waste to end markets;
- expanding or developing commercial composting organics from MSW and industries such as vineyards, orchards and other agriculture; and
- developing high-value organics products.

In March 2021, the South Australian Regional Organisation of Councils through the Legatus Group released a Report on Waste Management Infrastructure for South Australian Regional Councils to assist with future actions regarding Waste Management for Regional Local Governments in SA.

Through our partnerships with the University sector, we have released in 2021 reports on:

- Making and Using Organic Compost
- Implementing the Circular Economy in SA
- A supply chain analysis of the circular economy in regional South Australia

The Legatus Group has identified a series of targeted projects that leverage advocacy and collaboration activities to deliver targeted outcomes for the region through the Legatus Group Waste and Resource Recovery Strategy 2021-2026 and its Action Plan.

We continue to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and the Northern and Yorke Landscape Board.

The region has been proactive in supporting the challenges of our changing environment though the development of the Sector Agreement for the Climate Change Adaptation Plan and we now have the Barossa Light Adelaide Plains councils incorporated into this plan. The continued support for the Northern and Yorke Coastal Management Action Plan included the coordination of workshops and a grant application through the Northern and Yorke Landscape Board. The Legatus Group have been an active supporter of the SA Coastal Council Alliance.

The Legatus Group have supported and are an active partner in the Northern and Yorke Landscape Board Aboriginal Engagement Committee and staged a number of webinars, workshops and forums.

We acknowledge the RDA's who have committed their staff to be members of several Legatus Group Advisory Committee and or Project Reference Groups. The Legatus Group CEO and staff committed large amounts of time to the development of many Conferences and Forums. I also note with positivity the CEO and staff's efforts to support other regional councils through their roles.

The collaboration and establishment of MoUs and partnerships with universities has been strengthened during the past year and provided valuable reports through research and partnerships and provides cost effective research projects.

The Audit and Risk Management Group Committee have ensured that the work plan has assisted us in improving our governance and recommendations around variations to our policies.

There has been valuable feedback gained from the Legatus Group Management Group meetings and information sharing opportunities by and for this CEO group.

The Community Wastewater Management Advisory Committee assisted in gaining a further extension of the Joint CWMS program until June 2023, staging of a successful SA conference, developing an online training program and assisting with the reforms being developed by the LGA CWMS Committee.

It was noticeable that there was a reduced attendance by the State Government Members of Parliament and our Federal Member although the Hon Geoff Brock MP is an exception and is a regular attendee.

In closing I would like to thank everyone who has taken a proactive role in progressing the strategic initiatives of the region. I thank Mayors Bill O'Brien and Rodney Reid for your roles as Deputy Chairs, Mayors Bill O'Brien and Peter Mattey as our SAROC representatives and Mayor Kathy Bowman as Chair of our Audit and Risk Management Committee.

I note that the reports prepared by the Legatus Group CEO and progressed to SAROC and other stakeholders and partners in all tiers of government continue to be well received. The organisations positive approach to strong partnerships and a collaborative approach, with our other regional local government associations, stakeholders and tiers of government continues.

These activities are coordinated and managed by our CEO Mr Simon Millcock. I wish to thank him for his committed, dedicated and consistent approach in the development and delivery of the goals and directions of the board.

I would like to acknowledge all the Board members and those who have committed time to the Advisory Committees. Your valuable service to our communities and the region continues to provide much needed leadership into the future.

Mayor Phillip Heaslip

Chairman Legatus Group

CEO Report – Mr Simon Millcock

Firstly, I would like to acknowledge the support provided to me by the Chair Mayor Phillip Heaslip and Deputy Chairs Mayor Rodney Reid and Bill O'Brien, Board, CEOs, Committees, Regional Partners and the Legatus Group staff for the past year.

This year saw the scaling back on some of project work with a focus on a more consolidated approach by the board to reflect the strategic priorities whilst continuing to support state-wide, regional and subregional programs and research.

This was made possible by the boards continued approach to reducing their reserves and utilising the carry over and grant funding from the LGA Regional Capacity Building Allocations.

We were not as successful with grant applications compared to recent years but all contracts for grants and projects have been acquitted and reported on accordingly. In last year's annual report, I outlined consideration is needed to not raise expectations of increased capacity and or project delivery into the future due to the reliance on grants. This has now included the closure of the Legatus Group Office and its associated costs. Whilst the financial services have seen a significant increase as we moved away from member councils providing this service at a reduced rate.

$103,927 was generated from other income streams and council contributions were $170,400. As such 62% of the Legatus Group's income came from its membership fees. The 15-member council contributions during the previous five years had been on average around 26% of the Legatus Group Income. Individually members contributions to the overall income were 4% and is significantly lower than other Regional LGAs.

The result is that the Legatus Group is in a sound financial position to cover its forthcoming liabilities and this is reflected in the 2022 – 2023 business plan and budget. The board has noted that the current use of reserves to fund some administration costs beyond June 2023 is not sustainable and that this is to be addressed in the coming year.

Due to the APR.Intern program no longer being accessible there was a reduction in the level of funding available for cost effective research although the partnerships with the Universities have continued to add value to our programs.

This year saw my attendance and deliver of agendas, minutes and reports to close to 40 Legatus Group Board, Advisory Committee, Yorke Mid North Alliance and SAROC meetings whilst managing the delivery of state and regional forums, workshops and webinars. There was considerable time spent with the development and management of reference groups for nearly all projects.

Employment numbers were reduced this year to a part time Project Manager Dr Paul Chapman (partly funded through the LGA CWMS Managamnet Committee). The board supported having a part time administration officer and after the initial contract fell through, we were able to contract Tracey Rains who commence in November 2021. This caused some reduced level of productivity but has now provided beneficial outcomes with Tracey having been in place for several months.

A significant amount of time was provided on the review of the Legatus Group Strategic Plan which is currently with Councils for their consideration whilst the Charter updates are also with member councils and these are reflective of the current thinking of the board.

Following a variation to the format for the Legatus Regional Management Group (CEOs) they have taken on a forum style approach as opposed to a meeting style.

In collaboration with the LGA this year saw a large commitment of my time in progressing the advocacy on Rating Equity through initially the Legatus Group then SA Regional Organisation of Councils and the LGA Board.

My representation includes as a member of the Yorke Mid North Alliance, LGA Regional CEOs Forum and the Northern and Yorke Landscape Board Aboriginal Engagement Committee.

I provided a regional voice to help support the local government sector in the following areas:

- Local Govt Grants Network Best Practice Grants Guide
- Judge for the Local Government Information Technology SA Incorporated Awards
- Creative Industries Think Tank
- SA Volunteer Conference and Regional Network

The Legatus Group Website was updated and a bi monthly CEO Newsletter developed along with increased publication on social media to keep members and partners informed. The following were delivered and or published and they flow on from previous projects and report.

Waste

- Legatus Group Waste and Resources Recovery Strategy and Action Plan
- Implementing the Circular Economy in SA research paper
- A supply chain analysis of the Circular Economy in Regional South Australia
- 3 videos featuring volunteer based recycling projects in the Barossa Valley and Clare and Gilbert Valleys
- Endorsement of the content for 9 CWMS on-line training videos

Roads / Transport

- SA Regional Road Priority Report
- Bridge Deficiency Report
- Legatus Group Road Deficiency Action Plan 2022 Minor Update

Community / Tourism

- SA Film Corp publication featuring 9 of the member councils as Film Friendly Councils from the Flinders Ranges, Southern Flinders and Yorke Peninsula regions

- Brighter Futures Storytelling / Podcasts featuring 7 communities across the Southern Flinders Ranges
- Partner with the Opening the Door to Nature – accessible tourism project to be delivered across the region in 2022/2023
- Inclusive and Accessible Tourism Experiences Yorke Peninsula report
- Remarkable South Flinders Ranges Tourism Alliance report

An update on the Wellbeing Gap Analysis was completed in June 2022 and this has been used as the basis for the joint approach to the Minister for Health by local MPs, Lifeline and Legatus Group for increased resources in the centralised model for mental health.

Following a workshop to identify business systems for member councils and with some seed funding the project Handling Customer Request Processes was developed by the Port Pirie Regional Council with several member councils involved.

The Local Govt Workforce research project with Torrens University commenced and a final report is due in September 2022.

I would like to sincerely thank the support I received from Paul Chapman, Tracey Rains and Colin Davies. Working as a team in isolation across a myriad of topics had its challenges but the resulting work from all was of a professional standard that reflected well for the Legatus Group.

