



CLARE & GILBERT VALLEYS COUNCIL

ANNUAL REPORT 2008/2009



Clare and Gilbert Valleys is well known for its high quality fine wines and productive agricultural lands, natural environment and interesting towns and villages creating a wonderful place to live, work and visit.

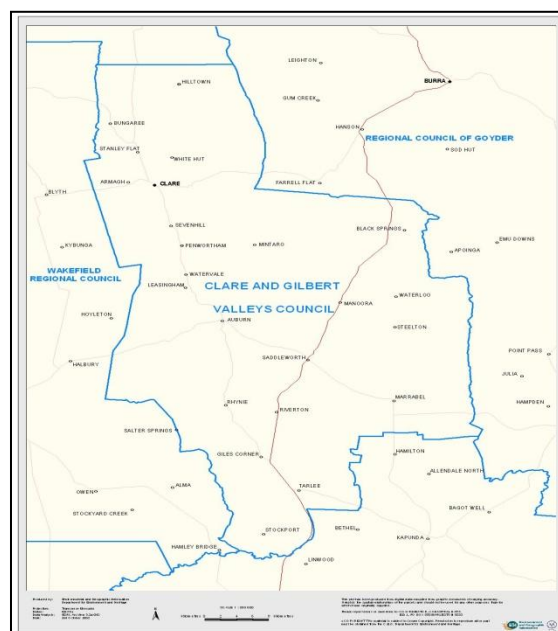
Clare received its name in 1846 from Edward Gleeson who settled in the area as a sheep farmer and named it after his native county in Ireland. Settlers from England, Wales, Austria and Poland moved in to the region, creating its rich heritage and assorted architectural styles. In 1845 copper was discovered in nearby Burra, hence a transport corridor was built to convey the ore to the Gulf of St Vincent. Around this passageway, towns sprang up: Mintaro, Watervale, Auburn and Leasingham, which all still stand today. Mintaro has world class slate deposits with an operating quarry and superbly maintained heritage buildings, many available as tourist accommodation.

Riverton is situated in the heart of the fertile Gilbert Valley. Farmers in the Gilbert Valley mainly produce cereal, legume and hay crops, sheep, cattle, pigs and poultry with recent diversification into small seed crops, vines, olives, and intensive animal keeping.

Clare Valley, renowned for its Riesling has another landmark named after the wine: the Clare Valley Riesling Trail. The trail utilises a disused railway line for cycling and walking and incorporates many of the wineries and vineyards during its 24km path from Barinia to Auburn. Almost 30 wineries in this region are supported by a visitor information centre which assists tourists in discovering the excellent services, food and wines of the area. The trail is currently being extended from Auburn through to Riverton.

With its close proximity to Adelaide, the Clare and Gilbert Valleys offer an escape for the city dweller. With its array of accommodation, bed and breakfast, hotels, motels and camping facilities, tourists can be satisfied with the range available. The natural beauty of the Clare and Gilbert Valleys also attracts gifted artists to the region for inspiration.

The residents of the Clare and Gilbert Valleys welcome visitors to the district and have worked together to enhance tourist numbers with careful management of their natural resources. Award winning wines from the region help attract international tourists as well as winemakers who wish to experience the wine producing qualities of this region.





STATEMENT OF PURPOSE

Vibrant communities working together to grow in a dynamic, innovative and sustainable way.

To achieve our Statement of Purpose we will:

- *be ethical and professional at all times*
- *promote open and effective community consultation, which facilitates discussion, involvement, action and partnership*
- *provide excellence in customer service by facilitating prompt, accurate and effective response to customer concerns*
- *adopt sound business principles in the management of Council resources*
- *encourage quality, innovation and continuous improvement in the delivery of services to the community.*

The following extract from the *Local Government Act 1999* details Council's statutory requirements for the production of the Annual Report.

1. A Council must, on or before 30 November in each year, prepare and adopt an annual report relating to the operations of the Council for the financial year ending on the preceding 30 June.
2. The annual report must include the material, and include specific reports on the matters, specified in schedule 4 as amended from time to time by regulation.
3. The annual report must comply with any requirement prescribed by the regulations.
4. A copy of the annual report must be provided by the Council to each member of the Council.
5. A copy of the annual report must be submitted by the Council
 - a) to the Presiding Members of both Houses of Parliament; and
 - b) to the persons or bodies prescribed by the regulations, on or before a day determined under the regulations.
6. The Presiding Members of the Houses of Parliament must within six sitting days after receiving a copy of annual report under subsection (5), lay the copy before their respective Houses.
7. A Council may provide to the electors for its area an abridged or summary version of its annual report.
8. A Council must ensure that copies of its annual report are available for inspection (without charge) and purchase (on payment of a fee fixed by the Council) by the public at the principal office of the Council.



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Welcome to the Annual Report for 2008/2009 for the Clare & Gilbert Valleys Council.

Your Council continues to assiduously seek to create and maintain community assets and infrastructure, whilst balancing these needs against a background of debt and need for responsible rating.

The budget for 2008/2009 was subject to heavy deliberation that allowed for the following major projects to be undertaken, whilst delivering efficiencies and financial prudence, a balance that must continue.

Council has had a productive year in providing vital infrastructure and important community services for communities across the district.

Major projects completed for this year in review include:

- Charles Street, Tarlee – construct & seal
- Anama Lane commenced
- Spring Gully Road – 2km construct & seal
- Gillen Street/Gleeson Street upgrade
- Auburn Library renovations
- Clare Library renovations
- Riverton Hall renovations
- Stockport Youth Group Shed
- Lions Park Shelters
- Zonta Park upgrade
- Saddleworth Hall renovations
- Clare Caravan Park cabins
- Riverton Caravan Park disability access cabin
- Scholz Park cottage renovations
- Ngadjuri Lodge unit renovations



Volunteers make an enormous contribution to the quality of life, services and facilities enjoyed by our citizens and visitors alike. Whether this be through our Service Clubs, Oval Management, Town Hall Committees, Churches, History Groups, Emergency Services, Health and Allied Services, Bush Care, Community Passenger Transport Network, Libraries, Trails and Sporting Clubs (to name but a few), their unstinting efforts to create community cohesion and provide the facilities and services for a stronger, healthier community are to be commended. The work of volunteers is an important complement to Council's role in helping communities work together. To support volunteers, the Clare & Gilbert Valleys library service network will provide a volunteer resource capability in with start up funding provided through the State Government.

The demands of office have grown exponentially as I seek a better deal for the people of the Clare & Gilbert Valleys. This cannot be achieved without the unstinting support of Deputy Mayor Alan Rye, Councillors Ackland, Calvert, Golding, Molineux, Perry, Schwarz, Thomas and Wurst and all members of Council Staff. Councillor Rye was appointed Deputy Mayor in February 2009, replacing Liz Calvert whose term as Deputy Mayor had concluded. I thank Liz Calvert for her support and excellent work as Deputy Mayor. I thank them all for discharging their duties with diligence and enthusiasm and pay tribute to the many hours of their own time that they quietly contribute so generously to the community they serve.

Allan Aughey
Mayor



The audited annual financial statements for the Council show a significant improvement in the financial position of the Council relative to the same point 12 months ago.

The Income Statement shows a small operating deficit of \$38,414. The result has been affected considerably by the requirement to recognize in the Balance Sheet, a liability for future remediation works at Council's refuse sites at Clare and Rhynie. This liability has been estimated at \$922,778 with an amount of \$814,334 showing in the income statement as an expense, and \$108,444 being capitalized to reflect the estimated value of the remaining life of the sites.

An allocation towards the first stage of the remediation has been included in the 2009/2010 budget and will reduce the liability in the balance sheet when expended.

The total capital expenditure was \$4,339,167 of which \$2,265,687 was spent on asset renewal. The asset sustainability ratio was 81% which fell short of the target range of between 90% and 100% but was an improvement on the previous year's ratio of 68%.

Financial Indicators

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 for Local Government.

| | 2009 | 2008 | 2007 |
|---------------------------------|-----------|-----------|-----------|
| Operating Surplus | (38,414) | 170,554 | (549,835) |
| Operating Surplus Ratio | 0% | 2% | (8%) |
| Net Financial Liabilities | 8,208,365 | 7,472,685 | 7,202,524 |
| Net Financial Liabilities Ratio | 65% | 65% | 69% |
| Interest Cover Ratio | 4.6% | 3.1% | 2.7% |
| Asset Sustainability Ratio | 81% | 68% | 74% |
| Asset Consumption Ratio | 58% | 59% | 60% |



With no new loans being taken out during the year, Council's loan liabilities reduced by the principal repayments of \$618,649.

General reserves at 30 June 2009 amounted to \$6.073m, \$3.1m of which is set aside for the community wastewater management schemes and \$2.5m being unspent grant and loan funds.

The Council supported the Federal Government's stimulus package in response to the global financial crisis. The Council was awarded \$147,000 which was applied towards:

1. Clare Town Hall – new roof
2. Rattler Cycling/Walking Trail – surface preparation and construction
3. Auburn Institute - upgrade

A further \$50,000 has been indicated for 2009/2010 and Council will be submitting project proposals for consideration by the Federal Government.

Council also prepared the Clare Town Hall Redevelopment Project for consideration by the Federal Government. This major project would see the installation of a new level in the Town Hall to create a community meeting hall/entertainment facility with provision for a new public library and commercial space at street level. The project was not successful in attracting funding through the 2009 round. The future of this project is dependent on external funding opportunities being available and decisions of Council.

The Waterloo Windfarm has received Development Approval under the Development Act. The project received planning consent in 2005 but was not progressed at the time because of uncertainty with Federal and State Government policies on windfarms. Windfarm developer Roaring 40's has proceeded to obtain the relevant approvals to implement the project. To resolve a condition of approval in respect of future impacts of windfarm traffic on the local road network, agreement was reached with Roaring 40's for the company to pay to Council today's equivalent of \$1.85m over a 10 year period. The first installment of \$1m has been paid to Council and this will be followed by 10 annual payments of \$105,000.

This investment by the Company will assist in ensuring that the local road network serving the Waterloo Windfarm is appropriately resourced to deal with the transport load created by the Windfarm operations.

The implementation plan for the upgrading of the Clare, Saddleworth and Riverton community waste water management schemes is on track for completion by 30 June 2010. These upgrades will result in improved environmental outcomes and valuable water reuse opportunities.

The consideration of Council's long term financial and asset management plans has created an active discussion within the Council about the sustainability of assets and the need to ensure an adequate level of investment in renewal of existing infrastructure and assets.



The decision on the Council's asset portfolio will require ongoing conversations with our communities about the provision, maintenance and renewal of these properties and associated infrastructure, particularly with a view to identifying those that are no longer serving a useful function and/or requiring more resources than can reasonably be allocated, and would be better off disposed from public ownership.

In closing I commend this 2008/2009 Annual Report to the reader for consideration in learning about the work and activities of the Council on behalf of the Clare & Gilbert Valleys Community.

I thank Mayor Aughey and Councillors, Council Staff and our partners in community development across the district for the work that was accomplished throughout the year.

Roy Blight
Chief Executive Officer



*Mayor Allan Aughey, Trevor Ackland, Elizabeth Calvert, Nedd Golding, Wayne Molineux
Helen Perry. Deputy Mayor Alan Rye, Dianne Schwarz, Wayne Thomas, Sue Wurst*

| | | |
|----------------------|-------------------|------------------------------------|
| Mayor: | Allan Aughey | Lot 101 CLARE SA 5453 |
| Deputy Mayor: | Alan Rye | PO Box 73 SEVENHILL SA 5453 |
| Councillors: | Trevor Ackland | PO Box 77 WATERVALE SA 5452 |
| | Elizabeth Calvert | PO Box 78 SADDLEWORTH SA 5413 |
| | Nedd Golding | PO Box 542 CLARE SA 5453 |
| | Wayne Molineux | PO TARLEE SA 5411 |
| | Helen Perry | PO Box 5001 CLARE SA 5453 |
| | Dianne Schwarz | 3 Glynn Street RIVERTON SA 5412 |
| | Wayne Thomas | PO Box 37 MANOORA SA 5414 |
| | Susan Wurst | 12 Henry Street CLARE SA 5453 |



(The *Local Government (Elections) Act 1999* requires that elections will be held at intervals of four years, with the next election occurring in November 2010)

Ordinary meetings of Council are usually held every third Monday of the month, commencing at 7pm. Members of the public are welcome to attend all regular Council meetings. Public question time is held during the meetings and anyone wishing to ask a question of Council is encouraged to attend. Further information about public question time and Council meetings is available from the Council offices.

MEETING ATTENDANCE

A total of 12 Ordinary Council meetings and 6 Special Council meetings were held during the year.

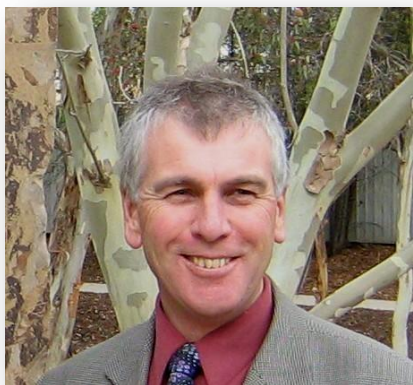
Meetings attended from July 2008 to June 2009

| | Ordinary Meetings | Special Meetings |
|--------------------------|-------------------|------------------|
| Mayor Allan Aughey | 12 | 5 |
| Deputy Mayor Cr Alan Rye | 12 | 5 |
| Cr Trevor Ackland | 9 | 5 |
| Cr Elizabeth Calvert | 11 | 5 |
| Cr Nedd Golding | 10 | 6 |
| Cr Wayne Molineux | 9 | 2 |
| Cr Helen Perry | 12 | 5 |
| Cr Dianne Schwarz | 10 | 3 |
| Cr. Wayne Thomas | 11 | 4 |
| Cr Sue Wurst | 9 | 4 |

Information on allowances paid to Elected Members of the Council

- | | |
|-----------------------------|--------------------|
| 1. Mayoral Allowance | \$22,800 per annum |
| 2. Deputy Mayoral Allowance | \$ 7,110 per annum |
| 3. Members Allowance | \$ 5,700 per annum |

In addition, Elected Members are provided a notebook computer and fax machine to receive information from Council. A travel allowance for “eligible journeys” (as defined in Regulation 3 of the Local Government (Members Allowances and Benefits) Regulations 1999) at the rate per kilometre prescribed in Section 82KX(1)(a) of the Income Tax Assessment Act 1936 is available.



Roy Blight
Chief Executive Officer

Roy was appointed Chief Executive Officer of Council in November 2007 and has extensive experience in rural and regional Local Government within South Australia.

Responsible for:

- Leadership to Council on issues of importance to its Communities and the region.
- Managing the assets and affairs of the Council effectively and efficiently,
- Coordinating its corporate resources, managing the legislative and strategic intervention as required.
- Responsible for implementing Council decisions and policies, day to day operations and affairs of the Council.
- Application of proper management practices and assist Council to assess its performance against its strategic management plans.
- Proper management and maintenance of Council assets and resources.
- Coordination of proposal and provide advice to the Council.

