

# Corporation of the City of Campbelltown

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2021

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*A safe, sustainable, vibrant Community*



# Corporation of the City of Campbelltown

## General Purpose Financial Statements

for the year ended 30 June 2021

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# Corporation of the City of Campbelltown

## General Purpose Financial Statements

for the year ended 30 June 2021

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### Certification of Financial Statements

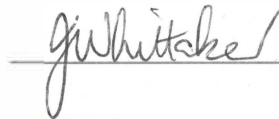
**We have been authorised by the Council to certify the financial statements in their final form.**

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Paul Di Iulio  
Chief Executive Officer



Jill Whittaker  
Mayor

Date: 02 November 2021

# Corporation of the City of Campbelltown

## Statement of Comprehensive Income

for the year ended 30 June 2021

\$	Notes	2021	2020
<b>Income</b>			
Rates	2a	40,240,107	39,531,132
Statutory Charges	2b	1,222,005	1,031,727
User Charges	2c	5,745,326	4,736,813
Grants, Subsidies and Contributions	2g	4,368,762	3,629,253
Investment Income	2d	236,288	406,064
Reimbursements	2e	1,262,424	2,168,415
Other income	2f	669,174	745,216
Net Gain - Equity Accounted Council Businesses	19(a)	52,580	26,374
<b>Total Income</b>		<b>53,796,666</b>	<b>52,274,994</b>
<b>Expenses</b>			
Employee costs	3a	13,678,289	13,574,149
Materials, Contracts and Other Expenses	3b	23,706,521	22,462,038
Depreciation, Amortisation and Impairment	3c	13,207,202	13,117,965
Finance Costs	3d	4,605	7,975
Net loss - Equity Accounted Council Businesses	19(a)	—	3,256
<b>Total Expenses</b>		<b>50,596,617</b>	<b>49,165,383</b>
<b>Operating Surplus / (Deficit)</b>		<b>3,200,049</b>	<b>3,109,611</b>
Physical Resources Received Free of Charge	2h	21,341	1,033,315
Asset Disposal & Fair Value Adjustments	4	(1,323,133)	(2,944,938)
Amounts Received Specifically for New or Upgraded Assets	2g	2,351,859	2,053,041
<b>Net Surplus / (Deficit)</b>		<b>4,250,116</b>	<b>3,251,029</b>
<b>Other Comprehensive Income</b>			
<b>Amounts which will not be reclassified subsequently to operating result</b>			
Changes in Revaluation Surplus - I,PP&E	9a	68,399,339	3,666,981
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	20,822	11,898
<b>Total Amounts which will not be reclassified subsequently to operating result</b>		<b>68,420,161</b>	<b>3,678,879</b>
<b>Amounts which will be reclassified subsequently to operating result</b>			
Other Equity Adjustments - Equity Accounted Council Businesses	19(a)	4,606	17,088
<b>Total Amounts which will be reclassified subsequently to operating result</b>		<b>4,606</b>	<b>17,088</b>
<b>Total Other Comprehensive Income</b>		<b>68,424,767</b>	<b>3,695,967</b>
<b>Total Comprehensive Income</b>		<b>72,674,883</b>	<b>6,946,996</b>

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

# Corporation of the City of Campbelltown

## Statement of Financial Position

as at 30 June 2021

\$	Notes	2021	2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & Cash Equivalent Assets	5a	35,634,666	26,988,358
Trade & Other Receivables	5b	2,660,108	3,589,121
Inventories	5d	20,962	23,559
<b>Total current assets</b>		<b>38,315,736</b>	<b>30,601,038</b>
<b>Non-current assets</b>			
Financial Assets	6a	262,485	314,244
Equity Accounted Investments in Council Businesses	6b	384,565	306,557
Other Non-Current Assets	6c	4,139,664	3,666,678
Infrastructure, Property, Plant & Equipment	7a(i)	677,053,495	610,913,314
<b>Total non-current assets</b>		<b>681,840,209</b>	<b>615,200,793</b>
<b>TOTAL ASSETS</b>		<b>720,155,945</b>	<b>645,801,831</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	7,015,318	5,226,774
Borrowings	8b	68,130	88,932
Provisions	8c	1,890,388	1,928,533
<b>Total Current Liabilities</b>		<b>8,973,836</b>	<b>7,244,239</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	59,101	84,578
Provisions	8c	838,752	863,641
<b>Total Non-Current Liabilities</b>		<b>897,853</b>	<b>948,219</b>
<b>TOTAL LIABILITIES</b>		<b>9,871,689</b>	<b>8,192,458</b>
<b>Net Assets</b>		<b>710,284,256</b>	<b>637,609,373</b>
<b>EQUITY</b>			
Accumulated surplus		125,417,801	127,588,794
Asset revaluation reserves	9a	521,482,824	454,049,501
Other reserves	9b	63,383,631	55,971,078
<b>Total Council Equity</b>		<b>710,284,256</b>	<b>637,609,373</b>
<b>Total Equity</b>		<b>710,284,256</b>	<b>637,609,373</b>

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

# Corporation of the City of Campbelltown

## Statement of Changes in Equity

for the year ended 30 June 2021

\$	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2021</b>					
Balance at the end of previous reporting period		127,588,794	454,049,501	55,971,078	637,609,373
Net Surplus / (Deficit) for Year		4,250,116	—	—	4,250,116
<b>Other Comprehensive Income</b>					
- Share of OCI - Equity Accounted Council Businesses		20,822	—	—	20,822
- Gain (Loss) on Revaluation of I,PP&E	7a	—	68,399,339	—	68,399,339
- Transfer to Accumulated Surplus on Sale of I,PP&E	9a	966,016	(966,016)	—	—
- Other Equity Adjustments - Equity Accounted Council Businesses	19	4,606	—	—	4,606
<b>Other comprehensive income</b>		<b>991,444</b>	<b>67,433,323</b>	<b>—</b>	<b>68,424,767</b>
<b>Total comprehensive income</b>		<b>5,241,560</b>	<b>67,433,323</b>	<b>—</b>	<b>72,674,883</b>
Transfers between Reserves		(7,412,553)	—	7,412,553	—
<b>Balance at the end of period</b>		<b>125,417,801</b>	<b>521,482,824</b>	<b>63,383,631</b>	<b>710,284,256</b>
<b>2020</b>					
Balance at the end of previous reporting period		127,410,228	452,577,469	50,674,680	630,662,377
Net Surplus / (Deficit) for Year		3,251,029	—	—	3,251,029
<b>Other Comprehensive Income</b>					
- Share of OCI - Equity Accounted Council Businesses		11,898	—	—	11,898
- Gain (Loss) on Revaluation of I,PP&E	7a	—	3,666,981	—	3,666,981
- Transfer to Accumulated Surplus on Sale of I,PP&E	9a	2,194,949	(2,194,949)	—	—
- Other Equity Adjustments - Equity Accounted Council Businesses	19	17,088	—	—	17,088
<b>Other comprehensive income</b>		<b>2,223,935</b>	<b>1,472,032</b>	<b>—</b>	<b>3,695,967</b>
<b>Total comprehensive income</b>		<b>5,474,964</b>	<b>1,472,032</b>	<b>—</b>	<b>6,946,996</b>
Transfers between Reserves		(5,296,398)	—	5,296,398	—
<b>Balance at the end of period</b>		<b>127,588,794</b>	<b>454,049,501</b>	<b>55,971,078</b>	<b>637,609,373</b>

