

Corporation of the City of Campbelltown

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022

A safe, sustainable, vibrant Community



Corporation of the City of Campbelltown

General Purpose Financial Statements

for the year ended 30 June 2022

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Corporation of the City of Campbelltown

General Purpose Financial Statements

for the year ended 30 June 2022

Council Certificate

Certification of Financial Statements

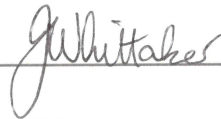
We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Paul Di Iulio
Chief Executive Officer



Jill Whittaker
Mayor

Date: 01 November 2022

Corporation of the City of Campbelltown

Statement of Comprehensive Income

for the year ended 30 June 2022

\$	Notes	2022	2021
Income			
Rates	2a	41,811,492	40,240,107
Statutory Charges	2b	1,297,906	1,222,005
User Charges	2c	5,815,675	5,745,326
Grants, Subsidies and Contributions	2g	4,873,530	4,368,762
Investment Income	2d	260,563	236,288
Reimbursements	2e	470,267	1,262,424
Other income	2f	770,782	669,174
Net Gain - Equity Accounted Council Businesses	19(a)	—	52,580
Total Income		55,300,215	53,796,666
Expenses			
Employee costs	3a	14,183,728	13,678,289
Materials, Contracts and Other Expenses	3b	24,607,860	23,706,521
Depreciation, Amortisation and Impairment	3c	14,430,896	13,207,202
Finance Costs	3d	2,815	4,605
Net loss - Equity Accounted Council Businesses	19(a)	78,138	—
Total Expenses		53,303,437	50,596,617
Operating Surplus / (Deficit)		1,996,778	3,200,049
Physical Resources Received Free of Charge	2h	23,910	21,341
Asset Disposal & Fair Value Adjustments	4	(1,145,045)	(1,323,133)
Amounts Received Specifically for New or Upgraded Assets	2g	5,754,335	2,351,859
Net Surplus / (Deficit)		6,629,978	4,250,116
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	73,501,399	68,399,339
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	1,388	20,822
Total Amounts which will not be reclassified subsequently to operating result		73,502,787	68,420,161
Amounts which will be reclassified subsequently to operating result			
Other Equity Adjustments - Equity Accounted Council Businesses	19(a)	5,031	4,606
Total Amounts which will be reclassified subsequently to operating result		5,031	4,606
Total Other Comprehensive Income		73,507,818	68,424,767
Total Comprehensive Income		80,137,796	72,674,883

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 2022

\$	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	36,264,264	35,634,666
Trade & Other Receivables	5b	3,601,591	2,660,108
Inventories	5d	21,049	20,962
<u>Subtotal</u>		<u>39,886,904</u>	<u>38,315,736</u>
Total current assets		<u>39,886,904</u>	<u>38,315,736</u>
Non-current assets			
Financial Assets	6a	235,895	262,485
Equity Accounted Investments in Council Businesses	6b	312,846	384,565
Other Non-Current Assets	6c	7,900,001	4,139,664
Infrastructure, Property, Plant & Equipment	7a(i)	753,983,747	677,053,495
Total non-current assets		<u>762,432,489</u>	<u>681,840,209</u>
TOTAL ASSETS		<u>802,319,393</u>	<u>720,155,945</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	9,004,723	7,015,318
Borrowings	8b	50,784	68,130
Provisions	8c	1,996,420	1,890,388
<u>Subtotal</u>		<u>11,051,927</u>	<u>8,973,836</u>
Total Current Liabilities		<u>11,051,927</u>	<u>8,973,836</u>
Non-Current Liabilities			
Borrowings	8b	8,317	59,101
Provisions	8c	837,097	838,752
Total Non-Current Liabilities		<u>845,414</u>	<u>897,853</u>
TOTAL LIABILITIES		<u>11,897,341</u>	<u>9,871,689</u>
<u>Net Assets</u>		<u>790,422,052</u>	<u>710,284,256</u>
EQUITY			
Accumulated surplus		129,653,321	125,417,801
Asset revaluation reserves	9a	594,152,223	521,482,824
Other reserves	9b	66,616,508	63,383,631
Total Council Equity		<u>790,422,052</u>	<u>710,284,256</u>
<u>Total Equity</u>		<u>790,422,052</u>	<u>710,284,256</u>

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 2022

\$	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		125,417,801	521,482,824	63,383,631	710,284,256
Net Surplus / (Deficit) for Year		6,629,978	—	—	6,629,978
Other Comprehensive Income					
Share of OCI - Equity Accounted Council Businesses		1,388	—	—	1,388
- Gain (Loss) on Revaluation of I,PP&E	7a	—	73,501,399	—	73,501,399
Transfer to Accumulated Surplus on Sale of I,PP&E	9a	832,000	(832,000)	—	—
Other Equity Adjustments - Equity Accounted Council Businesses	19	5,031	—	—	5,031
Other comprehensive income		838,419	72,669,399	—	73,507,818
Total comprehensive income		7,468,397	72,669,399	—	80,137,796
Transfers between Reserves		(3,232,877)	—	3,232,877	—
Balance at the end of period		129,653,321	594,152,223	66,616,508	790,422,052
2021					
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
Other Comprehensive Income					
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
Other comprehensive income		991,444	67,433,323	—	68,424,767
Total comprehensive income		5,241,560	67,433,323	—	72,674,883
Transfers between Reserves		(7,412,553)	—	7,412,553	—
Balance at the end of period		125,417,801	521,482,824	63,383,631	710,284,256

