

# Corporation of the City of Campbelltown

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2019

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Campbelltown provides a quality lifestyle for its people



# Corporation of the City of Campbelltown

## General Purpose Financial Statements for the year ended 30 June 2019

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## Corporation of the City of Campbelltown

### General Purpose Financial Statements for the year ended 30 June 2019

### Certification of Financial Statements

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

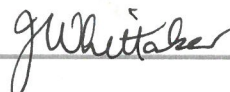
**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



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Paul Di Iulio  
**CHIEF EXECUTIVE OFFICER**



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Jill Whittaker  
**MAYOR**

**Date: 5 November 2019**

# Corporation of the City of Campbelltown

## Statement of Comprehensive Income

for the year ended 30 June 2019

\$	Notes	2019	2018
<b>Income</b>			
Rates Revenues	2a	38,114,532	36,263,926
Statutory Charges	2b	1,096,714	1,171,918
User Charges	2c	5,830,172	5,618,374
Grants, Subsidies and Contributions	2g	7,304,898	4,900,927
Investment Income	2d	536,886	377,725
Reimbursements	2e	1,104,056	1,407,265
Other Income	2f	778,358	823,119
Net Gain - Equity Accounted Council Businesses	19	32,620	33,488
<b>Total Income</b>		<b>54,798,236</b>	<b>50,596,742</b>
<b>Expenses</b>			
Employee Costs	3a	13,124,507	12,560,235
Materials, Contracts & Other Expenses	3b	22,816,817	20,618,968
Depreciation, Amortisation & Impairment	3c	12,060,849	11,051,745
Finance Costs	3d	40	17,790
Net loss - Equity Accounted Council Businesses	19	-	55,510
<b>Total Expenses</b>		<b>48,002,213</b>	<b>44,304,248</b>
<b>Operating Surplus / (Deficit)</b>		<b>6,796,023</b>	<b>6,292,494</b>
Asset Disposal & Fair Value Adjustments	4	(1,344,478)	(616,887)
Amounts Received Specifically for New or Upgraded Assets	2g	1,101,175	242,734
Physical Resources Received Free of Charge	2h	26,902	-
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>6,579,622</b>	<b>5,918,341</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I, PP&E	9a	45,283,511	(32,155,684)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	6,346	1,667
<b>Total Other Comprehensive Income</b>		<b>45,289,857</b>	<b>(32,154,017)</b>
<b>Total Comprehensive Income</b>		<b>51,869,479</b>	<b>(26,235,676)</b>

<sup>1</sup> Transferred to Statement of Changes in Equity

# Corporation of the City of Campbelltown

## Statement of Financial Position

as at 30 June 2019

\$	Notes	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	21,706,448	21,444,309
Trade & Other Receivables	5b	5,065,319	3,262,744
Inventories	5c	24,346	23,138
<b>Total Current Assets</b>		<b>26,796,113</b>	<b>24,730,191</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	258,066	266,996
Equity Accounted Investments in Council Businesses	6b	254,453	191,039
Infrastructure, Property, Plant & Equipment	7a	608,209,873	558,455,558
Other Non-Current Assets	6c	4,415,727	3,627,161
<b>Total Non-Current Assets</b>		<b>613,138,119</b>	<b>562,540,754</b>
<b>TOTAL ASSETS</b>		<b>639,934,232</b>	<b>587,270,945</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	6,597,042	5,565,091
Borrowings	8b	-	79,326
Provisions	8c	1,853,729	1,885,916
<b>Total Current Liabilities</b>		<b>8,450,771</b>	<b>7,530,333</b>
<b>Non-Current Liabilities</b>			
Provisions	8c	821,084	972,162
<b>Total Non-Current Liabilities</b>		<b>821,084</b>	<b>972,162</b>
<b>TOTAL LIABILITIES</b>		<b>9,271,855</b>	<b>8,502,495</b>
<b>Net Assets</b>		<b>630,662,377</b>	<b>578,768,450</b>
<b>EQUITY</b>			
Accumulated Surplus		127,410,228	117,834,994
Asset Revaluation Reserves	9a	452,577,469	408,165,346
Other Reserves	9b	50,674,680	52,768,110
<b>Total Council Equity</b>		<b>630,662,377</b>	<b>578,768,450</b>

# Corporation of the City of Campbelltown

## Statement of Changes in Equity for the year ended 30 June 2019

\$		Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2019</b>						
<b>Balance at the end of previous reporting period</b>			117,834,994	408,165,346	52,768,110	<b>578,768,450</b>
<b>a. Net Surplus / (Deficit) for Year</b>			6,579,622	-	-	<b>6,579,622</b>
<b>b. Other Comprehensive Income</b>						
- Gain (Loss) on Revaluation of I,PP&E	7a	-	45,283,511	-	-	<b>45,283,511</b>
- Transfer to Accumulated Surplus on Sale of I,PP&E	9a	871,388	(871,388)	-	-	-
- Share of OCI - Equity Accounted Council Businesses	19	6,346	-	-	-	<b>6,346</b>
- Other Equity Adjustments - Equity Accounted Council Businesses	19	24,448	-	-	-	<b>24,448</b>
<b>Other Comprehensive Income</b>			902,182	44,412,123	-	<b>45,314,305</b>
<b>Total Comprehensive Income</b>			<b>7,481,804</b>	<b>44,412,123</b>	<b>-</b>	<b>51,893,927</b>
<b>c. Transfers between Reserves</b>			2,093,430	-	(2,093,430)	-
<b>Balance at the end of period</b>			<b>127,410,228</b>	<b>452,577,469</b>	<b>50,674,680</b>	<b>630,662,377</b>
<b>2018</b>						
<b>Balance at the end of previous reporting period</b>			125,559,850	440,735,556	38,674,398	<b>604,969,804</b>
<b>a. Net Surplus / (Deficit) for Year</b>			5,918,341	-	-	<b>5,918,341</b>
<b>b. Other Comprehensive Income</b>						
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(32,155,684)	-	-	<b>(32,155,684)</b>
- Transfer to Accumulated Surplus on Sale of I,PP&E	9a	414,526	(414,526)	-	-	-
- Share of OCI - Equity Accounted Council Businesses	19	1,667	-	-	-	<b>1,667</b>
- Other Equity Adjustments - Equity Accounted Council Businesses	19	34,322	-	-	-	<b>34,322</b>
<b>Other Comprehensive Income</b>			450,515	(32,570,210)	-	<b>(32,119,695)</b>
<b>Total Comprehensive Income</b>			<b>6,368,856</b>	<b>(32,570,210)</b>	<b>-</b>	<b>(26,201,354)</b>
<b>c. Transfers between Reserves</b>			(14,093,712)	-	14,093,712	-
<b>Balance at the end of period</b>			<b>117,834,994</b>	<b>408,165,346</b>	<b>52,768,110</b>	<b>578,768,450</b>