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

# Corporation of the City of Campbelltown

## Statement of Cash Flows

for the year ended 30 June 2021

\$	Notes	2021	2020
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Rates Receipts		40,439,730	39,039,674
Statutory Charges		1,222,005	1,037,927
User Charges		6,245,326	4,736,813
Grants, Subsidies and Contributions (operating purpose)		4,368,762	3,629,253
Investment Receipts		236,288	406,064
Reimbursements		1,385,158	2,384,457
Other Receipts		3,270,207	4,285,394
<u>Payments</u>			
Payments to Employees		(13,757,811)	(13,393,379)
Payments for Materials, Contracts & Other Expenses		(25,651,742)	(25,857,076)
Finance Payments		(4,914)	(7,331)
<b>Net cash provided by (or used in) Operating Activities</b>	11b	<u>17,753,009</u>	<u>16,261,796</u>
<b>Cash flows from investing activities</b>			
Amounts Received Specifically for New/Upgraded Assets		3,759,674	2,053,041
Sale of Replaced Assets		309,847	681,364
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(8,228,973)	(10,063,573)
Expenditure on New/Upgraded Assets		(4,749,489)	(3,658,945)
<b>Net cash provided (or used in) investing activities</b>		<u>(8,908,941)</u>	<u>(10,988,113)</u>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		149,156	222,162
<u>Payments</u>			
Repayment of Lease Liabilities		(100,486)	(102,335)
Repayment of Bonds & Deposits		(246,430)	(111,600)
<b>Net Cash provided by (or used in) Financing Activities</b>		<u>(197,760)</u>	<u>8,227</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>8,646,308</u>	<u>5,281,910</u>
plus: Cash & Cash Equivalents at beginning of period		26,988,358	21,706,448
<b>Cash and cash equivalents held at end of period</b>	11a	<u>35,634,666</u>	<u>26,988,358</u>
Additional Information:			
<b>Total Cash, Cash Equivalents &amp; Investments</b>		<u>35,634,666</u>	<u>26,988,358</u>

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

# Corporation of the City of Campbelltown

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

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

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# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Summary of Significant Accounting Policies

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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 Critical Accounting Estimates

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

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

##### 1.3 Estimates and assumptions

The COVID-19 pandemic has impacted the 2020 and 2021 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Examples include:

1. reduced income from events and facility hire
2. financial support in the form of temporary suspension of fines and interest on outstanding rates and debt collection
3. additional costs for cleaning and health and safety initiatives.

COVID-19 is not expected to have a significant financial impact on Council operations with the Council working to manage its discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2021/2022 financial year, but these have been largely taken into account during the development of the budget for 2021/2022 including, but not limited to forecasting an operating deficit. The budget assumptions for 2021/2022 assume that no further harsher restrictions are put in place by the Government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

##### 1.4 Rounding

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

#### (2) The Local Government Reporting Entity

Campbelltown City Council 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

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

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

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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

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

Financial Year	Cash Payment Received	Annual Allocation	Difference
2018/2019	\$2,404,091	\$1,880,880	+ \$523,211
2019/2020	\$1,696,608	\$1,902,491	- \$205,883
2020/2021	\$1,638,260	\$1,929,386	- \$291,126

In addition, the 2019/2020 and 2020/2021 Supplementary Local Road Grants totalling \$529,716 were paid in advance in June 2019. Because these grants are untied, the Australian Accounting Standards require these grants to 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.

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.

#### 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. 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 are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### (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, except for trade receivables from a contract with a customer, which are measured at the transaction price. 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.

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

#### (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.

##### 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.

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### *Building & Other Structures*

Structure	30 to 100 years
Roof	60 years
Fire & Safety Services	15 years
Mechanical Services	20 to 30 years
Hydraulic Services	20 to 100 years
Lift	20 to 40 years
Building Fabric	30 to 100 years
Electrical Services	30 to 100 years
Landscaping	30 to 100 years
Pool	50 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*

Bridge 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 & Equipment*

Catering Equipment	4 to 25 years
Electronic Equipment	2 to 15 years
Fleet and Plant	2 to 15 years
Sport and Recreation Equipment	2 to 22 years

#### *Furniture, Fittings and Library Stock*

Furniture and Fittings	5 to 20 years
Library Stock	2 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	20 to 45 years
Playground Equipment	10 to 40 years
Playing Courts	30 years
Shade Structures	15 to 40 years
Synthetic Soccer Pitch	10 to 50 years
Miscellaneous	10 to 100 years

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### 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 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 from the date of invoice, unless otherwise agreed. 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 *Employee Benefits*.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate - 1.06% (2020, 0.90%)

Weighted average settlement period - 2.08 years (2020, 2.11 years)

#### 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.

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### (10) Leases

##### Accounting policy applicable from 1 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### 10.1 Council as a lessee

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

##### i) Right-of-Use-Assets

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

Plant and Equipment	2 to 5 years
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The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

##### ii) Lease Liabilities

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

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

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

#### (11) 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.

#### (12) 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.

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### **(13) New accounting standards and UIG interpretations**

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### **Amendments to AASB 101 and AASB 108 Definition of Material**

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

##### **Amendments to AASB 16 COVID-19 Related Rent Concessions**

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - COVID-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the financial statements of Council.

#### **Standards issued by the AASB not yet effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

##### **Effective for NFP annual reporting periods beginning on or after 1 January 2022**

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

##### **Effective for NFP annual reporting periods beginning on or after 1 January 2023**

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

#### **(14) Comparative Figures**

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

#### **(15) Disclaimer**

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



# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2. Income

\$	2021	2020
<b>(a) Rates</b>		
<b>General Rates</b>		
General Rates	39,848,224	39,007,761
Less: Mandatory Rebates	(724,189)	(728,538)
Less: Rate Capping	–	(7,772)
Less: Discretionary Rebates, Remissions & Write Offs	(224,329)	(110,053)
<b>Total General Rates</b>	<b>38,899,706</b>	<b>38,161,398</b>
<b>Other Rates (Including Service Charges)</b>		
Natural Resource Management Levy	–	1,247,019
Regional Landscape Levy	1,229,007	–
Separate Rate - Campbelltown Shopping Centre Toilet	(102)	31,100
<b>Total Other Rates (Including Service Charges)</b>	<b>1,228,905</b>	<b>1,278,119</b>
<b>Other Charges</b>		
Penalties for Late Payment	72,770	94,878
Legal & Other Costs Recovered	63,922	22,935
<b>Total Other Charges</b>	<b>136,692</b>	<b>117,813</b>
Less: Discretionary Rebates, Remissions & Write Offs	(25,196)	(26,198)
<b>Total Rates</b>	<b>40,240,107</b>	<b>39,531,132</b>
<b>(b) Statutory Charges</b>		
Development Act Fees	73,976	61,999
Town Planning Fees	469,686	456,699
Animal Registration Fees & Fines	215,988	207,931
Parking Fines / Expiation Fees	306,925	169,498
Environmental Control Fines	19,778	32,859
Section 7 Searches	135,060	102,144
Other Licences, Fees & Fines	592	597
<b>Total Statutory Charges</b>	<b>1,222,005</b>	<b>1,031,727</b>
<b>(c) User Charges</b>		
Cemetery Fees	65,435	8,688
Hall & Equipment Hire	204,106	204,993
Sales - General	2,236	5,235
ARC Campbelltown (previously Campbelltown Leisure Centre)	4,819,487	3,842,784
Lease Fees	584,466	594,661
Library Services	54,006	62,509
Sundry	15,590	17,943
<b>Total User Charges</b>	<b>5,745,326</b>	<b>4,736,813</b>



# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2. Income (continued)

\$	2021	2020
<b>(d) Investment Income</b>		
Interest on Investments		
- Local Government Finance Authority	228,778	394,954
- Banks & Other	7,005	10,690
- Loans to Community Groups	505	420
<b>Total Investment Income</b>	<b>236,288</b>	<b>406,064</b>

### **(e) Reimbursements**

Private Works	100,237	44,950
Joint Undertakings	1,032,246	765,263
ARC Campbelltown - Caltex Claim	–	1,005,262
SAPN - Street Lighting Cost Recovery	–	285,044
Other	129,941	67,896
<b>Total Reimbursements</b>	<b>1,262,424</b>	<b>2,168,415</b>

### **(f) Other income**

Insurance & Other Recoupments - Infrastructure, IPP&E	38,050	121,743
Rebates Received	7,118	3,366
Community Home Support Program Contributions	231,678	197,436
Workers' Compensation Rebate	304,177	321,188
Sundry	88,151	101,483
<b>Total Other income</b>	<b>669,174</b>	<b>745,216</b>

### **(g) Grants, Subsidies, Contributions**

Amounts Received Specifically for New or Upgraded Assets	737,494	540,921
Local Roads and Community Infrastructure Grants	255,404	–
Individually Significant Item (refer below - Note 2g(ii))	1,358,961	1,512,120
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>	<b>2,351,859</b>	<b>2,053,041</b>
Untied - Financial Assistance Grant	1,638,260	1,696,608
Special Local Roads Program	363,243	–
Community Home Support Program	806,070	789,391
Roads to Recovery	536,765	539,765
Library Operating Subsidy	173,908	170,760
Library Materials Grant	155,697	137,525
Local Roads and Community Infrastructure Grants	146,583	–
Individually Significant Items (refer below - Note 2g(ii))	382,868	49,137
Other Grants, Subsidies and Contributions	165,368	246,067
<b>Total Other Grants, Subsidies and Contributions</b>	<b>4,368,762</b>	<b>3,629,253</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>6,720,621</b>	<b>5,682,294</b>

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

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2. Income (continued)

\$	2021	2020
<b>(i) Sources of grants</b>		
Commonwealth Government	2,719,103	1,450,711
State Government	3,456,944	4,006,400
Other	544,574	225,183
<b>Total</b>	<b>6,720,621</b>	<b>5,682,294</b>

### (ii) Individually Significant Items

#### Amounts Received Specifically for New or Upgraded Assets

Campbelltown Memorial Oval Redevelopment	–	40,543
Steve Woodcock Sports Centre - Synthetic Soccer Pitch and Female Changerooms	–	1,471,577
Max Amber Sportsfield Redevelopment	1,026,657	–
Hectorville Sports and Community Club Redevelopment	178,720	–
Developer Contributions	153,584	–

#### Other Grants, Subsidies and Contributions

Campbelltown Memorial Oval Redevelopment	–	49,137
Max Amber Sportsfield Redevelopment	31,271	–
Kerbside Performance Food Waste System	256,952	–
Foxfield Oval Change Room Upgrade	94,645	–

#### Grant Details for Individually Significant Items:

- Campbelltown Memorial Oval Redevelopment - Community Development Grants Program - Department of Infrastructure, Regional Development and Cities - Total as per Grant Agreement - \$4,989,386
- Steve Woodcock Sports Centre - Synthetic Soccer Pitch, Female Changerooms and New Fencing - Office for Recreation, Sport and Racing - Total as per Grant Agreement - \$1,500,000
- Max Amber Sportsfield Redevelopment - Community Development Grants Program - Department of Infrastructure, Transport, Regional Development and Communications - Total as per Grant Agreement - \$5,000,000 & Round 2 Grassroots Football, Crickets and Netball Facilities Program - Office for Recreation, Sport and Racing - Total as per Grant Agreement - \$245,000
- Hectorville Sports and Community Club Redevelopment - Special Purpose Grant - Office for Recreation and Sport - Total as per Grant Agreement - \$280,000 & Hectorville Sports and Community Club - Total as per Grant Agreement - \$500,000
- Developer Contributions - Open Space contribution for 23 allotments - \$153,584
- Kerbside Performance Food Waste System - Green Industries SA - Total as per Grant Agreement - \$390,752
- Foxfield Oval Change Room Upgrade - Round 3 Grassroots Football, Crickets and Netball Facilities Program - Office for Recreation, Sport and Racing - Total as per Grant Agreement - \$400,000

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

Land	–	290,000
Buildings	–	258,000
Infrastructure	9,218	459,203
Plant & Equipment	–	4,216
Furniture & Fittings	739	21,896
Shade Shelters and Structures	11,384	–
<b>Total Physical Resources Received Free of Charge</b>	<b>21,341</b>	<b>1,033,315</b>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 3. Expenses

\$	Notes	2021	2020
<b>(a) Employee costs</b>			
Salaries and Wages		10,520,140	10,594,243
Employee Leave Expense		1,872,698	1,822,367
Superannuation - Defined Contribution Plan Contributions	18	749,438	734,584
Superannuation - Defined Benefit Plan Contributions	18	406,113	403,518
Workers' Compensation Insurance		594,775	561,398
Less: Capitalised and Distributed Costs		(464,875)	(541,961)
<b>Total Operating Employee Costs</b>		<b>13,678,289</b>	<b>13,574,149</b>
Total Number of Employees (full time equivalent at end of reporting period)			
		139	140
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		24,938	24,450
Bad and Doubtful Debts		313,168	5,000
Elected Members' Expenses		250,520	253,102
Election Expenses		15,958	15,437
Lease Expense - Low Value Assets / Short Term Leases		27,136	46,983
<b>Subtotal - Prescribed Expenses</b>		<b>631,720</b>	<b>344,972</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		15,172,840	14,344,373
Energy		1,714,221	1,895,816
Legal Expenses		216,812	268,635
Levies Paid to Government - NRM levy		–	1,220,432
Levies Paid to Government - Regional Landscape Levy		1,203,092	–
Levies - Other		522,169	550,163
Parts, Accessories & Consumables		1,867,311	1,548,834
Professional Services		400,199	332,110
Communications		187,205	193,850
Insurance		575,930	538,653
PLEC Contributions		442,425	470,252
Sundry		772,597	753,948
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>23,074,801</b>	<b>22,117,066</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>23,706,521</b>	<b>22,462,038</b>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 3. Expenses (continued)