Information on remuneration of Senior Executive Officers

Chief Executive Officer – Roy Blight

The salary package includes private use of a motor vehicle in lieu of overtime and penalty rates, full details of which are included in the Register of Salaries and Allowances which is available for inspection at the Clare Office, 4 Gleeson Street, Clare.



COUNCIL STAFF

Chief Executive Officer's Office

Roy Blight - Chief Executive Officer
Beverley Goode - Executive Assistant

Finance

Carol McAvaney – (Manager)
Sarah Pyrke
Karen Pfitzner
Chris Pitcher

Governance/Risk Management

Patricia Flood – (Manager)
Leanne Kunoth

Administration

Claire Longbottom
Tania Dodd
Kathy Alty
Lynda Moore
Lyn Cook
Karen Slape

Compliance

Abbie Slater

Planning & Development

Robert Veitch – (Manager) (resigned April 2009)
David Case – Principal Planner (commenced June 2009)

Co-ordinator

Kathy Jones

Planning

Susan Giles
Georgina Burgess

Building

Digby Addison

Health

Rai Pasetto

Administration

Laura Pink

Library & Information Services

Heather Lymburn – (Manager)
Joy Williams
Candice Ellis
Bernadette Fahey
Charles Cooper
Dora Newhouse
Lurlene Simpson
Janice Kelly



The Valleys Lifestyle Centre

Andrew Waters – (Manager)
Julie McEwin
Sonia Goss
Nick Martin
Joanne Smith
Kerry Pryor
Debra Tobin
Katie Knappstein
Gaynor Sommerville
Erin Parish
Penelope Heinjus
Stacey Lands
Jacqueline Norton
Shirley Lands

Community Passenger Network

Damian Graham

Visitor Information Centre

Marlene Cott
Alison Ward
Lesley Randolph
Christine Koerner
Lorelie Hill

Youth/Domain

Lucy McKinnon

Asset & Project Management

Tony Eckermann – Manager
Grant McKenzie – Deputy Works Manager

Administration

Leanne Schirmer
Boyd Kench

Overseers

Chris Sullivan
Paul Durkay

Leading Hands

Richard Tappin
Ian Smith

Asset Management

Geoff Duke

Facility/Contract/Maintenance Supervisor

Gary Easthope

Asset Maintenance

Neil Moroney

Mechanic

Simon Goode
Brian Napper

Gardeners

Robert McMurray
John Hogan

Waste Management

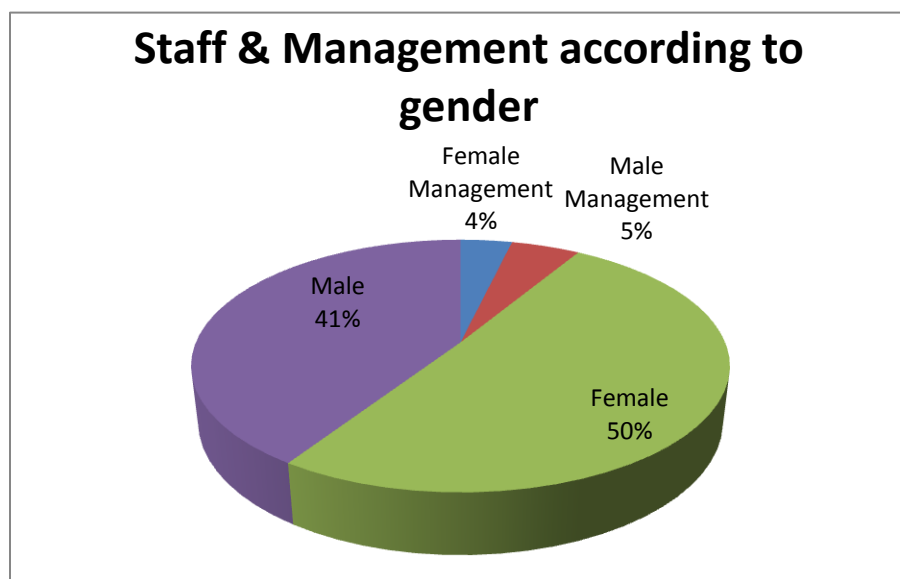
Damien Philp
Stephen Withall

Maintenance/Construction

Steven Sanford
Mick Hean
Ian Francis
Graham Lands
Ian Nitschke
Darren Clark
Ian Noble
Mick Hean
Paul Henbest
Brian Friebe
Gavin Burow
Nathan Skinner
Jason Conroy
Scott Bruce

HUMAN RESOURCES – COUNCIL STAFF

Council employs a total workforce of 81 people.





COUNCIL COMPOSITION

The Council comprises of a total area of 185,142 hectares. There are 9 Councillors, plus the position of Mayor. The current representation quota for the Council is 771 electors per Elected Member.

As required under Schedule 4 of the Local Government Act 1999, a comparison with councils of similar size/type reveals the following:

| Council | Elected Members | Electors | Rep. Quota |
|------------------------------------|-----------------|-------------|------------|
| Berri | 11 | 8151 | 741 |
| Clare & Gilbert Valleys | 10 | 7717 | 771 |
| Grant | 10 | 7047 | 704 |
| Light | 11 | 10412 | 946 |
| Mallala | 11 | 6795 | 617 |
| Naracoorte | 11 | 6599 | 599 |
| Renmark Paringa | 9 | 7003 | 778 |
| Tatiara | 10 | 5536 | 553 |
| Wakefield | 11 | 5914 | 537 |

CONFIDENTIALITY

In accordance with Council's adopted Code of Practice for use of Confidentiality Provisions in the Local Government Act, the following report confirms the use or otherwise of all of the confidentiality provisions during 2008/2009.

- Number of occasions each of the provision of Section 90(3) and 91(7) were utilised:
 - 10 occasions
- Number of occasions each of the provisions of Section 90(3) and 91(7) were utilised, expressed as a percentage of total agenda items considered:
 - 2.61% (being 10 of 383 minute items)
- An indication of any particular issues that contributed to the use of confidentiality provision on more than one occasion:
 - 3 issues were dealt with on more than one occasion
- An indication of the categories of Section 90(3) that were used:
 - 1 occasion – disclosure which would involve the unreasonable disclosure of information concerning personal affairs of any person.
 - 4 occasions – disclosure which could reasonably be expected to confer a commercial advantage on a person with whom Council is conducting or proposing to conduct business or to prejudice the commercial position of Council.
 - 4 occasions – tender for supply of goods, provision of services or carrying out of works.
 - 1 occasion – would divulge information provided on a confidential basis by public authority or official.
- Number of occasions that information originally declared confidential has subsequently been made publicly available:



- 9 occasions
- Number of occasions that information declared has still not subsequently been made publicly available and the reasons for this in each case:
 - 1 occasion

COUNCIL COMMITTEES

Council has two independent members on the Council Audit Committee who are paid an allowance of \$100 per meeting plus travelling.

The Council Development Assessment Panel consists of four independent members and three Council members. The Presiding Member receives an allowance of \$400 per meeting plus overnight accommodation and the independent Members receive an allowance of \$200 per meeting.

EQUAL EMPLOYMENT OPPORTUNITY

Council maintains its commitment to equal employment opportunities. Council has staff which cover a wide range of age groups, and Council maintains a relatively balanced gender representation. The Chief Executive Officer is appointed as the Equal Employment Officer.

The Chief Executive Officer is responsible for:

- developing and implementing an equal employment opportunity program relating to employment with the Council;
- developing and implementing other initiatives to ensure that employees have equal employment opportunities in relation to that employment.

Human Resources and Personnel Practices, Policies and Procedures are reviewed annually.

RETIREMENT VILLAGES

Pursuant to the requirements of Section 23(4) of the Local Government Act (Implementation) Act 1999 it is reported that Council did not receive any applications for rebates of rates under Section 166(1)(h) (Retirement Villages) during 2006/2007.

COMPETITIVE TENDERING ARRANGEMENTS

Council is required to report on Competitive Tendering arrangements and other measures to ensure services are delivered cost effectively.



The Clare & Gilbert Valleys Council is committed to ensuring a fair, transparent and accountable process in the provision of services, purchasing of goods and services and in the disposal of land and other assets.

The following methods of obtaining goods and services for the Council are:

- a) Over \$25,000 - By Tender
- Between \$500 and \$25,000 inclusive - By either verbal or written informal quotation
- Less than \$500 - No quotations necessary
- b) The Chief Executive Officer and Senior Staff are authorised to engage consultants and contractors provided the expenditure complies with Council's budget.
- c) The Chief Executive Officer and Senior Staff are authorised to call tenders or quotations where there is a need for urgency, or it is evident that a sole acceptable supplier situation exists and where expenditure complies with Council's budget.

The Competitive Tendering Policy is available for inspection at Council's principal office.

In the event of all factors being equal, preference shall be given to local suppliers.

FREEDOM OF INFORMATION

Council recognises its responsibility for public accountability and therefore makes a variety of information available to the public.

The following documents are available for public inspection at the Clare & Gilbert Valleys Council offices free of charge or members of the public may purchase copies at a set fee:

- Annual Business Plan
- Annual Report
- Annual Budget
- Policy Manual
- Agendas and Minutes of all meetings
- Audited Financial Statements

Council also has a policy to provide information to the community as provided for by the Freedom of Information Act 1991.

In the financial year ending 30 June 2009, Council received no applications for access to Council documents under the Freedom of Information Act 1991.

ACCESS TO COUNCIL DOCUMENTS

The following documents are also available for public inspection at the Clare & Gilbert Valleys Council offices free of charge or may be purchased for a set fee:



Documents (general, codes, policies and registers)

- Australia Day Awards Policy
- Banner Policy
- Building Fire Safety Committee
- Car Parking Contribution Policy
- Clare Library Borrowing Policy
- Clare Town Hall Hire Policy
- Code of Conduct for Council Members
- Code of Conduct for Employees
- Code of Practice for Access to Council Meetings & Documents
- Colour of Sheds Policy
- Competitive Tendering, Contracting, Purchasing, Sale &
- Disposal of Land & Other Assets Policy
- Community Owned Property Rate rebate & Service Charge
- Donation Policy
- Concession Policy
- Connection to STEDS Policy
- Corporate Card Usage Policy
- Council Meeting Rotations
- Deferment of Rates Due to Hardship Policy
- Department of Correctional Services Policy
- Development Assessment Procedures Policy
- Economic Incentive Development Policy
- Elected Members Appointment to External Boards
- Entranceways Policy
- European Wasp Policy
- Fines on Rates of Estate Properties
- Heartbeat Inc – Trash & Treasure Markets Ennis Park Policy
- Inspection of Building Work Policy
- Interim Farm Buildings Policy
- Internal Review of Council Decisions Policy
- Keeping of Animals Policy
- Land Development Incentive Policy
- Loans & Council Funding Documents (general, codes, policies and registers)
- Media Contact Policy
- Mobile Food Vehicles Policy
- No Smoking Policy
- Occupational Health Safety & Welfare & Injury Management
- Opening Prayer Policy
- Order Making Policy
- Planting of Vines – Town Centre Policy
- Public Consultation Policy
- Purchase of Closed or Rented Roads Policy
- Rate Capping Rebate Policy
- Rate Rebate Policy 2006
- Rating Policy 2006
- Rhynie - Low Lying Land Policy
- Risk Management Policy
- Riverton Parklands Policy
- Rotary Art Prize Policy
- Scholz Park – August Scholz Travelling Trunk Policy
- Secondhand Transportable Dwellings Policy
- Section 41 Committees Financial Support
- Signs Policy
- Slashing of Township Allotments Policy
- Temporary Occupation of Buildings for Living Purposes Policy
- Tree Management Policy
- Tree Planting on Roadsides Policy
- Underground ETSA Services Policy
- Unmade Road Reserves Policy
- Use of Bird Scarers (Gas Guns etc) Policy
- Volunteer Policy
- Waste Management Charge Rebate
- Water Connection to Council Property Policy
- Elected Member Register of Interests
- List of Fees and Charges
- Record of Delegations
- Register of Salaries



APPLICATION OF COMPETITION PRINCIPLES — NATIONAL COMPETITION POLICY

The Clare & Gilbert Valleys Council is committed to the application of national competition principles, the process for which is set out in the “Statement on the Application of Competition Principles for Local Government” known as the Clause 7 Statement.

All Councils in South Australia are required to identify activities that they are involved in which would be classified as “significant business activities” as defined in the National Competition Policy.

In broad terms “significant business activities” are defined as those activities where the costs are met predominantly from the user, rather than from rates or other revenue sources, and Council is conducting the activity with a view of earning a return, rather than meeting a community need that would not otherwise be met. The National Competition Policy is not intended to apply to non business, non profit government activities.

Any identified “significant business activities” must then be categorised further into category one and category two activities.

Category One business activities are those with an annual revenue in excess of \$2 million, or employing assets with a value in excess of \$20 million.

In accordance with the above the Clare & Gilbert Valleys Council has not identified any category one significant business activities.

Category Two business activities are those that either generate income or consume resources and which are significant to the Council concerned.

The Clare & Gilbert Valleys Council has not identified any category two business activities.

The National Competition Policy principles also extend to the application of Council by-laws and the extent that their application may restrict competition.

Council is preparing a number of by-laws in accordance with this principle ensuring that competition principles are adhered to. During the reporting period, Council did not receive any complaints about the application of competitive neutrality.

PUBLIC CONSULTATION

The Clare & Gilbert Valleys Council maintains a Public Consultation Policy. This was developed and adopted in accordance with Section 50 of the Local Government Act 1999. Section 50 requires the policy to identify steps Council intends to take where the Act requires consultation and provides for the steps to vary according to the class of decisions to be made by Council.

The purpose of this Policy is to outline the principles and procedures that the Council will follow to involve the community in planning and decision making in the local area, and to ensure accountability of the Council to the community through effective communication and consultation strategies.

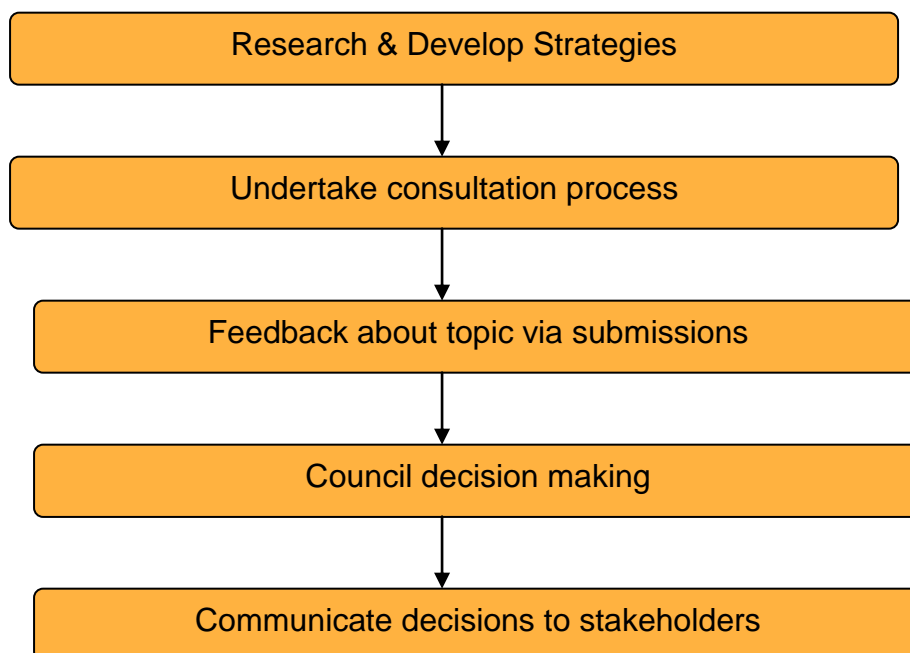


To fulfill the requirements of this Policy, Council will, or has, identified a range of options available to it to communicate information to interested persons and invite submissions.