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 2022

\$	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		42,019,503	40,439,730
Statutory Charges		1,297,906	1,222,005
User Charges		6,446,801	6,245,326
Grants, Subsidies and Contributions (operating purpose)		4,873,530	4,368,762
Investment Receipts		260,563	236,288
Reimbursements		516,471	1,385,158
Other Receipts		2,185,783	3,270,207
<u>Payments</u>			
Payments to Employees		(14,062,583)	(13,757,811)
Payments for Materials, Contracts & Other Expenses		(25,889,539)	(25,651,742)
Finance Payments		(3,083)	(4,914)
Net cash provided by (or used in) Operating Activities	11b	17,645,352	17,753,009
Cash flows from investing activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		5,843,958	3,759,674
Sale of Replaced Assets		192,355	309,847
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(13,666,450)	(8,228,973)
Expenditure on New/Upgraded Assets		(9,267,126)	(4,749,489)
Net cash provided (or used in) investing activities		(16,897,263)	(8,908,941)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		71,332	149,156
<u>Payments</u>			
Repayment of Lease Liabilities		(68,130)	(100,486)
Repayment of Bonds & Deposits		(121,693)	(246,430)
Net Cash provided by (or used in) Financing Activities		(118,491)	(197,760)
Net Increase (Decrease) in Cash Held		629,598	8,646,308
plus: Cash & Cash Equivalents at beginning of period		35,634,666	26,988,358
Cash and cash equivalents held at end of period	11a	36,264,264	35,634,666
Additional Information:			
Total Cash, Cash Equivalents & Investments		36,264,264	35,634,666

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 Financial Statements

for the year ended 30 June 2022

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Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention 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 Rounding

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

1.4 Estimates and assumptions

The COVID-19 pandemic has impacted the 2020, 2021 and 2022 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 did not have a significant financial impact on Council operations. The Council worked to manage its discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. Although the budget for 2021/2022 was impacted by COVID-19 with a range of services and events postponed or suspended and the cumulative impact of a 0% rate increase in 2020/2021, Council continues to have no borrowings and intends to remain this way in 2022/2023. Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

(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 and forming part of the Financial Statements

for the year ended 30 June 2022

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
2021/2022	\$2,644,439	\$2,030,073	+ \$614,366

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 and forming part of the Financial Statements

for the year ended 30 June 2022

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 reviewing annually) 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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

Buildings & Other Structures

Structure	30 to 100 years
Roof	24 to 40 years
Fire & Safety Services	15 to 20 years
Mechanical Services	15 to 30 years
Hydraulic Services	30 to 100 years
Lift	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 46 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 40 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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

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 - 6.27% (2021, 1.06%)

Weighted average settlement period - 2.08 years (2021, 2.08 years)

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

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

9.2 Superannuation

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

(10) Leases

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.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(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 2021. 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 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 was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the financial statements.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, 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

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 (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7)

(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. No comparative changes have been made this financial year.

(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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income

\$	2022	2021
(a) Rates		
General Rates		
General Rates	41,313,403	39,848,224
Less: Mandatory Rebates	(746,080)	(724,189)
Less: Rate Capping	(96,947)	–
Less: Discretionary Rebates, Remissions & Write Offs	(113,719)	(224,329)
Total General Rates	40,356,657	38,899,706
Other Rates (Including Service Charges)		
Regional Landscape Levy	1,262,147	1,229,007
Separate Rate - Campbelltown Shopping Centre Toilet	–	(102)
Total Other Rates (Including Service Charges)	1,262,147	1,228,905
Other Charges		
Penalties for Late Payment	133,520	72,770
Legal & Other Costs Recovered	84,893	63,922
Total Other Charges	218,413	136,692
Less: Discretionary Rebates, Remissions & Write Offs	(25,725)	(25,196)
Total Rates	41,811,492	40,240,107
(b) Statutory Charges		
Development Act Fees	55,310	73,976
Town Planning Fees	546,952	469,686
Animal Registration Fees & Fines	226,607	215,988
Parking Fines / Expiation Fees	322,304	306,925
Environmental Control Fines	27,953	19,778
Section 7 Searches	117,606	135,060
Other Licences, Fees & Fines	1,174	592
Total Statutory Charges	1,297,906	1,222,005
(c) User Charges		
Cemetery Fees	26,705	65,435
Hall & Equipment Hire	403,881	204,106
Sales - General	751	2,236
ARC Campbelltown (previously Campbelltown Leisure Centre)	4,800,792	4,819,487
Lease Fees	509,053	584,466
Library Services	60,264	54,006
Sundry	14,229	15,590
Total User Charges	5,815,675	5,745,326