\$	2021	2020
<b>(c) Depreciation, Amortisation and Impairment</b>		
<b>(i) Depreciation and Amortisation</b>		
Buildings - Level 2	47,667	303,271
Buildings - Level 3	1,941,113	1,911,763
Infrastructure		
- Stormwater Drainage	1,423,959	1,650,694
- Bridges	131,342	126,330
- Creeks	—	8,600
- Road Transport Assets and Car Parks	5,642,448	5,476,781
- Gross Pollutant Traps and Trash Racks	37,839	35,614
- Road Traffic Control Devices	104,060	116,350
- Footpaths and Walkways	1,198,627	974,004
Right-of-use Assets	107,940	98,771
Plant & Equipment	1,019,238	973,999
Furniture & Fittings	90,412	97,645
Library Books	182,303	184,846
Bus Stops	74,625	69,448
Park Furniture	41,677	49,964
Other Open Space Assets	275,077	275,497
Playground Equipment	396,572	366,190
Shade Shelters and Structures	113,442	106,486
Playing Fields, Courts, Lighting and Equipment	306,647	240,797
Other Boutique Assets	72,214	50,915
<b>Subtotal</b>	<b>13,207,202</b>	<b>13,117,965</b>
<b>Total Depreciation, Amortisation and Impairment</b>	<b>13,207,202</b>	<b>13,117,965</b>

### (d) Finance Costs

Interest on Overdraft and Short-Term Drawdown	1	14
Charges on Leases	4,604	7,961
<b>Total Finance Costs</b>	<b>4,605</b>	<b>7,975</b>

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

\$	2021	2020
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
<b>(i) Assets Renewed or Directly Replaced</b>		
Proceeds from Disposal	309,847	681,364
Less: Carrying Amount of Assets Sold	(1,632,980)	(3,501,194)
<b>Gain (Loss) on Disposal</b>	<b>(1,323,133)</b>	<b>(2,819,830)</b>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 4. Asset Disposal & Fair Value Adjustments (continued)

\$	2021	2020
<b>(ii) Assets Surplus to Requirements</b>		
Less: Carrying Amount of Assets Sold	–	(125,108)
<b>Gain (Loss) on Disposal</b>	–	(125,108)
<u>Net Gain (Loss) on Disposal or Revaluation of Assets</u>	<u>(1,323,133)</u>	<u>(2,944,938)</u>

### Note 5. Current Assets

\$	2021	2020
<b>(a) Cash &amp; Cash Equivalent Assets</b>		
Cash on Hand at Bank	52,431	30,379
Deposits at Call	35,582,235	26,957,979
<u>Total Cash &amp; Cash Equivalent Assets</u>	<u>35,634,666</u>	<u>26,988,358</u>

#### (b) Trade & Other Receivables

Rates - General & Other	878,464	1,088,920
Accrued Revenues	151,617	115,783
Debtors - General	627,867	1,433,729
GST Recoupment	282,929	204,126
Prepayments	701,959	729,291
Athelstone Football Club Lease (former loan)	5,572	5,572
Campbelltown Soccer Club Lease (former loan)	10,000	10,000
Athelstone Football Club Loan	1,700	1,700
<b>Subtotal</b>	<u>2,660,108</u>	<u>3,589,121</u>
<u>Total Trade &amp; Other Receivables</u>	<u>2,660,108</u>	<u>3,589,121</u>

#### (c) Other Financial Assets (Investments)

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

#### (d) Inventories

Stores & Materials	580	14
Trading Stock - ARC Campbelltown	20,382	23,545
<u>Total Inventories</u>	<u>20,962</u>	<u>23,559</u>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 6. Non-Current Assets

\$	2021	2020
(a) Financial Assets		
<b>Receivables</b>		
Council Rates Postponement Scheme	78,527	67,694
Prepayments	29,141	74,461
Athelstone Football Club Lease (former loan)	87,979	93,551
Campbelltown Soccer Club Lease (former loan)	40,000	50,000
Athelstone Football Club Loan	26,838	28,538
<b>Subtotal</b>	<b>262,485</b>	<b>314,244</b>
<b>Total Receivables</b>	<b>262,485</b>	<b>314,244</b>
<u>Total Financial Assets</u>	<u>262,485</u>	<u>314,244</u>
(b) Equity Accounted Investments in Council Businesses		
Eastern Waste Management Authority Inc.	241,728	191,161
Eastern Health Authority Inc.	142,837	115,396
<u>Total Equity Accounted Investments in Council Businesses</u>	<u>384,565</u>	<u>306,557</u>
(c) Other Non-Current Assets		
<b>Other</b>		
Capital Works-in-Progress	4,139,664	3,666,678
<b>Total Other</b>	<b>4,139,664</b>	<b>3,666,678</b>
<u>Total Other Non-Current Assets</u>	<u>4,139,664</u>	<u>3,666,678</u>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements for the year ended 30 June 2021

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

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

		as at 30/06/20				Asset movements during the reporting period										as at 30/06/21			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Transition adjustment - AASB 16	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Other Movements (Physical Resources Received Free of Charge)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
\$	Fair Value Level																		
Land - Level 2	2	23,194,194	—	—	23,194,194	—	—	—	—	—	—	—	—	3,438,206	26,632,400	—	—	26,632,400	
Land - Level 3	3	227,941,617	290,000	—	228,231,617	—	7,969	—	—	—	—	—	—	59,987,483	288,219,100	7,969	—	288,227,069	
Buildings - Level 2	2	19,331,236	304,020	(13,822,298)	5,812,958	—	—	—	—	(47,667)	(4,962,611)	—	(114,096)	—	2,664,200	—	(1,975,617)	688,583	
Buildings - Level 3	3	77,638,443	1,106,592	(25,382,750)	53,362,285	—	1,273,674	3,020,805	—	(1,941,113)	4,962,611	—	—	497,513	93,540,700	4,294,479	(36,659,402)	61,175,777	
Infrastructure																			
- Stormwater Drainage	3	139,719,581	693,235	(57,137,802)	83,275,014	—	513,290	36,220	(32,812)	(1,423,959)	—	—	(5,958,970)	—	130,031,302	549,509	(54,172,029)	76,408,782	
- Bridges	3	8,779,136	—	(2,315,673)	6,463,463	—	—	—	—	(131,342)	—	—	—	241,040	8,948,189	—	(2,375,029)	6,573,160	
- Road Transport Assets and Car Parks	3	304,431,408	7,391,277	(146,952,236)	164,870,449	—	61,207	2,855,597	(693,159)	(5,642,448)	—	—	—	8,224,994	323,581,500	2,916,804	(156,821,664)	169,676,640	
- Gross Pollutant Traps and Trash Racks	3	653,653	—	(292,544)	361,109	—	—	3,115	(1,388)	(37,839)	—	—	—	26,624	645,841	3,115	(297,334)	351,622	
- Road Traffic Control Devices	3	6,099,928	323,454	(2,673,960)	3,749,422	—	13,607	—	(29,926)	(104,060)	—	—	(109,108)	—	6,275,675	13,607	(2,769,347)	3,519,935	
- Footpaths and Walkways	3	38,815,620	783,262	(21,811,181)	17,787,701	—	702,939	1,650,136	(523,239)	(1,198,627)	—	9,218	—	1,564,287	43,393,689	2,362,293	(25,763,564)	19,992,418	
Right-of-Use Assets		—	275,845	(98,771)	177,074	—	54,208	—	—	(107,940)	—	—	—	—	—	226,795	(103,454)	123,341	
Plant & Equipment		—	11,977,329	(6,144,576)	5,832,753	—	256,304	910,785	(349,105)	(1,019,238)	—	—	—	—	12,234,043	(6,602,543)	5,631,500		
Furniture & Fittings		—	1,332,562	(785,761)	546,801	—	168,580	51,179	—	(90,412)	—	739	—	—	—	1,486,679	(809,792)	676,887	
Library Books		—	783,390	(306,413)	476,977	—	—	179,711	—	(182,303)	—	—	—	—	—	778,325	(303,939)	474,386	
Bus Stops	3	1,687,143	—	(299,813)	1,387,330	—	—	—	—	(74,625)	—	—	—	93,256	1,794,188	—	(388,228)	1,405,960	
Park Furniture	3	1,659,322	38,186	(775,274)	922,234	—	107,149	—	—	(41,677)	—	—	(143,148)	—	1,440,459	107,149	(703,049)	844,559	
Other Open Space Assets	3	9,920,449	674,468	(4,871,986)	5,722,931	—	322,194	—	—	(275,077)	(153,360)	—	—	—	10,136,735	322,194	(4,842,241)	5,616,688	
Playground Equipment	3	3,557,300	359,288	(1,889,955)	2,026,633	—	89,457	4,956	—	(396,572)	—	—	—	185,896	4,266,007	94,412	(2,450,049)	1,910,370	
Shade Shelters and Structures	3	2,300,000	169,691	(1,046,078)	1,423,613	—	117,124	—	—	(113,442)	—	11,384	—	20,969	2,515,690	128,508	(1,184,550)	1,459,648	
Playing Fields, Courts, Lighting and Equipment	3	5,657,200	1,178,999	(2,643,179)	4,193,020	—	—	84,551	(2,073)	(306,647)	—	—	—	157,598	7,206,679	84,551	(3,164,781)	4,126,449	
Other Boutique Assets	3	2,444,300	42,831	(1,391,395)	1,095,736	—	71,299	3,625	(1,281)	(72,214)	153,360	—	—	286,795	3,091,046	74,924	(1,628,649)	1,537,321	
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>873,830,530</b>	<b>27,724,429</b>	<b>(290,641,645)</b>	<b>610,913,314</b>	<b>—</b>	<b>3,759,001</b>	<b>8,800,680</b>	<b>(1,632,983)</b>	<b>(13,207,202)</b>	<b>—</b>	<b>21,341</b>	<b>(6,325,322)</b>	<b>74,724,661</b>	<b>954,383,400</b>	<b>25,685,356</b>	<b>(303,015,261)</b>	<b>677,053,495</b>	
Comparatives		861,302,478	30,169,539	(283,262,144)	608,209,873	252,024	3,682,764	10,812,622	(3,626,300)	(13,117,965)	—	1,033,315	(1,003,672)	4,670,653	873,830,530	27,724,429	(290,641,645)	610,913,314	