# Corporation of the City of Campbelltown

## Statement of Cash Flows

for the year ended 30 June 2019

\$	Notes	2019	2018
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Rates Receipts		38,111,694	36,245,400
Statutory Charges		1,102,954	1,181,304
User Charges		6,230,172	6,180,211
Grants, Subsidies and Contributions (operating purpose)		7,304,898	5,664,482
Investment Receipts		536,886	377,725
Reimbursements		1,208,368	1,540,296
Other Receipts		2,774,068	2,970,447
<b><u>Payments</u></b>			
Payments to Employees		(13,353,546)	(13,071,745)
Payments for Materials, Contracts & Other Expenses		(25,980,456)	(22,508,848)
Finance Payments		(40)	(18,547)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>17,934,998</b>	<b>18,560,725</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		1,101,175	242,734
Sale of Replaced Assets		188,367	138,988
Sale of Surplus Assets		3,689	-
Repayments of Loans by Community Groups		-	2,710
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(13,110,457)	(5,901,160)
Expenditure on New/Upgraded Assets		(5,719,394)	(2,230,497)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(17,536,620)</b>	<b>(7,747,225)</b>
<b>Cash Flows from Financing Activities</b>			
<b><u>Receipts</u></b>			
Proceeds from Bonds & Deposits		84,056	92,278
<b><u>Payments</u></b>			
Repayments of Borrowings		-	(116,191)
Repayment of Bonds & Deposits		(140,969)	(569,252)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(56,913)</b>	<b>(593,165)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>341,465</b>	<b>10,220,335</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	21,364,983	11,144,648
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>21,706,448</b>	<b>21,364,983</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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n/a - not applicable



# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 1. Summary of Significant Accounting Policies

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

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

Corporation of the City of Campbelltown is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 172 Montacute Road, Rostrevor. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

#### 3 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.

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

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$2,355,634	\$1,554,667	+ \$800,967
2017/18	\$1,933,545	\$1,864,980	+ \$68,565
2018/19	\$2,404,091	\$1,880,880	+ \$523,211

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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

#### 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.

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 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and

engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

##### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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 given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

*Expressed as a percentage of Current Replacement Cost*

Buildings - Extensions	5%
Buildings – Renewals	10%
Roads and Footpaths	10%
Kerb, Gutter and Drains	10%
Bridges	10%
Fleet and Other Plant	10%
Park and Playground Furniture and Equipment	10%
Playing Courts	10%
Irrigation – Renewals	10%

*Expressed as dollars*

Information Technology	\$15,000
Computer Equipment	\$15,000
Office Furniture and Equipment	\$2,000
Public Artworks	\$5,000

##### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

**6.4 Depreciation of Non-Current Assets**

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

*Building & Other Structures*

Structure	30 to 100 years
Roof	30 to 60 years
Fire & Safety Services	20 years
Mechanical Services	20 to 50 years
Hydraulic Services	20 to 50 years
Lift	20 years
Building Fabric	30 years
Electrical Services	30 to 50 years
Landscaping	30 years
Pool	40 years

*Infrastructure*

Road Surface	10 to 50 years
Road Pavement – Base Course	60 to 100 years
Road Pavement – Sub Base	300 to 500 years
Kerb and Gutter	60 to 80 years
Closed Drainage and Culverts	30 to 100 years
Open Channel	15 to 100 years
Trash Racks and Gross Pollutant Traps	15 to 100 years
Footpaths and Walkways	10 to 40 years
Traffic Control Devices	10 to 55 years
Car Parks	10 to 100 years

*Bridges*

Abutment	80 years
Bridge Structure	80 years
Bridge Decking	30 to 40 years
Bridge Column	80 years
Bridge Balustrade	40 years
Bridge Guardrail	40 years

*Plant, Furniture & Equipment*

Catering Equipment	4 to 25 years
Electronic Equipment	3 to 15 years
Fleet and Plant	2 to 15 years
Sport and Recreation Equipment	3 to 20 years
Other Equipment	3 to 20 years

*Furniture, Fittings and Library Stock*

Furniture and Fittings	5 to 20 years
Library Stock	1.5 to 5 years

*Other Assets*

Barbeques	40 years
Bus Stops	10 to 40 years
Fences	25 to 40 years
Irrigation	40 years
Landscaping	25 years
Lighting	10 to 40 years
Park Benches and Picnic Tables	40 years
Playground Equipment	2 to 25 years
Playing Courts	20 to 25 years
Shade Structures	40 to 60 years
Miscellaneous	10 to 100 years

**6.5 Impairment**

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

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

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

**6.6 Borrowing Costs**

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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 other than grants 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

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

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

#### 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.

Weighted avg. discount rate	2.09% (2018, 4.80%)
Weighted avg. settlement period	1.98 years (2018, 2.29 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

##### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide 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 Leases

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

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

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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#### 11 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".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### 12 Equity Accounted Council Businesses

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

#### 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 New accounting standards and UIG interpretations

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

AASB 7 Financial Instruments – Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. Although the effect on profit and loss will be non-material, the value of the Right of use asset, and the lease liability, to be disclosed is \$282,000 at 30 June 2019.

Corporation of the City of Campbelltown has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective, except for AASB 1058 "Income of Not-For-Profit Entities" and AASB 15 "Revenue from Contracts with Customer" which were early adopted in the 2017/18 financial year.

**The following list identifies all the new Australian Accounting Standards and Interpretations that have been issued but are not yet effective and have not been early adopted by Council. These standards are not expected to have a material impact upon Council's future financial statements.**



## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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#### **Effective for annual reporting periods beginning on or after 1 January 2019**

- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D).
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors

- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

#### **Effective for annual reporting periods beginning on or after 1 January 2021**

- AASB 17 Insurance Contracts

### **15 Comparative Figures**

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

### **16 Disclaimer**

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

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 2. Income

\$	Notes	2019	2018
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		37,571,605	35,960,529
Less: Mandatory Rebates		(700,018)	(633,824)
Less: Rate Capping		(59,185)	(271,284)
Less: Discretionary Rebates, Remissions & Write Offs		(102,439)	(98,925)
<b>Total General Rates</b>		<b>36,709,963</b>	<b>34,956,496</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,194,942	1,094,893
Separate Rate - Campbelltown Shopping Centre Toilet		25,050	35,200
<b>Total Other Rates</b>		<b>1,219,992</b>	<b>1,130,093</b>
<b>Other Charges</b>			
Penalties for Late Payment		124,376	111,842
Legal & Other Costs Recovered		85,073	87,275
<b>Total Other Charges</b>		<b>209,449</b>	<b>199,117</b>
Less: Discretionary Rebates, Remissions & Write Offs		(24,872)	(21,780)
<b>Total Rates Revenues</b>		<b>38,114,532</b>	<b>36,263,926</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		62,397	93,863
Town Planning Fees		529,438	579,207
Animal Registration Fees & Fines		205,375	181,483
Parking Fines / Expiation Fees		196,740	200,872
Environmental Control Fines		3,433	13,405
Other Licences, Fees & Fines		514	159
Section 7 Searches		98,817	102,929
<b>Total Statutory Charges</b>		<b>1,096,714</b>	<b>1,171,918</b>
<b>(c). User Charges</b>			
Cemetery Fees		9,240	15,241
Hall & Equipment Hire		271,489	284,714
Sales - General		6,004	215
Sundry		19,906	22,101
ARC Campbelltown (previously Campbelltown Leisure Centre)		4,918,897	4,672,446
Lease Fees		526,143	495,973
Library Services		78,493	91,609
Recycling Rebates		-	36,075
<b>Total User Charges</b>		<b>5,830,172</b>	<b>5,618,374</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 2. Income (continued)