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$	2022	2021
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	252,305	228,778
- Banks & Other	7,743	7,005
- Loans to Community Groups	515	505
Total Investment Income	260,563	236,288
(e) Reimbursements		
Private Works	96,926	100,237
Joint Undertakings	333,985	1,032,246
Other	39,356	129,941
Total Reimbursements	470,267	1,262,424
(f) Other income		
Insurance & Other Recoupments - Infrastructure, IPP&E	9,535	38,050
Rebates Received	5,885	7,118
Community Home Support Program Contributions	238,895	231,678
Workers' Compensation Rebate	331,084	304,177
Sundry	185,383	88,151
Total Other income	770,782	669,174
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	366,706	737,494
Local Roads and Community Infrastructure Grants	1,676,183	255,404
Individually Significant Item (refer below - Note 2g(ii))	3,711,446	1,358,961
Total Amounts Received Specifically for New or Upgraded Assets	5,754,335	2,351,859
Untied - Financial Assistance Grant	2,644,439	1,638,260
Special Local Roads Program	81,757	363,243
Community Home Support Program	782,686	806,070
Roads to Recovery	536,765	536,765
Library Operating Subsidy	174,803	173,908
Library Materials Grant	148,656	155,697
Local Roads and Community Infrastructure Grants	41,534	146,583
Individually Significant Items (refer below - Note 2g(ii))	263,098	382,868
Other Grants, Subsidies and Contributions	199,792	165,368
Total Other Grants, Subsidies and Contributions	4,873,530	4,368,762
Total Grants, Subsidies, Contributions	10,627,865	6,720,621

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

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$	2022	2021
(i) Sources of grants		
Commonwealth Government	6,646,046	2,719,103
State Government	3,809,460	3,456,944
Other	172,359	544,574
Total	10,627,865	6,720,621

(ii) Individually Significant Items

Amounts Received Specifically for New or Upgraded Assets

Max Amber Sportsfield Redevelopment	3,711,446	1,026,657
Hectorville Sports and Community Club Redevelopment	–	178,720
Developer Contributions	–	153,584

Other Grants, Subsidies and Contributions

Max Amber Sportsfield Redevelopment	90,029	31,271
Kerbside Performance Food Waste System	–	256,952
Foxfield Oval Change Room Upgrade	173,069	94,645

Grant Details for Individually Significant Items:

- 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

Infrastructure	23,910	9,218
Furniture & Fittings	–	739
Shade Shelters and Structures	–	11,384
Total Physical Resources Received Free of Charge	23,910	21,341

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses

\$	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		10,689,145	10,520,140
Employee Leave Expense		2,054,004	1,872,698
Superannuation - Defined Contribution Plan Contributions	18	847,780	749,438
Superannuation - Defined Benefit Plan Contributions	18	369,718	406,113
Workers' Compensation Insurance		630,840	594,775
Less: Capitalised and Distributed Costs		(407,759)	(464,875)
Total Operating Employee Costs		14,183,728	13,678,289
Total Number of Employees (full time equivalent at end of reporting period)		143	139
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		25,438	24,938
Bad and Doubtful Debts		157,849	313,168
Elected Members' Expenses		265,615	250,520
Election Expenses		22,950	15,958
Lease Expense - Low Value Assets / Short Term Leases		19,726	27,136
Subtotal - Prescribed Expenses		491,578	631,720
(ii) Other Materials, Contracts and Expenses			
Contractors		15,065,520	15,172,840
Energy		1,936,190	1,714,221
Legal Expenses		288,803	216,812
Levies Paid to Government - Regional Landscape Levy		1,236,467	1,203,092
Levies - Other		535,940	522,169
Parts, Accessories & Consumables		1,727,533	1,867,311
Professional Services		382,292	400,199
Communications		181,873	187,205
Insurance		608,788	575,930
PLEC Contributions		1,327,712	442,425
Sundry		825,164	772,597
Subtotal - Other Material, Contracts & Expenses		24,116,282	23,074,801
Total Materials, Contracts and Other Expenses		24,607,860	23,706,521

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses (continued)

\$	2022	2021
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings - Level 2	49,533	47,667
Buildings - Level 3	2,103,354	1,941,113
Infrastructure		
- Stormwater Drainage	1,519,890	1,423,959
- Bridges	151,078	131,342
- Road Transport Assets and Car Parks	6,542,106	5,642,448
- Gross Pollutant Traps and Trash Racks	42,774	37,839
- Road Traffic Control Devices	111,866	104,060
- Footpaths and Walkways	1,088,472	1,198,627
Right-of-use Assets	62,803	107,940
Plant & Equipment	1,037,745	1,019,238
Furniture & Fittings	95,280	90,412
Library Books	178,890	182,303
Bus Stops	80,371	74,625
Park Furniture	43,092	41,677
Other Open Space Assets	301,232	275,077
Playground Equipment	463,122	396,572
Shade Shelters and Structures	132,474	113,442
Playing Fields, Courts, Lighting and Equipment	350,793	306,647
Other Boutique Assets	76,021	72,214
Subtotal	14,430,896	13,207,202
Total Depreciation, Amortisation and Impairment	14,430,896	13,207,202
(d) Finance Costs		
Interest on Overdraft and Short-Term Drawdown	–	1
Charges on Leases	2,815	4,604
Total Finance Costs	2,815	4,605

Note 4. Asset Disposal & Fair Value Adjustments

\$	2022	2021
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	192,355	309,847
Less: Carrying Amount of Assets Sold	(1,337,400)	(1,632,980)
Gain (Loss) on Disposal	(1,145,045)	(1,323,133)
Net Gain (Loss) on Disposal or Revaluation of Assets	(1,145,045)	(1,323,133)

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets

\$	2022	2021
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(a) Cash & Cash Equivalent Assets

Cash on Hand at Bank	47,474	52,431
Deposits at Call	36,216,790	35,582,235
Total Cash & Cash Equivalent Assets	36,264,264	35,634,666