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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

##### 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.

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.

##### Information on Valuations

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

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

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.



# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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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.

#### 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 or 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 the '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' is 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 2020, where a physical inspection and full revaluation was undertaken by AssetVal 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 2021.

#### Buildings

Buildings were revalued to their fair value as at 1 July 2020, where a physical inspection and full revaluation was undertaken by AssetVal Pty Ltd. The depreciation expense for the year ended 30 June 2021 was calculated to take into account the updated revaluation.

A desktop revaluation for Buildings is scheduled to apply from 1 July 2021.

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### Infrastructure

##### *Stormwater Drainage*

Visual inspections using CCTV have been undertaken on a small sample from 2015 to 2021 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 2020, with depreciation for the year ended 30 June 2021 being calculated to take into account these unit rates.

Council will continue the rolling condition assessment, with a revision to unit rates being applied as at 1 July 2021.

##### *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 2020, with depreciation for the year ended 30 June 2021 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 2023, with a revision to unit rates being applied as at 1 July 2021.

##### *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 2020, with depreciation for the year ended 30 June 2021 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 2021.

##### *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 2020, with depreciation for the year ended 30 June 2021 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 2022, with a revision to unit rates being applied as at 1 July 2021.

##### *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 2020, with depreciation for the year ended 30 June 2021 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 2021.

##### *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 2020, with depreciation for the year ended 30 June 2021 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 2021.

#### Plant & Equipment

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

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### **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.

#### **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 2020, with depreciation for the year ended 30 June 2021 being calculated to take into account these unit rates.

It is expected that the next condition assessment will apply from 1 July 2021.

#### **Park Furniture**

A data capture and validation exercise was last undertaken by Programmed Property Services Pty Ltd as at 1 July 2018. Unit rates were provided by Asset Engineering Pty Ltd as at 1 July 2020, with depreciation for the year ended 30 June 2021 being calculated to take into account these unit rates.

It is expected that the next condition assessment will apply from 1 July 2022.

#### **Other Open Space Assets**

A data capture and validation exercise was last undertaken by Programmed Property Services Pty Ltd as at 1 July 2018, with depreciation for the year ended 30 June 2021 being calculated to take into account these unit rates.

It is expected that the next condition assessment will apply from 1 July 2022.

#### **Playground Equipment**

A desktop revaluation was undertaken by AssetVal Pty Ltd for Playground Equipment as at 1 July 2020, with depreciation for the year ended 30 June 2021 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2021.

#### **Shade Shelters and Structures**

A desktop revaluation was undertaken by AssetVal Pty Ltd for Shade Shelters and Structures as at 1 July 2020, with depreciation for the year ended 30 June 2021 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2021.

#### **Playing Fields, Courts, Lighting and Equipment**

A desktop revaluation was undertaken by AssetVal Pty Ltd for Playing Fields, Courts, Lighting and Equipment as at 1 July 2020, with depreciation for the year ended 30 June 2021 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2021.

#### **Other Boutique Assets**

A Desktop revaluation was undertaken by AssetVal Pty Ltd for Other Boutique Assets as at 1 July 2020, with depreciation for the year ended 30 June 2021 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2021.

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 8. Liabilities

	2021 Current	2021 Non Current	2020 Current	2020 Non Current
\$				
<b>(a) Trade and Other Payables</b>				
Goods & Services	1,419,293	—	1,848,918	—
Payments Received in Advance	3,249,697	—	1,841,882	—
Accrued Expenses - Employee Entitlements	514,673	—	471,684	—
Accrued Expenses - Finance Costs	335	—	644	—
Accrued Expenses - Other	1,216,777	—	432,266	—
Deposits, Retentions & Bonds	393,116	—	490,390	—
Other	221,427	—	140,990	—
<b><u>TOTAL Trade and Other Payables</u></b>	<b><u>7,015,318</u></b>	<b><u>—</u></b>	<b><u>5,226,774</u></b>	<b><u>—</u></b>

	Notes	2021 Current	2021 Non Current	2020 Current	2020 Non Current
\$					
<b>(b) Borrowings</b>					
Lease Liabilities	17b	68,130	59,101	88,932	84,578
<b><u>TOTAL Borrowings</u></b>		<b><u>68,130</u></b>	<b><u>59,101</u></b>	<b><u>88,932</u></b>	<b><u>84,578</u></b>