\$	Notes	2019	2018
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		516,926	358,071
- Banks & Other		19,322	19,094
- Loans to Community Groups		638	560
<b>Total Investment Income</b>		<b>536,886</b>	<b>377,725</b>
<b>(e). Reimbursements</b>			
Private Works		924,474	1,284,630
Joint Undertakings		116,125	48,220
Other		63,457	74,415
<b>Total Reimbursements</b>		<b>1,104,056</b>	<b>1,407,265</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments - Infrastructure, IPP&E		140,742	243,073
Rebates Received		6,075	6,351
Sundry		173,846	98,486
Community Home Support Program Contributions		163,878	210,018
Workers' Compensation Rebate		293,817	265,191
<b>Total Other Income</b>		<b>778,358</b>	<b>823,119</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		258,321	143,123
Individually Significant Item (refer below - Note 2g(ii))		842,854	99,611
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>1,101,175</b>	<b>242,734</b>
Other Grants, Subsidies and Contributions		428,064	121,720
Individually Significant Items (refer below - Note 2g(ii))		2,960,409	962,131
Untied - Financial Assistance Grant		2,404,091	1,933,545
Roads to Recovery		403,074	783,232
Library Operating Subsidy		163,227	165,908
Library Materials Grant		132,805	180,790
Community Home Support Program		813,228	753,601
<b>Total Other Grants, Subsidies and Contributions</b>		<b>7,304,898</b>	<b>4,900,927</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>8,406,073</b>	<b>5,143,661</b>

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



# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 2. Income (continued)

\$	Notes	2019	2018
<b>(g). Grants, Subsidies, Contributions (continued)</b>			
<b>(i) Sources of grants</b>			
Commonwealth Government		4,961,125	2,541,478
State Government		3,344,297	2,522,008
Other		100,651	80,175
<b>Total</b>		<b>8,406,073</b>	<b>5,143,661</b>
<b>(ii) Individually Significant Items</b>			
Campbelltown Memorial Oval Redevelopment - Amounts Received for New or Upgraded Assets		842,854	99,611
Campbelltown Memorial Oval Redevelopment - Grants, Subsidies, Contributions		2,960,409	962,131

#### Campbelltown Memorial Oval Redevelopment

As part of the \$10.0 million redevelopment of the Campbelltown Memorial Oval, Council obtained grant funding of \$4,989,386 from the Federal Government to assist in funding the project.

Council has recognised \$34,701 of this grant funding in 2016/2017, \$1,061,742 in 2017/2018 and \$3,803,263 in 2018/2019, which represents the share of external funding relating to the project. The total amount of \$1,496,816 related to revenue recognised but not yet received during 2019 has been included in Note 5(b) under Accrued Revenues.

### (h). Physical Resources Received Free of Charge

Other	26,902	-
<b>Total Physical Resources Received Free of Charge</b>	<b>26,902</b>	<b>-</b>

### Note 3. Expenses

#### (a). Employee Costs

Salaries and Wages		10,193,980	9,746,038
Employee Leave Expense		1,689,636	1,606,220
Superannuation - Defined Contribution Plan Contributions	18	673,632	638,996
Superannuation - Defined Benefit Plan Contributions	18	425,432	457,233
Workers' Compensation Insurance		638,066	575,098
Less: Capitalised and Distributed Costs		(496,239)	(463,350)
<b>Total Operating Employee Costs</b>		<b>13,124,507</b>	<b>12,560,235</b>

Total Number of Employees (full time equivalent at end of reporting period)	143.2	141.1
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# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 3. Expenses (continued)

\$	Notes	2019	2018
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		23,971	23,505
Bad and Doubtful Debts		15,000	-
Elected Members' Expenses		218,064	192,810
Election Expenses		206,126	14,229
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		167,546	154,742
<b>Subtotal - Prescribed Expenses</b>		<b>630,707</b>	<b>385,286</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		14,381,472	12,792,602
Energy		2,079,080	2,060,573
Legal Expenses		513,678	358,878
Levies Paid to Government - NRM levy		1,172,568	1,071,934
Levies - Other		531,130	480,065
Parts, Accessories & Consumables		1,599,315	1,499,428
Professional Services		360,867	420,058
Sundry		863,792	839,854
Communications		205,248	190,386
Insurance		478,960	519,904
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>22,186,110</b>	<b>20,233,682</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>22,816,817</b>	<b>20,618,968</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 3. Expenses (continued)

\$	Notes	2019	2018
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings - Level 3		2,041,251	1,883,900
Infrastructure			
- Stormwater Drainage		1,639,413	1,140,376
- Bridges		123,500	25,967
- Creeks		8,618	8,618
- Road Transport Assets and Car Parks		5,429,210	5,165,198
- Gross Pollutant Traps and Trash Racks		37,409	18,994
- Road Traffic Control Devices		100,685	135,534
- Footpaths and Walkways		921,317	962,979
Plant & Equipment		791,869	819,969
Furniture & Fittings		81,275	73,674
Library Books		196,360	196,252
Bus Stops		68,931	69,905
Tennis/Netball Courts & Playgrounds		165,077	145,128
Other Assets		455,934	405,251
<b>Total Depreciation, Amortisation and Impairment</b>		<b>12,060,849</b>	<b>11,051,745</b>
<b>(d). Finance Costs</b>			
Interest on Overdraft and Short-Term Drawdown		40	-
Interest on Loans		-	17,790
<b>Total Finance Costs</b>		<b>40</b>	<b>17,790</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 4. Asset Disposal & Fair Value Adjustments

\$	Notes	2019	2018
<b>Infrastructure, Property, Plant &amp; Equipment</b>			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		188,367	138,988
Less: Carrying Amount of Assets Sold		(1,535,337)	(755,875)
<b>Gain (Loss) on Disposal</b>		<b>(1,346,970)</b>	<b>(616,887)</b>
<b>(ii) Assets Surplus to Requirements</b>			
Proceeds from Disposal		3,689	-
Less: Carrying Amount of Assets Sold		(1,197)	-
<b>Gain (Loss) on Disposal</b>		<b>2,492</b>	<b>-</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>(1,344,478)</b>	<b>(616,887)</b>

### Note 5. Current Assets

#### (a). Cash & Cash Equivalents

Cash on Hand at Bank	48,941	3,950
Deposits at Call	21,657,507	21,440,359
<b>Total Cash &amp; Cash Equivalents</b>	<b>21,706,448</b>	<b>21,444,309</b>

#### (b). Trade & Other Receivables

Rates - General & Other	594,773	600,718
Accrued Revenues	1,604,615	1,308,919
Debtors - General	1,970,512	990,548
GST Recoupment	183,499	-
Prepayments	693,498	341,335
Athelstone Football Club Lease (former loan)	5,679	6,247
Campbelltown Soccer Club Lease (former loan)	10,000	10,000
Hectorville Sports and Community Club Loan	1,010	3,244
Athelstone Football Club Loan	1,733	1,733
<b>Total Trade &amp; Other Receivables</b>	<b>5,065,319</b>	<b>3,262,744</b>