(b) Trade & Other Receivables

Rates - General & Other	657,572	878,464
Accrued Revenues	1,126,450	151,617
Debtors - General	691,863	627,867
GST Recoupment	370,743	282,929
Prepayments	737,691	701,959
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
Subtotal	3,601,591	2,660,108
Total Trade & Other Receivables	3,601,591	2,660,108

(c) Other Financial Assets

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	475	580
Trading Stock - ARC Campbelltown	20,574	20,382
Total Inventories	21,049	20,962

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 6. Non-Current Assets

\$	2022	2021
(a) Financial Assets		
Receivables		
Council Rates Postponement Scheme	91,408	78,527
Prepayments	6,942	29,141
Athelstone Football Club Lease (former loan)	82,407	87,979
Campbelltown Soccer Club Lease (former loan)	30,000	40,000
Athelstone Football Club Loan	25,138	26,838
Subtotal	235,895	262,485
Total Receivables	235,895	262,485
<u>Total Financial Assets</u>	<u>235,895</u>	<u>262,485</u>
(b) Equity Accounted Investments in Council Businesses		
Eastern Waste Management Authority Inc.	168,555	241,728
Eastern Health Authority Inc.	144,291	142,837
<u>Total Equity Accounted Investments in Council Businesses</u>	<u>312,846</u>	<u>384,565</u>
(c) Other Non-Current Assets		
Other		
Capital Works-in-Progress	7,900,001	4,139,664
Total Other	7,900,001	4,139,664
<u>Total Other Non-Current Assets</u>	<u>7,900,001</u>	<u>4,139,664</u>

Corporation of the City of Campbelltown

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

Note 7. Infrastructure, Property, Plant & Equipment

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

as at 30/06/21					Asset movements during the reporting period							as at 30/06/22				
	Fair Value Level									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	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)				At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - Level 2	2	26,632,400	—	—	26,632,400	—	—	—	—	—	—	3,770,600	30,403,000	—	—	30,403,000
Land - Level 3	3	288,219,100	7,969	—	288,227,069	—	—	—	—	—	—	40,174,041	328,401,110	—	—	328,401,110
Buildings - Level 2	2	2,664,200	—	(1,975,617)	688,583	—	—	—	(49,533)	—	—	26,417	2,770,700	—	(2,105,232)	665,468
Buildings - Level 3	3	93,540,700	4,294,479	(36,659,402)	61,175,777	5,097,282	5,846,635	—	(2,103,354)	—	—	2,016,096	96,362,300	10,943,916	(35,273,781)	72,032,435
Infrastructure																
- Stormwater Drainage	3	130,031,302	549,509	(54,172,029)	76,408,782	278,947	111,353	(59,705)	(1,519,890)	7,350	—	4,611,875	138,474,290	397,649	(59,033,228)	79,838,711
- Bridges	3	8,948,189	—	(2,375,029)	6,573,160	—	88,244	(40,244)	(151,078)	—	—	891,513	9,902,130	88,244	(2,628,779)	7,361,595
- Road Transport Assets and Car Parks	3	323,581,500	2,916,804	(156,821,664)	169,676,640	314,028	3,914,604	(916,136)	(6,542,106)	10,080	—	21,518,211	372,329,612	4,238,712	(188,593,003)	187,975,321
- Gross Pollutant Traps and Trash Racks	3	645,841	3,115	(297,334)	351,622	—	—	—	(42,774)	—	—	42,116	658,035	—	(307,071)	350,964
- Road Traffic Control Devices	3	6,275,675	13,607	(2,769,347)	3,519,935	92,313	45,896	(24,639)	(111,866)	—	—	219,652	6,701,232	138,209	(3,098,151)	3,741,290
- Footpaths and Walkways	3	43,393,689	2,362,293	(25,763,564)	19,992,418	352,442	361,443	(53,666)	(1,088,472)	6,480	—	212,244	45,813,077	720,365	(26,750,554)	19,782,888
Right-of-Use Assets		—	226,795	(103,454)	123,341	—	—	—	(62,803)	—	—	—	—	226,795	(166,257)	60,538
Plant & Equipment		—	12,234,043	(6,602,543)	5,631,500	254,143	813,976	(189,112)	(1,037,745)	—	—	—	—	12,688,153	(7,215,390)	5,472,763
Furniture & Fittings		—	1,486,679	(809,792)	676,887	163,348	—	(2,203)	(95,280)	—	—	—	—	1,647,361	(904,609)	742,752
Library Books		—	778,325	(303,939)	474,386	—	193,676	—	(178,890)	—	—	—	—	799,332	(310,159)	489,173
Bus Stops	3	1,794,188	—	(388,228)	1,405,960	—	5,525	—	(80,371)	—	(380,132)	—	1,855,590	5,525	(910,133)	950,982
Park Furniture	3	1,440,459	107,149	(703,049)	844,559	28,673	4,635	(14,051)	(43,092)	—	(5,473)	—	1,523,351	33,308	(751,647)	805,012
Other Open Space Assets	3	10,136,735	322,194	(4,842,241)	5,616,688	337,773	—	(355)	(301,232)	—	(22,090)	—	10,459,210	337,773	(5,166,200)	5,630,783
Playground Equipment	3	4,266,007	94,412	(2,450,049)	1,910,370	73,424	—	—	(463,122)	—	—	104,187	4,524,508	73,423	(2,973,073)	1,624,858
Shade Shelters and Structures	3	2,515,690	128,508	(1,184,550)	1,459,648	42,172	4,000	(8,571)	(132,474)	—	—	95,559	2,834,052	46,172	(1,419,891)	1,460,333
Playing Fields, Courts, Lighting and Equipment	3	7,206,679	84,551	(3,164,781)	4,126,449	566,402	133,904	(28,087)	(350,793)	—	—	272,356	7,440,148	700,306	(3,420,223)	4,720,231
Other Boutique Assets	3	3,091,046	74,924	(1,628,649)	1,537,321	11,988	36,416	(631)	(76,021)	—	(45,773)	—	3,313,621	48,404	(1,888,485)	1,473,540
Total Infrastructure, Property, Plant & Equipment		954,383,400	25,685,356	(303,015,261)	677,053,495	7,612,935	11,560,307	(1,337,400)	(14,430,896)	23,910	(453,468)	73,954,867	1,063,765,966	33,133,647	(342,915,866)	753,983,747
Comparatives		873,830,530	27,724,429	(290,641,645)	610,913,314	3,759,001	8,800,680	(1,632,983)	(13,207,202)	21,341	(6,325,322)	74,724,661	954,383,400	25,685,356	(303,015,261)	677,053,495