As a minimum, Council will publish a notice in a newspaper circulating in the area describing the matter for which public consultation is required, and inviting persons to make submissions to the Council within a period, being at least twenty one days from the date of the notice. Council will consider any submission received as part of its decision making process and will have regard to any relevant legislation.

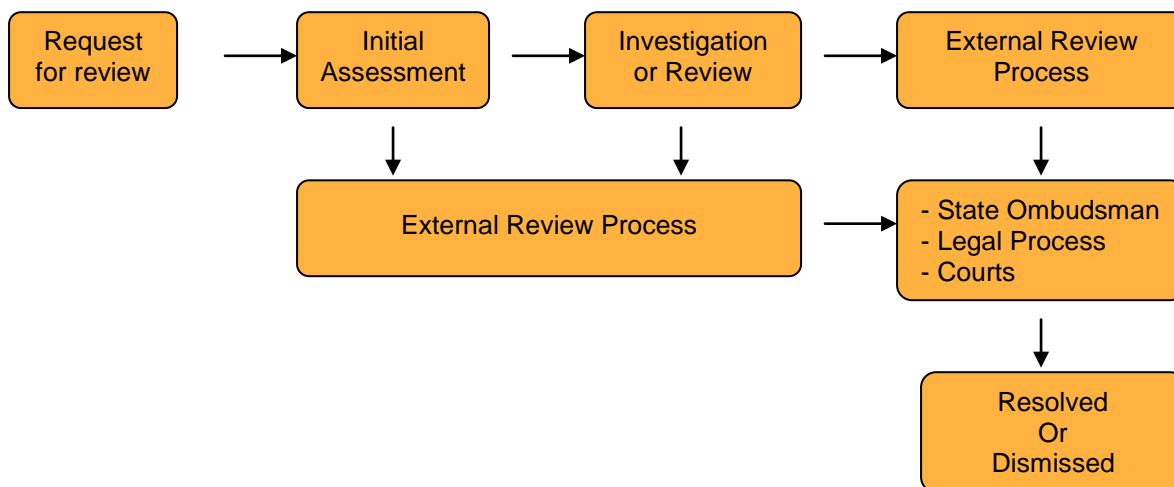
The Clare & Gilbert Valleys Council is committed to transparent decision making processes and to providing access to a fair and objective procedure for the internal review of decisions.

DECISION MAKING PROCESS





INTERNAL REVIEW OF COUNCIL DECISIONS



LOCAL GOVERNMENT LAND — CHAPTER 11 LOCAL GOVERNMENT ACT 1999

All Local Government land became classified as Community Land when the Local Government Act came into effect from 1st January 2000.

The Clare & Gilbert Valleys Council progressively determined which land should be excluded pursuant to Section 193 of the Local Government Act, with community consultation occurring throughout this process. Following consideration of submissions Council made its decision on the land to be excluded.

A Community Lands Register for Council was completed by 31st December 2002.

Where community land is being used for a specific purpose (eg being leased or a permit issued) management plans were prepared detailing the use of the land.



DEVELOPMENT

Council provides a wide range of services, many of which are prescribed by various state Government Acts and Regulations.

This includes:

- The Development Act
- The Heritage Act
- The Building Code of Australia
- The Public and Environmental Health Act
- The Food Act
- The Environment Protection Act
- The Dog and Cat Management Act

The Development Act

Local Government plays a significant role in the development of policies and management of the environment at the local level and also assists at regional and State level. Provision is made under the Development Act, for Council to receive and assess applications for development. These applications range from carports, verandahs and garages to relatively large scale commercial development.

The Heritage Act

Local Government also plays a significant role in the assessment of development proposed in the State Heritage Area of Mintaro, the Historic Conservation Zone in Auburn and numerous State and local listed buildings and properties – throughout the Council area. These development applications are also assessed in accordance with the Heritage Act 1993, with the assistance of the Department of Environment & Heritage, via a Heritage Adviser.

The Development Plan

Management of land uses is also controlled using the provisions of the Clare & Gilbert Valleys Council Development Plan, in conjunction with the Development Act. This is regularly updated and the process to amend it is known as a Development Plan Amendment (DPA). A key requirement of this process is the two month consultation period of a draft DPA with the community, which occurred in late 2008 for the Better Development Plan (DPA).

A Section 30 Review of the Development Plan will occur late 2009. The Heritage Study for Mintaro was approved and gazetted in March 2009, with the agreed amendments included in an updated version of Council's Development Plan.

Development Applications - Planning

The majority of planning applications assessed by Council under the Development Act were “Consent Applications” which do not involve public notification and are dealt with by Council staff using delegated authority.



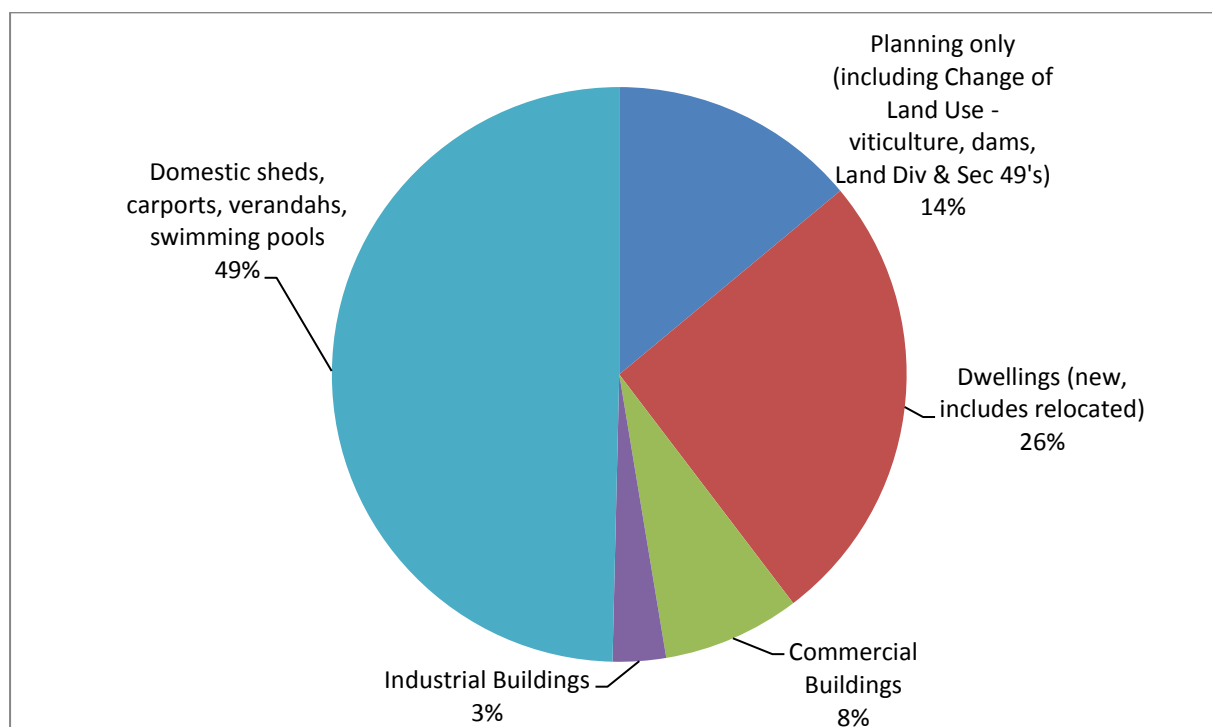
Other applications considered as Category 2 or 3 forms of development pursuant to the Development Act required public notification procedures to be followed. Similarly, those forms of development classed as non-complying also followed the public notification procedure.

Under the Development Act, any persons aggrieved by a decision of Council, with respect to their application, or who are third parties who have lodged representations during the public notification period, are able to lodge an appeal against that decision to the Environment, Resources and Development Court. Compromises are usually reached on all matters which are the subject of an appeal to the Court, however this process was only required for several decisions during 2008/2009.

Development applications received between 1 July 2008 and 30 June 2009 are shown, and as a comparison, development applications received between 1 July 2007 and 30 June 2008 and 1 July 2006 and 30 June 2007 are also provided.

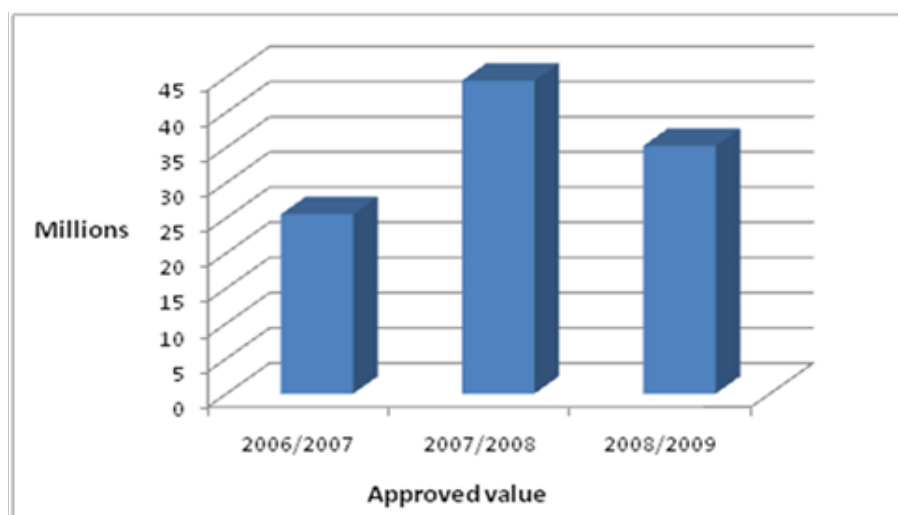
The \$ value decreased from \$44.5M in 2007/08 to \$35.2M in 2008/09, due to the decreased number of domestic type applications as well as commercial applications. It should be noted that these figures relate to planning assessments only and not 'as built' work.

PLANNING APPLICATIONS 2008/2009





Development Applications



Building Fire Safety Committee

Pursuant to Section 71 of the Development Act 1993, the Clare and Gilbert Valleys Council Building Fire Safety Committee carried out inspections and provided guidance for many licensed premises. The committee aims for improvements in fire safety and essential safety provisions for premises inspected, primarily through co-operation with building owners.

Disability Discrimination Act 1992

Pursuant to the requirements of the Disability Discrimination Act 1992, Council's Disability Action Plan was reviewed and upgraded, to ensure that people with disabilities can access Council functions, facilities and services. As a result, several of Council's public buildings were altered to ensure they are Disability Discrimination Act compliant.



OCCUPATIONAL HEALTH SAFETY & WELFARE

The Clare & Gilbert Valleys Council continues its endeavour to maintain a high standard of Occupational Health Safety & Welfare Management. Pursuant to the WorkCover Exempt Employer Standards, Council is required as an exempt employer, to set its own Occupational Health Safety & Welfare (OHS&W) objectives based on the organisations own gap analysis and to integrate Occupational Health Safety & Welfare into the Councils Strategic Plan.

Council's Occupational Health Safety and Welfare Committee, which comprises management and employee representatives, continues to update its program, policies and procedures for the use of employees. Council, the committee, (which meets quarterly to address occupational health safety and welfare issues), and all employees have a continuing commitment to Occupational Health Safety & Welfare. This includes achieving the best possible policies, practices and procedures for the Occupational Health Safety & Welfare of all employees. The Committee currently consists of: five workplace OHSW Representatives: Abbie Slater; Julie McEwin; Charles Cooper; George Nitschke & Mick Hean, three management Representatives: Roy Blight; Grant McKenzie, Pat Flood with Leanne Kunoth, providing secretarial services.

All Member Councils of Local Government Association Workers Compensation Scheme (LGAWCS) have participated in the *Bonus/Penalty System* at contribution time, since 1991. Each year Council receives a rebate or penalty in relation to their Workers Compensation premium from LGAWCS on our overall Safety, Rehabilitation and Claims performance in line with a Rebate Penalty formula. This is calculated over a 4 year period with the current Rebate/Penalty trading window being from 1 April 2005 to 31 March 2009. The maximum rebate is 60% of premium and the maximum penalty is 100% of premium.

As of this year 50%, (50% last year), of the Rebate Entitlement is allocated to calculate the OHSW performance rebate. This is calculated by an annual self audit set against Key Performance Indicators set by LGAWCS. This rebate amount is available to Council in full should our audit score be above 90. If Council achieves less than 90 the Maximum Rebate Entitlement is reduced proportionately.

The results in 2008/09 compared to 2007/08, shows a decrease in percentage from 31.35% to 20.9%. Of this 58% (\$16,588) was applicable to the OHS Self Audit completed by Council and LGAWCS in late 2008, in which Council scored 90%. The other 50% (\$18,431) has declined due to Council resolving two long term claims. This equates to a Rebate cheque of \$35,019.

These results can be attributed to the continued support of Council, Management and Employees and to the dedicated work put in by Council's OHSW Representatives and OHSW Committee.



RISK MANAGEMENT REVIEW

Once again during 2008/2009 a Risk Management Review was undertaken by the Local Government Association Mutual Liability Scheme (LGAMLS) to assess the level of application of risk management strategies in Council. Risk Management has widely been recognised as the key to good corporate governance and compliance and there is a growing trend in the area of legislation and certification to require that risk management principles be in place.

This annual review of LGAMLS Members, of which Clare & Gilbert Valleys Council is one, forms the Risk Management component to the Performance Bonus System for the 2009/10 contribution period. The Review gives Council the opportunity to be rewarded by way of a “discount” off its Gross Contribution.

The Risk Management Review covers most areas of Council operations and specifically areas that have a level of civil liability exposure according to LGAMLS experience, or areas that require a formal risk management approach to prevent potential civil liability claims. As the main pieces of legislation that are administered by Local Government, focus is given to compliance with legislation such as the Local Government Act 1999 and the Development Act 1993.

Council’s gross contribution was \$95,374, which was an overall premium decrease of 1.47%. With the resolution of a long term claim this contribution will continue to decrease.

Council has continued to improve its Risk Management performance. This improvement coupled with Council’s Claims Loss Ratio of 122% gave Council a Performance Bonus of \$6,358 which is deducted from the 2009/2010 contribution.

Council Risk Management review score of 83.4% continues to be above the Local Government Regional average of 81% and not below the Local Government average of 84.1 %. This shows a continued commitment by all Council staff to embrace Risk Management systems and practices.

Council’s Manager of Government & Risk, Pat Flood was recognised by the Local Government Managers Australia in the SA Leadership Excellence Awards as the 2009 Risk Manager of the Year.