Simon Millcock

CEO Legatus Group

Chair Legatus Group Audit and Risk Committee – Mayor Kathy Bowman

This is a summary of activities undertaken, and recommendations made during 2021-2022.

The committee met on 4 occasions with 2 special meetings which is accordance with the Charter with the following attendance.

Date	**No of Members Attending**
24 August 2021	4
30 August 2021(Special Meeting)	3
22 November 2021	4
30 November 2021(Special Meeting)	5
1 March 2022	5
24 May 2022	4

Committee Member	No of Meetings Attended
Chairman Mayor Kathie Bowman	3
Mayor Rodney Reid	6

Peter Ackland	4
Colin Byles	6
Ian McDonald	6

The following table sets out the principal issues addressed by the Committee for 2021-2022 year.

Principal Issues Examined	**Recommendations to Board**
Financial Report	No issues, unqualified audit, adopted for the 21/22 financial year.
Review of budget against actuals	Noted no issues and supported the allocation of the expenditure identified of carry over reserves and accumulated surplus for business plan and budgets.
Review of work plan, internal controls	1. Work planned maintained and adoption of recommendations by Auditor re policies. 2. Recommended and supported workshop on strategic plans and long term financial plan with appropriate recommendations to the board. 3. Assisted with and provided recommendations re the provision of Financial Management Services.
Charter	Recommended the Legatus Group adopt a variation to the Legatus Group Charter and supported the development of workshop to review the updated charter and its subsequent recommendation to distribute the revised charter to the board for their consideration.
Business, Budget and Strategic Plan	1. Noted the development of the 2021-2022 business plan and budget and its quarterly updates. 2. Noted and supported the development of a workshop for updating the Legatus Group Strategic Plan and provided input to the review.
Membership	Recommendations to Board re membership of Audit Committee
Equity / reserves	Recommendations to Board on the levels to be held

Mayor Kathy Bowman

Chairman Legatus Group Audit and Risk Management Committee

CENTRAL LOCAL GOVERNMENT REGION of SA
trading as

LEGATUS GROUP

Annual Financial Statements

For the financial year

1 July 2021 – 30 June 2022

LEGATUS GROUP

General Purpose Financial Reports
for the year ended 30 June 2022

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LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2022

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Group 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 Group'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 Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.

Simon Francis MILLCOCK	Mayor Kathie BOWMAN
CHIEF EXECUTIVE OFFICER	**CHAIR, Audit & Risk Management Committee**

Date: 9 SEPT 2022.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 $	2021 $
INCOME			
Council Contributions	2	**170,400**	177,525
Grants, subsidies and contributions	2	**93,783**	333,151
Investment income	2	**7,032**	8,188
Reimbursements	2	**-**	75,400
Other income	2	**3,108**	15,279
Total Income		**274,323**	609,543
EXPENSES			
Employee costs	3	**263,171**	352,082
Materials, contracts & other expenses	3	**305,395**	555,477
Depreciation, amortisation & impairment	3	**7,209**	5,489
Total Expenses		**575,775**	913,048
OPERATING SURPLUS / (DEFICIT)		**(301,453)**	(303,505)
Other Comprehensive Income		**-**	-
NET SURPLUS / (DEFICIT)		**(301,453)**	(303,505)
TOTAL COMPREHENSIVE INCOME		**(301,453)**	(303,505)

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	**657,733**	929,918
Trade & other receivables	4	**2,152**	39,970
Total Current Assets		**659,885**	969,888
Non-current Assets			
Infrastructure, property, plant & equipment	5	**13,872**	19,361
Total Non-current Assets		**13,872**	19,361
Total Assets		**673,757**	989,249
LIABILITIES			
Current Liabilities			
Trade & other payables	6	**15,037**	37,162
Provisions	6	**23,881**	19,350
Total Current Liabilities		**38,918**	56,512
Non-current Liabilities			
Provisions	6	**15,667**	12,113
Total Non-current Liabilities		**15,667**	12,113
Total Liabilities		**54,585**	68,625
NET ASSETS		**619,172**	920,624
EQUITY			
Accumulated Surplus		**349,402**	650,854
Other Reserves	7	**269,770**	269,770
TOTAL EQUITY		**619,172**	920,624

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

LEGATUS GROUP

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Notes	Accumulated Surplus	Other Reserves	TOTAL EQUITY
2022		$	$	$
Balance at end of previous reporting period		**650,854**	**269,770**	**920,624**
Net Surplus / (Deficit) for Year		**(301,453)**	**-**	**(301,453)**
Other Comprehensive Income				
Transfers between reserves	7	**-**	**-**	**-**
Balance at end of period		**349,402**	**269,770**	**619,172**
2021				
Balance at end of previous reporting period		704,359	519,770	1,224,129
Restated opening balance		704,359	519,770	1,224,129
Net Surplus / (Deficit) for Year		(303,505)	-	(303,505)
Other Comprehensive Income				
Transfers between reserves	7	250,000	(250,000)	-
Balance at end of period		650,854	269,770	920,624

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

LEGATUS GROUP

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Council Contributions		**170,400**	**177,525**
Investment receipts		**7,032**	**8,188**
Grants utilised for operating purposes		**131,599**	**387,027**
Reimbursements		**-**	**75,400**
Other revenues		**3,108**	**15,279**
Payments			
Employee costs		**(255,086)**	**(338,002)**
Materials, contracts & other expenses		**(327,520)**	**(653,504)**
Net Cash provided by (or used in) Operating Activities	8	**(270,467)**	(328,087)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of replaced assets		-	-
Payments			
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		**(1,720)**	-
Purchase of investment property		-	-
Net purchase of investment securities		-	-
Development of real estate for sale		-	-
Loans made to community groups		-	-
Capital contributed to equity accounted Council businesses		-	-
Net Cash provided by (or used in) Investing Activities		**(1,720)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts		-	-
Proceeds from borrowings		-	-
Proceeds from aged care facility deposits		-	-
Payments		-	-
Repayments of borrowings		-	-
Repayment of finance lease liabilities		-	-
Repayment of aged care facility deposits		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		**(272,187)**	(328,087)
Cash & cash equivalents at beginning of period	8	**929,919**	1,258,006
Cash & cash equivalents at end of period	8	**657,733**	929,919

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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 the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

All amounts in the financial statements have been rounded to the nearest dollar ($).

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

1.2 The Local Government Reporting Entity
The Legatus Group ("the Group") is a regional subsidiary under Section 43 and Schedule 2 of the *Local Government Act 1999*.

The Constituent Councils are:

1. The Barossa Council
2. District Council of Mount Remarkable
3. Barunga West Council
4. Northern Areas Council
5. Clare and Gilbert Valleys Council
6. District Council of Orroroo/Carrieton
7. Copper Coast Council
8. District Council of Peterborough
9. The Flinders Ranges Council
10. Port Pirie Regional Council
11. Regional Council of Goyder
12. Wakefield Regional Council
13. Light Regional Council
14. Yorke Peninsula Council, and
15. Adelaide Plains Council.

All funds received and expended by the Group have been included in the Financial Statements forming part of this Financial Report.

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

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Cash, Cash Equivalents and other Financial Instruments
Cash Assets include all amounts readily convertible to cash on hand at the Group'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 generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 10.

1.5 Vehicles & Contents
All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

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

Contents	\$2,000
Motor Vehicles	\$5,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Group, 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 below.

Contents	1 to 5 years
Motor Vehicles	3 to 5 years

1.6 Payables
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.

Amounts received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

1.7 Employee Benefits
Salaries, Wages & Compensated Absences
The Group has 2 FTE employees as at the 30 June 2022, a Chief Executive Officer, a part-time Project Officer and a part-time Admin Officer. 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 10 year bond rates.

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

No accrual is made for sick leave as the Group's 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. The Group does not make payment for untaken sick leave.

1.8 Superannuation
The Group contributes the statutory 10.0% SGC superannuation to the nominated superannuation funds for all staff. This will increase to 10.5% for the 2022-23 financial year.

1.9 GST Implications
In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

1.10 Leases
In the previous year, the Group performed an assessment of the potential impact of AASB 16 *Leases*. The Group is only engaged in a short-term lease as per Section 5 of AASB 16 and therefore the lease is recognised as an operating expense on a straight-line basis over the term of the lease.

1.11 New Accounting Standards
In the current year, the Group 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 the Group's accounting policies.

The Group has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2022 reporting period and have not been used in preparing these reports.

AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvement 2018-2020 and Other Amendments
AASB 17 Insurance Contracts

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

1.12 Economic Dependencies
The Group is aware of its current dependence on Grants Revenue received from the Commonwealth Government, State Government and the Local Government Association for the ongoing operations of the Group. Should the Group not secure funding or a significantly reduced level of funding in future years, it may impact on the ability of the Group to continue operating as a going concern.

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

1.14 Comparative Information
During the financial year, the Group has reviewed the allocation and classification of some transactions which have been updated in the comparative information presented. Changes in classification has resulted in no change to the previously reported financial performance and position of the Group.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 2 - INCOME

	2022	2021
	$	$
COUNCIL CONTRIBUTIONS		
General Contribution	170,400	177,525
	170,400	177,525
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	7,032	8,185
Banks	-	3
	7,032	8,188
REIMBURSEMENTS		
- for Internships	-	75,400
	-	75,400
OTHER INCOME		
Conference Registrations & Sponsorship	3,108	15,279
	3,108	15,279
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Waste Management	-	60,000
CWMS	28,000	61,000
Coastal Management	-	140,000
Research & Development	-	26,000
Regional Capacity	42,783	-
SA Road Funding	15,000	-
NRM - - Landscape Priority	8,000	-
Sundry	-	46,151
	93,783	333,151

The functions to which these grants relate are shown in Note 10.

Sources of grants		
State government	8,000	174,000
LGA	85,783	159,151
	93,783	333,151

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 3 - EXPENSES

	2022	2021
	$	$
EMPLOYEE COSTS		
Salaries and Wages	**198,882**	281,829
Employee leave expense	**31,768**	33,226
Superannuation	**22,064**	28,510
Workers' Compensation Insurance	**4,232**	2,012
Professional Development	**127**	400
FBT	**6,098**	6,106
Total Operating Employee Costs	**263,171**	352,082
Total Number of Employees	***2.0***	***1.4***
(Full time equivalent at end of reporting period)		
MATERIALS, CONTRACTS & OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration	**2,338**	2,238
Subtotal - Prescribed Expenses	**2,338**	2,238
Other Materials, Contracts & Expenses		
Contractors & Consultants	**241,380**	461,067
Legal Expenses	**80**	-
Unleaded Fuel	**4,075**	3,053
Other Motor Vehicle Costs	**2,752**	2,754
Members Allowances & Support	**4,125**	5,500
Meetings & Conferences	**4,807**	23,692
Insurance	**8,921**	7,980
Rental - Premises	**9,603**	9,442
Advertising	**704**	3,905
Accommodation	**1,932**	3,587
Airfares, Taxi Fares & Parking	**263**	2,790
Travel - Reimbursement	**1,124**	2,086
Catering & Meals	**7,372**	17,142
Telephone & Internet	**3,871**	5,797
IT & Web	**10,963**	-
Postage/Stationery	**784**	594
Sundry	**300**	3,849
Subtotal - Other Materials, Contracts & Expenses	**303,057**	553,239
	305,395	555,477
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	**5,489**	5,489
Contents	**1,720**	-
	7,209	5,489

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS		
Cash at Bank	**12,324**	91,271
Deposits at Call	**645,409**	838,647
	657,733	929,918
TRADE & OTHER RECEIVABLES		
Accrued Revenues	**495**	224
Debtors - General	**-**	39,270
GST / FBT Recoupment	**1,657**	476
	2,152	39,970

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 5 - NON-CURRENT ASSETS - VEHICLES & CONTENTS

	2021 $				2022 $			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Motor Vehicles	-	28,967	(9,606)	19,361	-	**28,967**	(15,095)	**13,872**
Contents	-	3,948	(3,948)	-	-	3,678	(3,678)	-
TOTAL PLANT & EQUIPMENT	-	32,915	**(13,554)**	19,361	-	**32,645**	**(18,773)**	**13,872**
Comparatives	-	***32,915***	***(8,065)***	***24,850***	-	***32,915***	***(13,554)***	***19,361***

	2021 $	CARRYING AMOUNT MOVEMENTS DURING YEAR $								2022 $
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Motor Vehicles	19,361	-	-	-	(5,489)	-	-	-	-	13,872
Contents	-	1,720	-	-	(1,720)	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	**19,361**	**1,720**	-	-	**(7,209)**	-	-	-	-	**13,872**
Comparatives	***24,850***	-	-	-	***(5,489)***	-	-	-	-	***19,361***

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 6 - LIABILITIES

	2022 $ Current	2022 $ Non-current	2021 $ Current	2021 $ Non-current
TRADE & OTHER PAYABLES				
Goods & Services	**2,205**	**-**	32,740	-
Payments received in advance	**7,500**	**-**	-	-
Accrued expenses - employee entitlements	**4,082**	**-**	2,160	-
Accrued expenses - other	**1,250**	**-**	1,759	-
GST & PAYG		**-**	503	-
	15,037	**-**	37,162	-
PROVISIONS				
Employee entitlements - Annual Leave	**23,881**	**-**	19,350	-
Employee entitlements - Long Service Leave	**-**	**15,667**	-	12,113
Future reinstatement / restoration, etc				
Other				
	23,881	**15,667**	19,350	12,113

Note 7 - RESERVES

OTHER RESERVES	1/7/2021	Transfers to Reserve	Transfers from Reserve	**30/6/2022**
General Reserve	269,770	-	**-**	**269,770**
TOTAL OTHER RESERVES	269,770	-		**269,770**
Comparatives	*519,770*		*(250,000)*	***269,770***

PURPOSES OF RESERVES

Other Reserves

This reserve was established to provide for one year of basic operation (employee costs, vehicle costs, insurance, materials), should no revenue be received.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	**2022** $	2021 $
Total cash & equivalent assets	4	**657,733**	929,918
Balances per Cash Flow Statement		**657,733**	929,918

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus (Deficit)	**(301,453)**	**(303,505)**
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	**7,209**	**5,489**
Net increase (decrease) in unpaid employee benefits	**8,085**	**14,080**
	(286,159)	(283,936)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	**37,818**	**53,875**
Net increase (decrease) in trade & other payables	**(22,125)**	**(98,027)**
Net increase (decrease) in other liabilities	-	-
Net Cash provided by (or used in) operations	**(270,466)**	(328,088)

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:		
Corporate Credit Cards	**1,000**	1,000

Note 9 - FUNCTIONS

The activities of the Region are categorised into the following programs, projects & acytivities:

1 Corporate Function
2 P001 - Regional & Community Sustainability
3 P003 - Regional Waste Management
4 P005 - Natural resources Management
5 P007 - LGA R&D projects
6 P009 - CWMS & Climate Change Co-ordinator
7 P017 - Waste Management Composting
8 P019 - Coastal Adaptation
9 P022 - Roads & Transport
10 P027 - Community Capacity Building
11 P028 - Regional Capacity Building
12 P029 - LGA R&D Projects
13 P032 - Sustainability Hub
14 P031 - Digital Maturity Index
15 P034 - N&Y Coastal Management Action Plan
16 P036 - LGA - R&D Regoinal Youth Volunteering
17 P037 - Creative Industries Project
18 P038 - Regional Waste Strategy
19 P040 - Disability Inclusion Action Plan
20 P042 - Drought Wellbeing Project
21 P043 - Stormwater Harvesting Trial
22 P044 - IT Data Gathering & Digital Research
23 P045 - Aboriginal Engagement Committee

Income and expenses have been attributed to the functions/activities throughout the financial year.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 10 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables.*

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** Carried at lower of cost and net realiseable value; Interest is recognised when earned. Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.05% as at 30 June 2022 **Carrying amount:** approximates fair value due to the short term to maturity.
Receivables - Trade & other debtors	**Accounting Policy:** Carried at nominal value. **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. **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 Group. **Terms & conditions:** Liabilities are normally settled on 30 day terms. **Carrying amount:** approximates fair value.

Liquidity Analysis

2022		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$	$	$	$	$
Cash & Equivalents		**657,733**	-	-	**657,733**	**657,733**
Receivables		**2,152**	-	-	**2,152**	**2,152**
Other Financial Assets		-	-	-	-	-
	Total	**659,885**	-	-	**659,885**	**659,885**
Financial Liabilities						
Payables		**1,250**	-	-	**1,250**	**1,250**
Current Borrowings		-	-	-	-	-
Non-Current Borrowings		-	-	-	-	-
	Total	**1,250**	-	-	**1,250**	**1,250**

2021		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$	$	$	$	$
Cash & Equivalents		929,918	-	-	929,918	929,918
Receivables		39,970	-	-	39,970	39,970
Other Financial Assets		-	-	-	-	-
	Total	969,888	-	-	969,888	969,888
Financial Liabilities						
Payables		35,002	-	-	35,002	35,002
Current Borrowings		-	-	-	-	-
Non-Current Borrowings		-	-	-	-	-
	Total	35,002	-	-	35,002	35,002

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 Group.