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

(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 and forming part of the Financial Statements

for the year ended 30 June 2022

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

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. A desktop revaluation was undertaken by AssetVal Pty Ltd as at 1 July 2021. 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 2022.

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. A desktop revaluation was undertaken by AssetVal Pty Ltd as at 1 July 2021. The depreciation expense for the year ended 30 June 2022 was calculated to take into account the updated revaluation.

A desktop revaluation for Buildings is scheduled to apply from 1 July 2022.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

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 2021, with depreciation for the year ended 30 June 2022 being calculated to take into account these unit rates.

Council will recommence the rolling condition assessment in 2022/2023, with a revision to unit rates being applied as at 1 July 2022.

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 2021, with depreciation for the year ended 30 June 2022 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 2022.

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 2021, with depreciation for the year ended 30 June 2022 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 2022.

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 2021, with depreciation for the year ended 30 June 2022 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 2022.

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 2021, with depreciation for the year ended 30 June 2022 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 2022.

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 2021, with depreciation for the year ended 30 June 2022 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 2022.

Plant & Equipment

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

Furniture & Fittings

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

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

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 2021, with depreciation for the year ended 30 June 2022 being calculated to take into account these unit rates.

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

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 2021, with depreciation for the year ended 30 June 2022 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 2022 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

Playground Equipment was revalued to its fair value as at 1 July 2019, where a physical inspection and full revaluation was undertaken by AssetVal Pty Ltd. A desktop revaluation was undertaken by AssetVal Pty Ltd as at 1 July 2021, with depreciation for the year ended 30 June 2022 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2022.

Shade Shelters and Structures

Shade Shelters and Structures were revalued to their fair value as at 1 July 2019, where a physical inspection and full revaluation was undertaken by AssetVal Pty Ltd. A desktop revaluation was undertaken by AssetVal Pty Ltd as at 1 July 2021, with depreciation for the year ended 30 June 2022 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2022.

Playing Fields, Courts, Lighting and Equipment

Playing Fields, Courts, Lighting and Equipment was revalued to its fair value as at 1 July 2019, where a physical inspection and full revaluation was undertaken by AssetVal Pty Ltd. A desktop revaluation was undertaken by AssetVal Pty Ltd as at 1 July 2021, with depreciation for the year ended 30 June 2022 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2022.

Other Boutique Assets

Other Boutique Assets were revalued to their fair value as at 1 July 2019, where a physical inspection and full revaluation was undertaken by AssetVal Pty Ltd. A Desktop revaluation was undertaken by AssetVal Pty Ltd as at 1 July 2021, with depreciation for the year ended 30 June 2022 being calculated to take into account the updated revaluation.

A desktop revaluation for this asset category is scheduled to apply from 1 July 2022.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 8. Liabilities

	2022	2022	2021	2021
\$	Current	Non Current	Current	Non Current
(a) Trade and Other Payables				
Goods & Services	2,117,517	—	1,419,293	—
Payments Received in Advance	3,339,320	—	3,249,697	—
Accrued Expenses - Employee Entitlements	594,525	—	514,673	—
Accrued Expenses - Finance Costs	67	—	335	—
Accrued Expenses - Other	2,381,322	—	1,216,777	—
Deposits, Retentions & Bonds	342,755	—	393,116	—
Other	229,217	—	221,427	—
Total Trade and Other Payables	9,004,723	—	7,015,318	—

		2022	2022	2021	2021
\$	Notes	Current	Non Current	Current	Non Current
(b) Borrowings					
Lease Liabilities	17b	50,784	8,317	68,130	59,101
Total Borrowings		50,784	8,317	68,130	59,101

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

(c) Provisions

Annual Leave	819,615	400,775	823,157	408,570
Long Service Leave	1,176,805	436,322	1,067,231	430,182
Total Provisions	1,996,420	837,097	1,890,388	838,752