#### (c). Inventories

Stores & Materials	349	391
Trading Stock - ARC Campbelltown	23,997	22,747
<b>Total Inventories</b>	<b>24,346</b>	<b>23,138</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 6. Non-Current Assets

\$	Notes	2019	2018
<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Council Rates Postponement Scheme		70,383	61,600
Athelstone Football Club Lease (former loan)		97,837	102,841
Campbelltown Soccer Club Lease (former loan)		60,000	70,000
Athelstone Football Club Loan		29,846	31,545
Hectorville Sports and Community Club Loan		-	1,010
<b>Total Receivables</b>		<b>258,066</b>	<b>266,996</b>
<b>Total Financial Assets</b>		<b>258,066</b>	<b>266,996</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Eastern Waste Management Authority Inc.	19	140,000	78,849
Eastern Health Authority Inc.	19	114,453	112,190
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>254,453</b>	<b>191,039</b>
<b>(c). Other Non-Current Assets</b>			
Capital Works-in-Progress		4,415,727	3,627,161
<b>Total Other Non-Current Assets</b>		<b>4,415,727</b>	<b>3,627,161</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

Note 7a. Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/6/2018				Asset Movements during the Reporting Period						as at 30/6/2019			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
						New / Upgrade	Renewals								
Land - Level 2	2	23,194,194	-	-	23,194,194	-	-	-	-	-	-	23,194,194	-	-	23,194,194
Land - Level 3	3	227,941,617	-	-	227,941,617	-	-	-	-	-	-	227,941,617	-	-	227,941,617
Buildings - Level 2	2	18,213,340	32,827	12,697,338	5,548,829	9,714	2,091	(212)	(266,031)	-	253,623	18,804,151	11,805	13,267,942	5,548,014
Buildings - Level 3	3	66,324,287	422,099	21,217,540	45,528,846	1,968,542	6,741,301	(8,739)	(1,775,220)	-	1,185,247	68,722,319	8,709,843	23,792,185	53,639,977
- Stormwater Drainage	3	109,991,678	217,173	46,759,623	63,449,228	-	236,923	(69,879)	(1,639,413)	-	22,260,557	139,371,163	236,923	55,370,670	84,237,416
- Bridges	3	2,296,697	-	807,743	1,488,954	-	21,800	(43,155)	(123,500)	-	5,160,963	8,821,116	21,800	2,337,854	6,505,062
- Creeks	3	129,398	-	31,201	98,197	-	-	-	(8,618)	-	-	129,398	-	39,819	89,579
- Road Transport Assets and Car Parks	3	281,974,342	2,145,178	130,795,538	153,323,982	54,088	2,846,328	(911,069)	(5,429,210)	-	15,779,237	308,898,352	2,900,416	146,135,412	165,663,356
- Gross Pollutant Traps and Trash Racks	3	307,718	168,022	304,297	171,443	-	-	-	(37,409)	-	274,746	646,683	-	237,903	408,780
- Road Traffic Control Devices	3	7,120,931	55,518	2,296,494	4,879,955	432,941	-	-	(100,685)	-	(1,356,000)	5,964,879	432,941	2,541,609	3,856,211
- Footpaths and Walkways	3	35,957,472	468,612	19,972,346	16,453,738	385,349	387,935	(80,509)	(921,317)	-	1,379,821	38,545,576	773,284	21,713,843	17,605,017
Plant & Equipment		-	9,979,132	5,210,916	4,768,216	597,407	597,070	(230,544)	(791,869)	-	-	-	10,597,155	5,656,875	4,940,280
Furniture & Fittings		-	1,101,404	612,147	489,257	141,592	21,322	(3,181)	(81,275)	-	-	-	1,255,831	688,116	567,715
Library Books		-	832,206	315,857	516,349	-	168,379	-	(196,360)	-	-	-	789,562	301,194	488,368
Bus Stops	3	1,418,776	199,389	193,161	1,425,004	-	123,139	(43,526)	(68,931)	-	45,819	1,591,585	123,139	233,219	1,481,505
Tennis/Netball Courts & Playgrounds	3	4,503,490	322,593	3,098,434	1,727,649	103,780	52,325	(2,200)	(165,077)	58,052	-	4,653,884	322,593	3,201,948	1,774,529
Other Assets	3	13,836,200	1,069,794	7,455,894	7,450,100	1,939,353	1,236,808	(143,520)	(455,934)	(58,052)	299,498	14,017,561	3,994,247	7,743,555	10,268,253
Total Infrastructure, Property, Plant & Equipment		793,210,140	17,013,947	251,768,529	558,455,558	5,632,766	12,435,421	(1,536,534)	(12,060,849)	-	45,283,511	861,302,478	30,169,539	283,262,144	608,209,873
Comparatives		731,490,032	45,384,266	179,266,030	597,608,268	1,426,741	3,382,423	(755,875)	(11,051,745)	1,430	(32,155,684)	793,210,140	17,013,947	251,768,529	558,455,558

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

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#### Valuation of Assets

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

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

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

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

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

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

#### Valuation Techniques

The entity selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the entity are consistent with one or more of the following valuation approaches:

- *Market approach:* uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach:* converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- *Cost approach:* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore developed using the best information available about such assumptions are considered unobservable.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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#### Valuation of Assets (continued)

##### Information on Valuations

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

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

Where there is no known market for buildings, infrastructure and other assets, these assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

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

##### Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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



# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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#### Valuation of Assets (continued)

##### **Highest and best use**

For land which Council has an unfettered right to sell, the 'highest and best use' recognises the possibility of the demolition or substantial modification of some of all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown Land or has been declared as community land under the provisions of the Local Government Act 1999. Other Types of restrictions also exist.

For land subject to these restrictions the highest and best use is taken to be the 'highest and best use' available to Council, with a rebuttable presumption that the current use is 'highest and best use'. The reason for the current use of a large proportion of Council's assets being other than the 'highest and best use' relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of income.

For buildings and other structures on and in the land, including infrastructure, 'highest and best use' of determined in accordance with the land on and in which they are situated.

##### **Transition to AASB 13 - Fair Value Measurement**

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

##### **Land**

As Council is of the opinion that it is not possible to attribute a value sufficiently reliable to qualify for recognition, land under roads has not been recognised in these reports. Where land is acquired for road purposes during the year, it is initially recognised at cost, then transferred to fair value at reporting date, effectively writing off the expenditure.

Land was revalued to its fair value as at 1 July 2018, where a desktop valuation was undertaken by JLL Pty Ltd. No capitalisation threshold is applied to the acquisition of land or interests in land.

A desktop revaluation for Land is scheduled to apply from 1 July 2019.

##### **Buildings & Other Structures**

Buildings were revalued to their fair value as at 1 July 2018, where a desktop assessment was undertaken by JLL Pty Ltd.

The depreciation expense for the year ended 30 June 2019 was calculated to take into account the updated revaluation.

A desktop revaluation for Buildings is scheduled to apply from 1 July 2019.