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

### (c) Provisions

Annual Leave	823,157	408,570	852,224	443,425
Long Service Leave	1,067,231	430,182	1,076,309	420,216
<b><u>TOTAL Provisions</u></b>	<b><u>1,890,388</u></b>	<b><u>838,752</u></b>	<b><u>1,928,533</u></b>	<b><u>863,641</u></b>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 9. Reserves

	as at 30/06/20				as at 30/06/21
\$	Opening Balance	Increments (Decrements)	Transfers	Reallocation	Closing Balance
<b>(a) Asset Revaluation Reserve</b>					
Land - Level 3	214,409,240	63,425,689	—	—	277,834,929
Buildings - Level 2	3,415,651	(114,096)	—	(2,903,303)	398,252
Buildings - Level 3	12,299,530	497,513	—	2,903,303	15,700,346
Infrastructure					
- Stormwater Drainage	72,499,111	(5,958,970)	(29,156)	—	66,510,985
- Bridges	8,207,811	241,040	—	—	8,448,851
- Creeks	85,861	—	(85,861)	—	—
- Road Transport Assets and Car Parks	120,365,007	8,224,994	(528,844)	—	128,061,157
- Gross Pollutant Traps and Trash Racks	421,953	26,624	—	—	448,577
- Road Traffic Control Devices	2,747,489	(109,108)	(21,690)	—	2,616,691
- Footpaths and Walkways	12,535,169	1,564,287	(299,136)	—	13,800,320
Bus Stops	673,237	93,256	—	—	766,493
Park Furniture	347,998	(143,148)	—	—	204,850
Other Open Space Assets	1,938,304	—	—	—	1,938,304
Playground Equipment	1,250,762	185,896	—	—	1,436,658
Shade Shelters and Structures	774,933	20,970	—	—	795,903
Playing Fields, Courts, Lighting and Equipment	2,006,986	157,598	(1,031)	—	2,163,553
Other Boutique Assets	70,459	286,795	(298)	—	356,956
<b>Total Asset Revaluation Reserve</b>	<b>454,049,501</b>	<b>68,399,340</b>	<b>(966,016)</b>	<b>—</b>	<b>521,482,825</b>
Comparatives	452,577,469	3,666,981	(2,194,949)	—	454,049,501

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

	as at 30/06/20				as at 30/06/21
\$	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
<b>(b) Other Reserves</b>					
Asset Replacement Reserve	4,528,871	973,387	(627,650)	—	4,874,608
Underground Infrastructure Reserve	400,476	—	—	—	400,476
Committed Works Reserve	12,049,950	18,894,700	(12,049,950)	—	18,894,700
Reserves Development Reserve	—	153,873	—	—	153,873
Renewal & Replacement Reserve	38,817,725	3,169	—	—	38,820,894
Galt Trust	2,042	8	—	—	2,050
Urban Tree Fund	14,879	1,297	—	—	16,176
Significant Tree Maintenance & Tree Planting Reserve	157,136	63,720	—	—	220,856
<b>Total Other Reserves</b>	<b>55,971,079</b>	<b>20,090,154</b>	<b>(12,677,600)</b>	<b>—</b>	<b>63,383,633</b>
Comparatives	50,674,680	13,399,879	(8,103,480)	—	55,971,079

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 9. Reserves (continued)

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#### PURPOSES OF RESERVES

##### **Asset Revaluation Reserve**

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

##### **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 net expenditure relating to these works is recognised.

##### **Reserves Development Reserve**

This Reserve is used to hold funds in lieu of open space contributions and proceeds from sale of reserves. The balance in this Reserve will be used for park and reserve development, with interest accrued on the balance throughout the year.

##### **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 was established in accordance with Section 50B of the Development Act 1993 and remains in place under the Planning, Development and Infrastructure Act 2016. 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 the Financial Statements

for the year ended 30 June 2021

### Note 10. Assets Subject to Restrictions

\$	2021	2020
<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</b>		
ACH Group - Book Group Sets	840	840
Commonwealth Government - Communities Environment Program - Fourth Creek Revegetation	2,016	7,509
Commonwealth Government - Max Amber Sportsfield Redevelopment	1,440,681	199,192
East Torrens Primary School - National Day of Action Against Bullying and Violence	282	–
Good Things Foundation	5,000	–
Hectorville Sporting & Community Club Redevelopment	–	319,143
LGA Asset Mutual Fund - Sophos MTR	28,481	44,089
LRCIP Phase 1 - Max Amber Stormwater Harvesting	212,586	–
LRCIP Phase 2 - Athelstone Recreation Reserve Clubroom	624,825	–
LRCIP Phase 2 - Athelstone Recreation Reserve Lighting	25,000	–
LRCIP Phase 2 - Campbelltown Memorial Oval Energy Solutions	34,890	–
LRCIP Phase 2 - Flinders Parade Reserve Toilet Installation	21,146	–
LRCIP Phase 2 - Grandview Grove Reserve Adult Exercise Equipment	3,900	–
LRCIP Phase 2 - Launer Avenue Reserve Shade Structure	6,474	–
LRCIP Phase 2 - Lochend House Noise Abatement	4,060	–
LRCIP Phase 2 - Ryan Avenue Traffic Control	7,280	–
NRM Board - Avenue Road Gross Pollutant Trap	19,287	19,287
Ripples Arts - Kiln Shed	7,685	–
SACA - Max Amber Sportsfield Synthetic Practice Wicket	27,000	–
Science Week	1,674	–
SLGIP - River Torrens Linear Path Program	–	11,877
SLRP - Silkes Road	81,757	–
State Government - ARC Campbelltown Air Conditioning	–	19,190
State Government - Campbelltown Creekline Connections	–	148,598
State Government - Cooling Campbelltown	–	5,171
State Government - Fourth Creek Trail Project	62,096	100,000
State Government - Grassroots Funding - Foxfield Oval Changerooms	120,428	–
State Government - Hectorville Sporting Club Female Changerooms	–	178,720
State Government - Kerbside Performance Food Waste System	–	256,952
State Government - Max Amber Sportsfield Redevelopment	193,093	242,510
State Government - Office for Recreation, Sport & Racing - ARC Changeroom Upgrade	95,904	–
State Government - River Torrens Recovery	17,239	–
State Government - The Changing Faces of Campbelltown - Multicultural Video Project	–	16,000
State Government - Thorndon Park to Reservoir Road Trail	60,000	60,000
Urban Tree Fund	–	14,879
<b>Total Cash &amp; Financial Assets</b>	<b>3,103,624</b>	<b>1,643,957</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>	<b>3,103,624</b>	<b>1,643,957</b>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

\$	Notes	2021	2020
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#### (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	35,634,666	26,988,358
<b>Balances per Statement of Cash Flows</b>		<b>35,634,666</b>	<b>26,988,358</b>

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

<b>Net Surplus/(Deficit)</b>		<b>4,250,116</b>	<b>3,251,029</b>
<b>Non-Cash Items in Income Statements</b>			
Depreciation, Amortisation & Impairment		13,207,202	13,117,965
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(52,580)	(23,118)
Non-Cash Asset Acquisitions		(21,341)	(1,033,315)
Grants for capital acquisitions treated as Investing Activity		(2,351,859)	(2,053,041)
Net (Gain) Loss on Disposals		1,323,133	2,944,938
		<b>16,354,671</b>	<b>16,204,458</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		963,500	1,404,426
Net (Increase)/Decrease in Inventories		2,597	787
Net (Increase)/Decrease in Other Assets		17,272	15,594
Net Increase/(Decrease) in Trade & Other Payables		478,003	(1,480,830)
Net Increase/(Decrease) in Unpaid Employee Benefits		(63,034)	117,361
<b>Net Cash provided by (or used in) operations</b>		<b>17,753,009</b>	<b>16,261,796</b>

\$	Notes	2021	2020
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#### (c) Non-Cash Financing and Investing Activities