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 Group is the carrying amount, net of any allowance for doubtful debts. All Group 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 Group'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 the Group'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 the Group will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 11 - FINANCIAL INDICATORS

	2022	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. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

	2022	2021	2020
Operating Surplus Ratio			
Operating Surplus	(109.9%)	(49.8%)	31.2%
Total Operating Income			

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

	2022	2021	2020
Net Financial Liabilities Ratio			
Net Financial Liabilities	(221%)	(148%)	(165%)
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

	2022	2021	2020
Asset Renewal Funding Ratio			
Net Asset Renewals	0%	0%	305%
Depreciation Expenditure			

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.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 12 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Group 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		**274,323**		609,543
Expenses		**(575,775)**		(913,048)
Operating Surplus / (Deficit)		**(301,453)**		(303,505)
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	**-**		-	
Add back Depreciation, Amortisation and Impairment	**7,209**		5,489	
Proceeds from Sale of Replaced Assets	**-**		-	
		7,209		**5,489**
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets *(including investment property & real estate developments)*	**(1,720)**		-	
Amounts received spec. for New and Upgraded Assets	**-**		-	
Proceeds from Sale of Surplus Assets *(including investment property and real estate developments)*	**-**		-	
		(1,720)		-
Net Lending / (Borrowing) for Financial Year		**(295,964)**		(298,016)

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 13 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 1 person was paid the following total compensation:

	2022	2021
	$	$
Salaries, allowances & other short term benefits	158,801	154,050
Member Allowance	4,125	5,500
Post-employment benefits	15,880	14,635
FBT	6,098	6,106
TOTAL	**184,904**	180,291

The Group received the following amounts in total:

	2022	2021
	$	$
Contributions for fringe benefits tax purposes	-	-
TOTAL	**-**	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

During the reporting period, no Key Management Personnel or parties related to them had any transactons on more favourable terms than those available to the general public.

OTHER RELATED PARTIES

Amounts received from Related Parties during the financial year and owed by Related Parties at the end of the financial year (inclusive of GST).	**Received 2022**	**Outstanding 2022**
	$	**$**
The Barossa Council	12,496	-
Barunga West Council	12,496	-
Clare and Gilbert Valleys Council	12,496	-
Copper Coast Council	12,496	-
The Flinders Ranges Council	12,496	-
Regional Council of Goyder	12,496	-
Light Regional Council	12,496	-
Adelaide Plains Council	12,496	-
District Council of Mount Remarkable	12,496	-
Northern Areas Council	12,496	-
District Council of Orroroo / Carrieton	12,496	-
District Council of Peterborough	12,496	-
Port Pirie Regional Council	12,496	-
Wakefield Regional Council	12,496	-
Yorke Peninsula Council	12,496	-
TOTAL	**187,440**	**-**

Description of Services provided to all Related Parties above:

The Legatus Group is the peak regional local government organisation that is focused on the interests of its communities. The Legatus Group's primary purpose focuses on the wealth, wellbeing and social cohesion of these communities via a sustainable approach of productive landscapes and natural environment. Its focus is on the key roles of local government.

The Group has Five Primary Goals and numerous strategies to achieve these are outlined in the Group's Strategic Plan 2018-2028 which is available on the Group's website.

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

There are no contingencies, assets or liabilities not recognised in the financial statements for the year ended 30 June 2022.

Note 15 - EVENTS OCURRING AFTER REPORTING DATE

There were no events dubsequent to 30 June 2022 that need to be disclosed in the financial statements.

LEGATUS GROUP

ANNUAL 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 Legatus Group for the year ended 30 June 2022, the Council's Auditor, Dean Newbery & Partners, 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*.

.... **CHIEF EXECUTIVE OFFICER** **The Barossa Council**	.... **CHIEF EXECUTIVE OFFICER** **Barunga West Council**
.... **CHIEF EXECUTIVE OFFICER** **Clare & Gilbert Valleys Council**	.... **CHIEF EXECUTIVE OFFICER** **Copper Coast Council**
.... **CHIEF EXECUTIVE OFFICER** **The Flinders Ranges Council**	.... **CHIEF EXECUTIVE OFFICER** **Regional Council of Goyder**
.... **CHIEF EXECUTIVE OFFICER** **Light Regional Council**	.... **CHIEF EXECUTIVE OFFICER** **Adelaide Plains Council**
.... **CHIEF EXECUTIVE OFFICER** **District Council of Mount Remarkable**	.... ACTING **CHIEF EXECUTIVE OFFICER** **Northern Areas Council**
.... **CHIEF EXECUTIVE OFFICER** **Port Pirie Regional Council**	.... **CHIEF EXECUTIVE OFFICER** **District Council of Orroroo Carrieton**
.... **CHIEF EXECUTIVE OFFICER** **York Peninsula Council**	.... **CHIEF EXECUTIVE OFFICER** **District Council of Peterborough**
.... **CHIEF EXECUTIVE OFFICER** **Wakefield Regional Council**	Kathleen Bowman .... **CHAIR, Legatus Group** **Audit & Risk Management Committee**
.... **CHIEF EXECUTIVE OFFICER** **Legatus Group**	.... **CHAIR** **Legatus Group**

Date: 9 SEPT 2022

Gawler River Floodplain Management Authority Annual Report and Financial Statements

Adelaide Hills COUNCIL

Adelaide Plains Council

The Barossa Council

ANNUAL REPORT 2021-22

Gawler River Floodplain Management Authority

<u>Constituent Councils:</u>

Adelaide Hills Council
Adelaide Plains Council
The Barossa Council
Town of Gawler
Light Regional Council
City of Playford

Gawler

LIGHT REGIONAL COUNCIL

CITY OF Playford

Contents

Acting Chairperson Foreword

The Gawler River Floodplain Management Authority (GRFMA) has heavily advanced a suite of projects and programs throughout the reporting period and, as Acting Chairperson, it is my pleasure to acknowledge the outputs and achievements of the Board through this year's foreword.

Recent flooding events on our nation's eastern seaboard serve to reinforce the importance of investing time, money and resources into flood preparedness and flood mitigation. While the Gawler River has not experienced a flood event since October 2016, we are only too aware that our next flood event may be just a winter away and planning for the inevitable rains that will fall within the catchment has been high on the Board's agenda yet again in 2021/2022.

The GRFMA subsidiary has yet again provided the vehicle for collaborative engagement amongst the six constituent councils over the reporting period and enabled productive engagement with state and federal government agencies and other key stakeholders on a raft of platforms.

Of the significant achievements, I glean upon and report the following:

- Adoption of the inaugural GRFMA Strategic Plan for 2021-2026
- Progression of the Stormwater Management Plan
- Major maintenance of the Bruce Eastick North Para Flood Mitigation Dam
- Advancement of GRFMA Charter Review II (cost contributions model)
- Engagement with State Government on the Gawler River Flood Mitigation Business Case

Suffice to say, it has been a busy yet rewarding period for the Board.

As Acting Chairperson, I take this opportunity to acknowledge the work of our Chairperson, Ian Baldwin (who at the time of preparing the Annual Report was on some well-deserved leave) and our Executive Officer, David Hitchcock. Both Ian and David have served the subsidiary extremely well yet again and I thank them for their contributions to the activities of the Board.

I also wish to acknowledge the valuable contributions of all Board Members and Committee Members throughout the period, including those who have recently retired from the Board in Sam Dilena and Gary Mavrinac; all our members' contributions have again been highly valued and greatly appreciated.

I commend the 2021/2022 Annual Report to you.