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves

	as at 30/06/21				as at 30/06/22
\$	Opening Balance	Increments (Decrements)	Transfers	Reallocation	Closing Balance
(a) Asset Revaluation Reserve					
Land - Level 3	277,834,929	43,944,641	—	—	321,779,570
Buildings - Level 2	398,252	—	—	—	398,252
Buildings - Level 3	15,700,346	2,042,513	—	—	17,742,859
Infrastructure					
- Stormwater Drainage	66,510,985	4,611,875	(49,989)	—	71,072,871
- Bridges	8,448,851	891,513	(50,356)	—	9,290,008
- Road Transport Assets and Car Parks	128,061,157	21,518,211	(669,150)	—	148,910,218
- Gross Pollutant Traps and Trash Racks	448,577	42,116	—	—	490,693
- Road Traffic Control Devices	2,616,691	219,652	(18,277)	—	2,818,066
- Footpaths and Walkways	13,800,320	212,244	(20,559)	—	13,992,005
Bus Stops	766,493	(380,132)	—	—	386,361
Park Furniture	204,850	(5,473)	(3,380)	—	195,997
Other Open Space Assets	1,938,304	(22,090)	(125)	—	1,916,089
Playground Equipment	1,436,658	104,187	—	—	1,540,845
Shade Shelters and Structures	795,903	95,559	(4,479)	—	886,983
Playing Fields, Courts, Lighting and Equipment	2,163,553	272,356	(15,554)	—	2,420,355
Other Boutique Assets	356,956	(45,773)	(131)	—	311,052
Total Asset Revaluation Reserve	521,482,825	73,501,399	(832,000)	—	594,152,224
Comparatives	454,049,501	68,399,340	(966,016)	—	521,482,825

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

	as at 30/06/21				as at 30/06/22
\$	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Asset Replacement Reserve	4,874,608	928,027	(425,360)	(1)	5,377,274
Underground Infrastructure Reserve	400,476	—	(400,476)	—	—
Committed Works Reserve	18,894,700	14,329,900	(18,894,700)	—	14,329,900
Reserves Development Reserve	153,873	572	—	—	154,445
Renewal & Replacement Reserve	38,820,894	7,623,036	—	—	46,443,930
Galt Trust	2,050	7	—	1	2,058
Urban Tree Fund	16,176	4,849	—	—	21,025
Significant Tree Maintenance & Tree Planting Reserve	220,856	67,022	—	(2)	287,876
Total Other Reserves	63,383,633	22,953,413	(19,720,536)	(2)	66,616,508
Comparatives	55,971,079	20,090,154	(12,677,600)	—	63,383,633

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves (continued)

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 opening balance was used in 2022 to offset the cost of undergrounding powerlines around the Campbelltown Village precinct.

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 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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 10. Assets Subject to Restrictions

\$	2022	2021
<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>		
Cash & Financial Assets		
Unexpended amounts received		
ACH Group - Book Group Sets	840	840
Ageism Training	1,818	–
Commonwealth Government - Communities Environment Program - Fourth Creek Revegetation	–	2,016
Commonwealth Government - Max Amber Sportsfield Redevelopment	–	1,440,681
Commonwealth Government - Queens Jubilee Planting	36,364	–
East Torrens Primary School - National Day of Action Against Bullying and Violence	282	282
Good Things Foundation	–	5,000
LGA Asset Mutual Fund - Sophos MTR	12,872	28,481
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
LRCIP Phase 3 - Athelstone Recreation Reserve Synthetic Pitch	374,928	–
LRCIP Phase 3 - Playford Road Tennis Court Site Upgrade	243,869	–
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	1,671	1,674
SLRP - Silkes Road	–	81,757
State Government - Daly Oval Floodlighting Upgrade	320,000	–
State Government - Digital Literacy	8,885	–
State Government - Fourth Creek Trail Project	3,990	62,096
State Government - Grassroots Funding - Foxfield Oval Changerooms	–	120,428
State Government - Max Amber Sportsfield Redevelopment	–	193,093
State Government - Office for Recreation, Sport & Racing - ARC Changeroom Upgrade	–	95,904
State Government - River Torrens Recovery	41,908	17,239
State Government - Thorndon Park to Reservoir Road Trail	40,158	60,000
Total Cash & Financial Assets	1,106,872	3,103,624
Total Assets Subject to Externally Imposed Restrictions	1,106,872	3,103,624

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2022	2021
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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 Statement of Financial Position as follows:

Total Cash & Equivalent Assets	5	36,264,264	35,634,666
Balances per Statement of Cash Flows		36,264,264	35,634,666

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

Net Surplus/(Deficit)		6,629,978	4,250,116
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		14,430,896	13,207,202
Equity Movements in Equity Accounted Investments (Increase)/Decrease		78,138	(52,580)
Non-Cash Asset Acquisitions		(23,910)	(21,341)
Grants for capital acquisitions treated as Investing Activity		(5,754,335)	(2,351,859)
Net (Gain) Loss on Disposals		1,145,045	1,323,133
		16,505,812	16,354,671
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(932,165)	963,500
Net (Increase)/Decrease in Inventories		(87)	2,597
Net (Increase)/Decrease in Other Assets		17,272	17,272
Net Increase/(Decrease) in Trade & Other Payables		1,950,143	478,003
Net Increase/(Decrease) in Unpaid Employee Benefits		104,377	(63,034)
Net Cash provided by (or used in) operations		17,645,352	17,753,009

\$	Notes	2022	2021
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(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical Resources Received Free of Charge	2h	23,910	21,341
Amounts recognised in Income Statement		23,910	21,341
Total Non-Cash Financing and Investing Activities		23,910	21,341