##### Acquisition of assets by means of:

Physical Resources Received Free of Charge	2h	21,341	1,033,315
Amounts recognised in Income Statement		<b>21,341</b>	<b>1,033,315</b>
<b>Total Non-Cash Financing and Investing Activities</b>		<b>21,341</b>	<b>1,033,315</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	5,000,000	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 the Financial Statements

for the year ended 30 June 2021

### Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).										
		INCOME		EXPENSES	OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
\$	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions/Activities										
Other	—	—	—	—	—	—	—	—	61,077	—
Infrastructure Services	4,154,835	3,524,257	30,207,579	29,339,622	(26,052,744)	(25,815,365)	2,080,023	1,413,764	671,486,688	607,249,190
Urban Planning & Leisure Services	6,266,241	6,345,132	9,653,076	9,820,216	(3,386,835)	(3,475,084)	343,027	313,285	8,006,620	6,132,011
Corporate & Community Services	42,817,927	42,234,729	6,481,378	6,327,386	36,336,549	35,907,343	1,909,104	1,899,638	38,463,621	30,657,923
Executive Services	86,768	71,425	2,222,966	2,103,939	(2,136,198)	(2,032,514)	21,000	—	677,460	547,513
Economic Development & Innovation	121,383	73,077	1,733,450	1,570,964	(1,612,067)	(1,497,887)	15,608	2,566	1,460,479	1,215,194
Total Functions/Activities	53,447,154	52,248,620	50,298,449	49,162,127	3,148,705	3,086,493	4,368,762	3,629,253	720,155,945	645,801,831

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 the Financial Statements

for the year ended 30 June 2021

### Note 12(b). 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.

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

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

#### **EXECUTIVE SERVICES**

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

#### **ECONOMIC DEVELOPMENT & INNOVATION**

Information Services, Economic Development.

### Note 13. Financial Instruments

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#### **Recognised Financial Instruments**

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

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

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

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

Deposits are returning fixed interest rates between 0.10% and 0.50% (2020: 0.65% and 1.10%). Short term deposits have an average maturity of 83 days and an average interest rate of 0.31% (2020: 66 days and 0.82%).

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

Approximates fair value due to the short term to maturity.

##### **Receivables - Rates & Associated Charges**

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

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

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

Secured over the subject land, arrears attract interest of 5.20% (2020: 6.65%). 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).

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 13. Financial Instruments (continued)

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#### Receivables - Fees & Other Charges

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

#### Receivables - Other Levels of Government

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value.

#### Liabilities - Creditors and Accruals

**Accounting Policy:**

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

#### Liabilities - Leases

**Accounting Policy:**

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

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 13. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
<b>2021</b>					
Cash & Cash Equivalents	35,634,666	—	—	35,634,666	35,634,666
Receivables	1,948,711	—	—	1,948,711	1,958,149
Other Financial Assets	—	73,538	176,624	250,162	262,485
<b>Total Financial Assets</b>	<b>37,583,377</b>	<b>73,538</b>	<b>176,624</b>	<b>37,833,539</b>	<b>37,855,300</b>
<b>Financial Liabilities</b>					
Payables	3,029,521	—	—	3,029,521	3,029,521
Current Borrowings	66,774	—	—	66,774	68,130
Non-Current Borrowings	—	60,171	—	60,171	59,101
<b>Total Financial Liabilities</b>	<b>3,096,295</b>	<b>60,171</b>	<b>—</b>	<b>3,156,466</b>	<b>3,156,752</b>
<b>2020</b>					
Cash & Cash Equivalents	26,988,358	—	—	26,988,358	26,988,358
Receivables	2,860,945	—	—	2,860,945	2,859,830
Other Financial Assets	—	73,538	184,135	257,673	314,244
<b>Total Financial Assets</b>	<b>29,849,303</b>	<b>73,538</b>	<b>184,135</b>	<b>30,106,976</b>	<b>30,162,432</b>
<b>Financial Liabilities</b>					
Payables	2,772,218	—	—	2,772,218	2,772,218
Current Borrowings	93,206	—	—	93,206	88,932
Non-Current Borrowings	—	87,361	—	87,361	84,578
<b>Total Financial Liabilities</b>	<b>2,865,424</b>	<b>87,361</b>	<b>—</b>	<b>2,952,785</b>	<b>2,945,728</b>

### Risk Exposures

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

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

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

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 14. Capital Expenditure Commitments

\$	2021	2020
Capital Commitments		
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>		
Buildings	12,399,500	2,808,100
Infrastructure	1,981,150	2,477,000
Plant & Equipment	1,291,000	460,950
Library Stock	61,100	—
Furniture & Fittings	4,850	52,900
Other	8,879,250	5,391,350
	<u>24,616,850</u>	<u>11,190,300</u>
<b>These expenditures are payable:</b>		
Not later than one year	24,616,850	11,190,300
	<u>24,616,850</u>	<u>11,190,300</u>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 15. Financial Indicators

\$	Indicator 2021	Indicators 2020	Indicators 2019
Financial Indicators overview			
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	5.9%	5.9%	12.4%
Total Operating Income			
This ratio expresses the operating surplus as a percentage of total operating revenue.			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities	(53)%	(43)%	(32)%
Total Operating Income			
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			
Operating Surplus	6.0%	6.8%	11.6%
Total Operating Income			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities	(53)%	(43)%	(33)%
Total Operating Income			
3. Asset Renewal Funding Ratio			
Asset Renewals	146%	183%	112%
Infrastructure & Asset Management Plan required expenditure			
Asset renewals expenditure is defined as 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 the Financial Statements

for the year ended 30 June 2021

### Note 16. Uniform Presentation of Finances

\$	2021	2020
<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	53,796,666	52,274,994
less Expenses	(50,596,617)	(49,165,383)
<b>Operating Surplus / (Deficit)</b>	<b>3,200,049</b>	<b>3,109,611</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(8,228,973)	(10,063,573)
add back Depreciation, Amortisation and Impairment	13,207,202	13,117,965
add back Proceeds from Sale of Replaced Assets	309,847	681,364
	<b>5,288,076</b>	<b>3,735,756</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(4,749,489)	(3,658,945)
add back Amounts Received Specifically for New and Upgraded Assets	3,759,674	2,053,041
	<b>(989,815)</b>	<b>(1,605,904)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>7,498,310</b>	<b>5,239,463</b>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 17. Leases

(i) Council as a lessee

#### Terms and conditions of leases

##### Plant & Equipment

This category includes computer equipment and postage franking machine.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

##### (a) Right of use assets

\$	Plant & Equipment	Total
<b>2021</b>		
Opening balance	177,074	177,074
Additions to right-of-use assets	54,207	54,207
Depreciation charge	(107,940)	(107,940)
<b>Balance at 30 June</b>	<b>123,341</b>	<b>123,341</b>
<b>2020</b>		
Opening balance	252,024	252,024
Additions to right-of-use assets	23,821	23,821
Depreciation charge	(98,771)	(98,771)
<b>Balance at 30 June</b>	<b>177,074</b>	<b>177,074</b>

##### (b) Lease liabilities

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

\$	2021	2020
Balance at 1 July	173,510	252,024
Additions	54,207	23,821
Accretion of interest	5,345	7,317
Payments	(105,831)	(109,652)
<b>Balance at 30 June</b>	<b>127,231</b>	<b>173,510</b>
<b>Classified as:</b>		
Current	68,130	88,932
Non Current	59,101	84,578

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

The Group had total cash outflows for leases of \$115,657.