Mr James Miller, Acting Chair, Gawler River Floodplain Management Authority

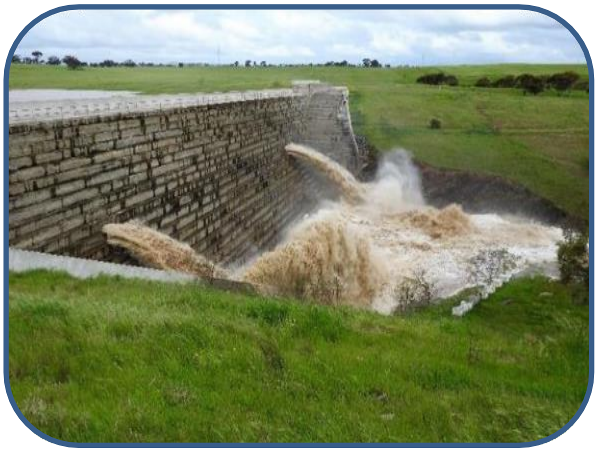
Gawler River Floodplain Management Authority (GRFMA)

The Gawler River

The Gawler River is formed by the confluence of the North Para and South Para in the town of Gawler and is located in the Adelaide Plains district of South Australia. The district surrounding the river produces cereal crops and sheep for both meat and wool, as well as market gardens, almond orchards and vineyards. The farm gate output of the Gawler River Floodplain horticultural areas is estimated to be at least $225 million.

Purpose of the GRFMA

The GRFMA was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Adelaide Plains Council, The Barossa Council, The Town of Gawler, Light Regional Council, and the City of Playford.



The Charter sets down the powers, functions, safeguards, accountabilities, and an operational framework.

The Authority has been established for the purpose of coordinating the planning, construction, operation, and maintenance of flood mitigation infrastructure for the Gawler River, and for the following functions:

- to raise finance for the purpose of developing, managing, and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flooding of the Gawler River;
- to advocate on behalf of the Constituent Councils and their communities where required to State and Federal Governments for legislative policy changes on matters related to flood mitigation and management and associated land use planning with Gawler River flood mitigation;
- to facilitate sustainable outcomes to ensure a proper balance between economic, social, environmental, and cultural consideration; and
- to provide advice as appropriate to the Constituent Councils in relation to development applications relevant to the Authority's roles and functions.

Governance

The Board

The Authority is governed by the Board of management. The Board comprises of

- one independent person, who is not an officer, employee, or elected member of a constituent council, to be appointed as the Chairperson of the Board of Management of the GRFMA for a term of three years.
- Two persons appointed from each of the six constituent councils (12 members in total). Council appointees comprise of the Council CEO, or delegate and one Elected Member.
- Deputy Board members as appointed by each constituent council

The Members of the Board are:

Council	Board Members	Deputy Board Members
Chairperson & Independent Member	Mr Ian Baldwin	
Adelaide Hills Council	Cr Malcolm Herrmann Mr Ashley Curtis	Cr Pauline Gill
Adelaide Plains Council	Cr Terry-Anne Keen Mr James Miller	Cr John Lush Ms Sheree Schenk
The Barossa Council	Mayor Bim Lange Mr Gary Mavrinac (resigned 30/6/22)	Cr Russell Johnstone
Town of Gawler	Cr Paul Koch Mr Sam Dilena (resigned 16/6/22)	Cr Nathan Shanks Vacant
Light Regional Council	Cr William Close Mr Brian Carr	Mr Andrew Philpott
City of Playford	Cr Agapios (Peter) Rentoulis Mr Greg Pattinson	Cr Clinton Marsh

Meetings of the Board are held at such time and such place as the Board decides subject only to the requirement that there will be at least one meeting in every two calendar months. A special meeting of the Board may be held at any time and may be called at the request of the Chairperson or at the written request of six members of the Board representing all the Constituent Councils.

Ordinary meetings of the Board are generally held bi-monthly on the third Thursday of the even months commencing at 9.45am: excepting December which is held on the second Thursday. Meetings are hosted by the Constituent Councils on a rotational roster with six Board meetings and two Special Board Meetings held during the year as follows:

Ordinary Board Meetings:

- Thursday 19 August 2021 – Town of Gawler
- Thursday 21 October 2021 – Adelaide Plains Council
- Thursday 9 December 2021 – City of Playford
- Thursday 17 February 2022 – Light Regional Council
- Thursday 14 April 2022 – Adelaide Hills Council
- Thursday 16 June 2022 – The Barossa Council

One Special Board Meeting:

- Monday 27 September 2021 – City of Playford

Technical Assessment Panel

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment, and construction of the various parts of the Scheme.

The Members of the Panel are:

- Mr Ian Baldwin, Independent Chair
- Ms Ingrid Franssen, Manager Flood Management, DEWNR
- Vacant, Principal Engineer Dams, SA Water
- Council representative – Vacant following resignation of Matt Elding, The Barossa Council
- Mr Braden Austin, Playford Council
- Mr David Hitchcock, Executive Officer

Three meetings of the Panel were held during the year

- Monday 5 July 2021
- Wednesday 11 August 2021
- Wednesday 1 September 2021

Email out of session consideration was also undertaken to consider proposed repairs to the Lower Level Outlet Pipe and Baffle Block replacement at the Bruce Eastick North Para Flood Mitigation Dam.

Audit Committee

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the situation of the Board, and
- the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The Committee held four (4) meetings during the year:

- Thursday 12 August 2021
- Tuesday 23 November 2021
- Monday 7 February 2022
- Wednesday 1 June 2022

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Greg Pattinson, City of Playford
- Cr Malcolm Herrmann, Adelaide Hills Council

Membership of the GRFMA Audit Committee is for two years (I July 2020 until 30 June 2022).

Executive Officer

Mr David Hitchcock has been appointed Executive Officer on a contract basis (part time) to 31 December 2023.

External Auditor

Dean Newbery and Partners have been appointed as the external auditor for 2020-2024.

GRFMA Policies

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Procurement and Operations Policy
- Grant Policy
- Internal Review of Decisions Policy
- Public Consultation Policy
- Access to Meetings and Documents Policy
- Dam Valuation Policy
- Treasury Management Policy

The purpose of the policies is to provide prudent management guidelines for the day-to-day management of the affairs of the Authority.

Meetings

All meetings of the GRFMA and its committees are open to the public, except for those matters to be considered under Section 90 of the Local Government Act 1999.

No Freedom of Information requests were received during the year.

Forum	Total Resolutions for the year	Resolutions to exclude the Public – S90(3)	Purpose	Order for docs to remain confidential - S91(7)	%
Board	89	7		7	8
Technical Assessment Panel	17	3		0	100
Audit Committee	10	0		0	0

Key Strategic Initiatives 2022

<u>Progressing the Gawler River Stormwater Management Plan</u>

In 2021 the GRFMA (including its Constituent Councils), in partnership with the Stormwater Management Authority of South Australia, the Green Adelaide Board and the Northern and Yorke Landscape Boards and the Department for Environment and Water initiated a project to develop a stormwater management plan (SMP) for the Gawler River.

Stormwater management plans are strategic plans which should provide for the management of stormwater in an integrated and holistic way. They:

- Identify issues, risks and opportunities relating to stormwater management in a catchment.
- Outline the functions and responsibilities of all stakeholders involved in stormwater management, including Local Government authorities and State Government agencies.
- Set objectives for the protection and enhancement of the economic, environmental, social and cultural values in a catchment (as they relate to stormwater quality, water security and flood hazard).

- Identify and prioritise investments and initiatives that contribute to achievement of these objectives and address stormwater issues in a considered and coordinated manner.
- Outline a plan for implementation of the prioritised investments and initiatives.

Development of the plan has progressed throughout 2021-2022 with anticipated completion by the end of September 2022.

Strategic Plan

As a requirement of the Charter Review the GRFMA has now established the inaugural Strategic Plan 2021-2026. The plan consists of a 5-year Strategic Plan (2026) and identifies relevant longer term strategic issues to 2036.

The plan has established 3 key themes.

Theme 1: Design, build, and maintain physical flood mitigation infrastructure

Objective: To have in place an agreed extent of physical flood mitigation infrastructure that is fit for purpose and achieves the targeted levels of performance.

Theme 2: Develop and evolve key relationships

Objective: To maintain key relationships that are most important to the Authority achieving its purpose.

Theme 3: Ensure good governance and ongoing financial sustainability

Objective: To ensure that the Authority meets legislative requirements and contemporary standards of governance and is financially sustainable for the long term.

Bruce Eastick North Para Flood Mitigation Dam (BENPFM) Maintenance

The BENPFM dam was designed as a dry detention basin to provide attenuation during flooding events. The dam attenuates high rainfall flows from the North Para by temporarily storing floodwater and then managing flow volume (downstream) though the dam.

A significant body of maintenance work was undertaken on the dam in early 2022.

This included draining and desludging the stilling basin, new internal coating of the Lower-level outlet pipe, which manages water through the dam, and replacement of four baffle blocks that had been previously dislodged from the basin floor.

Works undertaken ensures the dam is maintained in good condition and continues to operate at required services standards.