(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	5,000,000

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

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).										
		INCOME		EXPENSES	OPERATING		GRANTS INCLUDED		TOTAL ASSETS HELD	
\$	2022	2021	2022	2021	SURPLUS (DEFICIT)		IN INCOME		(CURRENT & NON-CURRENT)	
					2022	2021	2022	2021	2022	2021
Functions/Activities										
Other	—	—	—	—	—	—	—	—	70,000	61,077
Infrastructure Services	3,601,920	4,154,835	31,832,071	30,207,579	(28,230,151)	(26,052,744)	2,099,398	2,080,023	751,561,709	671,486,688
Urban Planning & Leisure Services	6,686,565	6,266,241	10,616,560	9,653,076	(3,929,995)	(3,386,835)	438,456	343,027	8,850,216	8,006,620
Corporate & Community Services	44,826,439	42,817,927	6,805,681	6,481,378	38,020,758	36,336,549	2,307,749	1,909,104	39,975,623	38,463,621
Executive Services	167,855	86,768	3,601,091	2,222,966	(3,433,236)	(2,136,198)	27,927	21,000	743,706	677,460
Economic Development & Innovation	17,436	121,383	363,459	1,733,450	(346,023)	(1,612,067)	—	15,608	1,118,139	1,460,479
Total Functions/Activities	55,300,215	53,447,154	53,218,862	50,298,449	2,081,353	3,148,705	4,873,530	4,368,762	802,319,393	720,155,945

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

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(b). Components of Functions

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

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 2.23% (2021: 0.10% and 0.50%). Short term deposits have an average maturity of 94 days and an average interest rate of 1.38% (2021: 83 days and 0.31%).

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 5.05% (2021: 5.20%). 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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets and Liabilities					
2022					
Financial Assets					
Cash & Cash Equivalents	36,264,264	—	—	36,264,264	36,264,264
Receivables	2,864,972	—	—	2,864,972	2,863,900
Other Financial Assets	—	63,538	181,161	244,699	235,895
Total Financial Assets	39,129,236	63,538	181,161	39,373,935	39,364,059
Financial Liabilities					
Payables	4,841,661	—	—	4,841,661	4,841,661
Current Borrowings	51,742	—	—	51,742	50,784
Non-Current Borrowings	—	8,429	—	8,429	8,317
Total Financial Liabilities	4,893,403	8,429	—	4,901,832	4,900,762
2021					
Financial Assets					
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
Total Financial Assets	37,583,377	73,538	176,624	37,833,539	37,855,300
Financial Liabilities					
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
Total Financial Liabilities	3,096,295	60,171	—	3,156,466	3,156,752

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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 14. Capital Expenditure Commitments

\$	2022	2021
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	1,431,800	12,399,500
Infrastructure	1,258,300	1,981,150
Plant & Equipment	2,682,150	1,291,000
Library Stock	103,150	61,100
Furniture & Fittings	—	4,850
Other	13,040,250	8,879,250
	<u>18,515,650</u>	<u>24,616,850</u>
These expenditures are payable:		
Not later than one year	18,515,650	24,616,850
	<u>18,515,650</u>	<u>24,616,850</u>

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 15. Financial Indicators

	Indicator 2022	Indicators 2021	Indicators 2020
Financial Indicators overview			
<i>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.</i>			
1. Operating Surplus Ratio			
Operating Surplus			
Total Operating Income	3.6%	5.9%	5.9%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities			
Total Operating Income	(51)%	(53)%	(43)%
<i>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.</i>			
Adjusted Operating Surplus Ratio			
Operating Surplus			
Total Operating Income	2.5%	6.0%	6.8%
Adjustments to Ratios			
<i>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.</i>			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities			
Total Operating Income	(52)%	(53)%	(43)%
3. Asset Renewal Funding Ratio			
Asset Renewals			
Infrastructure & Asset Management Plan required expenditure	237%	146%	183%
<i>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.</i>			

Corporation of the City of Campbelltown

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

Note 16. Uniform Presentation of Finances

\$	2022	2021
<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	55,300,215	53,796,666
less Expenses	(53,303,437)	(50,596,617)
Operating Surplus / (Deficit)	1,996,778	3,200,049
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(13,666,450)	(8,228,973)
add back Depreciation, Amortisation and Impairment	14,430,896	13,207,202
add back Proceeds from Sale of Replaced Assets	192,355	309,847
	956,801	5,288,076
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(9,267,126)	(4,749,489)
add back Amounts Received Specifically for New and Upgraded Assets	5,843,958	3,759,674
	(3,423,168)	(989,815)
Net Lending / (Borrowing) for Financial Year	(469,589)	7,498,310

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

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
2022		
Opening balance	123,341	123,341
Additions to right-of-use assets	—	—
Depreciation charge	(62,803)	(62,803)
Balance at 30 June	60,538	60,538
2021		
Opening balance	177,074	177,074
Additions to right-of-use assets	54,207	54,207
Depreciation charge	(107,940)	(107,940)
Balance at 30 June	123,341	123,341

(b) Lease liabilities

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

\$	2022	2021
Balance at 1 July	127,231	173,510
Additions	—	54,207
Accretion of interest	2,817	5,345
Payments	(70,947)	(105,831)
Balance at 30 June	59,101	127,231
Classified as:		
Current	50,784	68,130
Non Current	8,317	59,101

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

The Group had total cash outflows for leases of \$75,677.

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	62,803	107,940
Interest expense on lease liabilities	2,885	5,884
Expense relating to leases of low-value assets	4,730	9,826
Total amount recognised in profit or loss	70,418	123,650

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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.