TRAINING

Many staff attended training in 2008/2009 and significantly many have completed certificates in their chosen field.

Four administration employees that completed Certificate III last year have continued on with studies in Certificate IV in their work related area, with one having completed this very quickly and achieving Runner Up Trainee of the Year from the Local Government Association.



Council's new Records Management Officer has commenced studies in Certificate IV in Business (Record Keeping).

Council's Compliance Officer completed her Certificate 4 in Regulatory Services.

Within the Environmental Services division of Council the Building Officer is working through a Diploma in Building and Surveying. Further, another one of our employees after completing her Certificate IV in Local Government (planning) has now been accepted into University for the Graduate Certificate in the same field, with the employee from last year having completed her Graduate Certificate in Building and Planning has now moved on to a Graduate Diploma in Urban and Regional Planning

There are currently six works employees undertaking Certificate III in Civil construction. All works employees begin this certificate within 3 months of commencement with Council. This training is available due to Council accessing government and Construction Industry funding. Further to this two works employees are undertaking Certificate IV in Civil Construction.

One Recreation Centre employee completed Certificate III in fitness with another currently undertaking Certificate III.

Many of Council's employees are completing higher levels of studies with the assistance of Council but primarily in their own time.

Many of these employees were eligible for training incentives and therefore Council received \$4,000 per eligible employee and lower course fees. All excess funding provides funding for other employees who are not eligible for training incentives to complete certificates in their chosen field.

With this commitment to training by Council and its employees the Clare and Gilbert Valleys Council has been recognised for training excellence by the Minister in receiving a Runner Up Award for Excellence in Training in Regional SA for the second year running.

| CERTIFICATE | EMPLOYEE |
|---|------------------|
| Certificate 3 in Fitness | Sonia Goss |
| Certificate 4 in Local Government | Kathy Jones |
| Certificate 4 in Local Government (Planning) | Georgina Burgess |
| Certificate 4 in Local Government (Regulatory Services) | Abbie Slater |
| Graduate Certificate for Building & Planning | Susan Giles |



FIRE PREVENTION

The Clare & Gilbert Valleys Council encouraged all ratepayers and residents to undertake necessary and timely fire prevention measures on their properties.

Inspections of township properties were undertaken and 547 hazard reduction notices were issued. Very few of these proceeded to the next level of non-compliance.

Council believes this is due to the success of a new education program that was implemented.

Advertisements were placed in local papers, a fire prevention newsletter was distributed to all residents and ratepayers and community fire safe information sessions were held.

The outcome of this was that the majority of residents were better prepared and informed, therefore fulfilling our obligations and ensuring that the community was safe this fire danger season.



COMMUNITY SERVICES

YOUTH

BOBfest 09 was held in Burra during youth week, on April 4, 2009, in the historic Burra Redruth Gaol. It was a great success with over 450 young people attending. The Clare & Gilbert Valleys Council Youth Advisory Committee (YAC) continue to be a success, continuing to work collaboratively with other YAC groups in the region in activities such as the BOBfest and event management workshops.

The Domain Internet Centre continues to be a base for a range of user groups including the University of the Third Age, Superstars (a group of young people with disabilities), as well as regular users of the facility.

VISITOR INFORMATION CENTRE

Located at the southern end of Clare, the architecturally designed rammed earth facility was completed in 2005. The centre had 31,900 visitors throughout the year with the majority of visitors coming from the Adelaide metropolitan area.

The Visitor Information Centre provides a one stop shop for visitors to the region. Accommodation bookings, souvenirs, tours and an extensive range of brochures on activities and attractions are among the many facilities and services available to visitors. The Centre is open 7 days a week and every day except Christmas Day and is an accredited tourism facility.

LIBRARY

The Clare & Gilbert Valleys Library Service endeavours to engage, inspire and inform community members and help build strong communities. The role of the library service includes supporting reading, research and providing social connections.

Contemporary libraries provide opportunities for people to equip themselves with the life skills that are essential for participation in the information age. They help ensure that all families have the opportunity to reach their potential through promoting lifelong learning and literacy development.

Above all, the Clare & Gilbert Valleys Council Library Service is a community hub, which seeks to provide a quality service which meets the communities ongoing information, education, recreation and cultural needs through the free communication of ideas to develop and enhance all members of the community regardless of age, race, ability or economic situation.

During 2008/09, part of the Clare Library was redeveloped to create an IT area, coffee area and also integrating parenting facilities.



The Clare & Gilbert Valleys Library Service consist of 2 branches and 3 depots. The central branch is at Clare, and the Saddleworth Library and Community Centre offers a library, Council and a range of other community services. Library depots are located at Auburn, Manoora and Watervale.

History Collections are located at Clare and Saddleworth and Riverton. Council also contributes to the Riverton School Community Library, located at Riverton High School.

FACTS:

- The library service has approximately 3,868 borrowers
- The library service contains more than 34,802 items
- 114,671 loans were processed in 2008/09
- 90,820 people visited the library in 2008/09

Items available for loan include books, DVDs, magazines, videos, materials in languages other than English, and materials in formats for the visually impaired, such as cassette books and large print books.

The library provides access to materials held in public libraries across South Australia, through the PLAIN inter-library loan network. It also has a management system, Spydus, which allows access to the library catalogue online 24/7 at <http://cgvc.spydus.com>. The system which is called LINK, is in partnership with the Barossa, Light and Gawler Library Services and allows resources to be shared over the regions. Gawler joined the LINK partnership in 2007/08. Library branches at Clare, Saddleworth, Auburn and the Clare History Collection are connected to the LINK network.

Access to the databases and online homework help is also available through the library or council websites. Programs for children were conducted and a home library service was provided to individuals, organisations and institutions. All branches have free access to the internet, word processing facilities and CD-ROMs, with assistance provided either formally with training sessions or informally as required.



FINANCIAL SERVICES

Council, in its strategic plan, has as one of its goals to ensure the long-term financial viability of the Council. To achieve this effective monitoring and reporting on financial performance is essential and the following reports are prepared to assist.

Annual Business Plan and Budget

The preparation of annual business plan commences early in the calendar year with the distribution of budget worksheets to the managers of each department. Their estimates are then collated into a draft budget document and a number of workshops are held with elected members to refine the document.

Proposed expenditure is listed under the various functions and activities carried out by Council with notes to assist Council in the deliberation process and to inform elected members of the impact that the proposed budget will have on the local community.

As the Annual Business Plan must include an assessment of the financial requirements for the coming year a summary of the budget is included in that document, and public consultation is undertaken prior to its adoption by Council.

A summary of the 2008/2009 and 2009/2010 budgets is shown below.

| | Budget 2008/2009 \$,000 | Budget 2009/2010 \$,000 |
|---|------------------------------------|------------------------------------|
| General Rate Revenue | 7,061 | 7,498 |
| Other Operating Revenue | 5,037 | 5,070 |
| Less: Operating Expenses | 11,834 | 12,454 |
| Operating Surplus/(Deficit) | 264 | 114 |
| Add: | | |
| Depreciation (operating & capitalized) | 3,116 | 3,223 |
| Proceeds from Sale of Assets | 903 | 272 |
| Amounts received for New & Upgraded Assets | - | 1,340 |
| Net Use of Reserve Funds | 4,647 | 3,557 |
| New Loans | - | 3,529 |
| Loans Repaid by Community Groups | 22 | 28 |
| Increase in Employee Entitlements | (8) | 36 |
| New Finance Leases | - | - |
| Less: | | |
| Capital Expenditure | 8,417 | 11,526 |
| Loan Principal Repayments | 619 | 659 |
| Decrease in Accruals & Provisions | | 409 |
| Budgeted Cash Surplus/(Deficit) for Year | (92) | (495) |



The Uniform Presentation of Finances by which Councils have agreed to summarise their annual budgets follows:

| | Budget 2008/2009 \$,000 | Actuals 2008/2009 \$,000 | Budget 2009/2010 \$,000 |
|---|--|---|--|
| Operating Revenues | 12,098 | 13,026 | 12,568 |
| Less: Operating Expenses | (11,834) | (13,064) | 12,454 |
| | 264 | (38) | 114 |
| Less: Net Outlays on Existing Assets | | | |
| Capital Expenditure on Renewal & Replacement of Existing Assets | 3,898 | (2,594) | (9,280) |
| Less: Depreciation | (3,115) | 3,107 | 3,120 |
| Less: Proceeds from Sale Replaced Assets | (903) | 77 | 272 |
| | 120 | 590 | (5,888) |
| Less: Net Outlays on New & Upgraded Assets | | | |
| Capital Expenditure on New & Upgraded Assets | (4,519) | (2,187) | (2,144) |
| Less: Amounts Received for New & Upgraded Assets | | 415 | 1,340 |
| Less: Proceeds from Sale of Surplus Assets | | 474 | |
| | (4,518) | (1,298) | (804) |
| Net Lending/(Borrowing) for Year | (4,134) | (746) | (6,578) |

Monthly Financial Reporting

Elected Members are kept informed of the financial performance on a regular monthly basis by details included in the Chief Executive Officer's Information Report in the Council meeting agenda. The actual financial performance is shown against the adopted budget for each of the various functions and activities carried out.

Budget Reviews

In accordance with the provisions of the Local Government (Financial Management) Regulations, reviews of the budget are considered by Council throughout the year.

These reviews assist Council in monitoring its financial performance and also assist with developing the framework of the following year's budget.

During the 2008/2009 financial year, budget reviews were prepared as at the end of October 2008, January 2009 and May 2009.

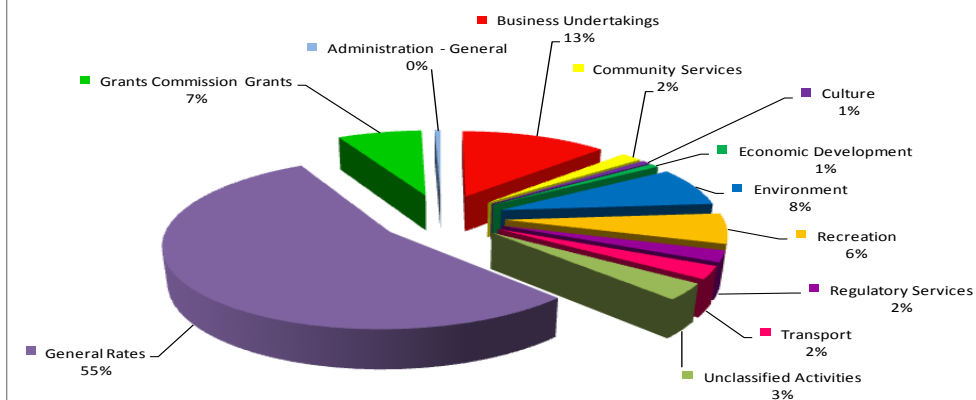
Annual Financial Statements

At the completion of each financial year the Annual Financial Statements are prepared and these detail the financial result of the Council for the entire financial year. The statements are reviewed by Council's Audit Committee and are audited by independent external auditors appointed by Council, Dean Newbery & Partners. The fee paid to the auditor in the 2008/2009 year was \$5,470.

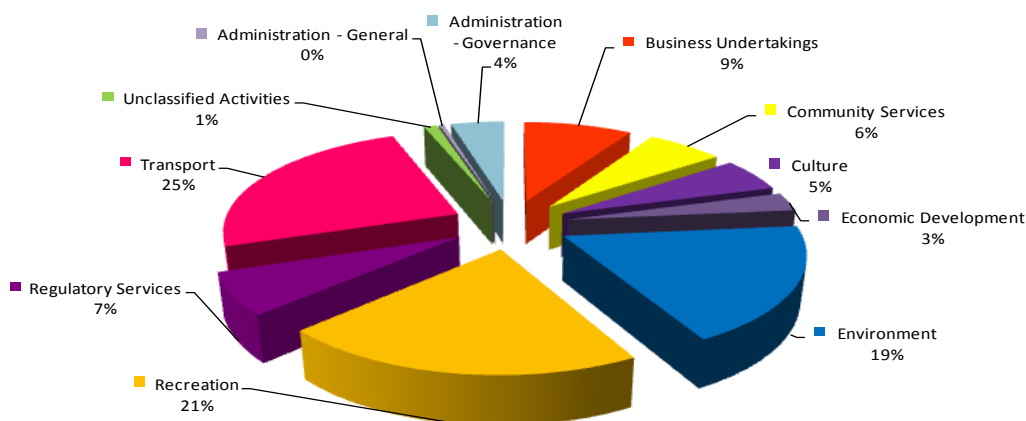
The audit of the 2008/2009 Financial Statements was completed in November 2009 and the statements are attached as an appendix to this report.



Operating Income by Function 2008/2009



Operating Expenditure by Function 2008/2009



BUSINESS UNDERTAKINGS - Community Wastewater Management Systems, Caravan Parks

COMMUNITY SERVICES - Public Order & Safety (Emergency services, Other fire protection, Other public order & safety), Health Services (Immunisation, Preventive health services, Other health services) Community Support (Elderly citizens facilities, Other services for the aged & disabled, Children & youth services, Community assistance, Community Transport, Other Community support),

CULTURE - Library Services, Cultural Services (Heritage, Museums & art galleries, Other cultural services)

ECONOMIC DEVELOPMENT - Regional Development, Tourism, Other Economic Development

ENVIRONMENT - Natural Resource Management Board, Waste Management (Domestic waste, Recycling, Transfer stations, Waste disposal facility, Other waste management), Other Environment (Stormwater & drainage, Street cleaning, Street lighting, Streetscaping, Other Environment)

RECREATION - Parks & Gardens, Indoor Sports Facilities, Outdoor Sports Facilities, Swimming Centres, Other Recreation

REGULATORY SERVICES - Dog & Cat Control, Building Control, Town Planning, Litter Control, Health Inspection, Parking Control, Other Regulatory Services

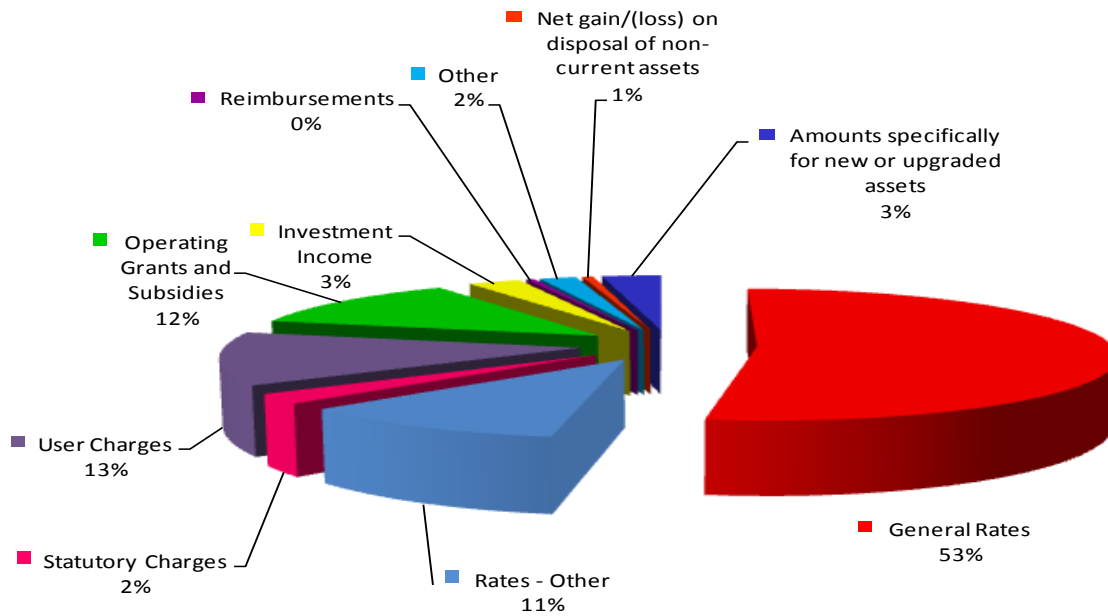
TRANSPORT - Bridges, Footpaths & Kerbing, Roads, Traffic Management, Operating Plant