Evaluation of Performance Against the Business Plan

Part A: Funding

Performance Targets:	Timings:	To be measured by:	Actual Achievements:
Grant Claims	At all times	Lodge claims monthly for the payment of Commonwealth and State Government Grants.	☑ **Claims lodged according to grant conditions**
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	☑ **Positive cash flow maintained**

Part B: Proposed Flood Mitigation Scheme Works

Gawler River Flood Mitigation Scheme	
One	What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order)
Two	Reconfirm with the Constituent Councils that a 1 in 100-year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy. N.B. The protection standard does not guarantee full protection for all flood events. ***The Findings Report 2016 advised the 1 in 100 ARI event is considered to be the minimum desirable level of flood protection for new development as well as for much of the existing floodplain development.*** *GRFMA Strategic Plan Priority action 1.2 - Review, with Constituent Councils and stakeholders, design standards for infrastructure works including costs and benefits.* ***The Findings Report 2016 advised enlarging the existing Bruce Eastick North Para Flood Mitigation Dam on the North Para offers the greatest level of protection with least impacts and is rated as the most favoured structural mitigation option. This option deferred pending completion of the Gawler River Storm Water Management Plan. Noting feasibility of raising the height of the Bruce Eastick Dam is still a strategic consideration.*** *GRFMA Strategic Plan Priority action 1.4 – In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan.*

Gawler River Flood Mitigation Scheme	
Three	The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the Adelaide Plains Council. ***Completed.***
Four	To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan. ***Will be a consideration of the Gawler River Stormwater Management Plan 2022.***
Five	Establish a protocol with the Floodplain Councils that where development of land in areas identified as 'at risk of flooding' is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required. *GRFMA Strategic Plan Priority action 1.4 – In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan.*
Six	Maintain a working relationship with the Australian Rail Track Corporation to ensure that any changes to Railtrack infrastructure of culverts and rail heights are mapped on the Gawler River Floodplain Mapping Study Model to identify any changes to flooding impacts. **Ongoing** – ***new replacement of the rail bridge completed April 2021.***
Seven	Develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council. ***Will be a consideration of the Gawler River Stormwater Management Plan 2022.***
Eight	Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs. ***Ongoing. GRFMA currently working with Department of Environment and Water on the $9 Mil Gawler River Flood Mitigation projects.*** *GRFMA Strategic Plan Priority action 2.4 – Proactively pursue governance structures and/or management approaches that bring together the various government agencies involved in water management related to the Gawler River to ensure coordinated action is taken to reduce flood risk, while contributing to greater integration of water management.*
Nine	The Scheme will also seek to clarify, through the Local Government Association, the policy and legal framework around maintenance of rivers and creeks where those rivers and creeks are part of the regional flood management plan. Under current legislation a landowner is responsible for the condition of a creek or waterway on private land**. *Pending finalisation of the review by Department Environment and Water. GRFMA submission provided.***

Part B: Maintenance of the Scheme

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Six monthly inspection	June and December	Completion of Inspection Report	☑ **Routine inspections completed**

Part C: Operation of the Regional Subsidiary

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Reports to Stakeholders	Bi-Monthly	Key Outcomes Summary to be published following each Board Meeting	☑ **Key Outcomes Summary prepared following GRFMA meetings.**
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually Charter Review	☑ **Review conducted in December 2021.** ☑ **GRFMA Charter Review(2nd stage) commenced April 2020 - Materially completed pending finalisation of cost share funding model.**
	August	The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.	☑ **New External Auditor appointed 2020 to 2024.** ☑ **Appropriate levels of insurance reviewed in July 2021.**
Review of the Business Plan	By 31st March	Review the Business Plan prior to preparing the Budget Forward to the Councils	☑ **June 2021 - Business Plan 2021- 2022 adopted.** ☑ **June 2021 - Achievements against the Business Plan 2021 - 2022 presented.**

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Annual Budget	By 31st March, June, October, December	Adopt for consultation forward to Councils- Adopt Budget – copy to Councils in 5 days- Conduct Budget Reviews	☑ **2022 - 2023 Draft Budget forwarded in March 2022 to consistent councils for consultation.** ☑ **Budget Reviews 1, 2 and 3 reviewed by GRFMA Audit Committee.**
Subscriptions	June December	Send half year subscriptions to Council	☑ **All first half subscriptions paid.** ☑ **All Second half subscriptions paid.**
Report to Constituent Councils	Following each Board meeting By 30th September	The receipt of the following reports by Councils, Board Meeting Key Outcome Summary Annual Report including Annual Financial Statements	☑ **Key Outcomes Summary prepared following meetings.** ☑ **Annual Report forwarded electronically to Councils.**
Governance	Ongoing	Policies and new management framework documents developed and reviewed	☑ **Independent review of all GRFMA policies initiated December 2021.** ☑ **GRFMA Strategic Plan facilitated and considered at the June 2022 GRFMA Meeting.** ☑ **Draft Asset Management Plan and Long Term Financial Plans facilitated for adoption June 2022.** **X Charter Review 2 Funding Model not finalised.**

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Annual Operations		Advocacy for construction of Northern Floodway project	**Hiatus. Pending completion of the Gawler River Stormwater Management Plan** ☑ **GRFMA currently working with Department of Environment and Water on the $9 Mil Gawler River Flood Mitigation projects.**
		Dewatering and repair of the low-level inlet pipe and stilling basin	☑ **Major repair works facilitated and completed 30 April 2022.** ☑ **Removal of Graffiti and security chains attached to HLOP screens completed November 2021.**
		Implementation of the Gawler River Stormwater Management Plan	X **Delayed from May 2022. Anticipated completion now September 2022.**
		Scheduled inspection	☑ **Completed April 2022.**
		Environmental management of land associated with the Dams location.	☑ **Annual land management lease in place.**
		GRUMP decision support tool to manage flood risk	☑ **Completion March 2022.**
		Revegetate land zone around the Bruce Eastick North Para Flood Mitigation Dam.	☑ **Ongoing.**

Financial Statements 2021-22

1. Certification of Financial Statements
2. Financial Statements and Notes
3. Related Parties Disclosures
4. Statement of Auditors Independence
5. Certification of Auditor Independence

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Gawler River Floodplain Management Authority 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 Authority'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 Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

David Hitchcock
EXECUTIVE OFFICER

18/8/2022
Date

James Miller
ACTING CHAIR

18 August 2022
Date

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 $	2021 $
INCOME			
Subscriptions	4	**261,256**	196,235
Investment income		**1,132**	1,009
State Government Grants	3	**70,518**	20,000
Other Income		**100**	100
Total Income		**333,006**	217,344
EXPENSES			
Contractual Services	5	**236,420**	156,177
Finance Charges		**3,275**	-
Depreciation	1(h), 10	**322,298**	321,163
Other		**21,831**	21,359
Total Expenses		**583,824**	498,698
OPERATING SURPLUS / (DEFICIT)		**(250,818)**	(281,354)
NET SURPLUS / (DEFICIT) transferred to Equity Statement		**(250,818)**	(281,354)
Other Comprehensive Income			
Total Other Comprehensive Income		**-**	-
TOTAL COMPREHENSIVE INCOME		**(250,818)**	(281,354)

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	1(d)	**126,130**	169,344
Trade and Other Receivables		**98,664**	49,278
Total Current Assets		**224,794**	218,622
Non-current Assets			
Infrastructure	10	**25,920,879**	25,329,000
Accumulated Depreciation Infrastructure	1(h), 10	**(4,438,623)**	(4,116,325)
Land	10	**477,000**	477,000
Total Non-current Assets		**21,959,256**	21,689,675
Total Assets		**22,184,050**	21,908,297
LIABILITIES			
Current Liabilities			
Trade & other payables		**61,003**	36,567
Borrowings		**502,136**	-
Total Liabilities		**563,138**	36,567
NET ASSETS		**21,620,912**	21,871,730
EQUITY			
Accumulated Surplus		**12,938,939**	13,189,757
Asset Revaluation Reserves	1(g)	**8,681,973**	8,681,973
TOTAL EQUITY		**21,620,912**	21,871,730

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

2022	Notes	**Accumulated Surplus** $	**Asset Revaluation Reserve** $	**TOTAL EQUITY** $
Balance at end of previous reporting period		**13,189,757**	**8,681,973**	**21,871,730**
Net Surplus / (Deficit) for Year		**(250,818)**	-	**(250,818)**
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-
Balance at end of period		**12,938,939**	**8,681,973**	**21,620,912**

2021				
Balance at end of previous reporting period		13,471,111	8,681,973	22,153,084
Net Surplus / (Deficit) for Year		(281,354)	-	(281,354)
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-
Balance at end of period		13,189,757	8,681,973	21,871,730

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CASHFLOWS
for the year ended 30 June 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**282,547**	199,195
Interest Receipts		**1,073**	1,023
Payments		**(237,090)**	(182,638)
Net Cash provided by (or used in) Operating Activities	8	**46,530**	17,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Expenditure on renewal/replacement of assets	10	**(591,879)**	-
Net Cash provided by (or used in) Investing Activities		**(591,879)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		**502,136**	-
Net Cash provided by (or used in) Financing Activities		**502,136**	-
Net Increase (Decrease) in cash held		**(43,214)**	17,580
Cash & cash equivalents at beginning of period		**169,344**	151,764
Cash & cash equivalents at end of period	8	**126,130**	169,344

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

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1 - Statement of Significant Accounting Policies

a) The Local Government Reporting Entity

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

The Gawler River Floodplain Management Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, The Barossa Council, Town of Gawler, Light Regional Council, Adelaide Plains Council and The City of Playford.