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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##### Valuation of Assets (continued)

###### Infrastructure

###### *Road Transport Assets and Car Parks*

Road Surface, Road Pavement, Kerb & Gutter and Car Parks were condition assessed by Talis Consultants Pty Ltd as at 1 July 2017.

The unit rates developed by Council Staff for these asset categories were independently verified by Asset Engineering Pty Ltd as at 1 July 2018, with depreciation for the year ended 30 June 2019 being calculated to take into account these unit rates.

It is expected that this category of assets will next be condition assessed as at 1 July 2021, with a revision to unit rates being applied as at 1 July 2019.

###### *Footpaths and Walkways*

Footpaths and Walkways were condition assessed by Talis Consultants Pty Ltd as at 1 July 2017.

The unit rates developed by Council Staff for these assets were independently verified by Asset Engineering Pty Ltd as at 1 July 2018, with depreciation for the year ended 30 June 2019 being calculated to take into account these unit rates.

It is expected that this category of assets will next be condition assessed as at 1 July 2021, with a revision to unit rates being applied as at 1 July 2019.

###### *Road Traffic Control Devices*

A data collection and validation exercise was undertaken by Talis Consultants Pty Ltd as at 1 July 2017. The unit rates for these assets were developed by Asset Engineering Pty Ltd and were last updated as at 1 July 2018.

It is expected that this category of assets will next be condition assessed as at 1 July 2021, with a revision to unit rates being applied as at 1 July 2019.

###### *Gross Pollutant Traps and Trash Racks*

A data validation and condition assessment was performed by Council Staff for Trash Racks, Mesh Pits and Gross Pollutant Traps as at 1 July 2018. The unit rates for these assets were developed by Asset Engineering Pty Ltd as at 1 July 2018.

It is expected that this category of assets will next be condition assessed as at 1 July 2023, with a revision to unit rates being applied as at 1 July 2019.

###### *Creeks*

A data collection and validation exercise was undertaken by Council Staff in 2011.

It is expected that a further data validation exercise for this category of assets will next be undertaken as at 1 July 2019, with the revision to unit rates being applied at the same time.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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#### Valuation of Assets (continued)

##### *Stormwater Drainage*

Visual inspections using CCTV have been undertaken on a small sample from 2015 to 2019 by Plumbing and Pipeline Solutions. The unit rates developed by Council Staff for these asset categories were independently verified by Asset Engineering Pty Ltd as at 1 July 2018.

Council will continue the rolling condition assessment, with a revision to unit rates being applied as at 1 July 2019.

##### *Bridges*

A data validation and condition assessment was performed by Council Staff for this asset category as at 1 July 2018. The unit rates for these assets were developed by Asset Engineering Pty Ltd as at 1 July 2018.

It is expected that this category of assets will next be condition assessed as at 1 July 2023, with a revision to unit rates being applied as at 1 July 2019.

#### **Plant & Equipment, Furniture & Fittings**

Pursuant to Council's election, these assets are recognised at cost.

#### **Library Books**

Pursuant to Council's election, these assets are recognised at cost, which is in line with the accounting treatment of library books and other lending materials, which are capitalised in bulk and written off when fully depreciated.

#### **Tennis/Netball Courts and Playgrounds**

A data collection and validation exercise and development of a unit rate for Tennis and Netball Courts has been as at 30 June 2016.

It is expected that a full revaluation of Tennis and Netball Courts will apply from 1 July 2019.

#### **Bus Stops**

A data capture and validation exercise was last undertaken by Staff as at 30 June 2014. Unit rates developed by Council Staff for these assets were independently verified by Asset Engineering Pty Ltd as at 1 July 2018.

It is expected that the next condition assessment will apply from 1 July 2019.

#### **Other Assets**

Boutique Open Space assets were revalued to their fair value as at 30 June 2015, where an independent desktop revaluation was undertaken by Liquid Pacific. An independent physical inspection was also undertaken by Liquid Pacific as at 30 June 2014.

It is expected that a full revaluation for this category of assets will apply from 1 July 2019.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

\$

#### Valuation of Assets (continued)

##### Other Assets (continued)

A data collection and condition assessment was undertaken on Other Open Space assets by Programmed Property Services as at 1 July 2018. The unit rates for these assets were developed by Asset Engineering Pty Ltd as at 1 July 2018.

It is expected that a further data validation exercise and unit rate review will apply from 1 July 2019.

### Note 8. Liabilities

\$	Notes	2019 Current	2019 Non Current	2018 Current	2018 Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		2,202,740	-	1,799,061	-
Payments Received in Advance		2,677,240	-	2,380,202	-
Accrued Expenses - Employee Entitlements		352,138	-	334,106	-
Accrued Expenses - Other		796,111	-	424,479	-
Deposits, Retentions & Bonds		379,828	-	436,741	-
GST Payable		-	-	15,566	-
Other		188,985	-	174,936	-
<b>Total Trade and Other Payables</b>		<b>6,597,042</b>	<b>-</b>	<b>5,565,091</b>	<b>-</b>

#### (b). Borrowings

Bank Overdraft	-	-	79,326	-
<b>Total Borrowings</b>	<b>-</b>	<b>-</b>	<b>79,326</b>	<b>-</b>

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

#### (c). Provisions

Annual Leave	757,862	436,132	808,221	503,475
Long Service Leave	1,095,867	384,952	1,077,695	468,687
<b>Total Provisions</b>	<b>1,853,729</b>	<b>821,084</b>	<b>1,885,916</b>	<b>972,162</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 9. Reserves

\$	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
<b>(a). Asset Revaluation Reserve</b>					
Land - Level 3	214,409,240	-	-	-	214,409,240
Buildings - Level 3	12,960,357	1,438,870	(2,220)	-	14,397,007
Infrastructure					
- Stormwater Drainage	50,221,364	22,260,557	(354)	-	72,481,567
- Bridges	3,025,084	5,160,963	(53,123)	-	8,132,924
- Creeks	85,861	-	-	-	85,861
- Road Transport Assets and Car Parks	107,253,061	15,779,237	(662,855)	-	122,369,443
- Gross Pollutant Traps and Trash Racks	159,264	274,746	-	-	434,010
- Road Traffic Control Devices	4,411,620	(1,356,000)	-	-	3,055,620
- Footpaths and Walkways	10,814,454	1,379,821	(62,805)	-	12,131,470
Bus Stops	673,430	45,819	(21,285)	-	697,964
Tennis/Netball Courts & Playgrounds	822,272	-	(1,034)	-	821,238
Other Assets	3,329,339	299,498	(67,712)	-	3,561,125
<b>Total Asset Revaluation Reserve</b>	<b>408,165,346</b>	<b>45,283,511</b>	<b>(871,388)</b>	<b>-</b>	<b>452,577,469</b>
<b>Comparatives</b>	<b>440,735,556</b>	<b>(32,155,684)</b>	<b>(414,526)</b>	<b>-</b>	<b>408,165,346</b>

The column titled 'Transfers' represents the amounts transferred to Accumulated Surplus on derecognition of assets.