UNCLASSIFIED - Interest received, Interest expense, Miscellaneous council properties

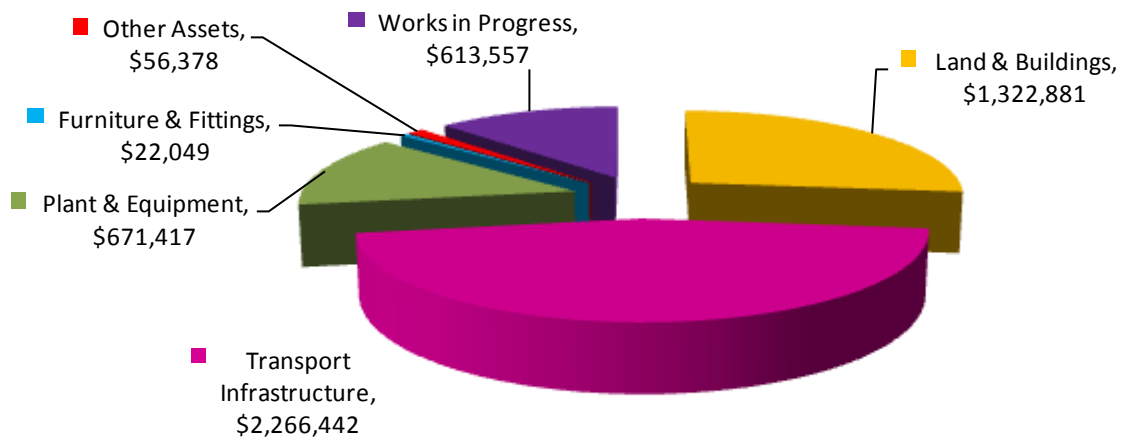
ADMINISTRATION - Governance (Elected Members, Organisational), Support Services (Accounting/finance, Payroll, Human resources, Information technology, Communication, Rates administration, Records, Occupancy, Contract management, Customer services, Other support services), Revenues (Local Government general purpose grants, general rates)



Income by Type - 2008/2009

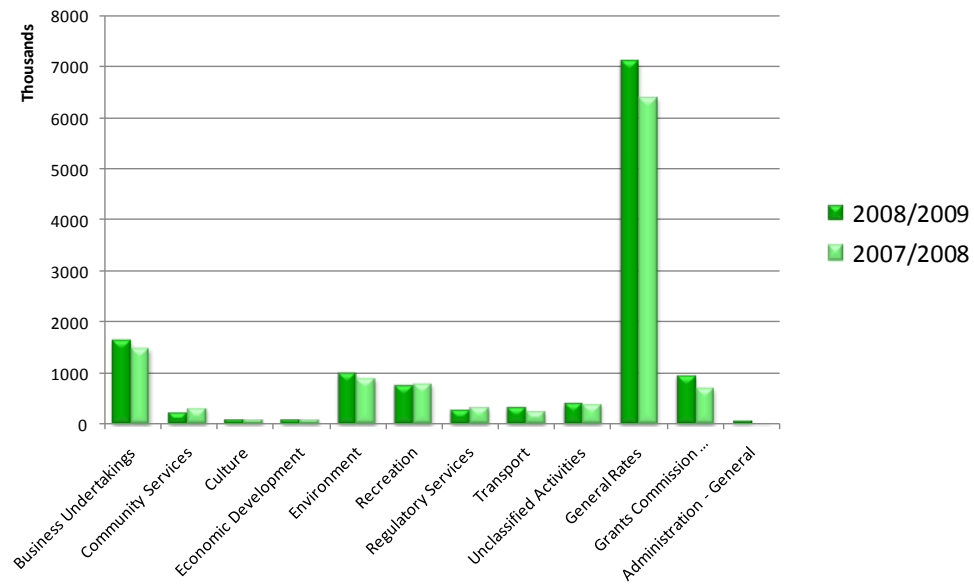


Capital Expenditure 2008/2009

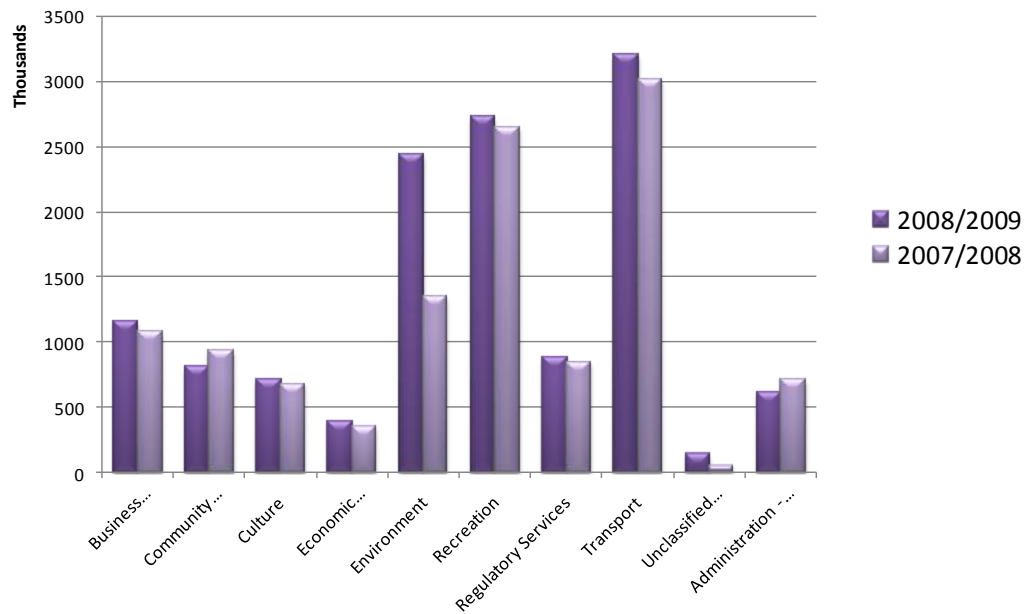




COMPARISON OPERATING INCOME 2007/2008 & 2008/2009



COMPARISON OPERATING EXPENDITURE 2007/2008 & 2008/2009





FURTHER DOCUMENTS AVAILABLE FOR INSPECTION

Members Code of Conduct

Employees Code of Conduct

Code of Practice for access to Meetings and documents

Public Consultation Policy

Annual Business Plan

FURTHER INFORMATION

Clare Council Office

4 Gleeson Street, Clare SA 5453

Telephone: 8842 6400

Facsimile: 8842 3624

Email: admin@cgvc.sa.gov.au

Website: www.claregilbertvalleys.sa.gov.au

Business Hours: Monday - Friday 8.30am – 5.00pm

Saddleworth Branch Office

19 Belvidere Road, Saddleworth SA 5413

Telephone: 8847 4096

Facsimile: 8847 4215

Business Hours: Tuesday to Friday 8.30am – 5.00pm

Saturday 9.30am – 12 noon

Riverton Branch Office

21 Torrens Road, Riverton SA 5412

Telephone: 8847 2305

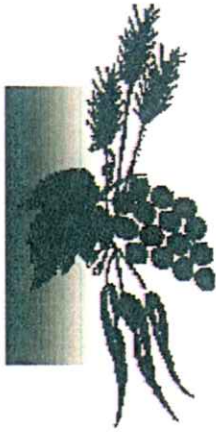
Facsimile: 8847 2500

Business Hours: Thursday & Friday 8.30am – 5.00pm



FINANCIAL REPORT

FOR THE REPORTING PERIOD ENDED 30 JUNE 2009



CLARE & GILBERT VALLEYS COUNCIL

GENERAL PURPOSE FINANCIAL REPORTS
FOR THE YEAR ENDED 30 JUNE 2009

Clare & Gilbert Valleys Council

General Purpose Financial Reports for the year ended 30 June 2009

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Clare & Gilbert Valleys Council

INCOME STATEMENT for the year ended 30 June 2009

| | Notes | 2009 \$ | 2008 \$ |
|--|-------|-------------------|-------------------|
| INCOME | | | |
| Rates | 2 | 8,579,874 | 7,722,200 |
| Statutory charges | 2 | 328,925 | 444,627 |
| User charges | 2 | 1,758,207 | 1,685,911 |
| Grants, subsidies and contributions | 2 | 1,669,708 | 1,335,675 |
| Investment income | 2 | 370,179 | 331,694 |
| Reimbursements | 2 | 57,393 | 42,927 |
| Other income | 2 | 262,016 | 270,003 |
| Total Income | | 13,026,302 | 11,833,037 |
| EXPENSES | | | |
| Employee costs | 3 | 3,561,081 | 3,367,517 |
| Materials, contracts & other expenses | 3 | 5,432,115 | 4,609,442 |
| Finance costs | 3 | 964,219 | 682,300 |
| Depreciation, amortisation & impairment | 3 | 3,107,301 | 3,003,224 |
| Total Expenses | | 13,064,716 | 11,662,483 |
| OPERATING SURPLUS / (DEFICIT) | | (38,414) | 170,554 |
| Net gain (loss) on disposal or revaluation of assets | 4 | 79,035 | (236,094) |
| Amounts received specifically for new or upgraded assets | 2 | 415,000 | 514,868 |
| Physical resources received free of charge | 2 | - | 111,852 |
| NET SURPLUS / (DEFICIT) | | 455,621 | 561,180 |

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

Clare & Gilbert Valleys Council

BALANCE SHEET as at 30 June 2009

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 6,443,448 | 7,374,438 |
| Trade & other receivables | 5 | 931,969 | 591,964 |
| Other financial assets | 5 | 320,239 | 302,465 |
| Inventories | 5 | 185,198 | 264,016 |
| Total Current Assets | | 7,880,854 | 8,532,883 |
| Non-current Assets | | | |
| Financial Assets | 6 | 505,957 | 206,350 |
| Infrastructure, Property, Plant & Equipment | 7 | 82,062,839 | 81,406,278 |
| Other Non-current Assets | 6 | 1,682,872 | 1,069,314 |
| Total Non-current Assets | | 84,251,668 | 82,681,942 |
| Total Assets | | 92,132,522 | 91,214,825 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 8 | 1,374,186 | 1,296,563 |
| Borrowings | 8 | 673,616 | 618,649 |
| Provisions | 8 | 758,067 | 316,842 |
| Total Current Liabilities | | 2,805,869 | 2,232,054 |
| Non-current Liabilities | | | |
| Borrowings | 8 | 12,990,261 | 13,641,025 |
| Provisions | 8 | 613,848 | 74,823 |
| Total Non-current Liabilities | | 13,604,109 | 13,715,848 |
| Total Liabilities | | 16,409,978 | 15,947,902 |
| NET ASSETS | | 75,722,544 | 75,266,923 |
| EQUITY | | | |
| Accumulated Surplus | | 3,561,801 | 1,668,381 |
| Asset Revaluation Reserve | 9 | 66,100,655 | 66,470,061 |
| Other Reserves | 9 | 6,060,088 | 7,128,481 |
| TOTAL EQUITY | | 75,722,544 | 75,266,923 |

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

Clare & Gilbert Valleys Council

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2009

| | 2009 \$ | 2008 \$ |
|---|--------------------|--------------------|
| Notes | | |
| ACCUMULATED SURPLUS | | |
| Balance at end of previous reporting period | 1,668,381 | 4,288,690 |
| Net Surplus / (Deficit) for Year | 455,621 | 561,180 |
| Transfers to Other Reserves | (1,716,678) | (6,202,569) |
| Transfers from Other Reserves | <u>3,154,477</u> | <u>3,021,080</u> |
| Balance at end of period | <u>3,561,801</u> | <u>1,668,381</u> |
| ASSET REVALUATION RESERVE | | |
| 9 | | |
| Balance at end of previous reporting period | 66,470,061 | 66,470,061 |
| Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment | <u>(369,406)</u> | <u>-</u> |
| Balance at end of period | <u>66,100,655</u> | <u>66,470,061</u> |
| OTHER RESERVES | | |
| 9 | | |
| Balance at end of previous reporting period | 7,128,481 | 3,946,992 |
| Transfers from Accumulated Surplus | 1,716,678 | 6,202,569 |
| Transfers to Accumulated Surplus | <u>(2,785,071)</u> | <u>(3,021,080)</u> |
| Balance at end of period | <u>6,060,088</u> | <u>7,128,481</u> |
| TOTAL EQUITY AT END OF REPORTING PERIOD | <u>75,722,544</u> | <u>75,266,923</u> |

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

Clare & Gilbert Valleys Council

CASH FLOW STATEMENT for the year ended 30 June 2009

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Operating receipts | | 13,267,519 | 12,196,470 |
| Investment receipts | | 391,447 | 299,161 |
| <u>Payments</u> | | | |
| Operating payments to suppliers & employees | | (8,794,995) | (8,527,841) |
| Finance payments | | (972,818) | (678,959) |
| Net Cash provided by (or used in) Operating Activities | | 3,891,153 | 3,288,831 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Amounts specifically for new or upgraded assets | | 415,000 | 664,868 |
| Sale of replaced assets | | 76,697 | 263,455 |
| Sale of surplus assets | | 473,872 | 94,778 |
| Repayments of loans by community groups | | 18,470 | 13,177 |
| <u>Payments</u> | | | |
| Expenditure on renewal/replacement of assets | | (2,593,736) | (2,290,699) |
| Expenditure on new/upgraded assets | | (2,222,071) | (2,331,525) |
| Purchase of investment property | | - | (9,395) |
| Net purchase of investment securities | | (17,774) | - |
| Development of real estate for sale | | - | - |
| Loans made to community groups | | (345,000) | (115,921) |
| Net Cash provided by (or used in) Investing Activities | | (4,194,542) | (3,711,262) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| <u>Receipts</u> | | | |
| Proceeds from Borrowings | | - | 3,801,000 |
| Proceeds from Finance Leases | | 35,284 | - |
| Proceeds from Aged Care Facility deposits | | - | 15,000 |
| Proceeds from Trust Funds | | - | 2,720 |
| <u>Payments</u> | | | |
| Repayments of Borrowings | | (618,649) | (525,025) |
| Repayment of Finance Lease Liabilities | | (12,431) | - |
| Repayment of Aged Care Facility deposits | | (20,000) | - |
| Trust Funds Repaid | | (11,805) | - |
| Net Cash provided by (or used in) Financing Activities | | (627,601) | 3,293,695 |
| Net Increase (Decrease) in cash held | | (930,990) | 2,871,264 |
| Cash & cash equivalents at beginning of period | 11 | 7,374,438 | 4,503,174 |
| Cash & cash equivalents at end of period | 11 | 6,443,448 | 7,374,438 |

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

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 1999*.