All funds received and expended by the Authority have been included in the financial statements forming part of this financial report.

b) Basis of Accounting

This financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where specifically stated, current valuation of non-current assets.

c) Employees

The Authority has no employees.

d) Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdraft.

e) Infrastructure

The Bruce Eastick North Para Flood Mitigation Dam was constructed in 2007. The valuation includes all materials, contractor's costs plus costs incidental to the acquisition, including engineering design and supervision fees and all other costs incurred.

f) Land

Land includes the land on which the dam is constructed, rights of way access to the land and 'right to flood' easements over the land upstream from the dam that will be inundated by dam waters for short periods of time during a flood event. The Board valuation was undertaken at 30th June 2011. Additional Land surrounding the dam was purchased in 2017/18 and was revalued by Asset Valuation and Consulting Pty Ltd in May 2017 for part lot 750 Kemp Road Kingsford. The next valuation is scheduled to be undertaken in 2022/2023.

g) Revaluation

The Board sought an independent valuation to be applied as at 30th June 2019, of the Bruce Eastick North Para Flood Mitigation Dam. The Board recognises that the dam is a unique infrastructure. The Board sought the advice of Entura (Hydro Tasmania), who provided a replacement cost valuation based on the actual construction contract costs, including some 'owner's costs' which would be incurred in the event of a replacement being necessary. In accordance with Accounting Standard (AASB)13 Fair Value Measurement, the valuation was undertaken as at 30 June 2019 and recorded as a level 3 restricted asset valuation. The next Valuation is scheduled to be undertaken in 2023/2024.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Fair value level 3 valuations of buildings, infrastructure and other assets **–** There is no known market for these assets and they are valued at depreciated current replacement cost. The method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by the Authority.

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

h) Depreciation

The depreciation period for the Bruce Eastick North Para Flood Mitigation Dam is based on a straight line depreciation method with an expected useful life of 80 years.

The depreciation period for the Access Road is based on a straight line depreciation method with an expected useful life of 15 years.

i) Revenue

The Authority 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 Authority 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 authority to acquire or construct a recognisable non-financial asset that is to be controlled by the authority. In this case, the authority 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.

Revenue from the Subscriptions is recognised upon the delivery of the service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue is stated net of the amount of goods and services tax (GST).

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

j) Borrowings

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

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

Note 2 - Schedule of Constituent Council's Interest in Net Assets as at 30th June 2022

Prepared to meet the requirements of Clause 15.5 of the Charter

"The 'Schedule of Constituent Councils' Interests in Net Assets' will reflect the proportionate contribution each Constituent Council has made to the growth of the net assets of the Authority having regard to the proportionate contribution to subscriptions. The Schedule when updated by the Board at the end of each financial year will reflect the proportionate contribution of each Constituent Council since the commencement of the Authority and once accepted by each Constituent Council will be evidence of the agreed proportion of a Constituent Council's interests in the net assets as at 30 June in that year."

For the purposes of this Clause all subscriptions by Constituent Councils have been included.

Calculation of Net Equity

Assets	
Investments / Debtors	$ 224,794
Infrastructure	$ 21,482,256
Land	$ 477,000
	$ 22,184,050
Less Liabilities	
Accounts Payable / Creditors	$ 61,003
Borrowings	$ 502,136
NET EQUITY	**$ 21,620,912**

Allocation of Councils Interest in Net Assets

Constituent Councils	Accumulated Subscriptions for Operations to 30 June 2022	Accumulated Subscriptions for Maintenance to 30 June 2022	Accumulated Subscriptions for Scheme Works to 30 June 2022	All Subscriptions to 30 June 2022	Percentage of Contributions to the Total	**Council's Interests in Net Assets**
Adelaide Hills Council	$201,424	$6,352	$72,462	$280,238	4.87%	**$1,052,939**
The Barossa Council	$201,424	$31,813	$362,879	$596,116	10.36%	**$2,239,926**
Town of Gawler	$201,424	$63,586	$724,666	$989,676	17.19%	**$3,716,635**
Light Regional Council	$201,424	$31,813	$362,879	$596,116	10.36%	**$2,239,926**
Adelaide Plains Council	$201,424	$106,079	$1,207,770	$1,515,273	26.33%	**$5,692,786**
City of Playford	$201,424	$127,254	$1,449,319	$1,777,997	30.89%	**$6,678,700**
	$1,208,544	**$366,897**	**$4,179,975**	**$5,755,416**	**100%**	**$21,620,912**

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2022 adopted by the Board in accordance with Clause 15.5 of the Charter on 18 August 2022.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 3 - Functions / Activities of the Authority

a) Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note b.

b) The activities of the Authority are categorised into the following function / activities:

Administration: The operations of the Authority and its Board

Other Environment: Flood Mitigation

c) Functions of the Gawler River Floodplain Management Authority (excluding depreciation)

		Revenue			Expenses	
	Year	Grants	Other	Total Revenue	Expenses Total	Surplus (deficit)
Administration	2022	-	$177,284	$177,284	$88,260	**$89,024**
	2021	-	$147,044	$147,044	$85,115	**$61,929**
Other Environment:	2022	$70,518	$ 85,204	$155,722	$173,267	**($17,545)**
Flood Mitigation	2021	$20,000	$ 50,300	$ 70,300	$92,421	**($22,121)**
Total	2022	$70,518	$262,488	$333,006	$261,527	**$71,479**
	2021	$20,000	$197,344	$217,344	$177,536	**$39,808**

Note 4 - Subscriptions

The following subscriptions were levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for the year:

	Maintenance		Operations		TOTALS	
Constituent Council	**2022**	2021	**2022**	2021	**2022**	2021
Adelaide Hills Council	**$ 1,474**	$ 871	**$29,342**	$24,322	**$30,816**	$25,193
The Barossa Council	**$ 7,388**	$ 4,361	**$29,342**	$24,322	**$36,730**	$28,683
Town of Gawler	**$14,774**	$ 8,722	**$29,342**	$24,322	**$44,116**	$33,044
Light Regional Council	**$ 7,388**	$ 4,361	**$29,342**	$24,322	**$36.730**	$28,683
Adelaide Plains Council	**$24,624**	$14,541	**$29,342**	$24,322	**$53,966**	$38,863
City of Playford	**$29,556**	$17,444	**$29,342**	$24,325	**$58,898**	$41,769
TOTAL	**$85,204**	$50,300	**$176,052**	$145,935	**$261,256**	$196,235

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 5- Contractual Services

	2022	2021
Executive Officer	**$56,826**	$56,280
Audit Committee	**$2,600**	$2,600
Audit Fees	**$5,188**	$5,000
Legal Fees	**$2,000**	$0
Gawler River Scheme Consultancies	**$159,957**	$84,737
Maintenance Contractors	**$9,849**	$7,560
TOTALS	**$236,420**	$156,177

Note 6 - Comparison of Budget and Actual Results (excluding depreciation)