\$	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
<b>(b). Other Reserves</b>					
Asset Replacement Reserve	3,606,230	818,870	(399,212)	-	4,025,888
Underground Infrastructure Reserve	400,476	-	-	-	400,476
Committed Works Reserve	13,634,900	7,008,100	(13,634,900)	-	7,008,100
Renewal & Replacement Reserve	35,114,910	3,986,729	-	-	39,101,639
Galt Trust	2,000	27	-	-	2,027
Urban Tree Fund	9,594	1,909	-	-	11,503
Significant Tree Maintenance & Tree Planting Reserve	-	125,047	-	-	125,047
<b>Total Other Reserves</b>	<b>52,768,110</b>	<b>11,940,682</b>	<b>(14,034,112)</b>	<b>-</b>	<b>50,674,680</b>
<b>Comparatives</b>	<b>38,674,398</b>	<b>19,352,513</b>	<b>(5,258,801)</b>	<b>-</b>	<b>52,768,110</b>

### PURPOSES OF RESERVES

#### Asset Revaluation Reserves

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 9. Reserves (continued)

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\$

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#### (b). Other Reserves (continued)

##### **Asset Replacement Reserve**

The Asset Replacement Reserve is used to set aside amounts that will offset the cost of replacing plant, equipment, furniture and fittings. Library stock and computer equipment are not included in these transfers. Amounts are transferred to this Reserve at an amount equal to the annual depreciation charge on the relevant assets. The amount equivalent to the accumulated depreciation expense allocated for replaced assets is transferred from this Reserve to Accumulated Surplus to offset the cost of their replacement.

##### **Underground Infrastructure Reserve**

An allocation received from Optus pursuant to an agreement reached with Council. Part of this Reserve has been used to fund the undergrounding of services at Glynde Corner. The balance is expected to be applied to the future undergrounding of overhead cables.

##### **Committed Works Reserve**

This Reserve represents the works that were not completed during the financial year, which Council has committed to undertake. This Reserve is reduced as expenditure relating to these works is recognised.

##### **Renewal & Replacement Reserve**

This Reserve was established in the 2008/2009 financial year for the future renewal and replacement of existing assets, in accordance with Council's Long Term Financial Plan and Infrastructure Asset Management Plans. Amounts transferred to or from this Reserve is based on the difference between the depreciation expense and net renewal and replacement capital expenditure for the relevant year. 0.55% of the annual rate increase was also allocated to this Reserve for future expenditure between 2008/2009 and 2017/2018.

##### **Galt Trust**

A historical fund that is set aside as an investment for Council.

##### **Urban Tree Fund**

The Urban Tree Fund has been established in accordance with Section 50B of the Development Act 1993. The Fund was established on 10 August 2012 following publication of a Notice in the Government Gazette on 16 August 2012. Payments made to the Fund will be used to maintain or plant trees that are or will constitute significant trees once fully grown, or to purchase land within the Council area that will be used to plant or maintain trees that are or will become significant trees. In accordance with the Act, interest is accrued on the balance throughout the year.

##### **Significant Tree Maintenance & Tree Planting Reserve**

This Reserve was established following a resolution by Council at its 4 September 2018 meeting to increase the maintenance and life of significant trees and to implement additional planting programs to reduce the decline in canopy loss. Funds for this Reserve will be collected from the fees charged to property owners for the removal of Council trees.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 10. Assets Subject to Restrictions

\$	Notes	2019	2018
<p>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.</p>			
<b>Cash &amp; Financial Assets</b>			
<b>Unexpended amounts received from Federal Government</b>			
Avenue Road Gross Pollutant Trap - NRM Board		19,287	19,287
Urban Tree Fund		11,503	9,594
Lochend Redevelopment - National Trust of SA		-	2,251
Book Group Sets - ACH Group		840	840
Sesquicentennial Event Sponsorship		-	4,000
State Government - Steve Woodcock Sports Centre Synthetic Pitch		1,471,577	1,500,000
State Government - Daly Oval Female Changerooms		247,585	280,000
State Government - Max Amber Sportsfield Oval Lighting		-	210,000
LGA Asset Mutual Fund - Building Contents Valuation		-	10,000
Electranet - Third Creek Stabilisation, Magill		-	150,000
Be Connected Activation Grant		-	900
Girl Guides SA - Hall Renovations		-	10,000
OPAL - Book a Bike Program		1,255	5,000
Ripples Art - Shed Additions		-	1,286
SLGIP - River Torrens Linear Path Program Grant		62,322	130,595
Minister for Planning - Fourth Creek Trail Improvements		-	12,937
The Changing Faces of Campbelltown - Multicultural Video Project Grant		16,000	-
<b>Total Cash &amp; Financial Assets</b>		<b>1,830,369</b>	<b>2,346,690</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>		<b>1,830,369</b>	<b>2,346,690</b>

### Note 11. Reconciliation to Statement of Cash Flows

#### (a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	21,706,448	21,444,309
Less: Short-Term Borrowings	8	-	(79,326)
<b>Balances per Statement of Cash Flows</b>		<b>21,706,448</b>	<b>21,364,983</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 11. Reconciliation to Statement of Cash Flows (continued)

\$	Notes	2019	2018
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>6,579,622</b>	<b>5,918,341</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		12,060,849	11,051,745
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(32,620)	22,022
Non-Cash Asset Acquisitions		(26,902)	-
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,101,175)	(242,734)
Net (Gain) Loss on Disposals		1,344,478	616,887
		<b>18,824,252</b>	<b>17,366,261</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(1,811,358)	(610,469)
Net (Increase)/Decrease in Inventories		(1,208)	(10,511)
Net (Increase)/Decrease in Other Current Assets		17,713	948
Net Increase/(Decrease) in Trade & Other Payables		1,088,864	2,244,090
Net Increase/(Decrease) in Other Provisions		-	(429,594)
<b>Net Cash provided by (or used in) operations</b>		<b>17,934,998</b>	<b>18,560,725</b>
<b>(c). Non-Cash Financing and Investing Activities</b>			
<b>Acquisition of assets by means of:</b>			
- Physical Resources Received Free of Charge	2h	26,902	-
<b>Amounts recognised in Income Statement</b>		<b>26,902</b>	<b>-</b>
<b>Total Non-Cash Financing &amp; Investing Activities</b>		<b>26,902</b>	<b>-</b>

### (d). Financing Arrangements

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

Bank Overdrafts	250,000	250,000
Corporate Credit Cards	150,000	150,000
LGFA Cash Advance Debenture Facility	830,000	830,000

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



## Corporation of the City of Campbelltown

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$										
Infrastructure Services	7,127,140	5,046,592	27,215,278	24,683,402	(20,088,138)	(19,636,810)	5,112,968	2,729,120	604,750,819	559,335,891
Urban Planning & Leisure Services	6,658,921	6,427,631	11,102,923	9,995,831	(4,444,002)	(3,568,200)	307,932	349,535	6,541,209	1,584,120
Corporate & Community Services	40,888,964	38,875,458	7,421,273	7,494,599	33,467,691	31,380,859	1,883,998	1,822,272	27,891,262	25,711,069
Executive Services	90,592	213,573	2,262,739	2,074,906	(2,172,147)	(1,861,333)	-	-	750,942	639,865
<b>Total Functions/Activities</b>	<b>54,765,617</b>	<b>50,563,254</b>	<b>48,002,213</b>	<b>44,248,738</b>	<b>6,763,404</b>	<b>6,314,516</b>	<b>7,304,898</b>	<b>4,900,927</b>	<b>639,934,232</b>	<b>587,270,945</b>

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

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 12b. Components of Functions

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**The activities relating to Council functions are as follows:**

#### **INFRASTRUCTURE SERVICES**

Infrastructure Services Management, Asset Management - Road Transport, Asset Management - Footpaths, Asset Management - Stormwater, Administration Building and Hall Maintenance, Sport and Recreation Facilities, Depot Operations, Street Lighting, Parks and Reserves, Tree Maintenance and Replacement, Waste Management, Environmental Management.