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Clare & Gilbert Valleys Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 4 Gleeson Street, Clare SA. These financial statements include the consolidated fund and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

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

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

4 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.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Transitional Provisions

As at 1 July 2008, Council has elected not to recognise any values for land under roads acquired before the commencement of AASB 1051 *Land Under Roads*. Details of the effects of this election are given in Note 7.

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".

6.2 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. 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 & equipment* when completed ready for use.

6.3 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. Examples of capitalisation thresholds applied during the year are as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

| | |
|---|----------|
| Office Furniture & Equipment | \$1,000 |
| Other Plant & Equipment | \$1,000 |
| Buildings - new construction/extensions | \$10,000 |
| Park & Playground Furniture & Equipment | \$2,000 |
| Road construction & reconstruction | \$10,000 |
| Paving & footpaths, Kerb & Gutter | \$2,000 |
| Drains & Culverts | \$5,000 |
| Reticulation extensions | \$5,000 |
| Sidelines & household connections | \$5,000 |
| Artworks | \$5,000 |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

6.4 Subsequent Recognition

Certain 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.

6.5 Depreciation of Non-Current Assets

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

Depreciation on Plant, Furniture & Equipment is recognised on a diminishing balance basis. Depreciation of Infrastructure, Buildings & Other Structures is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council.

| | |
|--------------------------------------|-----------------|
| Plant, Furniture & Equipment | |
| Office Equipment | 5 to 10 years |
| Office Furniture | 10 to 20 years |
| Vehicles and Road-making Equip | 5 to 8 years |
| Other Plant & Equipment | 5 to 15 years |
| Building & Other Structures | |
| Buildings – masonry | 50 to 100 years |
| Buildings – other construction | 20 to 40 years |
| Park Structures – masonry | 50 to 100 years |
| Park Structures – other construction | 20 to 40 years |
| Playground equipment | 5 to 15 years |
| Benches, seats, etc | 10 to 20 years |
| Infrastructure | |
| Sealed Roads – Surface | 15 to 25 years |
| Sealed Roads – Structure | 20 to 50 years |
| Unsealed Roads | 10 to 20 years |
| Bridges – Concrete | 80 to 100 years |
| Paving & Footpaths, Kerb & Gutter | 80 to 100 years |
| Drains | 80 to 100 years |
| Culverts | 50 to 75 years |
| Flood Control Structures | 80 to 100 years |
| Dams and Reservoirs | 80 to 100 years |
| Bores | 20 to 40 years |
| Reticulation Pipes – PVC | 70 to 80 years |
| Reticulation Pipes – other | 25 to 75 years |
| Pumps & Telemetry | 15 to 25 years |
| Other Assets | |
| Library Books | 10 to 15 years |
| Artworks | indefinite |

6.6 Impairment

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

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

6.7 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with the allowed alternative treatment in AASB 1023 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

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 & 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.

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". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

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.

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.

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.

9.2 Superannuation

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

10 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".

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

12 Leases

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

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

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

13 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.

14 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

15 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2009 reporting period.

- AASB 3 *Business Combinations*
- AASB 101 *Presentation of Financial Statements*
- AASB 123 *Borrowing Costs*
- AASB 127 *Consolidated and Separate Financial Statements*
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*
- AASB 2007-8 & AASB 2007-10 *Amendments to Australian Accounting Standards arising from AASB 101*
- AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation*
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*
- AASB 2008-5 & AASB 2008-6 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 1 - Significant Accounting Policies (cont)

- AASB 2008-8 *Amendments to Australian Accounting Standards - Eligible Hedged Items*
- AASB 2008-9 *Amendments to AASB 1049 for Consistency with AASB 101*
- AASB 2008-11 *Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities*
- AASB 2008-12 *Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition*
- AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners*
- *Interpretation 15* *Agreements for the Construction of Real Estate*
- *Interpretation 16* *Hedges of a Net Investment in a Foreign Operation*
- *Interpretation 17* *Distributions of Non-cash Assets to Owners*
- *Interpretation 18* *Transfers of Assets from Customers*
- (Standards not affecting local government have been excluded from the above list.)

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

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 2 - INCOME

| | Notes | 2009 \$ | 2008 \$ |
|--|-------|------------------|------------|
| RATES REVENUES | | | |
| <u>General Rates</u> | | 7,150,993 | 6,489,465 |
| Less: Mandatory rebates | | (75,426) | (72,781) |
| Less: Discretionary rebates, remissions & write offs | | (23,183) | (73,949) |
| | | 7,052,384 | 6,342,735 |
| <u>Other Rates</u> (including service charges) | | | |
| Natural Resource Management levy | | 302,614 | 299,880 |
| Waste collection | | 509,541 | 482,982 |
| Community wastewater management systems | | 662,603 | 556,590 |
| | | 1,474,758 | 1,339,452 |
| <u>Other Charges</u> | | | |
| Penalties for late payment | | 52,732 | 40,013 |
| | | 52,732 | 40,013 |
| | | 8,579,874 | 7,722,200 |
| STATUTORY CHARGES | | | |
| Development Act fees | | 71,781 | 127,572 |
| Town planning fees | | 115,990 | 143,494 |
| Animal registration fees & fines | | 51,299 | 47,320 |
| Health inspection fees | | 39,771 | 35,667 |
| CWMS connection fees | | 42,583 | 78,434 |
| Other fines, penalties & expiations | | 7,501 | 12,140 |
| | | 328,925 | 444,627 |
| USER CHARGES | | | |
| Cemetery/crematoria fees | | 30,853 | 37,193 |
| Caravan park fees | | 936,995 | 857,356 |
| Library services | | 6,821 | 13,161 |
| Elderly citizens facilities | | 34,716 | 32,679 |
| Tourism | | 96,502 | 90,861 |
| Recreation fees | | 490,438 | 481,115 |
| Waste management fees | | 95,568 | 95,348 |
| Sundry | | 66,314 | 78,198 |
| | | 1,758,207 | 1,685,911 |
| INVESTMENT INCOME | | | |
| Interest on investments | | | |
| Local Government Finance Authority | | 294,663 | 278,731 |
| Banks & other | | 38,953 | 38,432 |
| Loans to community groups | | 36,563 | 14,531 |
| | | 370,179 | 331,694 |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 2 - INCOME (continued)

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|------------------|------------------|
| REIMBURSEMENTS | | | |
| - other | | 57,393 | 42,927 |
| | | <u>57,393</u> | <u>42,927</u> |
| OTHER INCOME | | | |
| Donations | | 212,871 | 244,635 |
| Sundry | | 49,145 | 25,368 |
| | | <u>262,016</u> | <u>270,003</u> |
| GRANTS, SUBSIDIES, CONTRIBUTIONS | | | |
| Amounts received specifically for new or upgraded assets | | 415,000 | 514,868 |
| Other grants, subsidies and contributions | | 1,669,708 | 1,335,675 |
| | | <u>2,084,708</u> | <u>1,850,543</u> |
| <i>The functions to which these grants relate are shown in Note 12.</i> | | | |
| <i>A Grants Commission financial assistance grant of \$174,561 in respect of the 2009/2010 financial year was received in 2008/2009 and subsequently the grant to be received in 2009/2010 will be reduced accordingly.</i> | | | |
| Sources of grants | | | |
| Commonwealth government | | 147,000 | 959,676 |
| State government | | 1,932,708 | 885,867 |
| Other | | 5,000 | 5,000 |
| | | <u>2,084,708</u> | <u>1,850,543</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 2 - INCOME (continued)

| | 2009 | 2008 |
|--|-------------------------|-------------------------|
| Notes | \$ | \$ |
| Conditions over grants & contributions | | |
| <i>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:</i> | | |
| Unexpended at the close of the previous reporting period | <u>1,166,597</u> | <u>844,587</u> |
| Less: expended during the current period from revenues recognised in previous reporting periods | | |
| Community services | (2,760) | - |
| Culture | (5,543) | (1,500) |
| Tourism | (5,997) | - |
| Environment | (17,491) | (53,645) |
| Recreation | (764,007) | (183,283) |
| Planning | (5,000) | - |
| Roads infrastructure | (245,944) | - |
| Subtotal | <u>(1,046,742)</u> | <u>(238,428)</u> |
| Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions | | |
| Community services | 1,500 | 2,760 |
| Culture | 24,000 | 5,543 |
| Environment | 24,700 | - |
| Recreation | 17,060 | 552,135 |
| Roads infrastructure | 130,478 | - |
| Grants Commission 2009/2010 | 174,561 | - |
| Subtotal | <u>372,299</u> | <u>560,438</u> |
| Unexpended at the close of this reporting period | <u><u>492,154</u></u> | <u><u>1,166,597</u></u> |
| Net increase (decrease) in assets subject to conditions in the current reporting period | <u><u>(674,443)</u></u> | <u><u>322,010</u></u> |

PHYSICAL RESOURCES RECEIVED FREE OF CHARGE

| | | |
|--|----------|----------------|
| Plant and equipment | - | 111,852 |
| TOTAL PHYSICAL RESOURCES RECEIVED | <u>-</u> | <u>111,852</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 3 - EXPENSES

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|------------------|------------------|
| EMPLOYEE COSTS | | | |
| Salaries and Wages | | 3,341,036 | 3,360,466 |
| Employee leave expense | | 389,083 | 341,550 |
| Superannuation - defined contribution plan contributions | 18 | 116,709 | 112,526 |
| Superannuation - defined benefit plan contributions | 18 | 215,244 | 191,722 |
| Workers' Compensation Insurance | | 119,621 | 89,956 |
| Other | | 30,781 | 29,398 |
| Less: Capitalised and distributed costs | | (651,393) | (758,101) |
| Total Operating Employee Costs | | 3,561,081 | 3,367,517 |
| Total Number of Employees | | 65 | 63 |
| <i>(Full time equivalent at end of reporting period)</i> | | | |
| MATERIALS, CONTRACTS & OTHER EXPENSES | | | |
| <u>Prescribed Expenses</u> | | | |
| Auditor's Remuneration | | | |
| - Auditing the financial reports | | 5,470 | 5,260 |
| Elected members' expenses | | 115,109 | 122,375 |
| Election expenses | | 18,320 | 2,017 |
| Operating Lease Rentals - non-cancellable leases | 17 | | |
| - minimum lease payments | | 7,388 | - |
| Subtotal - Prescribed Expenses | | 146,287 | 129,652 |
| <u>Other Materials, Contracts & Expenses</u> | | | |
| Contractors | | 2,161,036 | 2,155,409 |
| Energy | | 557,343 | 568,094 |
| Insurance | | 296,370 | 273,444 |
| Refuse sites remediation expense | | 814,334 | - |
| Levies paid to government - NRM levy | | 303,004 | 298,872 |
| - Other Levies | | 57,675 | 61,051 |
| Materials | | 654,438 | 504,138 |
| Sundry | | 441,628 | 618,782 |
| Subtotal - Other Materials, Contracts & Expenses | | 5,285,828 | 4,479,790 |
| | | 5,432,115 | 4,609,442 |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 3 - EXPENSES (cont)

| | Notes | 2009 \$ | 2008 \$ |
|--|-------|------------------|------------------|
| FINANCE COSTS | | | |
| Interest on overdraft and short-term drawdown | | | |
| Interest on Loans | | 930,816 | 682,300 |
| Charges on Finance Leases | | 5,013 | - |
| Unwinding of present value discounts | | 28,390 | - |
| | | <u>964,219</u> | <u>682,300</u> |
| DEPRECIATION, AMORTISATION & IMPAIRMENT | | | |
| Depreciation | | | |
| Buildings & Other Structures | | 819,685 | 762,940 |
| Infrastructure | | 1,847,872 | 1,850,263 |
| Plant & Equipment | | 475,534 | 462,083 |
| Furniture & Fittings | | 35,850 | 35,141 |
| Other Assets | | 32,131 | 29,438 |
| Less: Capitalised and distributed costs | | (103,771) | (136,641) |
| | | <u>3,107,301</u> | <u>3,003,224</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

| | 2009 | 2008 |
|---|----------------------|-------------------------|
| Notes | \$ | \$ |
| INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT | | |
| <i>Assets renewed or directly replaced</i> | | |
| Proceeds from disposal | 76,697 | 263,455 |
| Less: Carrying amount of assets sold | <u>39,368</u> | <u>544,341</u> |
| Gain (Loss) on disposal | <u>37,329</u> | <u>(280,886)</u> |
| <i>Assets surplus to requirements</i> | | |
| Proceeds from disposal | 473,872 | 94,778 |
| Less: Carrying amount of assets sold | <u>432,166</u> | <u>49,986</u> |
| Gain (Loss) on disposal | <u>41,706</u> | <u>44,792</u> |
| NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS | <u>79,035</u> | <u>(236,094)</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 5 - CURRENT ASSETS

| | | 2009 | 2008 |
|--|-------|------------------|------------------|
| | Notes | \$ | \$ |
| CASH & EQUIVALENT ASSETS | | | |
| Cash on Hand and at Bank | | 392,379 | 481,868 |
| Deposits at Call | | 6,051,069 | 6,892,570 |
| | | <u>6,443,448</u> | <u>7,374,438</u> |
| TRADE & OTHER RECEIVABLES | | | |
| Rates - General & Other | | 467,738 | 327,529 |
| Accrued Revenues | | 62,011 | 83,279 |
| Debtors - general | | 291,932 | 81,447 |
| GST Recoupment | | 75,677 | 76,502 |
| Loans to community organisations | | 34,611 | 23,207 |
| | | <u>931,969</u> | <u>591,964</u> |
| OTHER FINANCIAL ASSETS | | | |
| Investment | | 320,239 | 302,465 |
| | | <u>320,239</u> | <u>302,465</u> |
| INVENTORIES | | | |
| Stores & Materials | | 185,198 | 264,016 |
| | | <u>185,198</u> | <u>264,016</u> |