	2022		2021	
	Budget	**Actual**	Budget	Actual
Revenue				
Administration	**$176,652**	**$177,284**	$147,050	$147,044
Other Environment: Flood Mitigation	**$85,200**	**$85,204**	$0	$0
State Grant	**$70,518**	**$70,518**	$20,000	$20,000
Maintenance	**$0**	**$0**	$50,300	$50,300
Other Environment: Flood Mitigation Capital	**$0**	**$0**	$0	$0
Total Revenue	**$332,370**	**$333,006**	$217,350	$217,344
Expenditure				
Administration	**$94,152**	**$88,260**	$88,050	$85,115
Other Environment: Flood Mitigation	**$15,200**	**$10,035**	$97,950	$7,684
Maintenance	**$168,995**	**$163,232**	$100,736	$84,736
Other Environment: Flood Mitigation Capital	**$635,000**	**$591,879**	$0	$0
Total Expenditure	**$913,347**	**$853,406**	$286,736	$177,535
Surplus (deficit)	**($580,977)**	**($520,400)**	($69,386)	$39,809

Note 7 - Expenditure Commitment

i. An agreement has been entered into with David Hitchcock to provide Executive Officer and Supervision of Consultants services to 31 December 2023.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 8 - Reconciliation Statement of Cash Flows

(a) Reconciliation of Cash

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

	2022	2021
	$	$
Total cash & equivalent assets	126,130	196,235
Balances per Cash Flow Statement	126,130	196,235

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

	2022	2021
Net Surplus (Deficit)	(250,818)	(281,354)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	322,298	321,163
	71,480	39,809
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(49,386)	(17,127)
Net increase (decrease) in trade & other payables	24,436	(5,102)
Net Cash provided by (or used in) operations	46,530	17,580

Note 9 -Economic Dependence

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 in August 2002, by a Charter that was amended and published in The South Australian Government Gazette on 27th February 2020 at page 474.

The Gawler River Floodplain Management Authority (GRFMA) is dependent upon subscriptions levied on the Constituent Councils in accordance with Clause 10.2 of the Charter to fund the construction, operation and maintenance of flood mitigation infrastructure of the Authority which it owns and manages.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 10 - Non-Current Assets Summary

	Fair Value Level	2022 At Fair Value	2022 At Cost	2022 Accum Dep'n	2022 Carrying Amount	2021 At Fair Value	2021 At Cost	2021 Accum Dep'n	2021 Carrying Amount
Land and easements	-	**$477,000**	**-**	**-**	**$477,000**	$477,000	-	-	$477,000
North Para Dam Access Roads	3	**$84,000**	**-**	**($19,800)**	**$64,200**	$84,000	-	($14,200)	$69,800
North Para Dam	3	**$25,245,000**	**$591,879**	**($4,418,823)**	**$21,418,056**	$25,245,000	-	($4,102,125)	$21,142,875
Total Infrastructure and Land		**$25,806,000**	**$591,879**	**($4,438,623)**	**$21,959,256**	$25,806,000	-	($4,116,325)	$21,689,675
Comparatives		**$25,806,000**	**-**	**($4,116,325)**	**$21,169,675**	**$25,806,000**	-	**($3,795,163)**	**$22,010,937**

	2021 Carrying Amount	Additions New Upgrade	Additions Renewals	Disposals	Depreciation	Impairment	Transfers	Net Valuation	2022 Carrying Amount
Land and easements	$477,000	-	-	-	-	-	-	-	**$477,000**
Access Roads	$69,800	-	-	-	($5,600)	-	-	-	**$64,200**
Infrastructure - North Para Dam	$21,142,875	-	$591,879	-	($316,698)	-	-	-	**$21,418,056**
Total Infrastructure, Property, Plant & Equipment	**$21,689,675**	**-**	**$591,879**	**-**	**($322,298)**	**-**	**-**	**-**	**$21,959,256**
Comparatives	$22,010,837	-	-	-	($321,163)	-	-	-	**$21,169,675**

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 11 - Financial Instruments

All financial instruments are categorised as *loans and receivables.*

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned **Terms & conditions:** Deposits are returning fixed interest rates between 0.10% and 0.25% (2021: 0.25% and 0.30%). **Carrying amount:** approximates fair value due to the short term to maturity.
Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned **Terms & conditions:** Deposits are returning fixed interest rates between 0.25% and 1.05% (2021: 0.25% and 0.30%). **Carrying amount:** approximates fair value due to the short term to maturity.
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. Although the authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authorities boundaries. **Carrying amount:** approximates fair value (after deduction of any allowance).
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 Authority. **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 amortised cost, interest is charged as an expense usint the effective interest rate. **Terms & conditions:** secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates 2.80%. **Carrying amount:** approximates fair value.

Liquidity Analysis

2022	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Equivalents	**126,130**	-	-	**126,130**	**126,130**
Receivables	**98,664**	-	-	**98,664**	**98,664**
Total	**224,794**	-	-	**224,794**	**224,794**
Financial Liabilities					
Payables	**59,003**	-	-	**59,003**	**59,003**
Borrowings	**70,000**	**287,788**	**305,058**	**662,846**	**502,136**
Total	**129,003**	**287,788**	**305,058**	**721,849**	**561,139**

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

2021		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$	$	$	$	$
Cash & Equivalents		**169,344**	-	-	-	**169,344**
Receivables		**49,278**	-	-	-	**49,278**
	Total	**218,622**	-	-	-	**218,622**
Financial Liabilities						
Payables		**36,567**	-	-	-	**36,567**
	Total	**36,567**	-	-	-	**36,567**

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

	2022		2021	
$'000	Weighted Av Interest Rate	Carrying Value	Weighted Av Interest Rate	Carrying Value
Variable Interest Rates	**2.80%**	**502,136**		-
		502,136		-

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 Authority is the carrying amount, net of any impairment. All Authority 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 Authorities 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 the Authority'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 Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority 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.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 12 Uniform Presentation of Financial Statements

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

All Local Government Councils and Authorities 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 Authorities finances.

		2022 $		2021 $
Income		333,006		217,344
Expenses		(583,824)		(498,698)
Operating Surplus / (Deficit)		(250,818)		(281,354)
Less Net Outlays in Existing Assets				
Capital Expenditure on renewal and replacement of Exising Assets	(591,879)		-	
Add back Depreciation Amortisation and Impairment	322,298		321,163	
Proceeds from Sale of Replaced Assets	-		-	
		(269,581)		321,163
Less Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	-		-	
Amounts received specifically for New and Upgraded Assets	-		-	
Proceeds from Sale of Surplus Assets	-		-	
		-		-
Net Lending / (Borrowing) for Financial Year		(520,399)		39,808

Note 13 – Contingencies & Assets & Liabilities not recognised in the Balance Sheet

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2022.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 14 - Events Occurring After Reporting Date

There were no events subsequent to 30 June 2022 that need to be disclosed in the financial statements.

Note 15 - Related Parties Disclosures

Key Management Personnel

The Key Management Personnel of the Gawler River Floodplain Management Authority (GRFMA) include the Chairman, Board Members, Deputy Board Members and Executive Officer. In all Key Management Personnel were paid the following total compensation:

	2022 $	2021 $
Salaries, allowances & Other Short Term Benefits	$65,126	$65,530
TOTAL	**$65,126**	**$65,530**

	Amounts received from Related Party during the financial year	Amounts received from Related Party during the financial year
	2022 $	**2021 $**
Adelaide Hills Council	$32,076	$12,597
The Barossa Council	$36,730	$28,683
Town of Gawler	$44,116	$33,044
Light Regional Council	$36,730	$28,683
Adelaide Plains Council	$53,966	$38,863
City of Playford	$58,898	$41,769
TOTAL	**$262,516**	**$183,639**

The Authority has been established for the following purposes:

1. To co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
2. To raise finance for the purpose of developing, managing and operating and maintaining works approved by the board;
3. To provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River;
4. Upon application of one or more Constituent Councils pursuant to clause 12.4:
    1. to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities: and
    2. to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

ANNUAL 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 Gawler River Floodplain Management Authority for the year ended 30 June 2022 the Authority's Auditor Dean Newbery and Partners 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.

....

David Hitchcock

EXECUTIVE OFFICER

....

Peter Brass

PRESIDING MEMBER AUDIT COMMITTEE

....

James Miller

ACTING CHAIR GRFMA

18/8/22

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

CERTIFICATION OF AUDITOR INDEPENDENCE

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

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Andrew Aitken
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Andrew Aitken
Chief Executive Officer
Adelaide Hills Council

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James Miller
Chief Executive Officer
Adelaide Plains Council

DocuSigned by:
Henry Inat
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Henry Inat
Chief Executive Officer
Town of Gawler

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Martin McCarthy
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Martin McCarthy
Chief Executive Officer
The Barossa Council

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Sam Green
Chief Executive Officer
City of Playford

DocuSigned by:
Richard Dodson
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Richard Dodson
Acting Chief Executive Officer
Light Regional Council