\$	2022	2021
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	514,275	540,285
Later than one year and not later than 5 years	531,985	992,968
Later than 5 years	–	27,510
	<u>1,046,260</u>	<u>1,560,763</u>

Note 18. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (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 (10.0% in 2021/2022; 9.50% in 2020/2021). 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 2020/2021) 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. The next actuarial investigation is due to be undertaken as at 30 June 2023.

Contributions to Other Superannuation Schemes

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

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities

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

\$	Council's Share of Net Income		Council's Share of Net Assets	
	2022	2021	2022	2021
Council's Share of Net Income				
Joint Ventures	(78,138)	52,580	312,846	384,565
Total Council's Share of Net Income	(78,138)	52,580	312,846	384,565

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

(a) Carrying Amounts

\$	Principal Activity	2022	2021
Eastern Waste Mgt Authority Inc.	Waste Collection Services	168,555	241,727
Eastern Health Authority Inc.	Environmental Health Services	144,291	142,837
Total Carrying Amounts - Joint Ventures & Associates		312,846	384,564

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	
	2022	2021	2022	2021	2022	2021
Eastern Waste Mgt Authority Inc.	19.83%	19.83%	19.83%	19.83%	14.28%	14.28%
Eastern Health Authority Inc.	26.16%	25.27%	26.16%	25.27%	20.00%	20.00%

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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.	
	2022	2021	2022	2021
Opening Balance	241,729	191,162	142,837	115,396
Share in Operating Result	(74,561)	29,745	(3,577)	22,835
Share in Other Comprehensive Income	1,388	20,822	—	—
Adjustments to Equity	—	—	5,031	4,606
Council's Equity Share in the Joint Venture or Associate	168,556	241,729	144,291	142,837

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position

Cash and Cash Equivalents	2,001,000	3,168,000	640,883	782,896
Inventory	50,000	—	—	—
Other Current Assets	935,000	661,000	231,080	188,901
Non-Current Assets	8,542,000	8,098,000	1,214,249	1,300,714
Total Assets	11,528,000	11,927,000	2,086,212	2,272,511
Current Trade and Other Payables	1,436,000	1,609,000	133,225	163,940
Current Financial Liabilities	1,940,000	1,925,000	140,794	177,021
Current Provisions	778,000	654,000	289,466	307,903
Non-Current Financial Liabilities	6,410,000	6,423,000	961,297	1,036,687
Non-Current Provisions	114,000	97,000	9,860	21,716
Total Liabilities	10,678,000	10,708,000	1,534,642	1,707,267
Net Assets	850,000	1,219,000	551,570	565,244

Statement of Comprehensive Income

Other Income	932,000	917,000	636,625	647,839
Grants, Subsidies and Contributions	81,000	—	—	—
Contributions from Constituent Councils	16,579,000	16,707,000	1,828,263	1,821,865
Interest Income	10,000	12,000	4,320	4,901
Total Income	17,602,000	17,636,000	2,469,208	2,474,605
Employee Costs	6,386,000	6,089,000	1,750,609	1,635,933
Materials, Contracts & Other Expenses	9,303,000	9,149,000	516,677	509,065
Depreciation, Amortisation and Impairment	2,043,000	1,986,000	168,844	190,797
Finance Costs	246,000	262,000	46,752	48,445
Total Expenses	17,978,000	17,486,000	2,482,882	2,384,240
Operating Result	(376,000)	150,000	(13,674)	90,365

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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:

\$	2022	2021
Operating Expenditures Payable		
Not later than one year	404,695	397,552
Later than 5 years	—	—
	<u>404,695</u>	<u>397,552</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 Statement of Financial Position, 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 reliable 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 **253.05** km of road reserves with average width **7.40** metres.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, park 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. Trans Tasman Group Consultancy Fees

Proceedings have been filed in the Supreme Court against 61 Councils in South Australia, including Campbelltown City Council. The claim alleges unpaid consultancy fees. A joint defence is being coordinated by the Local Government Association of SA as agent for the Councils. The amount claimed has not been recognised on the basis that an outflow of economic resources to settle it is not viewed as probable at this stage.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

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.

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

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

At this stage, Council expects that the financial impacts on Council's operations for the 2022/2023 financial year will not be significant. We refer to Note 1(1.4) providing details of the financial impacts caused by COVID-19 during the 2020/2021 and 2021/2022 financial years.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 23. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel (KMP) of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 26 persons (2021: 26 persons) were paid the following total compensation:

\$	2022	2021
----	------	------

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	2,610,045	2,699,368
Total	2,610,045	2,699,368

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	8,305	8,255
Planning and Building Application Fees charged to entities controlled by close family members of KMPs	17,090	884
Purchase of Materials and Services from Entities Controlled by Close Family Members	—	700
Total	25,395	9,839



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of Campbelltown City Council

Opinion

We have audited the accompanying financial report of Campbelltown City Council (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Campbelltown City Council.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2022, 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

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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

02 November 2022



INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

To the members of Campbelltown City Council

Opinion

We have audited the compliance of Campbelltown City Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 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 2021 to 30 June 2022.

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 2021 to 30 June 2022. 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 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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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

02 November 2022

Corporation of the City of Campbelltown

General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Campbelltown City Council for the year ended 30 June 2022, 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*.



Paul Di Iulio
Chief Executive Officer



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

Date: 26 October 2022



CAMPBELLTOWN CITY COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of Campbelltown City Council for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

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

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 16 September 2022

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