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 6 - NON-CURRENT ASSETS

| | 2009 | 2008 |
|----------------------------------|-------------------------|-------------------------|
| | Notes | |
| FINANCIAL ASSETS | \$ | \$ |
| Receivables | | |
| Loans to community organisations | 505,957 | 206,350 |
| TOTAL FINANCIAL ASSETS | <u>505,957</u> | <u>206,350</u> |
| OTHER NON-CURRENT ASSETS | | |
| Capital Works-in-Progress | 1,682,872 | 1,069,314 |
| | <u>1,682,872</u> | <u>1,069,314</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

| | 2008 | | | | 2009 | | | |
|--------------------------------------|------------------|------------|----------------|--------------------|------------------|------------|----------------|--------------------|
| | \$ | | | | \$ | | | |
| | AT FAIR VALUE | AT COST | ACCUM DEP'N | CARRYING AMOUNT | AT FAIR VALUE | AT COST | ACCUM DEP'N | CARRYING AMOUNT |
| Land | 11,191,178 | 110,837 | - | 11,302,015 | 10,831,252 | 103,146 | - | 10,934,398 |
| Land Fill Restoration Cost | - | - | - | - | - | 108,444 | - | 108,444 |
| Buildings & Other Structures | 35,512,363 | 6,593,194 | (19,770,373) | 22,335,184 | 35,203,066 | 7,807,621 | (20,345,240) | 22,665,447 |
| Infrastructure | 67,430,533 | 2,003,005 | (25,808,294) | 43,625,244 | 67,430,533 | 4,269,447 | (27,656,166) | 44,043,814 |
| Plant & Equipment | - | 6,019,932 | (2,407,866) | 3,612,066 | - | 6,392,992 | (2,624,471) | 3,768,521 |
| Furniture & Fittings | - | 442,600 | (175,761) | 266,839 | - | 464,649 | (211,611) | 253,038 |
| Other assets | - | 491,609 | (226,679) | 264,930 | - | 547,987 | (258,810) | 289,177 |
| TOTAL PROPERTY, PLANT & EQUIPMENT | 114,134,074 | 15,661,177 | (48,388,973) | 81,406,278 | 113,464,851 | 19,694,286 | (51,096,298) | 82,062,839 |
| 2008 Totals | 115,134,143 | 11,934,977 | (46,101,199) | 80,967,921 | 114,134,074 | 15,661,177 | (48,388,973) | 81,406,278 |

This Note continues on the following pages.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

| | 2008 | CARRYING AMOUNT MOVEMENTS DURING YEAR | | | | 2009 |
|---|--------------------|---------------------------------------|-----------|-----------|--------------|--------------------|
| | \$ | \$ | | | | \$ |
| | CARRYING AMOUNT | Additions | | Disposals | Depreciation | CARRYING AMOUNT |
| | | New/Upgrade | Renewals | | | |
| Land | 11,302,015 | - | - | (367,617) | - | 10,934,398 |
| Land Fill Restoration Cost | - | - | 108,444 | - | - | 108,444 |
| Buildings & Other Structures | 22,335,184 | 835,603 | 378,834 | (64,489) | (819,685) | 22,665,447 |
| Infrastructure | 43,625,244 | 1,025,687 | 1,240,755 | - | (1,847,872) | 44,043,814 |
| Plant & Equipment | 3,612,066 | 190,141 | 481,276 | (39,428) | (475,534) | 3,768,521 |
| Furniture & Fittings | 266,839 | 22,049 | - | - | (35,850) | 253,038 |
| Other assets | 264,930 | - | 56,378 | - | (32,131) | 289,177 |
| TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT | 81,406,278 | 2,073,480 | 2,265,687 | (471,534) | (3,211,072) | 82,062,839 |
| 2008 Totals | 80,967,921 | 2,233,719 | 1,938,830 | (594,327) | (3,139,865) | 81,406,278 |

This Note continues on the following pages.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 7 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIFRS.

Land & Land Improvements

Land under roads has not been recognised in these reports as Council is of the opinion that it is not possible to attribute a value sufficiently reliable to qualify for recognition. 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.

Land and Land Improvements are recognised at written down replacement cost deriving from a valuation by Maloney Field Services as at 30 June 2006. All acquisitions made after the date of valuation are recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 2006 at current replacement cost. Additions are recognised at cost.

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

Buildings & Other Structures

Buildings are recognised at written down replacement cost deriving from a valuation by Maloney Field Services as at 30 June 2006. Additions are recognised on the cost basis.

Infrastructure

Transportation, stormwater drainage and community wastewater management system infrastructure is recognised at written down current replacement cost based on a valuation by Maloney Field Services as at 30 June 2007. All acquisitions made after the date of valuation are recorded at cost.

Plant, Furniture & Equipment

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

All other assets

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

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 8 - LIABILITIES

| | | 2009 | | 2008 | |
|--|-------|------------------|-------------|------------------|-------------|
| | | \$ | | \$ | |
| TRADE & OTHER PAYABLES | Notes | Current | Non-current | Current | Non-current |
| Goods & services | | 652,323 | | 639,118 | |
| Payments received in advance | | 54,157 | - | 28,491 | - |
| Accrued expenses - employee entitlements | | 393,225 | - | 313,913 | - |
| Accrued expenses - other | | 160,307 | - | 168,906 | - |
| Aged Care Facility Deposits | | 30,000 | - | 50,000 | - |
| Deposits, Retentions & Bonds | | 54,400 | - | 54,557 | - |
| Other | | 29,774 | - | 41,578 | - |
| | | <u>1,374,186</u> | - | <u>1,296,563</u> | - |

BORROWINGS

| | | | | | |
|----------------|----|----------------|-------------------|----------------|-------------------|
| Loans | | 658,787 | 12,982,238 | 618,649 | 13,641,025 |
| Finance Leases | 14 | 14,829 | 8,023 | - | - |
| | | <u>673,616</u> | <u>12,990,261</u> | <u>618,649</u> | <u>13,641,025</u> |

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

PROVISIONS

| | | | | |
|---|----------------|----------------|----------------|---------------|
| Employee entitlements (including oncosts) | 369,717 | 79,420 | 316,842 | 74,823 |
| Insurance Losses | | | | |
| Refuse sites remediation | 388,350 | 534,428 | - | - |
| Other | | | | |
| | <u>758,067</u> | <u>613,848</u> | <u>316,842</u> | <u>74,823</u> |

Movements in Provisions - 2009 year only (current & non-current)

| | Insurance Losses | Future Reinstatement | Employee Entitlements |
|--|---------------------|-------------------------|--------------------------|
| Opening Balance | - | - | 391,665 |
| Add Unwinding of present value discounts | - | - | 28,390 |
| Additional amounts recognised | - | 922,778 | 2,839 |
| (Less) Payments | - | - | (17,675) |
| Add (Less) Remeasurement Adjustments | - | - | 43,918 |
| Closing Balance | <u>-</u> | <u>922,778</u> | <u>449,137</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 9 - RESERVES

| ASSET REVALUATION RESERVE | 01/07/2008 | Net Increments (Decrements) | Transfers on Sale | 30/06/2009 | |
|----------------------------------|------------|--------------------------------|----------------------|------------|------------|
| | Notes | \$ | \$ | \$ | |
| Infrastructure, land & buildings | | 66,470,061 | - | (369,406) | 66,100,655 |
| TOTAL | | 66,470,061 | \$ - | (369,406) | 66,100,655 |
| | | | | | |
| 2008 Totals | | 66,470,061 | - | - | 66,470,061 |

| OTHER RESERVES | 01/07/2008 | Transfers to Reserve | Transfers from Reserve | 30/06/2009 |
|---|------------|-------------------------|---------------------------|------------|
| Plant Replacement Reserve | 106 | 5 | - | 111 |
| Clare CWMS Reserve | 1,996,821 | 543,462 | (53,491) | 2,486,792 |
| Library Reserve | 52,227 | 17,449 | (22,016) | 47,660 |
| Computer Replacement Reserve | 12,134 | 858 | (11,091) | 1,901 |
| Administration Equipment Replacement Reserve | 21,016 | 970 | (21,980) | 6 |
| Development Infrastructure Reserve | 25,275 | 2,872 | (22,525) | 5,622 |
| Fauna Park Reserve | 6,159 | 285 | - | 6,444 |
| Off Street Car Parking Reserve | 339 | 16 | - | 355 |
| International Relations Reserve | 47 | 60 | - | 107 |
| Christison Park Capital Reserve | - | 1,031 | - | 1,031 |
| Mistletoe Control Reserve | 17,616 | 11,224 | (16,868) | 11,972 |
| Clare Caravan Park Lease Reserve | 7,805 | 36,288 | - | 44,093 |
| Residential Development Reserve | 1,104 | 52 | - | 1,156 |
| Riverton Tourism Reserve | 25,119 | 764 | (25,883) | - |
| Riverton RSL Building Reserve | 38,009 | 1,755 | - | 39,764 |
| Saddleworth CWMS Reserve | 224,666 | 48,932 | (17,841) | 255,757 |
| Waste Management Reserve | 166,485 | 122,868 | (283,776) | 5,577 |
| Riverton CWMS Reserve | 249,913 | 151,351 | (39,382) | 361,882 |
| Clare Swimming Centre Reserve | 431 | 185 | - | 616 |
| Ngadjuri Lodge Reserve | 15,119 | 22,338 | (486) | 36,971 |
| Section 41 Committee Funds Reserve | 67,599 | 4,139 | (2,770) | 68,968 |
| Unspent Grants & Loans Reserve | 4,025,196 | 722,527 | (2,259,474) | 2,488,249 |
| Clare Friends of the Library Reserve | 9,973 | 444 | (1,890) | 8,527 |
| Gilbert Friends of the Library Reserve | 6,927 | 349 | (945) | 6,331 |
| Riverton Caravan park & Recreation Grounds Reserve | 8,497 | 7,999 | (1,153) | 15,343 |
| Clare Open Space Reserve | 51,045 | 2,355 | - | 53,400 |
| Riverton Open Space Reserve | 47,704 | 2,201 | - | 49,905 |
| Yoshinaga Friendship Group Reserve | 463 | - | - | 463 |
| Mid North Passenger Transport Reserve | 50,686 | 8,716 | - | 59,402 |
| Auburn CWMS Reserve | - | 5,183 | (3,500) | 1,683 |
| TOTAL OTHER RESERVES | 7,128,481 | 1,716,678 | (2,785,071) | 6,060,088 |
| 2008 Totals | 3,946,992 | 6,202,569 | (3,021,080) | 7,128,481 |

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

Other Reserves

Plant Replacement Reserve - for the purchase of items of major plant and machinery

Clare CWMS Reserve - for maintenance and upgrade of the Clare Community Wastewater Management System

Library Reserve - for LINK (Library Information Network licence and set up and sundry art and literacy programs

Computer Replacement Reserve - for maintenance and upgrade of computers as required

Administration Equipment Replacement Reserve - for replacement of administration equipment and fittings

Development Infrastructure Reserve - for budgeted projects and unexpected infrastructure requirements

Fauna Park Reserve - for maintenance of fauna park located at the Clare Caravan Park

Off Street Car Parking Reserve - for provision of car parking within the townships of the area

International Relations Reserve - to further links with 'twin' towns in Ireland, Japan and Spain

Christison Park Capital Reserve - for capital improvements to the Clare Caravan Park

Mistletoe Control Reserve - for environmental and vegetation issues such as mistletoe control

Clare Caravan Park Lease Reserve - for loan repayments Clare recreation and aquatic centre

Residential Development Reserve - to promote residential development

Riverton Tourism Reserve - to provide funds for promotion of tourism in the area

Riverton RSL Building Reserve - for building maintenance and upgrade

Saddleworth CWMS Reserve - for maintenance and upgrade of the Saddleworth Community Wastewater Management System

Waste Management Reserve - for provision of refuse collection and disposal

Riverton CWMS Reserve - for maintenance and upgrade of the Riverton Community Wastewater Management System

Clare Swimming Centre Reserve - unspent loan funds for capital works at Clare Recreation and Aquatic Centre

Ngadjuri Lodge Entrance Fees - for the operation of elderly citizens' facility in Clare

Riesling Trail Auburn Reserve - balance of funds allocated for provision of walking trail in Auburn

Section 41 Committee Funds - funds set aside for use of various Section 41 committees

Unspent Grant and Loan Funds Reserve - unexpended grant and loan funds carried forward

Clare Friends of the Library Reserve - funds set aside for use of the Clare Friends of the Library Committee

Gilbert Friends of the Library Reserve - funds set aside for use of the Gilbert Friends of the Library Committee

Riverton Caravan Park and Recreation Grounds Reserve - for maintenance and upgrade of the Riverton Caravan Park and Recreation Grounds

Clare Open Space Reserve - developer contributions towards future acquisition of open space areas

Riverton Open Space Reserve - for developer contributions towards future acquisition of open space areas

Yoshinaga Friendship Group Reserve - to maintain links with sister city in Japan

Mid North Passenger Transport Reserve - funding for community passenger network scheme

Auburn CWMS Reserve - for preliminary investigations of possible wastewater management scheme

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

| | 2009 | 2008 |
|--|------------------|------------------|
| Notes | \$ | \$ |
| CASH & FINANCIAL ASSETS | | |
| Unexpended amounts received from Federal Government | 17,060 | - |
| Road infrastructure | - | 545,944 |
| Recreation | - | 552,135 |
| Other | 115,802 | 68,519 |
| Community wastewater managements schemes (CWMS) | 3,104,431 | 2,471,400 |
| Waste management schemes | 5,577 | 166,485 |
| | <u>3,242,870</u> | <u>3,804,483</u> |
| TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS | <u>3,242,870</u> | <u>3,804,483</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 11 - 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 | 2009 \$ | 2008 \$ |
|----------------------------------|-------|------------------|------------------|
| Total cash & equivalent assets | 5 | <u>6,443,448</u> | <u>7,374,438</u> |
| Balances per Cash Flow Statement | | <u>6,443,448</u> | <u>7,374,438</u> |

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

| | | | |
|---|--|-------------------------|-------------------------|
| Net Surplus (Deficit) | | 455,621 | 561,180 |
| Non-cash items in Income Statement | | | |
| Depreciation, amortisation & impairment | | 3,107,301 | 3,003,224 |
| Net increase (decrease) in unpaid employee benefits | | 108,394 | - |
| Premiums & discounts recognised & unwound | | 28,390 | - |
| Non-cash asset acquisitions | | - | (111,852) |
| Grants for capital acquisitions treated as Investing Activity | | (415,000) | (514,868) |
| Net (Gain) Loss on Disposals | | <u>(79,035)</u> | <u>236,094</u> |
| | | 3,205,671 | 3,173,778 |
| Add (Less): Changes in Net Current Assets | | | |
| Net (increase) decrease in receivables | | (230,189) | 12,151 |
| Net (increase) decrease in inventories | | 78,818 | (118,006) |
| Net increase (decrease) in trade & other payables | | (85,925) | 181,488 |
| Net increase (decrease) in other provisions | | 922,778 | - |
| Net increase (decrease) in other liabilities | | - | 39,420 |
| Net Cash provided by (or used in) operations | | <u>3,891,153</u> | <u>3,288,831</u> |

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

| | | | |
|--|---|----------|----------------|
| - Physical resources received free of charge | 2 | - | 111,852 |
| | | <u>-</u> | <u>111,852</u> |

(d) Financing Arrangements

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

| | | | |
|------------------------|--|--------|--------|
| Bank Overdrafts | | | |
| Corporate Credit Cards | | 13,000 | 13,000 |