#### **URBAN PLANNING AND LEISURE SERVICES**

Urban Planning and Leisure Services Management, Library Services, Environmental Health, Environmental Control and Public Order, City Planning and Development, Cemeteries, Leisure Businesses, Economic Development.

#### **CORPORATE AND COMMUNITY SERVICES**

Corporate and Community Services Management, Community Services and Social Development, Youth Development, Services for Older People, Community Transport, Information Services, Finance, Rates, Governance and Community Interaction.

#### **EXECUTIVE SERVICES**

Executive Services, Elected Members, Civic Functions, People & Culture.

### Note 13. Financial Instruments

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#### **Recognised Financial Instruments**

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

##### **Accounting Policy:**

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

##### **Terms & Conditions:**

Deposits are returning fixed interest rates between 1.75% and 2.10% (2018: 1.25% and 2.20%). Short term deposits have an average maturity of 81 days and an average interest rate of 1.80% (2018: 78 days and 2.07%).

##### **Carrying Amount:**

Approximates fair value due to the short term to maturity.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 13. Financial Instruments (continued)

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#### Recognised Financial Instruments

##### Receivables

##### Rates & Associated Charges

(including legals & penalties for late payment)

##### Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

##### Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.60% (2018: 6.75%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### Receivables

##### Fees & Other Charges

##### Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

##### Terms & Conditions:

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

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### Receivables

##### Other Levels of Government

##### Accounting Policy:

Carried at nominal value.

##### Terms & Conditions:

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

##### Carrying Amount:

Approximates fair value.

##### Liabilities

##### Creditors and Accruals

##### Accounting Policy:

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

##### Terms & Conditions:

Liabilities are normally settled on 30 day terms.

##### Carrying Amount:

Approximates fair value.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 13. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	21,706,448	-	-	21,706,448	21,706,448
Receivables	4,372,942	-	-	4,372,942	4,371,821
Other Financial Assets	-	73,378	203,634	277,012	258,066
<b>Total Financial Assets</b>	<b>26,079,390</b>	<b>73,378</b>	<b>203,634</b>	<b>26,356,402</b>	<b>26,336,335</b>
<b>Financial Liabilities</b>					
Payables	3,378,679	-	-	3,378,679	3,378,679
<b>Total Financial Liabilities</b>	<b>3,378,679</b>	<b>-</b>	<b>-</b>	<b>3,378,679</b>	<b>3,378,679</b>
<b>2018</b>					
<b>Financial Assets</b>					
Cash & Equivalents	21,444,309	-	-	21,444,309	21,444,309
Receivables	2,921,968	-	-	2,921,968	2,921,409
Other Financial Assets	-	74,573	213,195	287,768	266,996
<b>Total Financial Assets</b>	<b>24,366,277</b>	<b>74,573</b>	<b>213,195</b>	<b>24,654,045</b>	<b>24,632,714</b>
<b>Financial Liabilities</b>					
Payables	2,675,847	-	-	2,675,847	2,675,847
Current Borrowings	79,326	-	-	79,326	79,326
<b>Total Financial Liabilities</b>	<b>2,755,173</b>	<b>-</b>	<b>-</b>	<b>2,755,173</b>	<b>2,755,173</b>

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates		-	0.00%	79,326
		-		<b>79,326</b>

### 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.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 13. Financial Instruments (continued)

\$

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

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

### Note 14. Commitments for Expenditure

\$

Notes

2019

2018

#### (a). Capital Commitments

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

Buildings	712,650	7,214,750
Infrastructure	5,336,150	5,032,050
Plant & Equipment	-	521,100
Furniture & Fittings	-	250,650
Library Stock	130,300	59,250
Other	1,633,300	3,464,900
	<b>7,812,400</b>	<b>16,542,700</b>

##### These expenditures are payable:

Not later than one year	7,812,400	16,542,700
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>7,812,400</b>	<b>16,542,700</b>

#### (b). Other Expenditure Commitments

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

Audit Services	74,826	98,797
Waste Management Services	2,359,337	2,295,075
	<b>2,434,163</b>	<b>2,393,872</b>

##### These expenditures are payable:

Not later than one year	2,383,787	2,319,046
Later than one year and not later than 5 years	50,376	74,826
Later than 5 years	-	-
	<b>2,434,163</b>	<b>2,393,872</b>

#### (c). Finance Lease Commitments

Council has no Finance Leases.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$	2019	2019	2018	2017

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	6,796,023	12%	12%	10%
Total Operating Income	54,798,236			

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

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	(17,757,978)	(32%)	(33%)	(14%)
Total Operating Income	54,798,236			

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

#### Adjustments to Ratios

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

Adjusted Operating Surplus Ratio	12%	12%	9%
Adjusted Net Financial Liabilities Ratio	(33%)	(33%)	(15%)

#### 3. Asset Renewal Funding Ratio

Net Asset Renewals	13,110,457	112%	194%	73%
Infrastructure & Asset Management Plan required expenditure	11,684,000			

*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.*

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 16. Uniform Presentation of Finances

\$	2019	2018
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	54,798,236	50,596,742
less Expenses	(48,002,213)	(44,304,248)
<b>Operating Surplus / (Deficit)</b>	<b>6,796,023</b>	<b>6,292,494</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(13,110,457)	(5,901,160)
<i>add back</i> Depreciation, Amortisation and Impairment	12,060,849	11,051,745
<i>add back</i> Proceeds from Sale of Replaced Assets	188,367	138,988
<b>Subtotal</b>	<b>(861,241)</b>	<b>5,289,573</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(5,719,394)	(2,230,497)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,101,175	242,734
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	3,689	-
<b>Subtotal</b>	<b>(4,614,530)</b>	<b>(1,987,763)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>1,320,252</b>	<b>9,594,304</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 17. Operating Leases

\$	2019	2018
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#### 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.

#### (i) Investment Property

Council has not classified any Land or Buildings as "Investment Property".

#### (ii) Lease Payment Commitments of Council

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

No contingent rentals were paid during the current or previous reporting periods.

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

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

No lease contains any escalation clause.