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	107,940	98,771
Interest expense on lease liabilities	5,884	7,961
Expense relating to short term leases	—	14,442
Expense relating to leases of low-value assets	9,826	7,521
<b>Total amount recognised in profit or loss</b>	<b>123,650</b>	<b>128,695</b>



# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 17. Leases (continued)

#### (ii) Council as a lessor

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

\$	2021	2020
<b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b>		
Not later than one year	540,285	425,302
Later than one year and not later than 5 years	992,968	1,001,231
Later than 5 years	27,510	15,000
	<u>1,560,763</u>	<u>1,441,533</u>

### Note 18. Superannuation

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 2020/2021; 9.50% in 2019/2020). 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 2019/2020) 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 2020. 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 the Financial Statements

for the year ended 30 June 2021

### Note 19. Interests in Other Entities

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

\$	Council's Share of Net Income		Council's Share of Net Assets	
	2021	2020	2021	2020
<b>Council's Share of Net Income</b>				
Joint Ventures	52,580	23,118	384,565	306,557
<b>Total Council's Share of Net Income</b>	<b>52,580</b>	<b>23,118</b>	<b>384,565</b>	<b>306,557</b>

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

##### (a) Carrying Amounts

\$	Principal Activity	2021	2020
Eastern Waste Mgt Authority Inc.	Waste Collection Services	241,727	191,161
Eastern Health Authority Inc.	Environmental Health Services	142,837	115,396
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>384,564</b>	<b>306,557</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

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2021	2020	2021	2020	2021	2020
Eastern Waste Mgt Authority Inc.	19.83%	19.83%	19.83%	19.83%	14.28%	14.28%
Eastern Health Authority Inc.	25.27%	24.30%	25.27%	24.30%	20.00%	20.00%

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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

\$	Eastern Waste Mgt Authority Inc.		Eastern Health Authority Inc.	
	2021	2020	2021	2020
Opening Balance	191,162	140,000	115,396	114,453
Share in Operating Result	29,745	26,374	22,835	(3,256)
Share in Other Comprehensive Income	20,822	11,898	—	—
Adjustments to Equity	—	12,890	4,606	4,199
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>241,729</b>	<b>191,162</b>	<b>142,837</b>	<b>115,396</b>

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

##### Statement of Financial Position

Cash and Cash Equivalents	3,168,000	2,322,000	782,896	721,310
Other Current Assets	661,000	1,019,000	188,901	155,650
Non-Current Assets	8,098,000	7,652,000	1,300,714	1,491,511
<b>Total Assets</b>	<b>11,927,000</b>	<b>10,993,000</b>	<b>2,272,511</b>	<b>2,368,471</b>
Current Trade and Other Payables	1,609,000	1,205,000	163,940	157,719
Current Financial Liabilities	1,925,000	1,929,000	177,021	262,051
Current Provisions	654,000	597,000	307,903	307,885
Non-Current Financial Liabilities	6,423,000	6,221,000	1,036,687	1,143,669
Non-Current Provisions	97,000	77,000	21,716	22,268
<b>Total Liabilities</b>	<b>10,708,000</b>	<b>10,029,000</b>	<b>1,707,267</b>	<b>1,893,592</b>
<b>Net Assets</b>	<b>1,219,000</b>	<b>964,000</b>	<b>565,244</b>	<b>474,879</b>

##### Statement of Comprehensive Income

Other Income	917,000	677,000	647,839	652,230
Contributions from Constituent Councils	16,707,000	16,756,000	1,821,865	1,803,571
Interest Income	12,000	21,000	4,901	8,183
<b>Total Income</b>	<b>17,636,000</b>	<b>17,454,000</b>	<b>2,474,605</b>	<b>2,463,984</b>
Employee Costs	6,089,000	5,851,000	1,635,933	1,636,215
Materials, Contracts & Other Expenses	9,149,000	9,120,000	509,065	594,507
Depreciation, Amortisation and Impairment	1,986,000	2,069,000	190,797	190,358
Finance Costs	262,000	281,000	48,445	56,305
<b>Total Expenses</b>	<b>17,486,000</b>	<b>17,321,000</b>	<b>2,384,240</b>	<b>2,477,385</b>
Other Revenue / Expense Items	—	60,000	—	—
<b>Operating Result</b>	<b>150,000</b>	<b>193,000</b>	<b>90,365</b>	<b>(13,401)</b>

# Corporation of the City of Campbelltown

## Notes to the Financial Statements

for the year ended 30 June 2021

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

#### (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:

\$	2021	2020
<b>Operating Expenditures Payable</b>		
Not later than one year	397,552	502,581
Later than one year and not later than 5 years	–	10,429
Later than 5 years	–	240,139
	<u>397,552</u>	<u>753,149</u>

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

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

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 **253.04** km of road reserves of average width **7.40** metres.

#### 2. POTENTIAL INSURANCE LOSSES

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

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

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

#### 3. LEGAL EXPENSES

Council 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 3 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

#### 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 the Financial Statements

for the year ended 30 June 2021

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

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

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

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

COVID-19 has been classified as a global pandemic by the World Health Organisation and has developed rapidly in 2020. Measures taken by the Federal and State governments have affected South Australia's economic activity and Council's operations.

At this stage, Council that the financial impacts on Council's operations for the 2021/2022 financial year will not be significant. We refer to Note 1(1.3) providing details of the financial impacts caused by COVID-19 during the 2019/2020 and 2020/2021 financial years.

### Note 23. Related Party Transactions

#### 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 (2019: 30 person) were paid the following total compensation:

\$	2021	2020
----	------	------

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

Short-Term Employee Benefits	2,699,368	2,596,588
<b>Total</b>	<b>2,699,368</b>	<b>2,596,588</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	8,255	7,312
Planning and Building Application Fees charged to entities controlled by close family members of KMPs	884	1,267
Purchase of Materials and Services from Entities Controlled by Close Family Members	700	—
<b>Total</b>	<b>9,839</b>	<b>8,579</b>

David Chant CA, FCPA  
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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ABN: 30 630 511 757

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## CAMPBELLTOWN CITY COUNCIL

### GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### Statement by Auditor

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

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

#### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

**Tim Muhlhausler** CA, Registered Company Auditor

Partner

08 November 2021

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



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## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

### To the members of Campbelltown City Council

#### Opinion

We have audited the compliance of the 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 2020 to 30 June 2021 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 2020 to 30 June 2021.

#### Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement 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 2020 to 30 June 2021. 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 receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, 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 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 2020 to 30 June 2021. ASAE 3000 also requires us to comply with the relevant ethical requirements for 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 that for which it was prepared.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

08 November 2021



# Corporation of the City of Campbelltown

## General Purpose Financial Statements

for the year ended 30 June 2021

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### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Campbelltown City Council for the year ended 30 June 2021, the Council's Auditor, Galpins Accountants, Auditors and Business Consultants 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*.



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Paul Di Iulio  
Chief Executive Officer



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Roberto Bria B. Ec. FCPA MBA GAICD  
Chairperson, Audit & Governance Advisory  
Committee

**Date:** 9 September 2021

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
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## INDEPENDENT AUDITOR'S 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 2021, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and 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 respects, the financial position of the Council as at 30 June 2021, 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 (Including Independence Standards)* (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

08 November 2021