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

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 12 - FUNCTIONS

| INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES | | | | | | | | | |
|--|------------|------------|------------|--------------------------------|-------------|------------------------------|-----------|---|------------|
| INCOME | | EXPENSES | | OPERATING SURPLUS (DEFICIT) | | GRANTS INCLUDED IN INCOME | | TOTAL ASSETS HELD (CURRENT & NON-CURRENT) | |
| ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | 2009 | 2008 | 2009 | 2008 |
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | \$ | \$ | \$ | \$ |
| 1,655,238 | 1,492,379 | 1,152,691 | 1,079,519 | 502,547 | 412,860 | 5,000 | 94,016 | 7,395,901 | 7,358,408 |
| 236,986 | 319,218 | 813,627 | 931,471 | (576,641) | (612,253) | 103,764 | 59,563 | 3,467,742 | 3,624,466 |
| 96,072 | 92,377 | 705,930 | 679,571 | (609,858) | (587,194) | 84,228 | 6,000 | 1,791,142 | 1,379,664 |
| 102,502 | 101,145 | 389,574 | 354,022 | (287,072) | (252,877) | 6,000 | 8,186 | 758,933 | 768,231 |
| 999,344 | 899,800 | 2,439,824 | 1,338,837 | (1,440,480) | (439,037) | 62,220 | 684,868 | 2,557,226 | 2,384,099 |
| 774,079 | 795,518 | 2,728,100 | 2,651,943 | (1,954,021) | (1,856,425) | 189,500 | 6,400 | 22,460,582 | 21,984,368 |
| 290,583 | 330,700 | 879,517 | 843,969 | (588,934) | (513,269) | 4,000 | 245,941 | 79,708 | 102,970 |
| 328,833 | 252,305 | 3,202,601 | 3,018,745 | (2,873,768) | (2,766,440) | 655,942 | - | 38,531,784 | 37,676,913 |
| - | - | - | - | - | - | - | 30,334 | 3,355,441 | 3,457,625 |
| 418,873 | 407,370 | 140,322 | 51,099 | 278,551 | 356,271 | 21,400 | 715,235 | 1,824,068 | 1,856,612 |
| 8,123,792 | 7,142,225 | 612,530 | 713,307 | 7,511,262 | 6,428,918 | 952,654 | - | 9,909,995 | 10,621,469 |
| 13,026,302 | 11,833,037 | 13,064,716 | 11,662,483 | (38,414) | 170,554 | 2,084,708 | 1,850,543 | 92,132,522 | 91,214,825 |

Business Undertakings
Community Services
Culture
Economic Development
Environment
Recreation
Regulatory Services
Transport & Communication
Plant Hire & Depot/Indirect
Unclassified Activities
Council Administration
TOTALS

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

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Caravan Parks, Community Wastewater Management Systems (CWMS).

Community Services

Public Order and Safety

Emergency Services, Other Fire Protection and Other Public Order and Safety.

Health Services

Immunisation, Preventive Health Services and Other Health Services

Community Support

Elderly Citizens Facilities, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, and Other Community Support.

Community Amenities

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

Heritage, Museums and Art Galleries, and Other Cultural Services.

Economic Development

Regional Development, Tourism, and Other Economic Development.

Environment

Natural Resource Management Levy

Waste Management

Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility and Other Waste Management

Other Environment

Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, and Other Environment.

Recreation

Parks and Gardens, Indoor Sports Facilities, Outdoor Sports Facilities, Outdoor Swimming Centres 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, Sealed Roads, Formed Roads, Natural Formed Roads, Unformed Roads, and Traffic Management,

Plant Hire & Depot

Plant, Machinery and Council Depot

Unclassified Activities

Interest Received, Interest Expense, Miscellaneous Council Properties.

Council Administration

Governance - 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 Untied Grants and Separate and Special Rates

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 13 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

| | |
|---|---|
| Bank, Deposits at Call, Short Term Deposits | <p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 2.5% & 7% (2008: 7%). Short term deposits have an average maturity of 180 days and an average interest rates of 7.15% (2008: 180 days, 7.15%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p> |
| Receivables - Rates & Associated Charges (including legals & penalties for late payment) | <p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.9375% (2008: 0.85%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Receivables - Fees & other charges | <p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Receivables - other levels of government | <p>Accounting Policy: Carried at nominal value.</p> <p>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 the Governments of the</p> <p>Carrying amount: approximates fair value.</p> |
| Receivables - Retirement Home Contributions | <p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Liabilities - Creditors and Accruals | <p>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.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Retirement Home Contributions | <p>Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p>Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p>Carrying amount: approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.</p> |
| Liabilities - Interest Bearing Borrowings | <p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable by equal 6 monthly instalments of principal and interest; interest is charged at fixed rates between 6.17% and 7.9% (2008: 6% and 8%)</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Finance Leases | <p>Accounting Policy: accounted for in accordance with AASB 117.</p> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

| 2009 | Due < 1 year | Due > 1 year; ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|--|------------------|----------------------------|---------------------|---------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | |
| Fair Value through P & L | | | | | |
| Cash Assets | 6,443,448 | - | - | 6,443,448 | 6,443,448 |
| Other Financial Assets | 320,239 | - | - | 320,239 | 320,239 |
| Loans & Receivables | | | | | |
| Receivables | 907,840 | 259,419 | 536,801 | 1,704,060 | 1,375,915 |
| Total | 7,671,527 | 259,419 | 536,801 | 8,467,747 | 8,139,602 |
| Financial Liabilities | | | | | |
| Payables | 820,654 | - | - | 820,654 | 820,654 |
| Non-Current Borrowings | 1,574,742 | 6,240,519 | 13,500,702 | 21,315,963 | 13,663,877 |
| Total | 2,395,396 | 6,240,519 | 13,500,702 | 22,136,617 | 14,484,531 |
| EXCESS OF FINANCIAL ASSETS OVER LIABILITIES | 5,276,131 | (5,981,100) | (12,963,901) | (13,668,870) | (6,344,929) |

| 2008 | Due < 1 year | Due > 1 year; ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|--|------------------|----------------------------|---------------------|---------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | |
| Fair Value through P & L | | | | | |
| Cash Assets | 7,374,438 | - | - | 7,374,438 | 7,374,438 |
| Other Financial Assets | 302,465 | - | - | 302,465 | 302,465 |
| Loans & Receivables | | | | | |
| Receivables | 526,395 | 98,192 | 206,747 | 831,334 | 715,036 |
| Total | 8,203,298 | 98,192 | 206,747 | 8,508,237 | 8,391,939 |
| Financial Liabilities | | | | | |
| Payables | 813,744 | - | - | 813,744 | 813,744 |
| Non-Current Borrowings | 1,558,064 | 6,232,255 | 15,058,766 | 22,849,065 | 14,259,674 |
| Total | 2,371,808 | 6,232,255 | 15,058,766 | 23,662,829 | 15,073,418 |
| EXCESS OF FINANCIAL ASSETS OVER LIABILITIES | 5,831,490 | (6,134,063) | (14,852,019) | (15,154,592) | (6,681,479) |

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

| | 30 June 2009 | | 30 June 2008 | |
|----------------------|--------------------------------------|-------------------|--------------------------------------|-------------------|
| | Weighted Average Interest Rate | Carrying Value | Weighted Average Interest Rate | Carrying Value |
| | % | \$ | % | \$ |
| Other Variable Rates | 0 | 820,654 | 0 | 813,744 |
| Fixed Interest Rates | 6.68 | 13,663,877 | 6.66 | 14,259,674 |
| | | 14,484,531 | | 15,073,418 |

Net Fair Value

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

Risk Exposures

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

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

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

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

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 14 - COMMITMENTS FOR EXPENDITURE

| | Notes | 2009 \$ | 2008 \$ |
|--|-------|------------|------------|
| Capital Commitments | | | |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: | | | |
| Buildings | | - | 20,000 |
| | | - | 20,000 |
| These expenditures are payable: | | | |
| Not later than one year | | - | 20,000 |
| | | - | 20,000 |

Finance Lease Commitments

Council leases various plant and equipment with a carrying amount of \$22,852 (2008 - \$Nil) under finance leases expiring within 1 to 4 years. At expiry, Council may re-lease, or return or acquire the leased assets.

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

| | | | |
|--|---|--------|---|
| Not later than one year | | 14,829 | - |
| Later than one year and not later than 5 years | | 8,023 | - |
| Net Lease Liability | | 22,852 | - |
| Representing lease liabilities: | | | |
| Current | 8 | 14,829 | - |
| Non-Current | 8 | 8,023 | - |
| | | 22,852 | - |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 15 - FINANCIAL INDICATORS

| | 2009 | 2008 | 2007 |
|---|-----------|-----------|-----------|
| These Financial Indicators have been calculated in accordance with <i>Information Paper 9 - Local Government Financial Indicators</i> prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements. | | | |
| Operating Surplus | (38,414) | 170,554 | (549,835) |
| <i>Being the operating surplus (deficit) before capital amounts .</i> | | | |
| Operating Surplus Ratio | | | |
| <u>Operating Surplus</u> | 0% | 2% | (8%) |
| Rates - general & other less NRM levy | | | |
| <i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i> | | | |
| Net Financial Liabilities | 8,208,365 | 7,472,685 | 7,202,524 |
| <i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i> | | | |
| Net Financial Liabilities Ratio | | | |
| <u>Net Financial Liabilities</u> | 65% | 65% | 69% |
| Total Operating Revenue less NRM levy | | | |
| Interest Cover Ratio | | | |
| <u>Net Interest Expense</u> | 4.6% | 3.1% | 2.7% |
| Total Operating Revenue less NRM levy less Investment Income | | | |
| Asset Sustainability Ratio | | | |
| <u>Net Asset Renewals</u> | 81% | 68% | 74% |
| Depreciation Expense | | | |
| <i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.</i> | | | |
| Asset Consumption Ratio | | | |
| <u>Carrying value of depreciable assets</u> | 58% | 59% | 60% |
| Gross value of depreciable assets | | | |
| <i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.</i> | | | |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

All Councils in South Australia voluntarily 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 | 13,026,302 | 11,833,037 |
| less Expenses | <u>(13,064,716)</u> | <u>(11,662,483)</u> |
| | <u>(38,414)</u> | 170,554 |
| Net Outlays on Existing Assets | | |
| Capital Expenditure on renewal and replacement of Existing Assets | (2,593,736) | (2,290,699) |
| less Depreciation, Amortisation and Impairment | 3,107,301 | 3,003,224 |
| less Proceeds from Sale of Replaced Assets | <u>76,697</u> | <u>263,455</u> |
| | <u>590,262</u> | <u>975,980</u> |
| Net Outlays on New and Upgraded Assets | | |
| Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments) | (2,186,787) | (2,331,525) |
| less Amounts received specifically for New and Upgraded Assets | 415,000 | 664,868 |
| less Proceeds from Sale of Surplus Assets (including investment property and real estate developments) | <u>473,872</u> | <u>94,778</u> |
| | <u>(1,297,915)</u> | <u>(1,571,879)</u> |
| Net Lending / (Borrowing) for Financial Year | <u>(746,067)</u> | <u>(425,345)</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Lease payment commitments of Council

Council has entered into a non-cancellable operating lease for a multiscreen communication system.

The lease does not impose any additional restrictions on Council in relation to additional debt or further leasing.

Council may, at expiry of the lease, elect to re-lease, return or acquire the equipment leased.

| | 2009 | 2008 |
|--|---------------|----------|
| | \$ | \$ |
| Not later than one year | 4,433 | - |
| Later than one year and not later than 5 years | 5,910 | - |
| | <u>10,343</u> | <u>-</u> |

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 18 – SUPERANNUATION

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2008/09 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2007/08). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6% (6% in 2007/2008) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

The most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2008, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

(a) Section 41 Committees

The financial statements of the following Section 41 Committees have been consolidated into Council's statements for the year ended 30 June 2009

Saddleworth Institute Committee
Auburn Institute Committee
Auburn Recreation Park Committee
Manoora Hall Committee
Saddleworth Recreation Ground Committee
Winkler Park Development Committee
Riverton Community Hall Committee
Riverton Recreation Grounds Committee
Scholz Park Committee

(b) Mid North Passenger Transport Network

Wakefield Regional Council, Regional Council of Goyder and District Council of Mallala with input from an advisory committee of interested parties.

A funding deed exists between the Clare & Gilbert Valleys Council and the Minister for Transport with additional funding coming from the partner Councils.

The aim of the MNPTN is to address the transport needs of communities in the region particularly the transport disadvantaged, by coordinating and brokering transport services within the region, providing an information service and delivering transport where no other appropriate services exist.

(c) Regional Subsidiaries

Council is a member of the Central Local Government Region of South Australia. The objects of the regional are set out in Clause 2 of its Constitution as follows:

2.1 To undertake co-ordinating, advocacy and representational roles for its constituent councils at a regional level.

2.2 To facilitate and co-ordinate activities of Local Government at a regional level related to community and economic development with the object of achieving continual improvement for the benefit of the communities of its constituent councils.

2.3 To 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.

2.4 To develop further co-operation between its constituent councils for the benefit of the communities of the region.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 20 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 1,832 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

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

3. BANK GUARANTEES

No loans or banking facilities advanced to community organisations and sporting bodies, have been guaranteed by Council.

4. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of two (2) appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Clare & Gilbert Valleys Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2009

Note 21 - EVENTS AFTER THE BALANCE SHEET DATE

No subsequent events have occurred.

Clare & Gilbert Valleys Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2009

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Roy D Blight, the person for the time being occupying the position of Chief Executive Officer of the Clare & Gilbert Valleys Council, do hereby state that the Financial Statements of the Council for the year ended 30 June 2009 are to the best of my knowledge presented fairly, and in accordance with accounting procedures which have been maintained in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999* made under that Act.



Roy D Blight

CHIEF EXECUTIVE OFFICER

Dated this 10th day of November 2009

ADOPTION STATEMENT

Laid before the Clare & Gilbert Valleys Council and adopted on the 16th day of November 2009.

Allan Aughey

MAYOR

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS

ABN 30 164 612 890

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CLARE & GILBERT VALLEYS COUNCIL

We have audited the accompanying financial report of the Clare & Gilbert Valleys Council, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Chief Executive Officer's Statement.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the Clare & Gilbert Valleys Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. We confirm that the independence declaration required by the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999, provided to the Chief Executive Officer on 18 June 2009, would be in the same terms if provided to the Chief Executive Officer as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Clare & Gilbert Valleys Council as of 30 June 2009, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and the Australian Accounting Standards (including Australian Accounting Interpretations).

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS


DON VENN
PARTNER

Signed on the 11 day of November 2009,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

Clare & Gilbert Valleys Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2009

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Clare & Gilbert Valleys Council for the year ended 30 June 2009, 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 1999* made under that Act.

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



Roy Blight
CHIEF EXECUTIVE OFFICER



Allan Aughey
PRESIDING MEMBER
AUDIT COMMITTEE

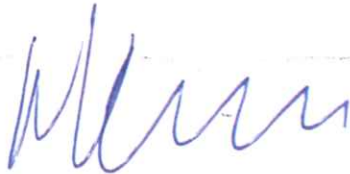
Date: 10 November 2009.

Date: 10 NOVEMBER 2009

Auditor's Independence Declaration Under Section 16A of the Local Government (Financial Management) Regulations 1999 to the Clare & Gilbert Valleys Council.

I confirm that, for the audit of the financial statements of the Clare and Gilbert Valleys Council for the year ended 30 June 2009, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.

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



DON VENN

Partner

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

NORTH ADELAIDE, this 18th day of June 2009