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

Not later than one year	125,541	112,780
Later than one year and not later than 5 years	175,914	138,852
Later than 5 years	-	-
	<b>301,455</b>	<b>251,632</b>



## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 18. Superannuation

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The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

#### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018/19; 9.50% in 2017/18). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2017/18) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### **Contributions to Other Superannuation Schemes**

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

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 19. Interests in Other Entities

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Joint Ventures	32,620	(22,022)	254,453	191,039
<b>Total</b>	<b>32,620</b>	<b>(22,022)</b>	<b>254,453</b>	<b>191,039</b>

#### (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Eastern Waste Mgt Authority Inc.	Waste Collection Services	140,000	78,849
Eastern Health Authority Inc.	Environmental Health Services	114,453	112,190
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>254,453</b>	<b>191,039</b>

##### Eastern Waste Mgt Authority Inc.

The Authority's primary purpose is to provide effective waste collection services for its Member Councils. The exact nature of the waste collection services are determined independently by each Council to meet the needs of their respective communities.

##### Eastern Health Authority Inc.

The Eastern Health Authority provides a wide range of environmental health services to the community in the eastern and inner northern suburbs of Adelaide. The Authority's main functions include provision of immunisation services, surveillance of food safety, sanitation and disease control, and licensing of supported residential facilities.

##### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Eastern Waste Mgt Authority Inc.	19.83%	16.67%	19.83%	16.67%	14.28%	14.28%
Eastern Health Authority Inc.	23.44%	24.17%	23.44%	24.17%	20.00%	20.00%

##### (c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Mgt Authority Inc.		Eastern Health Authority Inc.	
	2019	2018	2019	2018
Opening Balance	78,849	101,854	112,190	75,218
Share in Operating Result	26,969	(55,510)	5,651	33,488
Share in Other Comprehensive Income	6,346	1,667	-	-
Adjustments to Equity	27,836	30,838	(3,388)	3,484
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>140,000</b>	<b>78,849</b>	<b>114,453</b>	<b>112,190</b>

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 19. Interests in Other Entities

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

Statement of Financial Position	Eastern Waste Mgt Authority Inc.		Eastern Health Authority Inc.	
	2019	2018	2019	2018
Cash and Cash Equivalents	1,967,000	1,376,000	743,272	876,554
Other Current Assets	717,000	1,127,000	168,200	122,329
Non-Current Assets	6,100,000	6,165,000	324,192	341,914
<b>Total Assets</b>	<b>8,784,000</b>	<b>8,668,000</b>	<b>1,235,664</b>	<b>1,340,797</b>
Current Trade and Other Payables	771,000	821,000	149,195	197,380
Current Financial Liabilities	1,987,000	2,007,000	64,393	64,393
Current Provisions	540,000	530,000	322,578	325,421
Non-Current Financial Liabilities	4,702,000	4,774,000	186,350	250,742
Non-Current Provisions	78,000	63,000	24,868	38,690
<b>Total Liabilities</b>	<b>8,078,000</b>	<b>8,195,000</b>	<b>747,384</b>	<b>876,626</b>
<b>Net Assets</b>	<b>706,000</b>	<b>473,000</b>	<b>488,280</b>	<b>464,171</b>

Statement of Comprehensive Income	Eastern Waste Mgt Authority Inc.		Eastern Health Authority Inc.	
	2019	2018	2019	2018
Other Income	722,000	428,000	818,592	834,312
Contributions from Constituent Councils	15,440,000	12,689,000	1,723,013	1,680,870
Interest Income	32,000	19,000	16,316	12,923
<b>Total Income</b>	<b>16,194,000</b>	<b>13,136,000</b>	<b>2,557,921</b>	<b>2,528,105</b>
Employee Costs	5,580,000	5,605,000	1,767,577	1,581,162
Materials, Contracts & Other Expenses	8,229,000	5,776,000	716,069	746,550
Depreciation, Amortisation and Impairment	1,959,000	1,767,000	37,355	46,014
Finance Costs	290,000	321,000	12,811	15,827
<b>Total Expenses</b>	<b>16,058,000</b>	<b>13,469,000</b>	<b>2,533,812</b>	<b>2,389,553</b>
Other Revenue / Expense Items	32,000	10,000	-	-
<b>Operating Result</b>	<b>168,000</b>	<b>(323,000)</b>	<b>24,109</b>	<b>138,552</b>

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

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

#### Operating Expenditures Payable

Not later than one year	15,046	11,595
Later than one year and not later than 5 years	17,313	11,455
Later than 5 years	-	-
	<b>32,359</b>	<b>23,050</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 20. Non-Current Assets Held for Sale & Discontinued Operations

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Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

### Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

#### 1. LAND UNDER ROADS

As reported in the Financial 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 the 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 252.7 km of road reserves of average width 7.36 metres.

#### 2. POTENTIAL INSURANCE LOSSES

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

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

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

#### 3. LEGAL MATTERS

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 1 appeal 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.

#### 4. CEMETERIES

Council operates two cemetery facilities. A contingent liability exists for the ongoing maintenance of these cemeteries. The liability remains until all existing site leases have expired.

# Corporation of the City of Campbelltown

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2019, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 05/11/19.

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

### Note 23. Related Party Transactions

\$	2019	2018
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#### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 30 persons were paid the following total compensation:

##### The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	2,341,076	2,335,520
Termination Benefits	-	13,963
<b>Total</b>	<b>2,341,076</b>	<b>2,349,483</b>

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

##### Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Contributions for Fringe Benefits Tax purposes by KMPs	5,726	7,474
Planning and Building Application Fees charged to entities controlled by close family members of KMPs	3,067	6,379
Purchase of materials and services from entities controlled by close family members of KMPs	-	4,760
<b>Total</b>	<b>8,793</b>	<b>18,613</b>

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Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

### To the members of Campbelltown City Council

#### Opinion

We have audited the accompanying financial report of Campbelltown City Council (the Council), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Campbelltown City Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Council's Responsibility for the Financial Report

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 the Local Government (Financial Management) Regulations 2011 and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Report**

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

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA Registered Company Auditor  
Partner

11 November 2019



David Chant CA, FCPA  
Simon Smith CA, FCPA  
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## INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

### To the members of Campbelltown City Council

### Independent Assurance Report on the Internal Controls of Campbelltown City Council

#### Opinion

We have audited the compliance of Campbelltown City Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2018 to 30 June 2019 have been conducted properly and in accordance with law.

In our opinion, Campbelltown City Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2018 to 30 June 2019.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

#### The Council's Responsibility for Internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

#### Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.



**Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

**Limitations of Controls**

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

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

**Limitation of Use**

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

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA Registered Company Auditor  
Partner

11 November 2019

## Corporation of the City of Campbelltown

### General Purpose Financial Statements for the year ended 30 June 2019

### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Corporation of the City of Campbelltown for the year ended 30 June 2019, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Paul Di Iulio  
**CHIEF EXECUTIVE OFFICER**



Roberto Bria B. Ec. FCPA MBA GAICD  
**PRESIDING MEMBER, AUDIT COMMITTEE**

**Date: 29 August 2019**

## Corporation of the City of Campbelltown

### General Purpose Financial Statements

for the year ended 30 June 2019

### Statement by Auditor

I confirm that, for the audit of the financial statements of Corporation of the City of Campbelltown for the year ended 30 June 2019, 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 2011* made under that Act.

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



---

Tim Muhlhausler  
Galpins

Dated this 11th day of November 2019.